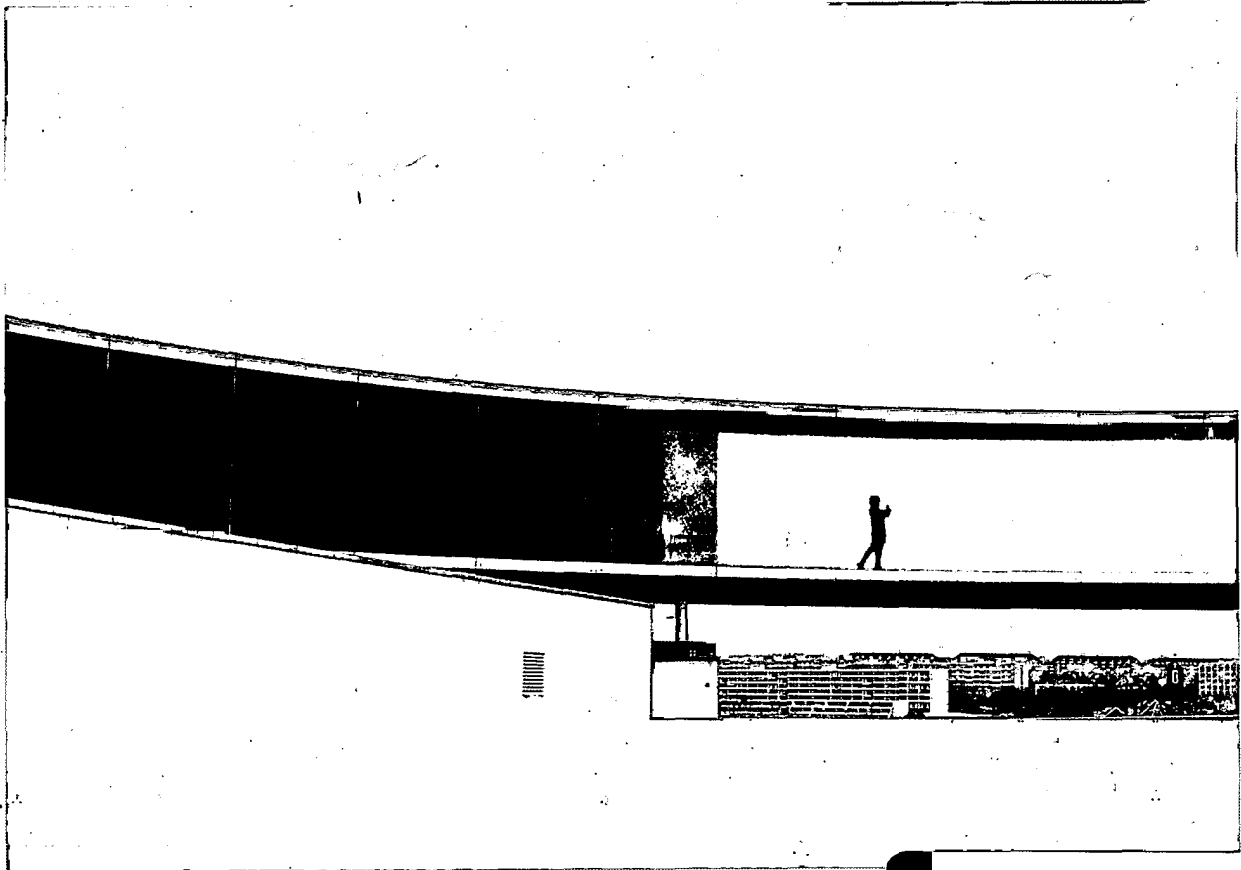
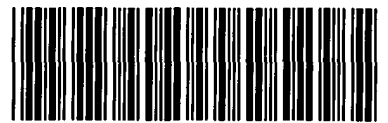


STEER GROUP LIMITED
ANNUAL REPORT AND STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2023



FRIDAY



ACIF804Y

A24

15/12/2023

#39

COMPANIES HOUSE

Registered number: 14190329

steer

**STEER GROUP LIMITED
COMPANY INFORMATION**

Directors	H Jones S J Daly C Browning J K Steer R J Fenning J M Cavanagh H Singh
Company secretary	V Dorrington
Registered no.	14190329
Registered office	14-21 Rushworth Street London SE1 0RB
Independent auditor	RSM UK Audit LLP 1 The Square 2nd Floor Temple Quay Bristol, BS1 6DG

**STEER GROUP LIMITED
CONTENTS**

	Page
CEO Review and Outlook	2
Strategic report	3
Directors' report	12
Independent auditor's report	15
Consolidated income statement	19
Consolidated statement of total comprehensive income	20
Consolidated statement of financial position	21
Company statement of financial position	22
Consolidated statement of cash flows	23
Consolidated statement of changes in equity	24
Company statement of changes in equity	26
Notes to the financial statements	27

STEER GROUP LIMITED

CEO REVIEW AND OUTLOOK

Steer continues to play a leading role in shaping our cities, infrastructure economies and communities. Our growth focused strategy and mindset, in combination with the deliberate and ongoing improvements to our operating model continues to deliver strong revenue growth and a robust operating margin of 9% after the payment of a £3m bonus to our staff. Year on year revenue grew by 25% due to the acquisition of Amberside Advisors, a low carbon and energy focused financial advisory consultancy, and our ongoing expansion in North America where we have continued to grow market share and acquire new clients.

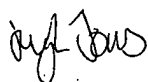
Steer's commitment to tackling the most complex and valuable of problems, delivering without compromise, high quality and impactful work, continues to result in extremely high levels of client satisfaction with an average Net Promoter Score of 9.4 achieved during the year. The Steer approach continues to support deep and diverse client relationships, underpinning an increase in the number of high value client accounts (revenue greater than £0.5m) increasing by 13%.

Aspects of the broader macroeconomic and policy environment continued to drive demand for Steer services. In particular, the challenges of energy transition, securing economic growth, delivering equity and justice within our transportation systems, communities and policies, and the stewardship billions of dollars of investment into infrastructure were and remain central to our clients' needs.

In total we welcomed 156 new colleagues to Steer during the year bringing additional capability, perspectives and experience to our firm and to the benefit of our clients. Our work to improve our diversity made progress, but we continue to strive to improve this year on year. Our Gender Pay Gap reduced to 14% (UK) and 21% (North America) and we continue to work towards no gender pay gap by 2025. The responsible conduct of our business has been hardwired into Steer's constitution since 2014 and this enduring commitment continued through the year with Steer again reducing the adverse impact of its operations and, in particular, achieving Carbon Neutral status.

Looking forward we continue to expect Steer to grow, and we expect to achieve our previously stated goal of increasing revenue to at least £100m by 2025. Rates of growth will be influenced by prevailing economic climates. This means that in the short term we anticipate the majority of our growth to be secured in North America and through the build out of sustainability focused services.

Ultimately the success of Steer is built from the talents and commitments of the team at Steer that each day draw together ingenuity, rigour and passion to make a real difference. Thank you.



Hugh Jones
CEO

STEER GROUP LIMITED

STRATEGIC REPORT

The Directors present their Strategic report for the year ended 31 March 2023.

This Strategic report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed. The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Business review

The principal activity of the Group during the year was the provision of consulting services to transport, infrastructure and related clients throughout the private and public sectors.

The Group has produced another year of strong financial results and has also continued to expand the range of services it can provide to its clients through the acquisition of Amberside Advisors Limited and other ongoing investments. The Group achieved significant (25%) growth in revenues in comparison to the prior year, reflecting the stability and quality of our client portfolio, the ingenuity, adaptability and resilience of our colleagues and our disciplined approach to business development and other commercial processes.

Whilst the Group's operating profit margin deteriorated from 9.9% to 8.6% this is after an increase in the payment of bonuses to staff (total £3.0m.) The Group invested in new premises for its London based operation which it commenced full use of from April 2022. This facility provides capacity for growth and a high-quality working environment that has been designed to provide flexibility and accommodate differing patterns of work as well as providing a high-class environment for collaboration, creativity and client engagement.

The average number of employees employed by the Group increased by 16% on the prior year reflecting both organic growth and acquisition. Competition for talent increased notably in the year as levels of economic activity recovered post pandemic. The Group has taken and will continue to take a range of steps to ensure that it continues to retain and recruit the industry leading talent that supports its business model. Key actions taken in 2023 include the procurement of an applicant tracking system, appointment of in-house recruitment expertise, increased training time allowances and a beneficial retiming of our salary review process.

The Group continuously targets improvements in working capital and takes a disciplined but commercial approach to the management of working capital. However, the position is heavily influenced both by overall economic conditions and growth in key markets. As we grow in North America but other key geographies have experienced worsening economic conditions, so we have seen some deterioration in our working capital performance, albeit the Group generated £0.6m of operational cash. There was an overall net outflow of cash in the year of £3.3m driven by the acquisition of Amberside Advisors Limited and the annual funding of share trading.

**STEER GROUP LIMITED
STRATEGIC REPORT (CONTINUED)****Business review (continued)**

The Group has ended the year with a £32.3m net current asset position (2022: £28.4m net current assets), a 14% improvement over 2022, which reflects the good trading result. Trade debtors and accrued income earned but not yet billed increased in aggregate by £3.9m (2022: £23.0m) mainly reflecting the growth and investment in North American markets.

Principal risks and uncertainties

While the Directors seek to secure growth in Group turnover and profits, the risks noted below are such that consistent year on year revenue growth can never be guaranteed and volatility in levels of profitability should always be anticipated. However, 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.

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 (see going concern) 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 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.

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.

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 GROUP LIMITED
STRATEGIC REPORT (CONTINUED)*****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 2023 (2022: £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.

As at 31 March 2023, the Company did not have any outstanding forward contracts.

Section 172(1) Statement

Steer's success depends on the trust and confidence of all its stakeholders that it can operate sustainably in the long term. This position is articulated in Steer's Mission and Principles which are written into our Article of Association further safeguarding this position.

The Group seeks to support and fully meet its clients' interests, invest in and reward its employees, support the communities in which we operate, maintain equitable relationships with its suppliers and strive to generate sustainable long-term profits for our shareholders.

The Directors of Steer have acted in accordance with their duties as codified in law, which include their duty to act in a way in which they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172 (1) of the Companies Act 2006. The Directors consider and make decisions with regard (amongst other matters) to the following:

STEER GROUP LIMITED STRATEGIC REPORT (CONTINUED)

Section 172(1) Statement (continued)

- ***Section 172 (1) A – The likely consequences of any decision in the long term***

As a vibrant employee-owned organisation, we benefit from our independence to seek long term, sustainable profits rather than having to act in response to short-term pressures that can be exercised by third party shareholders or lenders. The longer-term perspective is embedded within Steer through the use and application of the Group's Mission and Principles which guide decision-making and action. This framework was applied in our preparation of our business plan and major expenditure decisions including the opening of the annual share trading window, payment of bonus or acquisition. Our approach is founded in careful market and business analysis and the interrogation of cashflow and profit forecasts. Using this information, the Board examines risks and mitigation options, assessing the short-term impact on its members, employees and suppliers, both collectively and individually and also the implication for the longer-term prosperity of the Group and its members and employees.

The Group continues to operate in accordance with five-year strategic framework which sets out the strategy for the Group which determines the Group's actions and investment priorities.

- ***Section 172 (1) B – The interests of the company's employees***

The Directors recognise that Steer employees are fundamental and core to our business and delivery of our strategic objectives. Steer aims to be a company where the best global talent wants to work and can contribute, develop and succeed. Therefore, the success of our business depends on attracting and retaining and motivating talented employees. From ensuring that we remain a responsible employer, to pay and benefits, to the annual Working at Steer Survey conducted across all employees and reviewed by the Board, the Directors ensure that they factor implications of decisions on employees wherever relevant and feasible.

The Group is striving to be more representative meaning we are better able to serve our clients and the communities in which we operate, bringing a wider range of experiences and views to our work. We are committed to providing equality of opportunity and reward for all our employees and safeguarding a culture that ensures equality, diversity and inclusivity. In particular, the Board has set equality, diversity and inclusion goals for the Group which it is working towards the achievement of.

STEER GROUP LIMITED
STRATEGIC REPORT (CONTINUED)
 Section 172(1) Statement (continued)

- ***Section 172 (1) C – The need to foster the Company's business relationships with suppliers, customers and others***

Delivering our strategy requires strong mutually beneficial relationships between clients, suppliers and industry partners. The business is continuously assessing priorities of its clients and the markets in which they operate. The Board regularly engages with the business on these issues, for example, within the context of business strategy reviews, quarterly business updates or investment proposals. The Group believes that it should support its suppliers, customers and industry partners in ways that extend beyond our core consulting activities. Examples of this commitment include the shared use of our research and innovation program, collaborative knowledge sharing events and industry engagement. The Board also reviews and approves Steer's approach to suppliers ensuring that Steer is fully compliant with matters including but not limited to modern slavery, anti-bribery and corruption, equality and data security within its supply chain.

- ***Section 172 (1) D – The impact of the company's operations on the community and the environment***

The Group seeks to minimise any adverse impact of its operations on the community and environment and to support the communities in which it operates. This commitment is long standing and embodied in the Group's Mission and Principles. Steer operates an environmental management system that accords with ISO 14001 and participates in energy auditing as part of the Energy Savings Opportunity Scheme (ESOS) and the Streamlined Energy and Carbon Reporting (SECR) framework. Our Environmental Management System actively encourages the reduction of environmental impacts relating to commuting, business travel, energy and water usage, waste disposal and procurement activities. During 2022, the Group committed to achieving Carbon neutrality and Net Zero Carbon by 2025. This commitment and enabling plan is set out in our Net Zero Policy which comprises measures relating to travel, our premises and our suppliers as well as our relevant thought leadership.

We seek to support the community through our paid volunteering program, locally focused procurement and charitable activities. We are long standing London Living Wage employer across all of our UK operations and insist that our primary suppliers adopt this position also.

- ***Section 172 (1) E – The desirability of the company for maintaining a reputation of high standards of business conduct***

Steer is proud to be an employee-owned company and all within the Group are guided by the direction and standards as set out in the Mission and Principles. The Board also periodically reviews the operation of our Quality Management System and Client Feedback to ensure that the Group maintains appropriate professional standards and has highly satisfied clients. In addition, the Trustees of the Steer Voting Trust, the majority shareholder in the company, annually reviews and report on the business practices and conduct of the Group, management and the Board.

STEER GROUP LIMITED
STRATEGIC REPORT (CONTINUED)
Section 172(1) Statement (continued)

- Section 172 (1) F – The need to act fairly as between members of the company

Steer has a comprehensive framework to ensure that it acts fairly between the members of the company. This framework includes policies that govern director dealings, the operation of no-deal windows, independence and accuracy in the derivation of the company's share price and the provision of accurate shareholder information. The framework is maintained and operated by the Board and the General Counsel provides quarterly updates and guidance as required.

Streamlined energy and carbon reporting

Scope	Activity	Greenhouse Gas (GHG) Emissions tCO ₂ e				Global Baseline Variance
		FY20 UK only	FY21 UK only	FY22 Global Baseline	FY23 Global	
Scope 1	Mains Gas	100.93	71.23	88.23	26.99	- 69.4%
	Refrigerant Gas Loss Recharge	Not reported	Not reported	Not reported	13.13	
Scope 2	Energy use on site including Electricity, Imported Steam	111.25	65.39	186.49	143.92	-22.8%
Total scopes 1 & 2 location based GHG emissions (tCO₂e)		212.18	136.62	274.72	184.04	- 33%
Scope 3	Business Travel	814.00	2.47	217.40	359.72	+ 65.46%
	Other Upstream (Includes Purchased goods & services, waste, employee commuting, homeworking and travel related accommodation)	Not reported	Not reported	769.34	703.88	- 8.50%
Total scope 3 GHG emissions (tCO₂e)		814.00	2.47	986.74	1063.60	+ 7.78%
Total scope 1,2 & 3 GHG emissions (tCO₂e)		1026.18	139.09	1261.46	1247.63	- 1.09%
Average number of employees (FTE's)		263.3	233.5	451.6	538.9	
Intensity ratio tCO ₂ e per FTE		3.90	0.60	2.79	2.31	- 17.20%

- Steer Environment Approach and Intentions

Steer has a strong track record in promoting sustainability through working with our employees, clients and supply partners. We acknowledge that such is the scale of the global environmental challenges, Steer must do more. In 2021, Steer made a commitment to achieve Carbon Neutral status by 2022 and we have proudly achieved this. We plan to operate as a Net Zero Carbon company by 2025.

STEER GROUP LIMITED**STRATEGIC REPORT (CONTINUED)****Section 172(1) Statement (continued)****Streamlined energy and carbon reporting (continued)**

- ***Organisational boundaries included within our reporting***

Steer is a global consultancy practice wholly registered in the United Kingdom.

Steer reported greenhouse gas (GHG) emissions data relating to UK operations in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirement for our financial year ending 31 March 2020 and 31 March 2021.

Steer made the commitment in 2021 to become a Net Zero carbon company and moved to Global operations GHG emissions reporting from financial year ending 31 March 2022 onwards. This will be the baseline for all future reporting.

- ***Key environmental impacts for the organisation***

The majority of our GHG emissions in FY23 are indirect with 85% relating to scope 3 activities including business travel and accommodation, employee commuting and homeworking, and upstream goods and services. Despite being a global, multi-site consultancy, only 15% of GHG emissions relate to location-based activities such as gas and electricity usage. This is a direct result of carbon reduction initiatives to improve the environmental performance of our buildings.

Business travel remains an essential part of our operations with 38% of scope 3 GHG emissions relating to business travel and accommodation.

Since the adoption of a hybrid working model in FY22 Steer have opted to also report on GHG emissions associated with Homeworking accounting for 14% of scope 3 emissions and Commuting accounting for 23% of scope 3 emissions. The remaining 25% relates to other upstream goods and services such as Waste, Equipment, and IT Services.

- ***Key environmental impacts for the organisation (continued)***

In FY23, the organisation maintained a total gross scope 1, 2 and 3 emissions reduction of approximately 1% against the new Global Baseline year of FY22 with a carbon intensity ratio reduction of 17%.

The material influences on this performance are reported below.

We also have a positive impact through the work we do with our clients as much of our work relates to initiatives designed to encourage more sustainable forms of movement and design and reducing or mitigating the environmental impacts of movement and the urban form.

Scope 1 and 2 location based GHG emissions

As part of our Carbon Reduction Strategy, in March 2022 our London office moved to a new BREEAM Excellent rated Building. This has been the main contributing factor in achieving a 69% reduction in Scope 1 and 2 location-based emissions in FY23 compared to FY22.

Steer will continue to identify further scope 1 and 2 carbon reduction opportunities working with our existing and prospective Landlords and Building Managers.

STEER GROUP LIMITED
STRATEGIC REPORT (CONTINUED)
Section 172(1) Statement (continued)
Streamlined energy and carbon reporting (continued)

Business travel

We have seen a 65% increase in business travel related GHG emissions in FY23 compared to FY22. This is as expected taking into consideration the impact of COVID-19 related travel restrictions and concerns for part of FY22.

In FY23 we continued to make use of online meeting and collaboration technologies, enabling Steer to maintain the expected standards of service to our clients without the need for travel. We have also taken steps to increase awareness of ways to reduce the environmental impacts of travel when it is needed and improved journey planning through development of office specific travel plans.

These improvements have contributed to a 78% reduction in travel per FTE compared to our first reporting year of FY20.

Commuter travel

For local travel, we will continue to actively promote sustainable travel choices by providing facilities such as cycle parking and showers, access to paid cycle hire schemes and employee funding under the 'cycle to work scheme' to cover costs of electric bikes, to enable more employees to cycle as part of their journey to work.

We will continue with annual staff travel surveys to identify opportunities to improve our sustainable commuting offer.

Supply chain management and supplier engagement

In FY22 we undertook a detailed Scope 3 emissions assessment to identify opportunities to improve access to carbon emissions reporting in our supply chain and to implement opportunities to reduce supply associated emissions.

Improvements in FY22 included increased use of excellent condition pre-owned office furniture when fitting out new offices or providing workstation equipment to home workers.

In FY23 we will continue with implementation of Sustainable and Responsible Procurement policies and engagement with key suppliers in the reduction of GHG emissions.

Local office engagement

We will continue to identify office specific opportunities to reduce GHG emissions through our annual Local Environmental Action Plans (LEAPs), developed to identify local measures that can be delivered that will be most effective in reducing carbon emissions (and equivalents). Reviewed annually, our LEAPs continue to be effective in working collectively to make improvements in environmental performance.

Carbon footprint (greenhouse gas emissions)

Further information is also available in our 2023 Carbon Reduction Plan.

STEER GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

Section 172(1) Statement (continued)

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, 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 position of the Group as being free from downstream construction services 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.

Financial key performance indicators (KPIs)

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 2023 and 2022:

	2023	2022
	£000	£000
Turnover	69,391	55,654
Operating profit	5,727	5,524
Profit before tax	5,930	5,557
Net assets	32,284	28,445
Average staff numbers	504	453

This report was approved by the Board and authorised for issue on 16 October 2023 and signed on its behalf by



H Jones
Director

STEER GROUP LIMITED DIRECTORS' REPORT

The Directors are pleased to present their annual report together with the financial statements and the auditor's report for the year ended 31 March 2023.

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 2023, the Group employed 546 employees (2022: 474).

The Group is headquartered in London and operates internationally through both branches and subsidiary businesses. The Group's branches are in Colombia, Italy, Panama and Puerto Rico. The Group's subsidiary operations are in 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.

**STEER GROUP LIMITED
DIRECTORS' REPORT (CONTINUED)****Results**

The profit for the year, after taxation, amounted to £4,609,000 (2022: £5,307,000).

In accordance with existing Company policy, the Directors do not recommend the payment of a dividend (2022: £nil) and the retained profit has been held to reserves. The Company rewarded staff under its discretionary Annual Bonus Scheme. The total of these rewards paid in relation to the year ended 31 March 2023 was £3,024,000 which was included in cost of sales in the year.

Directors

The directors who served during the financial year were:

H Jones (appointed 23 June 2022)

S J Daly (appointed 23 June 2022)

C Browning (appointed 23 June 2022)

W Pike (appointed 23 June 2022, resigned 10 November 2022)

J K Steer (appointed 23 June 2022)

R J Fenning (appointed 28 June 2022)

J M Cavanagh (appointed 23 June 2022)

H Singh (appointed 23 June 2022)

Key events in the year

The Company was incorporated on 23 June 2022 and presents its first Statement of Financial Position as at 31 March 2023. On 11 July 2022, the Group acquired 100% of the share capital of Amberside Advisors Limited, for a cash consideration of £3,658,000 and working capital of £591,000. Investment costs totalled £305,000. Further cash consideration totalling £1,200,000 is payable across FY23 and FY24, should the company meet the agreed profit targets. See note 25 for further details.

On 13 October 2022, the Company acquired 100% of the share capital of Steer Davies & Gleave Limited, investment costs totalled £51,000. On the same date, the Company also acquired Steer Davies & Gleave Holdings Limited and Steer Davies & Gleave Incorporated. See note 13. As this Group reorganisation satisfies the criteria for merger accounting under FRS 102, these financial statements are prepared on the basis that the merged Group has always been in place.

Qualifying third party indemnity provisions

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

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.

STEER GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

Employee involvement (continued)

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.

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.

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 £4,629 during the year (2022: £14,792).

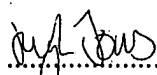
Auditor

The auditor, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. RSM UK Audit LLP replaced the previous auditors, BDO LLP, during the year.

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 13 October 2023 and signed on its behalf by



H Jones
Director

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF STEER GROUP LIMITED

We have audited the financial statements of Steer Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise of the consolidated income statement, consolidated statement of total comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, company statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023 and of the group's profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF STEER GROUP LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF STEER GROUP LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF STEER GROUP LIMITED (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities, including fraud
(Continued)

- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with certain tax authorities and evaluating internal tax guidance. We have also reviewed board minutes.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries, other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. We performed tests of detail with a focus on stage of completion and revenue recognition on long term contracts, as well as using data analytic techniques to address risks in revenue.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hywel Pegler (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
2nd Floor
1 The Square
Temple Quay
BS1 6DG
Date: 20 October 2023

STEER GROUP LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

The financial statements for Steer Group Limited are prepared as though the merged group had always been in place.

As such the entity will present prior year comparatives for the year to 31 March 2022.

		2023	2022
	Notes	£000	£000
TURNOVER	2	69,391	55,654
Total cost of sales		<u>(51,513)</u>	<u>(41,883)</u>
GROSS PROFIT		17,878	13,771
Administrative expenses		(12,151)	(8,586)
Other operating income	3	<u>-</u>	<u>339</u>
OPERATING PROFIT	4	5,727	5,524
Interest receivable and similar income		205	34
Interest payable and similar charges	8	<u>(2)</u>	<u>(1)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,930	5,558
Tax on profit on ordinary activities	9	<u>(1,321)</u>	<u>(250)</u>
GROUP OPERATING PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>4,609</u>	<u>5,307</u>

All amounts relate to continuing operations.

The notes on pages 27 to 54 form part of these financial statements.

STEER GROUP LIMITED
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

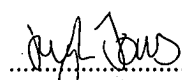
	2023	2022
	£000	£000
Profit for the financial year attributable to owners of the Company	4,609	5,307
Currency translation differences	(121)	332
Total comprehensive income	4,488	5,639

STEER GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	£000	2023 £000	2022 £000
FIXED ASSETS				
Tangible assets	11		2,422	2,216
Intangible assets	12		4,189	949
Investments	13		-	-
			<u>6,611</u>	<u>3,165</u>
CURRENT ASSETS				
Debtors	14	22,595		17,091
Cash at bank and in hand		<u>19,449</u>		<u>23,044</u>
		42,044		40,135
CREDITORS: Amounts falling due within one year	15	<u>(14,844)</u>		<u>(13,971)</u>
NET CURRENT ASSETS			<u>27,200</u>	<u>26,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			33,811	29,329
CREDITORS: Amounts falling due after more than one year	16		(1,419)	(674)
PROVISIONS FOR LIABILITIES	18		(105)	(210)
NET ASSETS			<u>32,287</u>	<u>28,445</u>
CAPITAL AND RESERVES				
Called up share capital	19		51	51
Share premium account	21		70	70
EBT share reserve	21		(8,265)	(8,063)
Capital redemption reserve	21		10	10
Option reserve	21		26	3
SIP share reserve	21		(2,558)	(1,942)
Profit and loss account			42,953	38,316
SHAREHOLDERS' FUNDS			<u>32,287</u>	<u>28,445</u>

The notes on pages 32 to 57 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 16 October 2023.



H Jones
Director



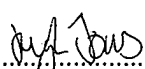
C Browning
Director


STEER GROUP LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	£000	2023 £000
FIXED ASSETS			
Investments	13		51
CURRENT ASSETS			
Debtors		98	
Cash at bank and in hand		9,104	
		<u>9,202</u>	
CREDITORS: Amounts falling due within one year	15	<u>(13,642)</u>	
NET CURRENT LIABILITIES			<u>(4,439)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(4,389)</u>
NET LIABILITIES			<u><u>(4,389)</u></u>
CAPITAL AND RESERVES			
Called up share capital	19		51
Share premium account	21		70
EBT share reserve	21		(8,265)
Capital redemption reserve	21		10
Option reserve	21		26
SIP share reserve	21		(2,558)
Profit and loss account			6,278
SHAREHOLDERS' FUNDS			<u><u>(4,389)</u></u>

The Company profit after taxation for the period from 23 June 2022 to 31 March 2023 was £8,753,000.
The notes on pages 32 to 57 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 16 October 2023.


.....
H Jones
Director


.....
C Browning
Director

STEER GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £000	2022 £000
Cash flows from operating activities			
Group operating profit		5,727	5,524
Depreciation of tangible assets	11	505	331
Amortisation of intangible assets	12	477	105
Loss on disposal of tangible assets		1	-
Share-based payment charge		-	50
(Increase)/decrease in debtors	14	(5,112)	(4,156)
Increase in creditors	15	(27)	478
Decrease in provisions	18	(105)	(374)
Cash from operations		1,466	1,958
Cash flows from operating activities			
Interest paid		(2)	(1)
Taxation paid		(908)	(515)
Net cash inflow from operating activities		556	1,442
Cash flows from investing activities			
Purchases of tangible fixed assets	11	(630)	(1,884)
Proceeds from sales of tangible fixed assets		10	-
Investment in subsidiary		(2,676)	(559)
Interest received		205	34
Net cash flows used in investing activities		(3,091)	(2,409)
Cash flows from financing activities			
Purchase of own shares		(764)	(724)
Net cash flows used in financing activities		(764)	(724)
Net decrease in cash and cash equivalents		(3,299)	(1,691)
Cash and cash equivalents at beginning of year		23,044	24,956
Effect of foreign exchange changes		(296)	(221)
Cash and cash equivalents at end of year		19,449	23,044
Cash and cash equivalents comprise:			
Cash at bank and in hand		19,449	23,044
		19,449	23,044

The notes on pages 32 to 57 form part of these financial statements.

STEER GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

Group – current year	Share capital	Share premium	EBT share reserve	Capital redemption reserve	Option reserve	SIP share reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	51	70	(8,063)	10	3	(1,942)	38,316	28,445
Profit for the year	-	-	-	-	-	-	4,609	4,609
Currency translation differences	-	-	-	-	-	-	(121)	(121)
Total comprehensive income for the year	-	-	-	-	-	-	4,488	4,488
Contributions by and distributions to owners								
Net Disposal of shares	-	-	(318)	-	-	(447)	-	(764)
Profit / (loss) on disposal of shares	-	-	(50)	-	-	(117)	-	(167)
LTIP purchase/disposal	-	-	159	-	-	-	-	159
Options granted	-	-	-	-	22	-	(22)	-
EBT/SIP funding	-	-	-	-	-	(51)	101	51
Adjustments to opening reserves	-	-	7	-	-	(1)	68	74
Total contributions by and distributions to owners	-	-	(202)	-	22	(616)	147	(648)
Balance at 31 March 2023	51	70	(8,265)	10	25	(2,558)	42,951	32,285

The notes on pages 32 to 57 form part of these financial statements.

STEER GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

Group – prior year	Share capital £000	Share premium £000	EBT share reserve £000	Capital redemption reserve £000	Option reserve £000	SIP share reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2021	51	70	(7,346)	10	3	(1,977)	32,668	23,479
Profit for the year	-	-	-	-	-	-	5,307	5,307
Currency translation differences	-	-	-	-	-	-	332	332
Total comprehensive income for the year	-	-	-	-	-	-	5,639	5,639
Contributions by and distributions to owners								
Share scheme charges	-	-	-	-	-	-	50	50
Net Disposal of shares	-	-	(662)	-	-	(7)	-	(670)
Profit / (loss) on disposal of shares	-	-	-	-	-	42	(42)	-
Purchase of B shares	-	-	(54)	-	-	-	-	(54)
Total contributions by and distributions to owners	-	-	(716)	-	-	35	8	(674)
Balance at 31 March 2022	51	70	(8,063)	10	3	(1,942)	38,316	28,445

The notes on pages 32 to 57 form part of these financial statements.

STEER GROUP LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

Company – current year

	Share capital	Share premium	EBT share reserve	Capital redemption reserve	Option reserve	SIP share reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	8,615	8,615
Total comprehensive income for the year	-	-	-	-	-	-	8,615	8,615
Contributions by and distributions to owners								
Transferred from Group undertaking	51	70	(8,063)	10	3	(1,942)	(2,337)	(12,208)
Net Disposal of shares	-	-	(318)	-	-	(447)	-	(765)
Profit / (loss) on disposal of shares	-	-	(50)	-	-	(117)	-	(167)
LTIP purchase/disposal	-	-	159	-	-	-	-	159
Options Granted	-	-	-	-	22	-	-	22
EBT/SIP funding	-	-	-	-	-	(51)	-	(51)
Adjustments to opening reserves	-	-	7	-	-	(1)	-	6
Total contributions by and distributions to owners	51	70	(8,265)	10	26	(2,558)	(2,337)	(13,004)
Balance at 31 March 2023	51	70	(8,265)	10	26	(2,558)	6,278	(4,389)

The notes on pages 27 to 54 form part of these financial statements.

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

Steer Group Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the officers and professional advisors 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 1.25.

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

Going concern

As required under company legislation, the directors are responsible for reviewing and concluding that the use of the going concern basis of preparation is appropriate for the Group. In consideration of this, the directors have taken into account short and medium term trading and a projection of cash balances and have considered the potential global or economic impacts on those forecasts.

The base forecast used as part of the review is founded from the Board approved 2024 budget with application of subsequent annual performance taken from the Group's most recent strategic plan. The forecast shows operating cashflow to be strong throughout. In creating the budget, consideration has been given to impacts on key cost items from the heightened UK inflation (as a key market for the Group) and assessment of an achievable rate of utilisation in the current economic environment. Other than the impact on utility costs there are no other identifiable implications in relation to the continued Ukraine-Russia conflict.

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Going concern (continued)

Through the use of a downside scenario the directors have also assessed the tolerance of the business cashflows to adverse impacts on the base assumptions which are most at risk from the current global economic environment. These are inflation pressures driving employment and overhead costs at a higher rate than budgeted; client demand dropping from reduced discretionary spend or public spending cuts impacting our ability to achieve desired rates of utilisation; and increasing interest rates. In this downside case, the Group's business model is sufficiently robust and has funding headroom without recourse to external debt, to absorb external volatility.

Having regard to these matters, the directors are satisfied that the Group has sufficient resource and liquidity to continue to trade for the foreseeable future and conclude that there is no material uncertainty around the Group's ability to continue as a going concern.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of Steer Group 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.

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
Motor vehicle	- 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.

STEER GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1. ACCOUNTING POLICIES (continued)****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.

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.

STEER GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1. ACCOUNTING POLICIES (continued)****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.

1.11 Liquid resources

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

STEER GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1. ACCOUNTING POLICIES (continued)****1.12 Foreign currencies**

These financial statements are presented in sterling (with all values rounded to the nearest thousand pounds (£000), unless otherwise indicated), which is also the functional currency of the Company.

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.

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 foreign currency contracts are used to reduce exposure to foreign exchange rates. The Company 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'.

1.13 Investments in subsidiaries

Investments in subsidiaries held as fixed assets are stated at cost less any provision for impairment. The carrying value of investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

1.14 Financial assets

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

STEER GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1. ACCOUNTING POLICIES (continued)****1.15 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.

1.16 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.

1.17 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.

1.18 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year. Contributions to the 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.

1.19 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.

1.20 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.

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (continued)

1.21 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.

1.22 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions, it is recognised in income when the proceeds are received or receivable.

1.23 Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and amortised on a straight-line basis over its useful economic life of 10 years. Provision is made for any impairment.

1.24 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.
- 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.

STEER GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1. ACCOUNTING POLICIES (continued)****1.25 Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. On 11 July 2022, the Group acquired 100% of the share capital of Amberside Advisors Limited. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill (see note 1.23). Contingent consideration is included in the cost of the combination at the acquisition date if additional payments are probable and can be measured reliably. The liability is measured at the present value of the estimated future payments, using a discount rate reflecting conditions at the acquisition date. If the additional payment becomes probable and/or reliably measurable only after the acquisition date it is recognised as an adjustment to the cost of the combination and goodwill at that time. Similarly, if estimated future payments are revised, for example due to the non-occurrence of future events that had been expected to occur, the resulting adjustment is recorded against goodwill. However, changes resulting from the unwinding of the discount are recognised in profit or loss.

1.26 Critical estimates and judgements***Revenue recognition – Note 2***

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 – Note 13

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.

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (continued)

1.26 Critical estimates and judgements (continued)

Share valuations – Note 21

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.

1.27 Merger Accounting

The consolidated financial statements incorporate those of Steer Group Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). The group was created on 13 October 2022 when Steer Group Limited 100% of the issued share capital of SDG Limited from its previous owners: Steer Davies & Gleave Voting Trust; Renaissance Trust Corporation Limited; and Suffolk Life Trustees Limited. Steer Group was incorporated for the purpose of becoming the holding company of SDG Limited and affected its purchase through a share-for-share exchange, thereby ensuring, post-transaction, it was owned by the previous owners of SDG Limited.

The business combination met the definition of a group reconstruction under FRS102 and the directors chose to account for it using the merger accounting method. Under this method:

- No adjustments were made to reflect the fair values of the acquired assets and liabilities;
- No internal goodwill or new intangibles were recognised;
- Comparatives were drawn up as if the new group structure had always existed. All financial statements are made up to a 31 March year end.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. TURNOVER

Turnover is wholly attributable to the principal activity 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.

Analysis of turnover by geographical market is given below:

	2023 £000	2022 £000
United Kingdom	32,444	32,913
European Union	2,342	1,658
North America	27,080	16,129
Rest of the World	7,525	4,954
	<u>69,391</u>	<u>55,654</u>

3. OTHER OPERATING INCOME

	2023 £000	2022 £000
Government grant income	-	184
Rental income	-	155
Other Income	-	-
	<u>-</u>	<u>339</u>

Government grant income represents amounts received in relation to the Coronavirus Job Retention Scheme (UK) and Canada Emergency Wage Subsidy (Canada), recognised on an accruals basis.

There are no unfulfilled conditions and other contingencies attaching to grants that have been recognised in income. The entity has not benefited from any other forms of government assistance during the financial year.

STEER GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
4. OPERATING PROFIT

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

	2023 £000	2022 £000
Depreciation of tangible fixed assets:		
- owned by the Group	505	331
Amortisation of intangible fixed assets:		
- owned by the Group	477	105
Operating lease rentals:		
- plant and machinery	30	16
- other operating leases	2,257	2,439
Foreign currency (gains)	(306)	(19)
(Profit)/loss on disposal of tangible fixed assets	1	(14)
Net movement in provisions (note 18)	(105)	(374)
LTIP (credit)/charges	64	-
Share scheme charges	51	50

5. AUDITORS' REMUNERATION

	2023 £000	2022 £000
Audit related services	85	77

6. STAFF COSTS

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

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Wages and salaries	35,582	27,826	-	-
Social security costs	2,967	2,298	-	-
Other pension costs	1,648	1,497	-	-
	<u>40,197</u>	<u>31,621</u>	<u>-</u>	<u>-</u>

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

	2023 No.	2022 No.
Employees	<u>504</u>	<u>453</u>

The value included within wages and salaries in respect of the LTIP and share scheme charges is a charge of £64,000 and a charge of £51,000 respectively (2022: £nil and charge £50,000).

STEER GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
7. DIRECTORS' REMUNERATION

Group	2023 £	2022 £
Remuneration	<u>1,096,222</u>	<u>1,071,933</u>
Company pension contributions to defined contribution pension schemes	<u>59,240</u>	<u>56,848</u>

During the year, retirement benefits accrued to three directors (2022: three) in respect of defined contribution pension schemes. To maintain contributions within annual pension allowances, one director (2022: one) elected to re-direct contributions to be paid through wages and salaries. These payments were subject to income tax and social security at the prevailing rates.

The highest paid director received remuneration of £398,985 (2022: £417,097) and Group pension contributions of £10,000 (2022: £10,000) 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 2023.

The Directors' emoluments were paid by another Group undertaking.

Long term incentive schemes

The number of Directors who exercised share options during the year were nil (2022: nil) and the gain made on exercise was £nil (2022: £nil). The amount charged to the income statement during the year in respect of options exercised and sold by the Directors was £nil (2022: £nil). At 31 March 2023, none of the Directors (2022: nil) held options.

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.

STEER GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Long term incentive schemes (continued)

During the financial year ended 31 March 2019, a fourth 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 which vested in the financial year ended March 2023.

During the financial year ended 31 March 2023, a fifth 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 which vested in the financial year ended March 2025.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £000	2022 £000
Bank interest payable	<u>2</u>	<u>1</u>

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2023 £000	2022 £000
Current tax		
UK corporation tax credit	-	-
Adjustments in respect of prior periods	-	41
UK corporation tax charge/(credit)	<u>-</u>	<u>41</u>
Foreign tax on income for the year	929	517
Foreign tax adjustments in respect of prior periods	<u>-</u>	<u>-</u>
Total current tax charge	<u>929</u>	<u>558</u>
Deferred tax		
Reversal and origination of timing differences	392	(307)
Effect of tax rate change on opening balance	-	-
Adjustments in respect of prior periods	<u>-</u>	<u>-</u>
Total deferred tax	<u>392</u>	<u>(307)</u>
Total tax charge on profit on ordinary activities	<u><u>1,321</u></u>	<u><u>250</u></u>

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023	2022
	£000	£000
Profit on ordinary activities before taxation	5,930	5,557
Standard rate corporation tax charge	1,127	1,056
Expenses not deductible for tax purposes	31	19
Remeasurement of deferred tax for changes in tax rates	79	(74)
Rate adjustments relating to overseas profits	337	(18)
Depreciation for the period less than capital allowances	14	(26)
Research and development expenditure deduction	(247)	(498)
Movement in deferred tax not recognised	61	(292)
Income not taxable for tax purposes	-	(39)
Unrelieved foreign tax arising in period	-	118
Other timing differences	23	4
Other permanent differences	(104)	4
Total tax charge for the year	1,321	250

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. The March 2021 budget announced a further increase to the main tax rate of UK corporation tax to 25% from 1 April 2023. This rate was not substantively enacted at the balance sheet date and as a result, deferred taxes on UK companies continue to be measured at 19%.

10. 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 £8,615,000.

STEER GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
11. TANGIBLE FIXED ASSETS

	Short-term leasehold property	Furniture and fittings	Motor vehicle	Computer equipment	Total
Group	£000	£000	£000	£000	£000
Cost					
At 1 April 2022	1,877	1,576	-	3,174	6,627
Additions	216	140	-	274	630
Disposals	(629)	(537)	-	(979)	(2,145)
Acquisition of subsidiary – note 25	-	145	58	-	203
At 31 March 2023	1,464	1,324	58	2,469	5,315
Depreciation					
At 1 April 2022	664	1,112	-	2,636	4,411
Charge for the year	151	105	14	236	506
On disposals	(629)	(535)	-	(970)	(2,135)
Acquisition of subsidiary – note 25	-	105	6	-	111
At 31 March 2023	185	786	20	1,901	2,893
Net book value					
At 31 March 2023	1,278	538	38	568	2,422
At 31 March 2022	1,213	464	-	538	2,216

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. INTANGIBLE ASSETS

	Goodwill
Group	£000
Cost	
At 1 April 2022	1,054
Acquisition of subsidiary (note 25)	3,717
At 31 March 2023	<u>4,771</u>
Accumulated amortisation	
At 1 April 2022	105
Charge for the year	477
At 31 March 2023	<u>582</u>
Net book value	
At 31 March 2023	<u>4,189</u>
At 31 March 2022	<u>949</u>

13. FIXED ASSET INVESTMENTS

The Company and Group have investments in the following subsidiary undertakings and unlisted investments.

	Unlisted Investments	Total
Group	£	£
Cost and net book value		
At 1 April 2022 and 31 March 2023	<u>4</u>	<u>4</u>

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

	Investments in subsidiary companies	Unlisted investments	Total
Company	£000	£000	£000
Cost and net book value			
At 31 March 2023	<u>51</u>	<u>-</u>	<u>51</u>

The investment in subsidiary companies relate to Steer Davies & Gleave Limited, Steer Davies & Gleave Holdings Limited and Steer Davies & Gleave Incorporated.

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. FIXED ASSET INVESTMENTS (continued)

Group and Company

As at 31 March 2023, 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

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
Steer Davies & Gleave Limited	United Kingdom	Ordinary (100%)	Transport and infrastructure consultancy
Steer Davies & Gleave Incorporated	Boylston Street, Boston, Massachusetts, United States	Ordinary (100%)	Transport and infrastructure consultancy

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. FIXED ASSET INVESTMENTS (continued)

The Company holds share capital of the following Companies indirectly 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 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

The Company holds share capital of the following Companies indirectly through Steer Davies & Gleave Limited.

Subsidiary undertakings	Registered Office	Class of share capital	Principal activity
Amberside Advisors Limited (note 25)	Clubfinance House, 64-66 Queensway, Hemel Hempstead, Hertfordshire, HP2 5HA	Ordinary (100%)	Infrastructure and energy transition consultancy

The Company holds share capital of the following Companies indirectly through Steer Davies & Gleave Incorporated.

Subsidiary undertakings	Registered Office	Class of share capital	Principal activity
Fourth Economy Consulting, Inc.	Fourth Economy Consulting PO Box 81620, Pittsburgh, PA 15217	Ordinary (100%)	Transport and infrastructure consultancy

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. DEBTORS

	Group		Company
	2023	2022	2023
	£000	£000	£000
Trade debtors	12,865	9,446	-
Corporation tax	349	501	-
Other debtors	923	963	98
Prepayments and accrued income	1,440	999	-
Amounts recoverable on long term contracts	7,018	4,875	-
Deferred tax asset (note 17)	-	307	-
	<u>22,595</u>	<u>17,091</u>	<u>98</u>

All amounts within debtors fall due for payment within one year. Amounts owed by Group undertakings are interest free and repayable on demand.

15. CREDITORS

Amounts falling due within one year

	Group		Company
	2023	2022	2023
	£000	£000	£000
Payments received on account	2,470	3,319	-
Trade creditors	3,134	3,276	-
Amounts owed to Group undertakings	1	-	13,642
Other taxation and social security	1,823	1,545	-
Other creditors	1,193	454	-
Accruals and deferred income	6,123	5,229	-
Deferred tax liability (note 17)	101	-	-
Corporation tax	-	147	-
	<u>14,846</u>	<u>13,971</u>	<u>13,642</u>

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. CREDITORS (CONTINUED)

Amounts falling due after more than one year

	Group	Company
	2023	2022
	£000	£000
Contingent consideration	1,368	674
Long term incentive plan liability	51	-
	<u>1,419</u>	<u>674</u>

17. DEFERRED TAX (ASSET)/LIABILITY

	Group	Company
	2023	2022
	£000	£000
As at 1 April	(307)	-
Other movement (P&L)	392	(307)
Acquired in year	16	-
Balance at 31 March	<u>101</u>	<u>(307)</u>

The deferred tax asset is made up as follows:

	Group	Company
	2023	2022
	£000	£000
Capital allowances	301	226
Sundry timing differences	(121)	(137)
UK tax losses	(96)	(396)
Acquired in year	17	-
	<u>101</u>	<u>(307)</u>

Deferred tax in the prior year was provided at 19%.

The Group has tax losses arising in the UK of £nil (2022: £nil) which are available for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses.

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. PROVISIONS

Group and Company	Other provisions £000	Dilapidation provision £000	Total £000
At 1 April 2022	175	35	210
Provision reversals	(105)	-	(105)
At 31 March 2023	<u>70</u>	<u>35</u>	<u>105</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.

19. SHARE CAPITAL

Group and Company	2023 £000	2022 £000
5,000,274 (2022: 5,000,274) ordinary shares of 1p each	50	50
58,000,000 (2022: 58,000,000) B shares of 0.001p each	<u>1</u>	<u>1</u>
	<u>51</u>	<u>51</u>

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

STEER GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****20. RESERVES**

As at 31 March 2023, the Employee Benefit Trust (EBT) held 4,017,409 ordinary shares (2022: 3,951,896) and 58,000,000 B shares (2022: 58,000,000), of which 3,828 ordinary shares (2022: 2,071) were under option to employees.

As at 31 March 2023, the Share Incentive Plan (SIP) held 906,334 shares (2022: 956,922), of which 301,606 (2022: 421,003) 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 604,728 shares (2022: 535,919), 6,177 (2022: 4,161) are matching shares held on behalf of employees which are due to vest in October 2023 and 598,551 (2022: 531,758) 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 2023 was 670p per share based on the external independent valuation, overseen by the share price committee in November 2022 (2022: 660p).

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.

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. SHARE-BASED PAYMENTS (continued)

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.

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 vested in 2017. A third LTIP scheme was introduced in the year ended 31 March 2017, which vested in 2019. A fourth LTIP scheme was introduced in the year ended 31 March 2019, which vested in 2021. A fifth scheme was introduced June 2022 which is due to vest in June 2024.

The charge is matched to the vesting period and is allocated over a three-year period.

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 2023, 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
2020	58	-	March 2020 to June 2023	570p
2023	3,770	-	March 2023 to June 2026	670p
	<u>3,828</u>	<u>-</u>		

STEER GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
21. SHARE-BASED PAYMENTS (continued)
Share options (continued)

Movements in share options during the year were as follows:

Year of grant	Exercise price	Outstanding options at 1 April 2022	Granted	Exercised	Lapsed	Outstanding options at 31 March 2023
2019	535p	1,503	-	-	(1,503)	-
2020	570p	175	-	-	(117)	58
2021	550p	60	-	-	(60)	-
2023	670p	-	3,770	-	-	3,770
		<u>1,738</u>	<u>3,770</u>	<u>-</u>	<u>(1,680)</u>	<u>3,828</u>

At 31 March 2022, 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
2019	1,503	-	March 2019 to June 2022	535p
2020	175	-	March 2020 to June 2023	570p
2021	60	-	March 2021 to June 2024	550p
	<u>1,738</u>	<u>-</u>		

Movements in share options during the prior year were as follows:

Year of grant	Exercise price	Outstanding options at 1 April 2021	Granted	Exercised	Lapsed	Outstanding options at 31 March 2022
2019	535p	1,503	-	-	-	1,503
2020	570p	175	-	-	-	175
2021	550p	60	-	-	-	60
		<u>1,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,738</u>

The exercise price of options outstanding at the end of the year ranged between 570p and 670p (2022: 535p and 570p) and had a weighted average of 668p (2022: 539p). The weighted average contractual life of options outstanding at the end of the year was 3.2 years (2022: 0.4 years).

STEER GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****21. SHARE-BASED PAYMENTS (continued)*****Share options (continued)***

Of the total number of options outstanding at the end of the year 58 (2022: 1,678) are exercisable by the end of the year. Options exercised during the current year were nil (2022: 333). Options granted during the period were 3,770 (2022: nil).

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

	2023	2022
Option pricing model used	Black Scholes	Black Scholes
Weighted average share price at grant date (pence)	620	570
Exercise price (pence)	670	660
Weighted average contractual life (days)	1,019	120
Expected Volatility (percentage)	18.1	17.00
Risk-free interest rate (percentage)	4.25	0.75
Fair value of option (pence)	87	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 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 £1,648,000 (2022: £1,497,000).

The material scheme is operated in the UK as a defined contribution pension scheme. Steer Davies & Gleave Limited made contributions to this scheme of £1,222,000 (2022: £1,287,000).

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. OPERATING LEASE COMMITMENTS

At 31 March 2023, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2023	2022
Group	£000	£000
Expiry date:		
Within 1 year	1,713	1,995
Between 2 and 5 years	3,716	3,701
After more than 5 years	4,115	5,314
Total	9,545	11,010

As at 31 March 2023, the Company had no future minimum lease payments under non-cancellable operating leases.

24. FINANCIAL INSTRUMENTS

	Group	Group
	2023	2022
	£000	£000
Financial assets		
Cash	19,449	23,044
Other financial assets	20,806	15,284
Financial liabilities		
Other financial liabilities	14,744	13,823

As at 1 April 2022 and 31 March 2023, the Company had no foreign exchange forward contracts.

STEER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. BUSINESS COMBINATIONS

Acquisition of Amberside Advisors Limited

On 11 July 2022, Steer Davis & Gleave Limited acquired the entire share capital of Amberside Advisors Limited who are infrastructure and energy transition consults domiciled in the UK. Amberside Advisors Limited became a 100% indirectly owned subsidiary with effect from that date. Amberside Advisors is exempt from the requirement to have its financial statements audited. SDG UK, has, as a parent undertaking for Amberside advisors, delivered to the registrar a statement by the parent undertaking that it guarantees the liabilities of the subsidiary company under S479a of the Companies Act.

The following table summarised the consideration paid by the Group and the fair value of the assets acquired and liabilities assumed at the acquisition date.

Consideration	Fair value £000
Cash consideration	3,658
Working capital	591
Deferred consideration	1,200
Transaction costs	305
Fair value of consideration paid	5,754

Consideration	Book value and fair value £000
Tangible assets	92
Cash at bank and in hand	1,878
Current assets	974
Current liabilities	(908)
Net assets	2,037

Goodwill (note 12)	3,717
Total purchase consideration	5,754

Consideration settled in cash	4,554
Cash in subsidiary acquired	(1,878)
Cash outflow on acquisition	2,676

The goodwill arising on acquisition is attributable to the expectation of future economic benefits. The useful life is estimated to be ten years.

STEER GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****25. BUSINESS COMBINATIONS (CONTINUED)****Contingent consideration**

The purchase agreement included an additional consideration of up to £1,200,000 payable only if the earnings before interest, tax, depreciation and amortisation for the years ended 31 July 2023 and 31 July 2024 exceed a target level agreed by both parties. The additional consideration will be paid in 2023 and 2024. The recognised contingent consideration liability of £1,200,000 represents the Group's best estimate of the amount that will be paid. Future changes in the estimate will be accounted for in accordance with the accounting policy in note 1.25.

The amount of revenue and profit after tax for Amberside Advisors Limited from 11 July 2022 to 31 March 2023 was £2,872,000 and £285,000 respectively.

26. RELATED PARTY TRANSACTIONS

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 £2,282,000 (2022: £1,989,000).

During the year, the Group purchased services from Greengauge 21, a Company with a common director of £nil (2022: £10,000). A balance of £nil was outstanding at the year-end (2022: £6,000).

27. SUBSEQUENT EVENTS

None to report.

28. ULTIMATE CONTROLLING PARTY

Due to its current shareholding, the ultimate controlling party is the Steer Davies and Gleave Voting Trust.

Complex questions.
Powerful answers.

Explore steergroup.com or visit one of our 21 offices:

Bogotá, Colombia	Los Angeles, USA	Rome, Italy
Bologna, Italy	Manchester, UK	San Juan, Puerto Rico
Boston, USA	Mexico City, Mexico	Santiago, Chile
Brussels, Belgium	Milan, Italy	São Paulo, Brazil
London, UK	New Delhi, India	Toronto, Canada
	New York, USA	Vancouver, Canada
	Panama City, Panama	Washington DC, USA

steer