

STEER DAVIES & GLEAVE LIMITED

Registered number: 1883830

STEER DAVIES & GLEAVE LIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



STEER DAVIES & GLEAVE LIMITED

COMPANY INFORMATION

DIRECTORS	S Hewitt H Jones S Daly J L Lawrence W Pike J K Steer
COMPANY SECRETARY	V Dorrington
REGISTERED NUMBER	1883830
REGISTERED OFFICE	28-32 Upper Ground London SE1 9PD
INDEPENDENT AUDITORS	BDO LLP 55 Baker Street London United Kingdom W1U 7EU

STEER DAVIES & GLEAVE LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 6
Independent Auditors' report	7 - 9
Consolidated income statement	10
Consolidated statement of total comprehensive income	11
Consolidated statement of financial position	12
Company statement of financial position	13
Consolidated statement of cash flows	14
Consolidated statement of changes in equity	15 - 16
Company statement of changes in equity	17 - 18
Notes to the financial statements	19 - 42

STEER DAVIES & GLEAVE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

INTRODUCTION

The Directors present their Strategic report for the year ended 31 March 2018.

BUSINESS REVIEW

Total fees earned from consulting activities in the year to 31 March 2018 were £49.6m (2017: £44.4m), an increase of 12% on the prior year. Profit before tax in the year ended 31 March 2018 decreased by 41% to £1.2m (2017: £2.0m). Trading profits were adversely impacted upon by market uncertainty within the UK and other key markets for the group and lower than expected levels of productivity during part of the year as well as additional but atypical overhead costs being incurred. The Group continued its practice of market and project selection through its approach to bid evaluation and this is a contributing factor to its resilience.

While the Directors are seeking to secure growth in Group turnover and profits, the risks noted below are such that consistent year on year revenue growth cannot be assured and volatility in levels of profitability is anticipated. The Group's approach to securing turnover and revenue growth is by maintaining its differentiated offering, the addition of complementary lines of business to its operations allied to pro-active business development and risk control in its chosen markets.

PRINCIPAL RISKS AND UNCERTAINTIES

The market for transportation, infrastructure and related consultancy remains highly competitive and it is the view of the Directors that the Group will face further competition in all its markets of operation. The performance of the Group will also be impacted upon by financial and economic conditions and governmental expenditure and the nature of transport and related policies, changes to which can lead to a reduction in market size and increased debtor risk. It is also the view of the Directors that client indemnity requirements and recourse to litigation present an ongoing and increasing risk to the transport and infrastructure consultancy sector.

The Group will continue to monitor the nature and progress of discussions relating to the United Kingdom's departure from the European Union and, where it is feasible to do so, it will take steps that allow it to maintain its presence and competitiveness in this important market.

The Group monitors its principal risks and uncertainties through the collation of market and client related intelligence, and its consideration of lead indicators including hit-rate, work won and backlog. The Group manages its risks and uncertainties through its controls and reporting processes.

DEVELOPMENT, PERFORMANCE AND POSITION

The Group will continue to follow its strategy of offering high quality and differentiated consultancy services to its chosen markets to retain and attract clients in addition to adding complementary services to its offering to support growth, diversification and aid competitiveness. While the Group is active in its chosen markets, which now include Economic Development consultancy, it evaluates new markets and sectors on an ongoing basis and expects to continue to diversify and amend its service offering as client needs evolve.

The Directors believe that the independence of the Group provides a competitive advantage and that employee ownership assists the Group to employ, retain and develop highly talented staff, who are a key component of the Group's strategy.

The Group will continue to offer consultancy services to both the private and public sectors and, where possible, it will be pro-active and respond to changes in prevailing procurement practices, as well as client requirements. The Group faces a variety of competitors in its sub-markets of operation and competes in each through the offering of a high quality and differentiated product. The Group operates a suite of policies that are designed to attract, develop and retain the highest calibre of staff and expertise and the Directors consider this to be a key component of its business model. The

STEER DAVIES & GLEAVE LIMITED

Group believes strongly in the value of diversity throughout its workforce and, through the operation of its policies, it creates a working environment that promotes dignity and respect, where individual differences and the contributions of employees are recognised and valued.


It is a continuing objective of the Group to grow and to achieve significant growth in revenues and profitability outside of the UK, to improve overall resilience and performance. The Group considers that its ability to combine expertise from a variety of geographies and disciplines into integrated project teams provides additional value to its client base. Specifically, the Group has secured significant growth in North America and is targeting further growth, including through acquisition where the Directors consider it appropriate.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group uses a range of performance measures to monitor and manage the business. Alongside financial indicators, management employs KPIs relating to staff productivity, staff satisfaction, as measured through a staff survey, as well as indicators relating to staff turnover and professional development. Financial indicators used by the Group relate to levels of billing, working capital management, project profitability and work-winning, along with more aggregate key performance outcomes which are set out below for 2018 and 2017:

	2018	2017
	£'000	£'000
Turnover	49,635	44,422
Operating profit	1,172	1,995
Profit before tax	1,174	2,007
Net assets	18,513	17,859
Average staff numbers	437	400

This report was approved by the Board on 15 October 2018 and signed on its behalf by


.....
H Jones
Director

STEER DAVIES & GLEAVE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Directors present their report and the financial statements for the year ended 31 March 2018.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Group Strategic report, 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 Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 and Group 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 Company and the Group 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 Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The principal activity of the Group is the provision of consulting services to the transport, infrastructure and related sectors. The Group supports clients in numerous locations and has offices in Europe, Asia, North America and South America. At 31 March 2018, the Group employed 460 employees, an increase of 9.8% on 31 March 2017 (2017: 419).

The Group is headquartered in London and operates internationally through both branches and subsidiary businesses. The Group's branches are in Chile, Colombia, Italy, Panama, Peru, Puerto Rico and Spain, which together with the UK, form the 'Company'. The Group's subsidiary operations are in Belgium, Brazil, Canada, Chile, India, Mexico and USA.

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.

RESULTS

The profit for the year, after taxation, amounted to £900,379 (2017: £1,741,901).

In accordance with existing Company policy, the Directors do not recommend the payment of a dividend (2017: £nil) and the retained profit has been transferred to reserves. The Company rewarded staff under its discretionary Annual Bonus Scheme and its Long-Term Incentive Plan ('LTIP'). The total of these charges was £780,904, included in administrative expenses, for the year ended 31 March 2018 (2017: £1,778,415).

STEER DAVIES & GLEAVE LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

DIRECTORS

The directors who served during the financial year were:

H Jones
S Hewitt
C Clark (resigned 17 September 2018)
J L Lawrence
W Pike
J K Steer

EVENTS SINCE THE END OF THE YEAR

The Company has decided to close its Spanish branch during the 2018/19 financial year.

EXISTENCE OF BRANCHES OUTSIDE THE UNITED KINGDOM

The Company has seven branches outside of the United Kingdom. These branches are in Chile, Colombia, Italy, Panama, Peru, Puerto Rico and Spain.

FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into consideration by local business practices. Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions.

A significant amount of cash is held with the following institutions:

	Rating at 31 March 2018	Balance at 31 March 2018	Rating at 31 March 2017	Balance at 31 March 2017
RBS	BBB+	£5,140,289	BBB+	£5,702,397
HSBC	AA-	£1,383,234	AA-	£1,473,402

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Board receives full year cash flow projections on a quarterly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down on its agreed £1,000,000 committed credit facility.

STEER DAVIES & GLEAVE LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Cash flow interest rate risk

The Company has no outstanding debt as at 31 March 2018 (2017: £nil). Local operations are not permitted to borrow long-term from external sources.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities engage in transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. The Group seeks to structure contracts 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 aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred.

At 31 March 2018, the Company has three Euro time option forward contracts remaining to convert to sterling at fixed rates. These were valued at £857,112 (2017: £884,270). These time options are all due to expire by December 2018.

EMPLOYEE INVOLVEMENT

The Directors consider that a key strength of the Group is its staff. The Group believes strongly in maintaining high levels of employee engagement and communication as well as ensuring that staff are incentivised and supported to attain personal and Group objectives.

The Company has created, through the establishment of its Mission & Principles and the Voting Trust arrangements, an exceptional standard of behaviours, transparency and scrutiny in the Company. The purpose of this is to enhance the Company's performance, its ability to provide outstanding service to global clients and to be a desirable place to work. The Voting Trust is governed by its trustees, whose duties include monitoring and reporting on the compliance of the Company and the Board of Directors with the Mission & Principles.

STEER DAVIES & GLEAVE LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

DISABLED EMPLOYEES

The Group is committed to providing equal opportunities in employment. The employment of disabled persons is included in this commitment and the decisions on recruitment, reward, career development and advancements of disabled persons are based on the abilities and aptitude of the individual and on objective and role specific criteria.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has arranged qualifying third-party indemnity for all Directors.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

CHARITABLE DONATIONS

The Group made charitable donations of £2,447 during the year (2017: £5,135).


AUDITORS

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

CORPORATE GOVERNANCE

The Group operates an established corporate governance framework appropriate for the size and nature of the Group that is overseen by the Board of Directors. The effectiveness of the Board of Directors and its Committees are reviewed on an annual basis.

This report was approved by the Board on 15 October 2018 and signed on its behalf by


.....
H Jones
Director

STEER DAVIES & GLEAVE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEER DAVIES & GLEAVE LIMITED

Opinion

We have audited the financial statements of Steer Davies & Gleave Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2018 which comprise the Consolidated Income Statement, the Consolidated Statement of Total Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2018 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

STEER DAVIES & GLEAVE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEER DAVIES & GLEAVE LIMITED (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

STEER DAVIES & GLEAVE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEER DAVIES & GLEAVE LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Mark RA Edwards (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
15 October 2018

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

STEER DAVIES & GLEAVE LIMITED

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
TURNOVER	2	49,634,513	44,422,413
Cost of sales		<u>(39,250,322)</u>	<u>(35,176,576)</u>
GROSS PROFIT		10,384,191	9,245,837
Administrative expenses		(9,280,372)	(7,335,861)
Other operating income	3	<u>67,898</u>	<u>84,735</u>
OPERATING PROFIT	4	1,171,717	1,994,711
Interest receivable and similar income		2,984	14,596
Interest payable and similar charges	8	<u>(290)</u>	<u>(2,347)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,174,411	2,006,960
Tax on profit on ordinary activities	10	<u>(274,032)</u>	<u>(265,059)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>900,379</u>	<u>1,741,901</u>

All amounts relate to continuing operations.

The notes on pages 19 to 42 form part of these financial statements.

STEER DAVIES & GLEAVE LIMITED

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Profit for the financial year	<u>900,379</u>	<u>1,741,901</u>
Currency translation differences	<u>(301,382)</u>	<u>355,420</u>
Other comprehensive income for the year	<u>(301,382)</u>	<u>355,420</u>
Total comprehensive income for the year	<u><u>598,997</u></u>	<u><u>2,097,321</u></u>
Profit for the financial year attributable to:		
Owners of the Company	<u>900,379</u>	<u>1,741,901</u>
	<u><u>900,379</u></u>	<u><u>1,741,901</u></u>
Total comprehensive income attributable to:		
Owners of the Company	<u>598,997</u>	<u>2,097,321</u>
	<u><u>598,997</u></u>	<u><u>2,097,321</u></u>

The notes on pages 19 to 42 form part of these financial statements.

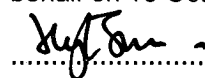
STEER DAVIES & GLEAVE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

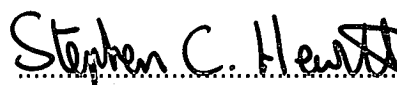
	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		906,929		978,201
Investments	13		4		4
			<u>906,933</u>		<u>978,205</u>
CURRENT ASSETS					
Debtors	14	18,422,744		16,700,187	
Cash at bank and in hand		<u>8,004,229</u>		<u>8,734,821</u>	
		26,426,973		25,435,008	
CREDITORS: Amounts falling due within one year	15	<u>(8,323,151)</u>		<u>(7,741,611)</u>	
NET CURRENT ASSETS			<u>18,103,822</u>		<u>17,693,397</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			19,010,755		18,671,602
CREDITORS: Amounts falling due after more than one year	16		(228,255)		(132,912)
PROVISIONS FOR LIABILITIES					
Other provisions	18		(269,157)		(679,587)
NET ASSETS			<u>18,513,343</u>		<u>17,859,103</u>
CAPITAL AND RESERVES					
Called up share capital	19		50,583		50,583
Share premium account			70,413		70,413
EBT share reserve			(6,108,875)		(6,145,391)
Capital redemption reserve			10,000		10,000
Option reserve			33,915		4,530
SIP share reserve			(1,109,246)		(818,034)
Profit and loss account			25,566,553		24,687,002
SHAREHOLDERS' FUNDS			<u>18,513,343</u>		<u>17,859,103</u>

The notes on pages 19 to 42 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 15 October 2018.


.....

H Jones
Director


.....

S Hewitt
Director

STEER DAVIES & GLEAVE LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

		2018	2017
	Note	£	£
FIXED ASSETS			
Tangible assets	12	718,663	803,523
Investments	13	<u>700,217</u>	<u>700,217</u>
		1,418,880	1,503,740
CURRENT ASSETS			
Debtors	14	15,368,697	14,123,697
Cash at bank and in hand		<u>5,744,501</u>	<u>6,590,415</u>
		21,113,198	20,714,112
CREDITORS: Amounts falling due within one year	15	<u>(6,457,928)</u>	<u>(6,420,848)</u>
NET CURRENT ASSETS		<u>14,655,270</u>	<u>14,293,264</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,074,150	15,797,004
CREDITORS: Amounts falling due after more than one year	16	(228,255)	(132,912)
PROVISIONS FOR LIABILITIES			
Other provisions	18	(269,157)	(679,587)
NET ASSETS		<u>15,576,738</u>	<u>14,984,505</u>
CAPITAL AND RESERVES			
Called up share capital	19	50,583	50,583
Share premium account		70,413	70,413
EBT share reserve		(6,108,875)	(6,145,391)
Capital redemption reserve		10,000	10,000
Option reserve		33,915	4,530
SIP share reserve		(1,109,246)	(818,034)
Profit and loss account		22,629,948	21,812,404
SHAREHOLDERS' FUNDS		<u>15,576,738</u>	<u>14,984,505</u>

The Company profit after taxation for the year was £592,751 (2017: £1,031,061).

The notes on pages 19 to 42 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 15 October 2018.


H Jones
Director


S Hewitt
Director

STEER DAVIES & GLEAVE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Operating profit for the financial year		1,171,717	1,994,711
Adjustments for:			
Depreciation and amortisation of fixed assets	12	408,422	414,886
Loss on disposal of tangible fixed assets		-	3,801
Share based payment charges		54,895	53,614
Increase in trade and other debtors	14	(1,710,040)	(1,223,227)
Increase in trade creditors	15	1,427,613	1,023,817
Decrease in provisions	18	(410,430)	(108,835)
Cash from operations		942,177	2,158,767
Interest paid		(290)	(2,347)
Taxation paid		(519,568)	(114,262)
Net cash generated from operating activities		422,319	2,042,158
Cash flows from investing activities			
Purchases of tangible fixed assets	12	(339,378)	(281,196)
Interest received		2,984	14,596
Net cash used in investing activities		(336,394)	(266,600)
Cash flows from financing activities			
Repayment of bank loans		-	(237,022)
Purchase of own shares		(697,506)	(688,448)
Sale of own shares		116,315	367,466
Net cash used in financing activities		(581,191)	(558,004)
Net (decrease)/increase in cash and cash equivalents		(495,266)	1,217,554
Cash and cash equivalents at beginning of year		8,734,821	7,265,509
Foreign exchange (loss)/gain		(235,326)	251,758
Cash and cash equivalents at end of year		8,004,229	8,734,821
Cash and cash equivalents comprise:			
Cash at bank and in hand		8,004,229	8,734,821
		8,004,229	8,734,821

The notes on pages 19 to 42 form part of these financial statements.

STEER DAVIES & GLEAVE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

Group – current year	Share capital	Share premium	EBT share reserve	Capital redemption reserve	Option reserve	SIP share reserve	Profit and loss account	Total equity
Balance at 1 April 2017	50,583	70,413	(6,145,391)	10,000	4,530	(818,034)	24,687,002	17,859,103
Profit for the year	-	-	-	-	-	-	900,380	900,380
Currency translation differences	-	-	-	-	-	-	(301,382)	(301,382)
Total comprehensive income for the year	-	-	-	-	-	-	598,998	598,998
Contributions by and distributions to owners								
Share scheme charges	-	-	-	-	-	-	25,177	25,177
Purchase of ordinary shares	-	-	(78,544)	-	-	(370,726)	-	(449,270)
Purchase of B shares	-	-	(248,237)	-	-	-	-	(248,237)
Proceeds from disposal of shares	-	-	21,000	-	-	95,315	-	116,315
Profit / loss on disposal of shares	-	-	(12,008)	-	-	(15,800)	27,808	-
Share based payments	-	-	-	-	29,719	-	-	29,719
Options exercised	-	-	-	-	(334)	-	334	-
Transfer of beneficial interest to employees	-	-	354,305	-	-	-	227,234	581,539
	-	-	36,516	-	29,385	(291,212)	280,553	55,243
Balance at 31 March 2018	50,583	70,413	(6,108,875)	10,000	33,915	(1,109,245)	25,566,553	18,513,344

The notes on pages 19 to 42 form part of these financial statements.

STEER DAVIES & GLEAVE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

Group – prior year	Share capital	Share premium	EBT share reserve	Capital redemption reserve	Option reserve	SIP share reserve	Profit and loss account	Total equity
Balance at 1 April 2016	50,583	70,413	(6,015,210)	10,000	4,829	(680,969)	22,589,504	16,029,150
Profit for the year	-	-	-	-	-	-	1,741,901	1,741,901
Currency translation differences	-	-	-	-	-	-	355,420	355,420
Total comprehensive income for the year	-	-	-	-	-	-	2,097,321	2,097,321
Contributions by and distributions to owners								
Share scheme charges	-	-	-	-	-	-	28,381	28,381
Net disposal of shares	-	-	(366,229)	-	-	(216,921)	-	(583,150)
Proceeds from disposal of shares	-	-	296,011	-	-	71,455	-	367,466
Profit / loss on disposal of shares	-	-	(120,883)	-	-	8,401	112,482	-
Purchase of shares	-	-	(105,298)	-	-	-	-	(105,298)
Share based payments	-	-	-	-	25,233	-	-	25,233
Options exercised	-	-	-	-	(25,532)	-	25,532	-
Transfer of beneficial interest to employees	-	-	166,218	-	-	-	(166,218)	-
	-	-	(130,181)	-	(299)	(137,065)	177	(267,368)
Balance at 31 March 2017	50,583	70,413	(6,145,391)	10,000	4,530	(818,034)	24,687,002	17,859,103

The notes on pages 19 to 42 form part of these financial statements.

STEER DAVIES & GLEAVE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

Company – current year	Share capital	Share premium	EBT share reserve	Capital redemption reserve	Option reserve	SIP share reserve	Profit and loss account	Total equity
Balance at 1 April 2017	50,583	70,413	(6,145,391)	10,000	4,530	(818,034)	21,812,404	14,984,505
Profit for the year	-	-	-	-	-	-	592,751	592,751
Currency translation differences	-	-	-	-	-	-	(55,760)	(55,760)
Total comprehensive income for the year	-	-	-	-	-	-	536,991	536,991
Contributions by and distributions to owners								
Share scheme charges	-	-	-	-	-	-	25,177	25,177
Net disposal of shares	-	-	(78,544)	-	-	(370,726)	-	(449,270)
Proceeds from disposal of shares	-	-	21,000	-	-	95,314	-	116,314
Profit / loss on disposal of shares	-	-	(12,008)	-	-	(15,800)	27,808	-
Purchase of shares	-	-	(248,237)	-	-	-	-	(248,237)
Share based payments	-	-	-	-	29,719	-	-	29,719
Options exercised	-	-	-	-	(334)	-	334	-
Transfer of beneficial interest to employees	-	-	354,305	-	-	-	227,234	581,539
	-	-	36,516	-	29,385	(291,212)	280,553	55,242
Balance at 31 March 2018	50,583	70,413	(6,108,875)	10,000	33,915	(1,109,246)	22,629,948	15,576,738

The notes on pages 19 to 42 form part of these financial statements.

STEER DAVIES & GLEAVE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

Company – prior year	Share capital	Share premium	EBT share reserve	Capital redemption reserve	Option reserve	SIP share reserve	Profit and loss account	Total equity
Balance at 1 April 2016	50,583	70,413	(6,015,210)	10,000	4,829	(680,969)	20,692,333	14,131,979
Profit for the year	-	-	-	-	-	-	1,031,061	1,031,061
Currency translation differences	-	-	-	-	-	-	88,833	88,833
Total comprehensive income for the year	-	-	-	-	-	-	1,119,894	1,119,894
Contributions by and distributions to owners								
Share scheme charges	-	-	-	-	-	-	28,381	28,381
Net disposal of shares	-	-	(366,229)	-	-	(216,921)	-	(583,150)
Proceeds from disposal of shares	-	-	296,011	-	-	71,455	-	367,466
Profit / loss on disposal of shares	-	-	(120,883)	-	-	8,401	112,482	-
Purchase of shares	-	-	(105,298)	-	-	-	-	(105,298)
Share based payments	-	-	-	-	25,233	-	-	25,233
Options exercised	-	-	-	-	(25,532)	-	25,532	-
Transfer of beneficial interest to employees	-	-	166,218	-	-	-	(166,218)	-
	-	-	(130,181)	-	(299)	(137,065)	177	(267,368)
Balance at 31 March 2017	50,583	70,413	(6,145,391)	10,000	4,530	(818,034)	21,812,404	14,984,505

The notes on pages 19 to 42 form part of these financial statements.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation

Steer Davies & Gleave Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the Group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. See note 1.22.

Company disclosure exemptions

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Company would be identical;
- No cash flow statement has been presented for the Company;
- Disclosures in respect of the Company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of Steer Davies & Gleave Limited and its subsidiaries (the Group) as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Turnover

Turnover comprises revenue recognised by the Group in respect of services supplied during the year, exclusive of 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.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.4 Depreciation

Tangible fixed assets are stated at historical cost less accumulated 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	- 20% - 50% per annum on cost
Furniture and fittings	- 10% - 33% per annum on cost
Short-term leasehold property	- Higher of 10% per annum or over lease term

1.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.6 Impairments

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.7 Operating leases

Rentals payable under operating leases are charged to the income statement account on a straight-line basis over the lease term.

Incentives received to enter into operating lease agreements are released to the income statement over the lease term.

Rentals receivable under operating leases are credited to the income statement on a straight-line basis over the terms of the lease.

1.8 Dilapidation provision

Provision is made for dilapidations, where there is an obligation under property leasing arrangements. These provisions require management's best estimate of the costs that will be incurred based on contractual requirements. The cost is charged to profit and loss as the obligation arises.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.9 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 income statement 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 FRS 102 'Share-based payments'.

Where the transaction is treated as equity settled the credit entry is taken to the share option reserve and reported in the statement of changes in equity. Where the transaction is treated as cash settled, the Company recognises the services received, and a liability to pay for those services, as the employees render service. Until the liability is settled, the Company remeasures the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value charged or credited to the income statement for the year.

1.10 Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the reporting date. The charge for taxation is based on the profit or loss for the period and takes into account deferred tax.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The Company employs the services of a third-party advisor in relation to R&D tax credits and seeks to make claims based on its entitlement under current HMRC guidance. These are recognised where there is a reasonable expectation of a claim being settled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.11 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in sterling, which is the Company's functional and the Group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at closing rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Transactions and balances

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Forward contracts accounting

Forward foreign currency contracts are used to reduce exposure to foreign exchange rates. The Group seeks to hedge exposure arising from customers that are being invoiced in a foreign currency whilst the work is delivered from a sterling cost base, and where significant financial assets and liabilities are denominated in a foreign currency. The fair value of these hedges is recognised through the income statement if it is material.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'other operating income'.

1.12 Liquid resources

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

1.13 Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

1.14 Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.15 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is estimated in order to appropriately reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.16 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.

1.17 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year. Contributions to the Company's defined contribution pension scheme are charged in the income statement as they become payable. The assets of the scheme are held separately from those of the Group in independently administered funds.

1.18 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 statement of financial position.

1.19 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 statement of financial position. 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.

1.20 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

1.21 Reserves

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- EBT share reserve represents the cost of the shares of the Company held by the Employee Benefit Trust (EBT) for the purpose of future employee ownership and long-term incentive schemes for employees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.21 Reserves (continued)

- The capital redemption reserve contains the nominal value of own shares that have been acquired by the Company and cancelled.
- The option reserve arises on the grant of share options to directors, employees and other eligible persons.
- The SIP share reserve represents the cost of the shares of the Company held by the Share Incentive Plan (SIP) for the purpose of long-term incentive schemes for employees.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

1.22 Critical estimates and judgements

Revenue recognition

Revenue in relation to work in progress is recognised in similar ways for fixed price contracts and time and material contracts. For fixed price contracts, the revenue recognition rate (RRR) is applied to the costs incurred to date and this is the revenue recognised. The RRR is determined for each business unit to reflect the expected average closed margin for projects in that business unit. The revenue recognised is capped at the agreed client budget. For time and material contracts, the RRR is only applied to unbilled costs incurred to date because revenue is taken as invoices are raised. These methods are dependent on judgemental inputs in relation to the RRR and the completion rate.

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. This is based on our estimates of the costs to complete the contract and is released as these costs are incurred.

Investments

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments at fair value through the income statement. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Share valuations

The Directors' best estimate of the valuations underlying the share based payments are based on assumptions made by Directors using the Black Scholes model. Those assumptions are described in the notes to the financial statements and include, among others, expected volatility, expected life of the options and number of options expected to vest. See note 21 for further details of these assumptions.

In preparing these financial statements, the Directors have also:

Determined that the Employee Benefit Trust (EBT) and Share Incentive Plan (SIP) are considered to be under the control or de facto control of the Company. The judgement that the Company does exert de facto control has resulted in both the EBT's and the SIP's assets and liabilities being recognised on the Company and Consolidated statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.22 Critical estimates and judgements (continued)

Provisions

A dilapidation provision has been made in relation to the estimated cost of restoring the lease for the Group's London office.

A provision has been made in relation to the estimated costs of completion of an onerous customer contract. This provision is based on the estimates of the time input required from staff, their expenses and estimates received from third party contractors.

Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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

	2018	2017
	£	£
Rental income	<u>67,898</u>	<u>84,735</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4. OPERATING PROFIT

The operating profit is stated after charging / (crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the Group	408,422	414,886
Operating lease rentals:		
- plant and machinery	7,359	6,256
- land and buildings	2,097,327	1,763,930
Foreign currency losses/(gains)	497,658	(735,905)
Loss on sale of tangible fixed assets	-	3,801
Net movement in provisions (note 18)	(410,430)	(108,835)
LTIP charges	95,343	395,223
Share scheme charges	78,065	76,653

5. AUDITORS' REMUNERATION

	2018 £	2017 £
Audit related services	63,600	61,750
Fees payable to the Company's auditor in respect of:		
Taxation services - compliance	4,920	5,691
Taxation services - advisory	1,169	13,734
Other non-audit related services	10,836	13,750

6. STAFF COSTS

Staff costs, including Directors' remuneration, were as follows:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Wages and salaries	24,405,251	22,810,939	16,628,840	16,181,193
Social security costs	2,337,224	2,082,202	1,804,598	1,612,742
Other pension costs	1,209,867	1,082,695	1,074,316	971,446
	27,952,342	25,975,836	19,507,754	18,765,381

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6. STAFF COSTS (continued)

The average monthly number of employees, including the Directors, during the year was as follows:

	2018	2017
	No.	No.
Employees	<u>437</u>	<u>400</u>

The value included within wages and salaries in respect of the LTIP and share scheme charges is £95,343 and £78,065 respectively (2017: £395,223 and £76,653 respectively).

7. DIRECTORS' REMUNERATION

Group and Company	2018	2017
	£	£
Remuneration	<u>724,364</u>	<u>968,259</u>
Company pension contributions to defined contribution pension schemes	<u>34,116</u>	<u>37,312</u>

During the year, retirement benefits were accrued to 3 directors (2017: 3) in respect of defined contribution pension schemes. To maintain contributions within annual pension allowances, 2 directors (2017: 2) elected to partially re-direct contributions to be paid through wages and salaries. These payments were subject to income tax and social security at the prevailing rates.

In addition to the above, charges to the income statement account in respect of the LTIP and Share scheme charges for directors were £14,795 and £2,582 respectively (2017: £13,834 and £1,367 respectively).

The highest paid director received remuneration of £228,791 (2017: £297,132) and Group pension contributions of £9,995 (2017: £9,524) were made to a money purchase scheme on their behalf. The amounts included within the above figure in relation to bonuses represent amounts accrued in relation to the performance in the financial year ended 31 March 2018.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

7. DIRECTORS' REMUNERATION (continued)

Long term incentive schemes

The number of Directors who exercised share options during the year was nil (2017: 2) and the gain made on exercise was £nil (2017: £70,350). The amount charged to the income statement during the year in respect of options exercised and sold by the Directors was £nil (2017: £21,425).

At 31 March 2018, three of the Directors (2017: none) held options. Further details are disclosed in note 21.

The Company operates a long-term incentive plan (LTIP) for senior staff including the directors, which operated via the allocation of restricted share option units (RSUs). The allocation of RSUs is dependent on performance criteria for each of the scheme's participants being achieved. These RSUs are ultimately linked to the Company's share price. The LTIP is accounted for as a cash-settled scheme in accordance with the Group's accounting policies, valued using the Black Scholes pricing model.

The scheme was first introduced in the financial year ended 31 March 2013 (2012 plan).

The articles were updated in August 2014 to allow for the creation of a new class of (B) shares to satisfy the LTIP share awards. Forfeitable share awards were granted in respect of the 2013 and 2014 LTIP allocations.

The allocations vested on 31 July 2015 when the restrictions on the forfeitable share awards lifted, thereby granting participants a beneficial interest that could be sold in future share trading windows.

During the financial year ended March 2015, a second LTIP Plan was introduced (2014 plan) under the same terms as the previous plan, which vested in 2017.

8. INTEREST PAYABLE

	2018	2017
	£	£
Bank interest payable	113	2,347
Other interest payable	177	-
	<u>290</u>	<u>2,347</u>

9. FORWARD CONTRACTS

As at 31 March 2018, the Group had three unexpired Euro forward contracts. These contracts are due to expire at the end of April 2018, July 2018 and December 2018. Cash is settled against each contract as it is received, and any outstanding balance at the expiry date is settled.

At 31 March 2018, the fair valuation of these contracts resulted in a net asset of £13,330, which has been included in other debtors (2017: net asset of £24,728). The change in the fair valuation has resulted in income of £14,104 being charged to the income statement (2017: income of £155,061).

In addition, income of £159,794 was credited to the income statement in relation to forward contracts that expired during the year.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10. TAXATION

	2018 £	2017 £
Current tax		
UK corporation tax charge	(300,273)	-
Adjustments in respect of prior periods	(68,783)	(111,602)
Double taxation relief	-	-
	<u>(369,056)</u>	<u>(111,602)</u>
UK corporation tax credit		
Foreign tax on income for the year	612,550	564,588
Foreign tax adjustments in respect of prior periods	(67,406)	(15,262)
	<u>176,088</u>	<u>437,724</u>
Total current tax charge		
	<u>176,088</u>	<u>437,724</u>
Deferred tax		
Reversal and origination of timing differences	97,944	(172,665)
	<u>97,944</u>	<u>(172,665)</u>
Total tax on profit on ordinary activities	<u>274,032</u>	<u>265,059</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before taxation	<u>1,174,411</u>	<u>2,006,960</u>
Standard rate corporation tax charge	223,138	401,392
Expenses not deductible for tax purposes	4,990	3,708
Adjustments to tax in respect of prior periods	(136,189)	(126,864)
Rate adjustments relating to overseas profits	513,150	356,084
Depreciation for the period less than capital allowances	4,661	8,880
Adjustments in relation to share based payments	4,300	-
Research and development	(309,735)	(396,801)
Other timing differences	(30,283)	18,660
	<u>274,032</u>	<u>265,059</u>
Total tax for the year	<u>274,032</u>	<u>265,059</u>

Factors that may affect future tax charges

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

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. INCOME STATEMENT OF THE COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the Company are not presented as part of these financial statements. The Company has produced its own income statement and statement of comprehensive income for approval by the Directors. The Company's profit after taxation for the year was £592,751 (2017: £1,031,061).

12. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Furniture and Fittings £	Computer Equipment £	Total £
Group Cost				
At 1 April 2017	670,207	1,080,511	1,901,910	3,652,628
Additions	-	85,894	251,256	337,150
Disposals	-	(30,744)	(2,078)	(32,822)
At 31 March 2018	<u>670,207</u>	<u>1,135,661</u>	<u>2,151,088</u>	<u>3,956,956</u>
Depreciation				
At 1 April 2017	325,277	757,915	1,591,235	2,674,427
Charge for the year	77,513	98,294	232,615	408,421
On disposals	-	(30,744)	(2,078)	(32,822)
At 31 March 2018	<u>402,790</u>	<u>825,465</u>	<u>1,821,771</u>	<u>3,050,027</u>
Net book value				
At 31 March 2018	<u>267,417</u>	<u>310,196</u>	<u>329,317</u>	<u>906,929</u>
At 31 March 2017	<u>344,930</u>	<u>322,596</u>	<u>310,675</u>	<u>978,201</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. TANGIBLE FIXED ASSETS (continued)

Company	Short-term leasehold property £	Furniture and Fittings £	Computer equipment £	Total £
Cost				
At 1 April 2017	670,207	679,431	1,600,945	2,950,583
Additions	-	49,791	190,922	240,713
Disposals	-	(30,744)	-	(30,744)
At 31 March 2018	<u>670,207</u>	<u>698,478</u>	<u>1,791,867</u>	<u>3,160,552</u>
Depreciation				
At 1 April 2017	325,277	481,762	1,340,021	2,147,060
Charge for the year	77,513	65,783	182,277	325,573
On disposals	-	(30,744)	-	(30,744)
At 31 March 2018	<u>402,790</u>	<u>516,801</u>	<u>1,522,298</u>	<u>2,441,889</u>
Net book value				
At 31 March 2018	<u>267,417</u>	<u>181,677</u>	<u>269,569</u>	<u>718,663</u>
At 31 March 2017	<u>344,930</u>	<u>197,669</u>	<u>260,924</u>	<u>803,523</u>

13. FIXED ASSET INVESTMENTS

Group	Unlisted investments £
Cost and net book value	
At 1 April 2017 and 31 March 2018	<u>4</u>

The unlisted investment relates to the Group's holding in Multi-Modal Transport Solutions PTY.

Company	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost			
At 1 April 2017 and 31 March 2018	<u>700,213</u>	<u>4</u>	<u>700,217</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13. FIXED ASSET INVESTMENTS (continued)

The investment in subsidiary companies relate to Steer Davies & Gleave Mexico Limitada and Steer Davies Gleave India Private Limited. The current value of the investments is £532,701 and £167,512 respectively.

Group and Company

As at 31 March 2018, the Group and Company holds less than 20% of the share capital of the following Company:

Other Undertakings	Country of incorporation	Class of share capital	Principal activity
Multi-Modal Transport Solutions PTY	Australia	Ordinary (10%)	Transport consultancy

There have been no changes compared to the prior year.

Company

The Company holds the share capital of the following Company directly:

Subsidiary undertakings	Country of incorporation	Class of share capital	Principal activity
Steer Davies & Gleave Holdings Limited	United Kingdom	Ordinary (100%)	Holding company

There have been no changes compared to the prior year.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13. FIXED ASSET INVESTMENTS (continued)

The Company holds share capital of the following Companies through Steer Davies & Gleave Holdings Limited:

Subsidiary undertakings	Registered Office	Class of share capital	Principal activity
Steer Davies & Gleave North America Incorporated	Burrard Street, Vancouver, British Columbia, Canada	Ordinary (100%)	Transport and infrastructure consultancy
Steer Davies & Gleave Incorporated	Boylston Street, Boston, Massachusetts, United States	Ordinary (100%)	Transport and infrastructure consultancy
Steer Davies & Gleave do Brasil - Consultoria em Engenharia de Transportes Ltda	Rua Bela Cintra, Consolacao, Sao Paulo, Brazil	Ordinary (100%)	Transport and infrastructure consultancy
Steer Davies & Gleave Chile Ltda	Holanda 100, Providencia, Santiago, Chile	Ordinary (100%)	Transport and infrastructure consultancy
Steer Davies & Gleave Mexico Ltda	Delegacion Benito Juarez, Mexico City, Mexico	Ordinary (100%)	Transport and infrastructure consultancy
Steer Davies Gleave India Private Limited	MG Road, Gurgaon, Haryana, India	Ordinary (100%)	Transport and infrastructure consultancy
Steer Davies & Gleave Belgium	1000 Brussels, Boulevard du Regent 37-40, Belgium	Ordinary (100%)	Transport and infrastructure consultancy

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14. DEBTORS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	9,979,759	9,147,714	6,622,682	6,126,497
Amounts owed by Group undertakings	-	-	2,386,208	2,983,119
Corporation Tax	818,008	707,546	873,228	456,281
Other debtors	770,147	639,863	386,086	257,554
Prepayments and accrued income	1,083,529	480,109	1,042,038	427,284
Amounts recoverable on long term contracts	5,665,386	5,521,096	3,952,540	3,669,103
Deferred tax asset (note 17)	105,915	203,859	105,915	203,859
	<u>18,422,744</u>	<u>16,700,187</u>	<u>15,368,697</u>	<u>14,123,697</u>

All amounts within debtors fall due for payment within one year.

15. CREDITORS

Amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Payments received on account	2,901,039	1,581,042	2,112,357	1,272,423
Trade creditors	1,385,448	961,047	900,179	814,534
Corporation tax	-	169,193	-	42,547
Other taxation and social security	1,375,328	1,374,761	1,250,155	1,207,441
LTIP liability (note 21)	-	581,538	-	581,538
Other creditors	1,084,089	746,709	959,365	591,936
Accruals and deferred income	1,577,247	2,327,321	1,235,872	1,910,429
	<u>8,323,151</u>	<u>7,741,611</u>	<u>6,457,928</u>	<u>6,420,848</u>

During the financial reporting period the second LTIP scheme awards were allocated to the scheme participants. The awarded restricted stock units were converted into B shares of the company at this time. The B shares are held by the participants of the scheme directly. During the annual share trading window from 15 November to 15 December the holders of the B shares were entitled to sell their shares back to the Company. The value of each B share is determined to be 0.420p.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16. CREDITORS

Amounts falling due after more than one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
LTIP liability	228,255	132,912	228,255	132,912

During the financial year ended 31 March 2017, a third long term incentive plan (LTIP) (see note 21) was introduced for senior staff including the Executive Directors, which operated via the allocation of restricted share option units.

These will vest in 2019 and the LTIP is valued using the Black Scholes model with inputs as disclosed in note 21. The charge above relates to the liability for one year.

17. DEFERRED TAX ASSET

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
As at 1 April 2017	203,859	31,194	203,859	31,194
Other movement (P&L)	(97,944)	172,665	(97,944)	172,665
Balance at 31 March 2018	105,915	203,859	105,915	203,859

The deferred tax asset is made up as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Capital allowances	21,889	21,253	21,889	21,253
Sundry timing differences	(618)	(3,857)	(618)	(3,857)
UK tax losses	31,509	186,463	31,509	186,463
Overseas tax losses	53,135	-	53,135	-
	105,915	203,859	105,915	203,859

Deferred tax is provided at 17% (2017 - 17%).

The Group has tax losses arising in the UK of £186,463 (2017 - £1,096,844) which are available for offset against future taxable profits. Deferred tax assets have been recognised in respect of these losses as it is considered probable that sufficient future taxable profits will be available against which they can be realised.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. PROVISIONS

	Dilapidation provision	Onerous contracts	Total
Group and Company	£	£	£
At 1 April 2017	190,812	488,775	679,587
Additions	-	78,345	78,345
Provisions utilised	-	(488,775)	(488,775)
At 31 March 2018	<u>190,812</u>	<u>78,345</u>	<u>269,157</u>

Dilapidation provision

As part of the Group's property leasing arrangements there is an obligation to repair damages which have been incurred during the life of the lease. The provision is expected to be utilised between 2020 and 2021 as the leases terminate.

Onerous contracts

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

Please see the note on estimates and judgements on page 24 for further details.

19. SHARE CAPITAL

	2018 £	2017 £
4,728,274 (2017: 4,408,274) Ordinary shares of 1p each	47,283	44,083
330,000,000 (2017: 650,000,000) B shares of 0.001p each	3,300	6,500
	<u>50,583</u>	<u>50,583</u>

All ordinary shares have been allocated, called up and fully paid.

During the financial reporting period, 650,000,000 B shares of 0.001p each have been converted to 650,000 ordinary shares of 1p each.

The 330,000,000 B shares of 0.001p were created by converting 330,000 ordinary shares of 1p each which were held by the EBT. The B Shares have been created in order to satisfy the LTIP share awards under the 2014 LTIP scheme. Under the terms of the Company's articles the ordinary shares of 1p each and the B shares of 0.001p rank pari passu. At the vesting date in July 2017, the forfeiture restrictions were lifted in relation to the award of beneficial interests in B shares to participants, and participants are able to sell their beneficial interests like all other ordinary shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

20. RESERVES

As at 31 March 2018, the Employee Benefit Trust (EBT) held 3,124,844 ordinary shares (2017: 2,968,416) and 143,861,809 B shares (2017: 380,583,846), of which 62,402 ordinary shares (2017: 11,435) were under option to employees.

As at 31 March 2018, the Share Incentive Plan (SIP) held 956,922 shares (2017: 956,922), of which 526,312 (2017: 584,742) 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 statement of financial position.

Of the remaining 430,610 shares (2017: 372,180), 7,706 (2017: 9,656) are matching shares held on behalf of employees which are due to vest in October 2018 and 422,904 (2017: 362,524) are unallocated. Until such time when the matching 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 statement of financial position.

Current Company 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 Company's shares at 31 March 2018 was 420p per share based on the external independent valuation, overseen by the share price committee as at 7 November 2017 (2017: 367p).

21. SHARE BASED PAYMENTS

The Group operates share-based payment remuneration schemes through the EBT and the SIP to facilitate wider share ownership of the Group through the distribution of beneficial interests to employees.

The Company has created, through the establishment of its Mission & Principles and the Voting Trust arrangements, an exceptional standard of behaviours, transparency and scrutiny in the Company. The purpose of this is to enhance the Company's performance, its ability to provide outstanding service to clients across the globe and to be a desirable place to work. The Voting Trust is governed by its trustees, whose duties include monitoring and reporting on the compliance of the Company and the Board of Directors with the Mission & Principles.

Employees can purchase beneficial interests 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 beneficial interests in that the individual remains an employee of the Group over the savings period. The purchase price for beneficial interests from both schemes is the market price of the beneficial interests at the date of valuation which is notified at the latest AGM.

SIP

For every three beneficial interests purchased from the SIP, employees receive one free beneficial interest which vests after one year of additional service has been completed.

EBT

For every three beneficial interests purchased from the EBT, employees are granted one unapproved share option which vests three months after the date of grant.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

21. SHARE BASED PAYMENTS (continued)

During the financial year ended 31 March 2013, a long-term incentive plan (LTIP) was introduced for senior staff including the Executive Directors, which operated via the allocation of restricted share option units. The allocation of restricted share option units is dependent on performance criteria for each of the scheme participants being achieved. The 2012 LTIP scheme vested in 2015 and subsequently some of these shares have been disposed of during the share trading window. A second LTIP scheme was introduced in the year ended 31 March 2015, which will vest during 2017, and a third LTIP scheme was introduced in the year ended 31 March 2017, which will vest in 2019.

The charge is matched to the vesting period and is allocated over a three-year period. As the Company introduces a new scheme every two years, there will be a double LTIP charge in every second year. Within the current year's results, there is one charge relating to the second year of the 2016 scheme. In the previous year's results, there is a double charge for the LTIP, in relation to the third year of the 2014 scheme, and the first year of the 2016 scheme.

FRS 102 requires that the fair value of such transactions is calculated and systematically charged to the income statement over the vesting period. Details of outstanding shares options are set out below. Also, set out below is information regarding the calculation of the share option charge and the valuation of the liability for the LTIP:

Share options

At 31 March 2018, 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
2016	1,848	-	March 2016 to June 2019	282p
2017	8,187	-	March 2017 to June 2020	367p
2018	50,700	50,700	July 2017 to Sept 2020	367p
2018	1,667	-	March 2018 to June 2021	420p
	<u>62,402</u>	<u>50,700</u>		

Movements in share options during the year were as follows:

Year of grant	Exercise Price	Outstanding options at 1 April 2017	Granted	Exercised	Lapsed	Outstanding options at 31 March 2018
2015	238p	1,400	-	(1,400)	-	-
2016	282p	1,848	-	-	-	1,848
2017	367p	8,187	-	-	-	8,187
2018	367p	-	50,700	-	-	50,700
2018	420p	-	1,667	-	-	1,667
		<u>11,435</u>	<u>52,367</u>	<u>(1,400)</u>	<u>-</u>	<u>62,402</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

21. SHARE BASED PAYMENTS (continued)

At 31 March 2017, 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
2015	1,400	-	March 2015 to June 2018	238p
2016	1,848	-	March 2016 to June 2019	282p
2017	8,187	-	March 2017 to June 2020	367p
	<u>11,435</u>	<u>-</u>		

Movements in share options during the year were as follows:

Year of grant	Exercise Price	Outstanding options at 1 April 2016	Granted	Exercised	Lapsed	Outstanding options at 31 March 2017
2015	238p	16,400	-	(15,000)	-	1,400
2016	282p	2,181	-	(333)	-	1,848
2017	282p	-	60,000	(60,000)	-	-
2017	367p	-	8,187	-	-	8,187
		<u>18,581</u>	<u>68,187</u>	<u>(75,333)</u>	<u>-</u>	<u>11,435</u>

The exercise price of options outstanding at the end of the year ranged between 282p and 420p (2017 - 238p and 367p) and had a weighted average of 370p (2017 - 334p). The weighted average contractual life of options outstanding at the end of the year was 3.3 years (2017 - 3.2 years).

Of the total number of options outstanding at the end of the year, 60,735 (2017 - 3,248) 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 238p (2017 - 282p). The weighted average fair value of each option granted during the year was 39p (2017 - 30p).

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

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

21. SHARE BASED PAYMENTS (continued)

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. The same model, risk and volatility assumptions are used to determine the fair value of the cash settled LTIP:

	2018	2017
Option pricing model used	Black Scholes	Black Scholes
Weighted average share price at grant date (pence)	390	291
Exercise price (pence)	420	367
Weighted average contractual life (days)	1,186	1,181
Expected Volatility (percentage)	17.00	16.70
Expected dividend growth rate (percentage)	-	-
Risk-free interest rate (percentage)	0.50	0.50
Fair value of option (pence)	53	37

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 sixteen years.

22. PENSION COMMITMENTS

The Group operates several pension schemes. The pension cost charge for the period represents contributions payable by the Group to these schemes and amounted to £1,209,867 (2017: £1,082,695).

The material scheme is operated in the UK as a defined contribution pension scheme. The Company made contributions to this scheme of £1,074,316 (2017: £943,829).

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

23. OPERATING LEASE COMMITMENTS

At 31 March 2018, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2018	2017
	£	£
Group		
Expiry date:		
Within 1 year	1,581,198	1,546,594
Between 2 and 5 years	3,535,822	4,011,371
After more than 5 years	<u>19,087</u>	<u>36,032</u>

As at 31 March 2018, the Company had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2018	2017
	£	£
Company		
Expiry date:		
Within 1 year	1,220,520	1,206,474
Between 2 and 5 years	3,176,613	3,608,376
After more than 5 years	<u>19,087</u>	<u>17,142</u>

24. FINANCIAL INSTRUMENTS

	Group	Group
	2018	2017
	£	£
Financial assets		
Cash	8,004,229	8,734,821
Other financial assets	<u>10,940,832</u>	<u>9,787,577</u>
Financial liabilities		
Other financial liabilities	<u>8,672,462</u>	<u>6,990,880</u>

Financial liabilities measured at fair value comprise foreign exchange forward contracts.

	Fair value of forward contracts £
At 1 April 2017	24,728
Movement in year	<u>(11,398)</u>
At 31 March 2018	<u>13,330</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

24. FINANCIAL INSTRUMENTS (continued)

At 31 March 2018, the Company had foreign exchange forward contracts fair valued at an asset of £13,330 (2017: £24,728).

25. RELATED PARTY TRANSACTIONS

During the year, the Group did not undertake transactions with related parties (2017: £nil) and £nil was outstanding at the year-end (2017: £nil).

The Company has taken advantage of the exemption under FRS 102 paragraph 33.1A, not to disclose transactions with Group companies on the basis that it is 100% controlled within the Group and prepares consolidated financial statements.

Key management personnel include all Directors and several senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was £1,231,225 (2017: £1,301,566).

26. SUBSEQUENT EVENTS

The Company has decided to close its Spanish branch during the 2018/19 financial year.

27. ULTIMATE CONTROLLING PARTY

Due to its current shareholding, the ultimate controlling party is the trustee of the Employee Benefit Trust.