Diales PLC

ANNUAL REPORT AND ACCOUNTS 2024

..We have an exciting vision for the direction we will take the Group.

SHAUN SMITH
NON-EXECUTIVE CHAIRMAN

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Key Metrics 2023/24

Revenue from continuing operations

£43.0m

(2023: £42.6m) +1%

Gross profit from continuing operations

£11.0m

(2023: £10.8m) +2%

Utilisation***

Underlying* profit before tax from continuing operations

£1.2m

(2023: £1.0m) +20%

Profit for the year from continuing operations

£0.4m

(2023: 0.1m) +300%

Net Cash**

Basic earnings per share from continuing operations*

0.8p

(2023: 0.2p)

*before share based payments non-recurring operational costs and loss from discontinued operations

Cash per share

8.1p

(2023: 11.1p)

Basic Loss per share

(1.2p)

(2023: 0.6p)

- Revenue from continuing operations increased by 0.9% to £43.0m (2023: £42.6m)
- Gross profit increased by 1.9% to £11.0m (2023: £10.8m) and gross profit margin by 0.9% to 26.6% (2023: 25.4%)
- Underlying* operating profit from continuing operations before tax increased by 20% to £1.2m (2023: £1.0m), a margin of 2.8% (2023: 2.3%)
- Profit for the year from continuing operations increased by 300% to £0.4m (2023: £0.1m)
- Profit before tax increased 125% to £0.9m (2023: £0.4m)
- Net cash of £4.3m (2023: £5.8m), a year-on-year decrease of £1.5m, this is after funding dividends of £0.8m (2023: £0.8m), share buy-back of £0.2m, tax payments and the planned cessation of a JV agreement in Canada and the Middle East
- Dividend maintained in the year at 1.5p (2023: 1.5p)
- Utilisation*** remained stable at 72.6% (2023: 72.5%)
- Earnings per share from continuing operations of 0.8p (2023: 0.2p)
- Loss per share of 1.2p (2023: 0.6p)

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

** Net cash consists of cash and cash equivalents and bank loans

*** Utilisation % is calculated by dividing the total hours billed by the total working hours available for chargeable staff

Chairman's statement

SHAUN SMITH
Non-Executive Chairman
2 December 2024

OVERVIEW

Looking back on my first full year as your Chairman, I am pleased to report that Diales Plc has enjoyed a year of consolidation, improved underlying profitability and efficiency gains, building on a well-executed turnaround in FY23. In FY24, we have laid strong and dependable foundations for future growth and taken important steps to place our business on a sustainable footing to deliver growth over coming years. FY24 has seen an improvement in underlying profit and the achievement of the targets we set ourselves in the first year of the four-year integrated transformation strategy which the Company unveiled a year ago. I believe that our shareholders can derive reassurance from Diales' strengthened financial and operational performance over the period.

Headwinds in the global economy and continuing inflationary pressures have been among the more systemic issues facing our management teams around the world which, by their very nature can in part be mitigated by careful planning and active management, but not altogether eliminated. The commercial uncertainties resulting from elections in multiple jurisdictions, including those in the UK and the US, have been pragmatically managed. The ambitions of the new governments in the UK and US to invest significantly in infrastructure may represent opportunities for the Group in future years. Similarly, if there is to be a resolution to the conflict in Ukraine, I am confident that Diales will be well positioned to capitalise on the opportunities that extensive reconstruction of that country's infrastructure would undoubtedly bring.

After a year of successful consolidation and commercial achievement, the Company is able once more to look forwards and to consider the acquisition of relevant in-fill skills and expertise to deliver future growth, in a systematic and disciplined way. We will only progress opportunities where we are content that these meet all the criteria we have set. Most of all, we will aim in everything we do to build on the improved profitability of this year, in order to ensure successful and sustainable trading in FY25 and beyond, in the best interests of our shareholders.

TRADING PERFORMANCE

In its FY23 results, the Board reported a return to profitable trading, and I am pleased to report that the Company's underlying performance has improved further in FY24. The Company's underlying operating profit improved significantly, increasing from £1.0m in FY23 to £1.2m in FY24.

These results reflect the delivery of the promised benefits arising from the cost reduction programme which completed at the end of Q1 FY24, and the progress made during the first year of the four-year integrated transformation strategy announced in December 2023. These are respectable results and reflect continuous improvements in the Company's performance based on its bigger pipeline, stable utilisation across most regions and the priority we attach to extracting efficiency gains from the global business. Accordingly, I am pleased to propose a final dividend for the year of 0.75 pence per ordinary share which, if approved at the next Annual General Meeting, will equate to 1.5 pence per share paid as dividends for the full year.

The Company is well positioned for the year ahead. Our cash position at the end of FY24 remains strong at £4.3m, after dividends and returning cash to shareholders via a buyback, while our strategy of planned cost and risk reductions has enabled us to deliver an improved underlying profit in FY24, compared to the previous year. As I said last year, a key metric for the business is cash generation and while our business is now trading profitably on a continuous basis, we remain focused on achieving optimal operational performance, which I am confident the next three years of fulfilment of our integrated transformation strategy will deliver.

We said last year that we considered an efficient way of returning value to shareholders could be through a share buy-back initiative. In June 2024, we announced a £0.25 million share buy-back programme which has already enjoyed considerable support and, at the time of writing, the business has acquired 810,000 shares. This programme remains ongoing. The Board will keep its capital allocation under review and remains focused on organic growth and strategic acquisitions along with the return of surplus cash to our shareholders.

STRATEGY

Explained in more detail in the CEO's statement, FY24 has seen us commence the execution of our integrated transformation strategy for the benefit of our clients and shareholders. With our principal focus of organic growth and acquisitions, we remain committed to returning surplus cash to our shareholders wherever possible and the generation of long-term accretive value. FY24 began with our objective of simplifying the businesses' branded offering beneath the Diales name to help clients and prospects better understand and engage with our business worldwide; implementing a hub and spoke model for the efficient delivery of outstanding service to our clients

worldwide; resetting our relationships with and between global offices and management teams; and, by no means least, expanding the breadth, depth and quality of the Company's service offerings. I am pleased to be able to report that the business has received very positive feedback on our re-branding to our premium Diales brand from clients and staff around the world.

We continue with our mission of strengthening our global operating platform to improve client servicing in order to fulfil our mission of maximising shareholder value. This year's results provide the clearest possible testimony that our strategy is working, laying strong and sustainable foundations for further growth in FY25 and future years.

GOVERNANCE

Diales follow the Quoted Companies Alliance "Corporate Governance Guidelines for Smaller Quoted Companies" (the QCA Code) and its ten principles. We have reported against the 2018 version of the QCA Code and have undertaken a 2023 Code gap analysis with One Advisory (our Corporate Governance Advisers) that identified several areas where we have either started to work on or intend to during FY25 including – corporate culture, ESG KPIs, Audit Committee reporting and Board succession planning. We intend to report against the 2023 version of the QCA Code in our next annual report.

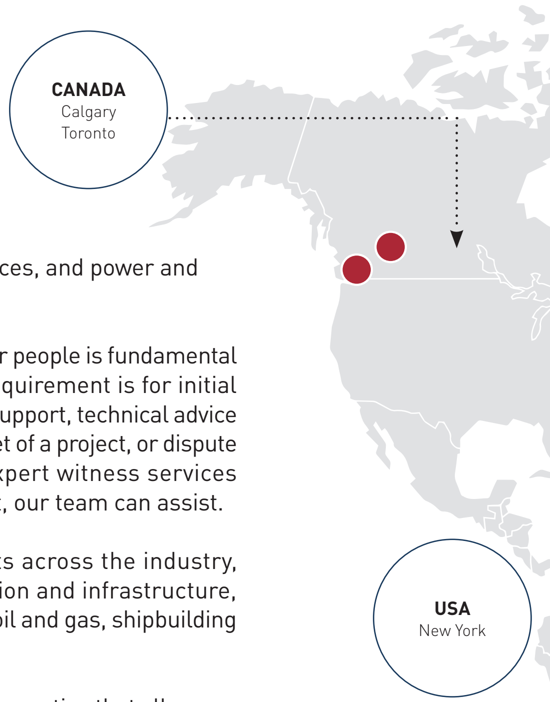
PEOPLE

During the last 12 months, I have had the privilege to meet many of the brilliant and committed people across our global network who make Diales such a richly rewarding place in which to work and to build careers, and who exemplify the values of integrity, professionalism, and pursuit of excellence. We are proud that people around the world see these values as being synonymous with our business. I would like to take this opportunity to thank all our staff around the world for the tremendous contribution that they have made during the period which has, in turn, delivered such positive results at the end of FY24.

I should like to thank the Board for their continued support. Our CEO, Mark Wheeler, leads our business with exceptional insight and professional understanding and our CFO, Charlotte Parsons, who plays a central role in improving our financial monitoring and forecasting, and I am grateful to each of them for their leadership.

After 2 years of consolidation and change, the business is now well positioned to make the most of the opportunities that lie ahead in FY25. Our integrated transformation strategy promises to unlock significant future efficiency gains and I am confident that these will lead to further enhancements in our return of value to our shareholders. I am pleased to report the board has agreed to return to market guidance signalling our confidence in the future prospects of the Group.

About us



As a global expert witness and consultancy business, Diales has been providing specialist support and expertise to clients in the construction and engineering industries across the world for over thirty years.

At the heart of our operations lies our established network of offices around the world, with a knowledgeable and dedicated team experienced in providing support on the most challenging of projects, whether in an expert or advisory capacity. We speak over 25 languages collectively, including Spanish, Arabic and French, and work across the globe – a truly international presence, with local expertise.

This extended presence ensures that we are able to respond quickly to a local point of need, providing cost-effective and flexible solutions to our clients' requirements. Each of our offices offers a unique blend of skills and expertise, and our offices work together to provide the most suitable team to support our clients' needs, with open lines of communication across our entire network.

Our skills and knowledge span matters relating to project costs, delays and disruption, project management, construction management, PFI, architecture, civil engineering, structural engineering, mechanical and electrical services, and power and environmental engineering.

The quality and experience of our people is fundamental to our success. Whether the requirement is for initial commercial and programming support, technical advice or dedicated training at the outset of a project, or dispute management and testifying expert witness services during or at the end of a project, our team can assist.

We have experience in projects across the industry, including building, transportation and infrastructure, energy, process and industrial, oil and gas, shipbuilding and marine, and mining.

Combined with our in-house IT expertise that allows us to work remotely and handle large volumes of data, our highly qualified team is dedicated to delivering exceptional services on time and within budget.

We create innovative and flexible solutions for our clients at every opportunity, with our company values of innovation, integrity and transparency at the core of what we do.

Global expertise, delivered locally.

OUR COMPANY VALUES

PEOPLE

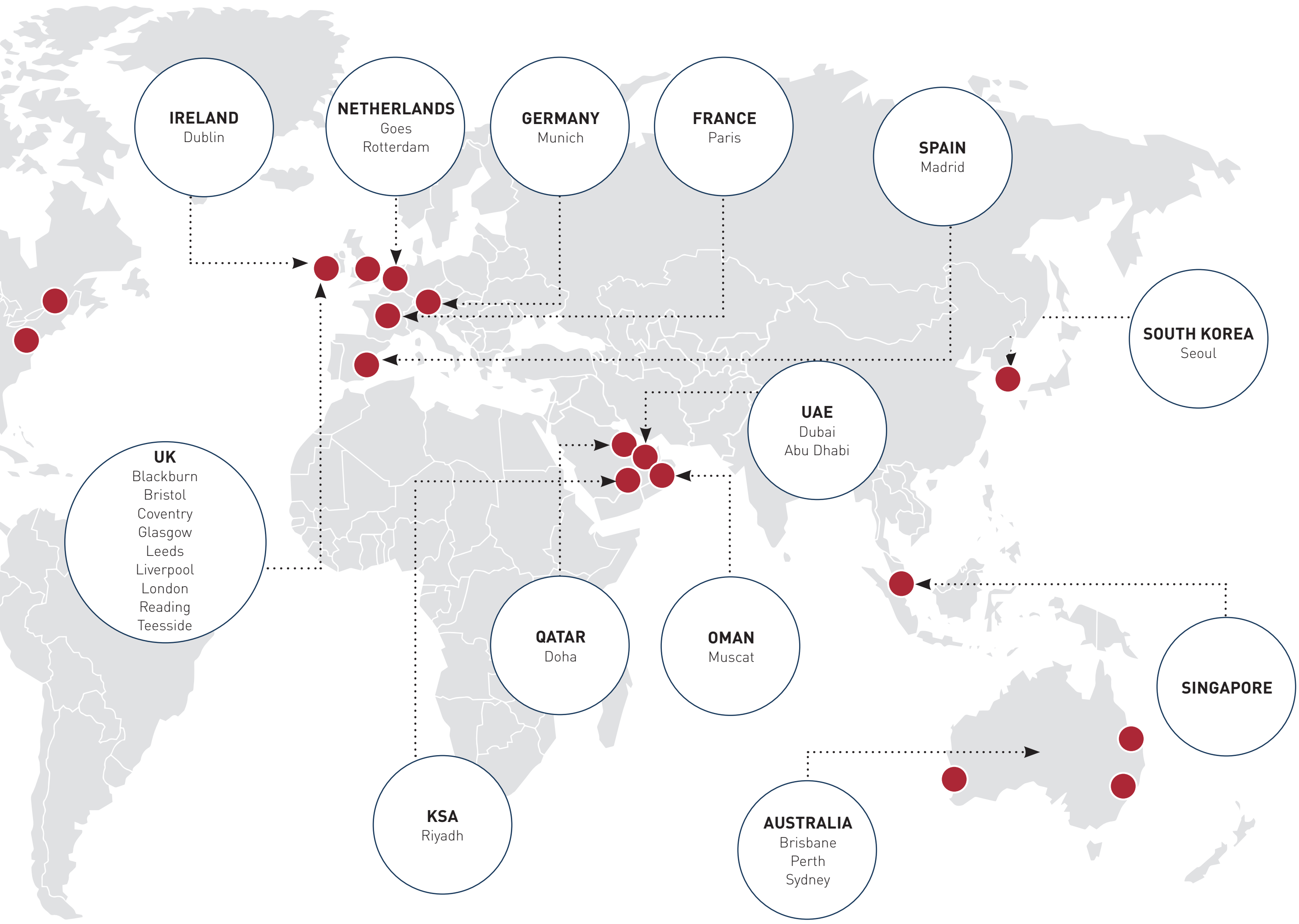
INDEPENDENCE

QUALITY

INTEGRITY

INNOVATION

TRANSPARENCY



Our expert witness service

Diales experts offer uncompromised expertise to the legal profession in adjudication, arbitration, litigation and all forms of alternative dispute resolution, including mediation, independent evaluation and dispute avoidance boards. Our expert team also includes accredited Adjudicators, Arbitrators and Mediators.

Working across all areas of the construction and engineering industries, our experts provide experienced opinion in the fields of quantum, delay, project management, construction management and technical, including architecture, civil and structural engineering, mechanical and electrical engineering, and power and environmental engineering.

Depending on the nature of the dispute, we are able to provide a multi-disciplined team of experts, with broad experience, offering a complete expert service with the benefit of collaboration and enhanced understanding of the issues between the instructed experts.

Our Diales experts:

- Have a minimum of 15 years industry experience.
- Have at least 50% of their workload as expert work.
- Have been cross-examined, or have successfully completed internal and external expert witness training.
- Have been trained in what is required of experts in adjudication, arbitration and litigation.

Our experts have access to a global network of offices, with a support team which collectively speaks over 25 languages. Our Experts and their assistants are well versed in their obligations to the tribunal, and are committed to providing the best service possible in the timeframe and budget available. They are experienced in working closely with clients and their legal teams, delivering robust and reasoned opinion, whatever the choice of dispute resolution forum.

Our Services

Dispute Avoidance and Dispute Resolution

Helping our clients avoid disputes is key to the advisory services we deliver.

Our extensive practical experience enables us to identify potential risks before they develop into more complex disputes, allowing our clients to consider proactive measures to monitor and manage those issues.

However, even on the most well-managed projects, disputes can still arise between the parties. Diales offers focused, practical support and assistance, and we work closely with our clients to deliver robust and effective solutions. Our involvement can start at the preliminary investigative and preparation stage, and run through to assistance in commercial discussions and negotiations, or formal dispute processes such as mediation, adjudication, arbitration and litigation.

OUR SERVICES INCLUDE:

- Assessment of entitlement to, and value of claims for variations and compensation events, extensions of time, prolongation, thickening and disruption.
- Preparation and defence of claims for extensions of time and additional cost.
- Assistance in the preparation for and management of adjudication proceedings, whether acting for the Referring or Responding Party.
- Assistance in the preparation for and representation in negotiation, mediation and other dispute resolution forums.
- Assistance in arbitration or litigation proceedings.

> ***Diales offers worldwide support in dispute management and resolution.***

Strategic Commercial Improvement and Contract Management

Having a clear contractual and commercial strategy for managing the contract, the works and the associated risks is essential to the successful delivery of a project. Diales are experts in this field - identifying, influencing and managing the delivery of the appropriate contractual obligations and processes is part of our core skill set.

OUR SERVICES INCLUDE:

- Pre-contract reviews to identify and manage risk allocation, and contract review and team workshop sessions.
- Ongoing contract/commercial 'health-checks'.
- Assistance in the production and management of contractually compliant notices and other records, and drafting commercial and contractual correspondence.
- Preparation of commercial position papers, identifying the strengths and weaknesses of each party's position.
- Preparation, defence and negotiation of claims, including variations and compensation events, prolongation, disruption and damages.
- Final account valuation, negotiation and settlement.

> ***Diales makes the difference in delivering robust and dynamic commercial solutions.***

Planning and Programming

We recognise the central role played by effective and robust planning and programming in the smooth delivery of any construction and engineering project. Our team provides support from inception to completion and beyond, including feasibility and baseline audits, project monitoring and progress reporting, ongoing risk identification and forensic delay analysis.

Our programming specialists are drawn from diverse backgrounds across the construction and engineering spectrum, bringing practical insight and live project experience to their work. They employ a wide variety of programming techniques and are conversant with all the leading industry software packages. They can analyse and assess prospective and retrospective extension of time entitlement, as well as the causes and effects of delay, acceleration, disruption and loss of productivity.

OUR SERVICES INCLUDE:

- Baseline programme preparation, and baseline programme validation and stress-testing to ensure compliance with contractual requirements and completion dates, to identify and manage exposure to liquidated damages.
- Progress monitoring, including preparation of contractually compliant programme updates.
- Identification of potential programme risk areas, and advice on strategies and options for managing those risks.
- Forensic delay analysis to prepare and defend claims for extensions of time.

> *“Diales are committed to providing a fully integrated service throughout the life of the contract”*

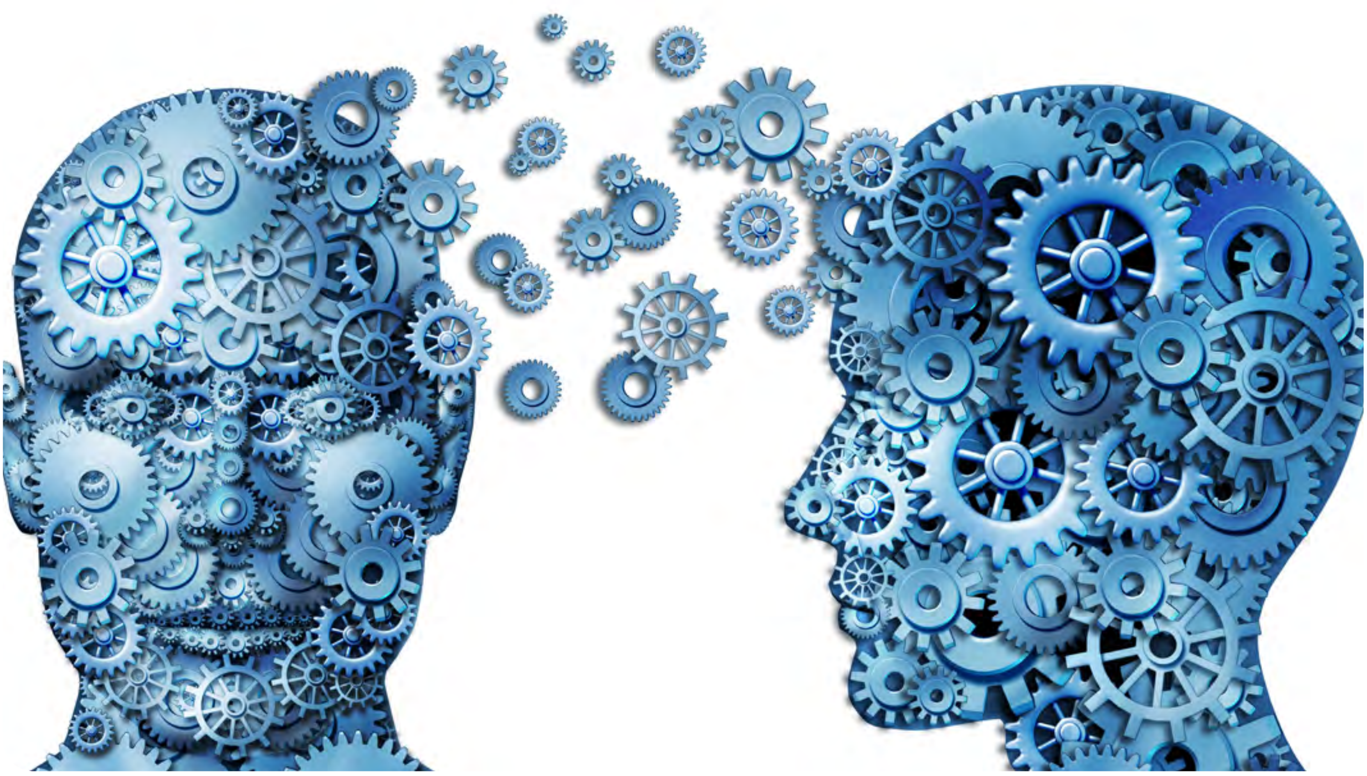
Training, Seminars and Workshops

Diales has a vast internal knowledge base resulting from the extensive experience that each of our members of staff has amassed, the varied sectors in which we have worked and the solutions and strategies we have developed and delivered to our clients. We are an official Chartered ICES training provider, and are able to add value to our clients' businesses by providing a wide range of tailored training programmes for staff of all levels of experience and knowledge.

OUR TRAINING, SEMINARS AND WORKSHOPS INCLUDE:

- Public breakfast seminars on topical matters, such as: Dispute Avoidance Boards; Quantifying Delay and Disruption; NEC4; Disallowed Costs; Payment Provisions.
- Targeted client seminars on key topics, such as: Notices and Record Keeping; Planning and Programming; Change Management; Various forms of contract and subcontract, e.g. JCT, NEC, FIDIC.
- Joint seminars and presentations with leading law firms.
- Speakers at leading conferences (e.g. Construction Law Summer School, Cambridge, Society of Construction Law (SCL) Conferences and Global Arbitration Review (GAR) sessions).

"A wealth of materials!"
"Fantastic learning experience."



Our Sectors

We offer a broad range of services, across multiple sectors.

Our consultants can work to single appointments, or as part of an engaged, multi-disciplinary team, suited to your requirements. Our global, in-depth knowledge and expertise covers:

Building

For those involved in the demolition, construction, or refurbishment of buildings, the importance of proper planning, costing and controlling of the works can never be underestimated. Diales's extensive experience covers a range of new build, refurbishment and fit out projects in both the public and private sectors.

Transport and Infrastructure

These highly complex and essential projects form the backbone of the future development of any region. They deliver solutions on a grand scale to the populations they service, and beyond. Diales has over 30 years' experience in understanding and working with the requirements of the teams responsible for implementing these schemes, from inception to completion.

Energy

Diales's inherently multi-disciplinary business makes us the first choice to deliver dynamic commercial solutions and support project delivery across the energy sector. With specialists in civil and structural engineering, mechanical, electrical and instrumentation, insulation, HVAC and coatings, we offer an unrivalled level of expertise in this field.

Process and Industrial

The process and industrial sector has faced immense pressure on capital and operating expenditure budgets, as a result of worldwide competition and the drive to reduce emissions. Diales has a solid working knowledge of the sector, whether advising in a commercial and project support capacity, or delivering technical expertise in a live project environment.

Oil and Gas

The oil and gas sector represents one of the world's biggest markets and is among the most technically challenging of all areas in which to work and operate. Diales delivers services to both client organisations and contractors, including long-term relationships with leading national and international oil and gas operating companies.

Shipbuilding and Marine

The unique and extreme challenges that our clients face on marine and shipbuilding projects require an exceptional depth of knowledge in the field, combined with a sharp commercial eye for the contractual, financial and programme outlooks on a project. Many members of our team have extensive practical experience in this sector, offering an unrivalled skill set to our clients.

Mining

The mining of natural resources, including coal, metals and minerals, is one of the world's largest and most important industries. Diales's team is highly skilled in identifying, addressing and managing the issues which commonly arise across the sector, offering commercially-driven solutions and strategies.

Global Solutions

UK

At the heart of our operations in the UK, lies our established network of offices.

This extended presence ensures that we are able to respond quickly to a local point of need, providing cost-effective and flexible solutions to our clients' requirements. Each of our offices offers a unique blend of skills and expertise in commercial and contractual support, cost/quantum assessment, delay and extension of time analysis, claims management and dispute avoidance. Our offices work together to provide the most suitable team to support our clients' needs, with open lines of communication across our entire regional resource.

BENEFITS

- Established and long-serving team members.
- A blend of experience and expertise to offer flexibility to our clients.
- A varied background in the construction, engineering, infrastructure, transportation, power and energy sectors.
- A drive for continued professional development, with many of our UK team being dual qualified in both technical and legal disciplines.
- Unique access to our Diales delay, quantum, project management and technical expertise to enhance our service offering.

Mainland Europe

Diales has had a presence in Mainland Europe for over 30 years, with over 40 highly qualified and experienced staff based in the region.

Diales works for clients across the whole of Europe and supports them around the Globe. Our team consists of native Dutch, English, French, Spanish, Italian and German speakers, with many years of experience in engineering and construction.

Most of our staff have a technical, project management or quantity surveying background, combined with a master's degree in law or management. The team's industry expertise covers numerous sectors including building, energy, infrastructure, marine, oil and gas, renewables and process and industrial.

Our multiple locations throughout the continent guarantee a team of professionals who provide local knowledge and support, with the added insight of international experience shared throughout the Group. As a result, we are in the unique position to bring both local and global experience and awareness to what we do.

> *Our multilingual European team is unrivalled among our competitors in this space*

Middle East and Africa

Diales has been operating in the Middle East for over two decades.

Since 2006 we have grown a network of offices that service our clients' needs across the region, wherever support and our services are required.

Having this local presence brings an experienced and skilled set of consultants with extensive local knowledge and experience to bear on any matter that we might be asked to assist with, be it pre or post contract, of a project services nature, or a need for support with formal dispute resolution proceedings.

Our consultants are familiar with local customs and practice, with local forms of contract, local regulatory and authority requirements and if required can operate in Arabic as well as in English.

Our Diales brand of testifying experts has experts resident in the region and if needed can also call on experts from our global network of offices.

Industry sectors we work in include oil and gas, building, infrastructure, transportation, marine, utilities, energy and water.

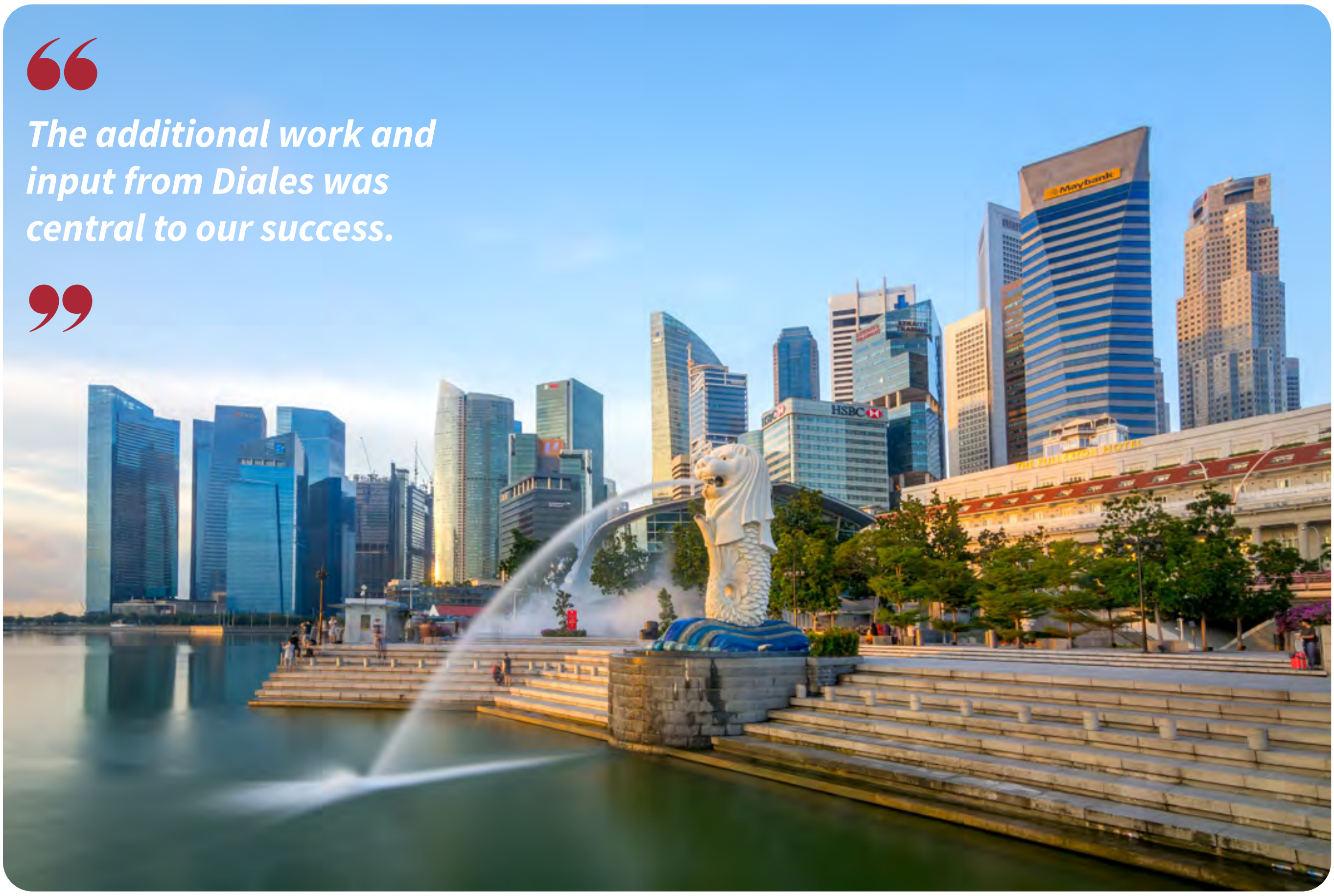
BENEFITS

- Language skills and translation services.
- Local knowledge and experience of contracts, costings and custom and practice.
- Flexible resourcing options across the region.
- Vast portfolio of having worked on some of the region's largest, most complex and sometimes iconic buildings and infrastructure.

Diales staff operate in over 25 languages, and with access to local, cultural knowledge, we can understand a problem, and set about the solution.

Asia Pacific

Our Asia Pacific region covers South East and Central Asia and Australasia.



The region is as diverse as it is vast. It possesses some of the largest and fastest growing economies, biggest financial and business centres, and some of the most rapidly developing countries in the world. It is also a region rich in natural resources, with extensive oil and gas, metal and mineral reserves; and home to some of the world's largest construction and engineering projects.

The quality and experience of our people is fundamental to our success. Each Asia Pacific office is staffed by a resident team and supported by visiting staff from our network of local offices. Their skills and experience enable us to offer support and expertise to clients from numerous locations.

Our staff are multi-lingual and highly qualified, allowing us to provide a full range of construction consultancy services, to some of the largest companies globally. We meet the needs of our clients in a timely, consistent and economical manner.

BENEFITS

- Experience across a wide range of industries, including: aviation, infrastructure, residential, nuclear, oil & gas, railways, mining and metallurgy.
- Expert Witness Services: Quantum, Programming and Technical.
- Vast Alternative Dispute Resolution experience, including Mediation, Arbitration and Litigation support.
- Key areas of expertise include delay analysis, project controls, schedule risk analysis, quantum and contract advisory.
- Multi–lingual consultants.

Americas

Diales has offices in Canada and America, serving our clients throughout the Americas and Latin America.

Our clients include government ministries, private financial institutions, major international contractors, national contractors and subcontractors, commercial development companies, and lawyers. In addition to project specific services, we are also able to provide educational services in the form of seminars, workshops, and lectures.

Every assignment we undertake is managed by a director, who remains responsible for the project until its conclusion. The director will regularly evaluate the client's requirements to ensure that the most appropriate members of our Group's multi-disciplinary team are engaged on the assignment and that, where necessary, they are successfully integrating into the client's team. This approach consistently ensures that we add value to our clients. Our multiple locations guarantee a team of professionals who provide local knowledge and support, with the added insight of international experience shared throughout the Group.

The services we deliver support the whole life-span of a project, from initial tender assessments of risk through to assistance at formal dispute resolution, including the provision of experts and third party neutrals. Our team is highly experienced in providing an extensive range of services relating to the development, negotiation, and settlement of claims for time and money.

> “*We continue to see high levels of demand for our most senior experts, in particular in international arbitration*”

Chief Executive Officer's Review

MARK WHEELER
Chief Executive Officer
2 December 2024

INTRODUCTION

I am pleased to report that, in FY24, Diales has continued to make good progress that builds on the Company's prior performance in FY23. The Company delivered revenue from continuing operations of £43.0m (2023: £42.6m) and realised an underlying operating profit of £1.2m in FY24, compared to £1.0m in FY23.

FY24 marked a year of consolidation and improved trading following the turnaround that was successfully executed by our team in FY23 which has delivered enhanced underlying operating profit. This is testimony to the successful execution of Diales' integrated transformation strategy which is now starting to deliver for the Company and its shareholders. Our earlier cost reduction programme was successfully completed by the end of December 2023 and the benefits of that programme flowed through into Q2 FY24, and as we anticipated FY24 has seen us go further. We have made reductions in our operational overheads – savings which have had direct and beneficial effects on the Company's profitability. The fact that significant progress has been made and profitability has been strengthened has been a particular achievement during a period of elevated geopolitical risk, regional conflict and economic headwinds. Additionally, this has been achieved in spite of operational challenges that the Company has faced, including issues such as staffing in the USA and the business failure of two significant clients.

FY24 has witnessed the transitioning of our corporate branding to our premium Diales brand, making our branding and service lines to clients, introducers and the market as a whole, simpler, easier to understand and to engage with. I am pleased to be able to report that the brand consolidation to Diales, completed in July 2024, has been well received by clients and staff alike, around the world.

In June 2024, the Company announced its intention to undertake a new share buy-back programme to give tangible form to the commitment we made last year to return surplus cash to our shareholders in a cost-efficient way that delivers long-term benefits to the Group. To date, the business has acquired 810,000 shares at a cost of £0.2m, funded from its existing surplus cash, in order to return value to our shareholders. The £0.25 million programme has already achieved a significant measure of success; the programme remains ongoing and will be subject to board review when the first tranche is concluded.

As a business working on some of the world's largest and most important projects, we have made over the past 3 years a significant investment in cyber security including cyber essentials accreditation to ensure the business and its clients are properly protected from the continuously evolving threats posed by a challenging virtual world. We have strengthened our IT systems considerably during the year and will continue to invest in this area in future years.

I want to thank our staff whose work has played a critically important role in taking forward our business and turning in a performance that, besides being highly conscientious and professional, has also proven that the integrated transformation strategy which Diales initiated a year ago is beginning to deliver significant, tangible and continuing improvements in our commercial performance. It has not only delivered improved profitability but, also, valuable incremental operational efficiency gains across the Company's global platform. Last and by no means least, it has earned the enthusiastic support of our team.

We pride ourselves on having an upfront and inclusive global culture that is respectful, engaged and focused on client fulfilment and, during FY24, we have gone further to strengthen and celebrate those key Diales values in order to support our overall mission of maximising shareholder value.

I should like to thank Shaun Smith for his guidance, encouragement and support throughout FY24 in his first full year as our Chairman. I should also like to commend Charlotte Parsons, our Chief Financial Officer, whose seasoned scrutiny of our financial performance through our now fully integrated ERP IT, has improved our ability to appraise our operational performance to help drive improvements in future financial performance.

At the end of FY23 we referred to the significant investments made in infrastructure projects globally. We remain focused on the opportunities that the Kingdom of Saudi Arabia, South American and APAC clients can offer our business and shareholders in FY25 and beyond. We continue to identify and assess opportunities of strategic interest, but only where we are confident that there is an appropriate and synergistic fit in terms of value and management, and will only proceed further in circumstances where we consider all our key criteria are met.

OVERALL TRADING ENVIRONMENT

FY24 has witnessed a period of geopolitical change as a consequence of over 70 elections worldwide, including in territories in which Diales operates or provides service to clients. Elections have included both the UK and US which have each witnessed substantial political change, as well as European Parliamentary elections that have taken place over our footprint of EU offices. Dynamic public policy and regulatory change inevitably has the potential to have a bearing on our overall operational performance and the future environment in which our business trades.

The recent change of government in the UK and its first Budget has also created challenges with increased National Insurance costs materially affecting our UK operations through increased payroll costs. The Company is now putting in place the necessary steps ahead of the implementation of the Budget measures from April 2025 in order to ensure the business can mitigate the additional costs as far as possible. Management do, however see significant opportunities from the UK government's commitment to spending on hospitals, schools and infrastructure, which are expected to benefit the core UK business over the medium to longer term.

Similarly, we anticipate that the change of administration in the US in January 2025 is set to unlock significant medium term opportunities for structural infrastructure upgrade, particularly in the energy sector.

An early stabilisation of the conflict in the Ukraine region in HY FY25 would bring with it significant requirements for reconstruction and a potential need for our services.

REGIONAL BREAKDOWN

EUROPE AND AMERICAS

As a consequence of in-market operational issues, the Company has decided to retrench from its New York office. Diales' Canada business and footprint remains unaffected by this short-term resource-based issue. For the time being, future opportunities in Latin America will be managed from the Company's office in Madrid.

The cost of doing business in New York is high and some staffing issues early in FY24 had a negative impact on the Group. Accordingly, staff are expected to exit with local management in an agreed and orderly way, in order to ensure efficient cash collection for the Group and effective and timely fulfilment of existing local client requirements. The Group considers that this early and decisive action reflects the business's ability and willingness to take proactive steps in the way envisioned in the integrated transformation strategy and guided by more accurate and timely financial data and reporting.

FY24 has witnessed a period of satisfactory trading and consolidation across European markets, with our businesses in Germany, France and the Netherlands returning a decent trading performance in spite of economic headwinds affecting the Eurozone. In addition, there has been some commendable growth achieved in Spain. We expect to see further sustained growth in FY25 with additional hires planned in Germany, the Netherlands, France and Spain in order to strengthen further our offering and our ability to service clients and pipeline.

Retrenching our presence in New York will bring more growth to Spain in view of the language opportunities that come from the Latin American market, to which we continue to attach importance. This will involve the addition of some Portuguese speaking staff to work on projects in Brazil.

Our Driver Project Services business in the UK has enjoyed another year of notable achievement, with further growth that has exceeded what was originally forecast.

Industrial clients in the North-East continue to require high quality project-related support and the business is, therefore, now uniquely differentiated from the wider Group by continuing to operate under the trading name of Driver Project Services, while the rest of the global platform now trades as Diales.

The UK business performed in line with expectations in the year; but it is a testimony to the business' continuing strength, vitality and resolution that it would have been significantly further ahead, had it not been for two disappointing client insolvencies which occurred in Q4 FY24.

These were well-publicised large entities in the construction sector and, whilst advance warning was not

“...the integrated transformation strategy which Diales initiated a year ago is feeding through to deliver significant, tangible and continuing improvements in our commercial performance.”

Chief Executive Officer's Review (continued)

MARK WHEELER
Chief Executive Officer
2 December 2024

available to us, quick thinking and decisive early action by management enabled the impact of the two business failures to be substantially mitigated.

There is now underlying strength to the business, providing secure foundations for future performance gains in FY25. It is with this in mind, therefore, that the business has hired two new testifying experts in the Project Management and Mechanical engineering departments in the expectation of economic growth and contingent demand for consulting services, and it continues to seek to acquire the best talent in the marketplace, confident of its ability to compete effectively, support further organic growth next year and deliver for our shareholders.

ASIA PACIFIC

Our presence in APAC is now streamlined through a regional footprint of offices in Singapore, Seoul and in Australia (ie Perth, Sydney, Brisbane). The wider region is served from these spokes within the hub and spoke model that was a central feature of our integrated transformation strategy announced in FY23 and which is now delivering for the Group. Australia has had a reasonable year despite some regional headwinds and I am pleased to report that Singapore has now turned around and returned a very creditable year of profitable trading. Seoul has rapidly developed into a strategically important new business spoke for the region and, in addition, continues to be used to win work in the Middle East and APAC regions for our Korean clients. In order to service this pipeline of valuable leads and converting business, some of our staff are based in Seoul and utilise further support from other areas of our global business.

MIDDLE EAST

Diales' Middle East business is now structured around regional hubs in Dubai / Abu Dhabi, Qatar and the Kingdom of Saudi Arabia (KSA). The legacy operations in Oman and Kuwait are going through an orderly process of winding down, leading to eventual closure. I am pleased to report that the region as a whole has continued to trade profitably and work has been shared around the region's offices in an efficient and seamless way. KSA continues to act as a regional magnet for infrastructure spend with recent reports suggesting that contracts awarded in the construction, industrial and transport sectors now approaches USD 150 billion. Our Qatar office is winning international work all over the globe.

Through intelligent planning and a lean team which we currently have no plans to increase, we are well positioned to make the most of continuing growth in and from the region. Our careful monitoring of work and pipeline emanating from, in particular, KSA requires the precise matching of resources to local opportunities, which I am pleased to report that we are well positioned to develop strongly and sustainably in FY25.

Full integration through the offices, effectively acting as one Middle East business has now been achieved, and I am grateful to the excellent management team we have in place.

CURRENT TRADING

The Group has delivered a significant improvement in underlying* operating profit of £1.2m, compared to £1.0m in FY23. In the face of significant geopolitical, commercial, fiscal and operational risk, I believe we have delivered a highly respectable set of full year numbers.

Staff retention levels have continued to be strong. More efficient servicing of clients delivered through the integrated transformation strategy across our global platform has improved the competitiveness of our offering and the effectiveness of our client servicing and client retention in a way that positions us well for FY25.

Continued vigilance on cash collection, assisted by improved financial reporting, has ensuring that our cash position has strengthened significantly to £4.3m compared to £3.6m at the FY24 Interim Results. Whilst this is a decrease year on year of £1.5m (2023: £5.8m), this is after funding dividend payments of £0.8m (2023: £0.8m), share buy-back of £0.2m, tax payments and the planned cessation of a JV agreement in Canada and the Middle East.

DIVIDEND

I am pleased to report a proposed final dividend to shareholders at 0.75 pence per share, which if approved at the forthcoming Annual General Meeting will make 1.5 pence per share paid as dividends for the year.

CAPITAL ALLOCATION

The business's framework objective continues to be to generate growing levels of cash each year, predicated on trading profitably, which we do year on year.

Our approach to Capital Allocation remains focused on organic growth, strategic acquisitions and the return of surplus cash to our shareholders.

In June 2024, the Company initiated a new £0.25 million share buy-back programme that delivered on its promise to repatriate surplus cash to our shareholders and this programme continues. The Group is actively considering a number of acquisition opportunities and the Board will review the potential to allocate further cash to the buyback once the first tranche is concluded.

OUTLOOK

We have entered FY25 with a strong pipeline of leads, a more stable trading environment and a clear direction of travel in terms of public policy in the UK and the USA. Both incoming governments have publicly stated their commitment to investment in infrastructure and, in the US, to energy. In these markets and other adjacent ones, there are opportunities for the advisory services provided by Diales.

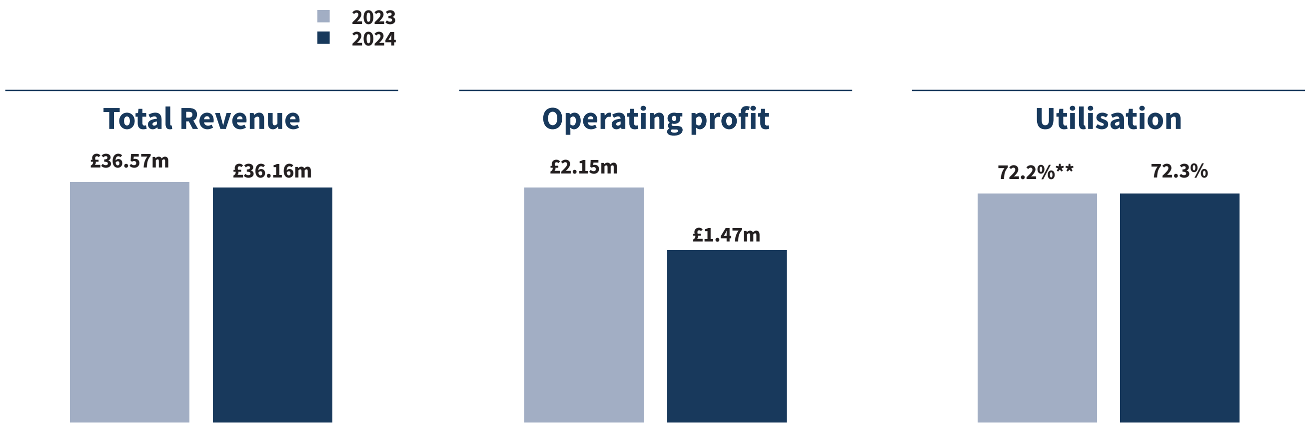
Following a successful turnaround, and strengthened by the delivery of the first year of the four-year integrated transformation strategy that was announced last year, Diales is now exceptionally well positioned to meet the challenges and exploit the opportunities of FY25.

The executive team is focused on extracting continuous efficiency gains for the business and our shareholders; refining our strategy to keep the business highly competitive over coming years; and implementing an ongoing process of incremental improvements in utilisation levels and margin enhancement. We believe that running our global business with continuously improving levels of cost-effectiveness and accountability whilst simultaneously providing our clients with exceptional levels of client servicing is a winning formula for growing our business and pipeline. This will ensure that our integrated transformation strategy not only meets the objectives that we have set ourselves over the coming three years, but also provides a route map to even greater success and achievement.

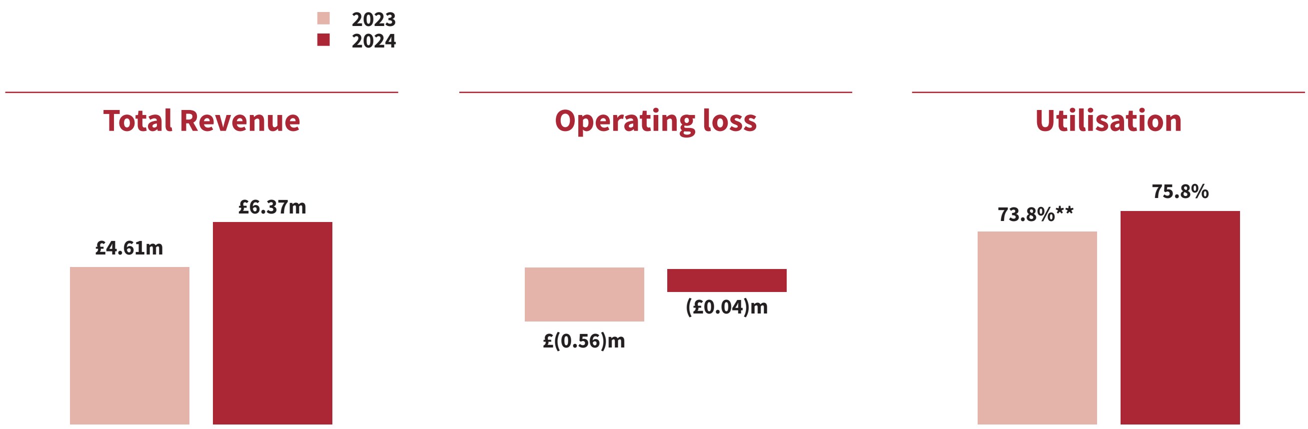
We see prospects for the business and our clients in FY25 and the longer term as very promising for Diales. I am pleased to report the board has agreed to return to market guidance signalling our confidence in the future prospects of the Group.

Operational Performance*

EUROPE AND AMERICAS



MIDDLE EAST



ASIA PACIFIC

* Operational performance results from continuing operations.
** 2023 restated to reflect changes following the introduction of new ERP system which enabled are more detailed calculation.

Chief Financial Officer's Review

CHARLOTTE PARSONS
Chief Financial Officer
2 December 2024

INCOME STATEMENT	2024 £m	2023 £m
Revenue	43.0	42.6
Cost of sales	(31.4)	(31.8)
Impairment movement	(0.6)	-
Gross Profit	11.0	10.8
Administrative expenses	(10.1)	(10.4)
Other operating income	-	-
Underlying* operating profit	1.2	1.0
Non-recurring costs	(0.2)	(0.2)
Share-based payments charges and associated costs	(0.1)	(0.4)
Operating profit	0.9	0.4
Finance income	-	0.1
Finance costs	-	(0.1)
Profit before tax	0.9	0.4
Tax expense	(0.5)	(0.3)
Profit from continuing operations	0.4	0.1
Loss from discontinued operations	(1.0)	(0.4)
Loss for the year	(0.6)	(0.3)

The key financial metrics are as follows:

KEY METRICS	2024	2023
Revenue	£43.0m	£42.6m
Gross Margin %	26.6%	25.4%
Underlying* operating profit	£1.2m	£1.0m
Loss for the year	£(0.6)m	£(0.3)m
Cash Balance	£4.3m	£5.8m
Utilisation Rates***	72.6%	72.5%
Basic profit per share from continuing operations	0.8p	0.2p
Net cash per share**	8.1p	11.1p

Revenue from continuing operations increased by 0.9% to £43.0m (2023: £42.6m). Gross profit margin increased by 0.9% to 26.6% (2023: 25.4%), a £0.2m increase to £11.0m (2023: £10.8m). This resulted in an increase in underlying operating profit of 20% to £1.2m (2023: £1.0m). There was a decrease in net cash year on year to £4.3m (2023: £5.8m), after funding dividend payments of £0.8m (2023: £0.8m), share buy-back of £0.2m, tax payments and the planned cessation of a JV agreement in Canada and the Middle East.

The UK and Europe region revenue increased to £34.1m (2023: £32.7m) with a slightly reduced segmental underlying operating profit pre-central cost recharge of £5.2m (2023: £5.4m). This was driven by increased revenues in the UK of 8.3% to £26.0m (2023: £24m) and a decrease in revenues in mainland Europe of 8.0% to £8.1m (2023: £8.8m).

Revenue in Canada decreased by 25% to £0.6m (2023: £0.8m). The segmental underlying operating loss pre-central cost recharge was a £0.2m, due to some exceptional staffing issues (2023: £Nil).

The ME region saw revenue increase during the year by 14.3% to £4.8m (2023: £4.2m). The segmental underlying operating profit pre-central cost recharge for the region was a turnaround of £0.4m to a profit of £0.3m (2023: loss £0.1m).

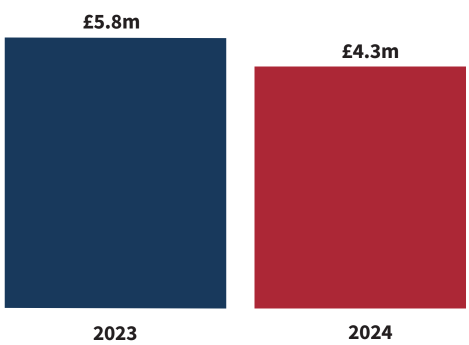
The APAC region saw revenues increase by 20.7% to £3.5m (2023: £2.9m). The segmental underlying operating loss pre-central cost recharge for the region was £0.1m, due to market challenges (2023: £loss 0.2m).

The profit before tax increased 125% to £0.9m (2023: £0.4m) after non-recurring costs of £0.2m (2023: £0.2m), charge for share-based payments of £0.1m (2023: £0.4m) and net finance income of £Nil (2023: £0.1m).

There was a loss from discontinued operations of £1.0m (2023: £0.4m) relating mainly to the USA (£0.5m), Oman (£0.2m), Kuwait (£0.3m)

The utilisation*** rate of chargeable staff across the continuing business as a whole for the year remained stable at 72.6% (2023: 72.5%). Across the regions this was 72.3% in EuAm (2023: 72.2%), 75.8% in the Middle East (2023: 73.8%) and 70.5% in APAC (2023: 68.0%).

Net Cash**



NET WORKING CAPITAL

Net cash** decreased, closing the year at £4.3m (2023: £5.8m) with a decrease in net working capital following a decrease in outstanding debtors and a decrease in creditors.

TAXATION

The Group incurred a tax charge of £0.5m (2023: £0.3m). The tax charge includes the effects of expenses not deductible for tax purposes and is calculated at the prevailing rates for the jurisdictions in which the Group operates.

EARNINGS PER SHARE

The basic loss per share was 1.2p (2023: loss 0.6p).

Underlying* basic earnings per share was 1.4p (2023: 1.4 p).

CASH FLOW

There was a net cash inflow from operating activities before changes in working capital of £1.0m (2023: £1.0m), including the current year benefit of £0.6m (2023: £0.6m) from the amortisation of right of use assets under IFRS16. The movement also reflects the reported loss for the year of £0.6m (2023: loss £0.3m) after depreciation of £0.2m (2023: £0.2m). There was a decrease of £0.2m in trade and other receivables (2023: decrease of £6.2m) reflecting the continuing strong debt collection, and a decrease in trade and other payables of £0.4m (2023: decrease £4.7m) resulting in a net cash inflow from operating activities of £0.4m (2023: £2.4m). Net tax paid in the year was £0.4m (2023: £0.2m).

There was a net cash outflow from investing activities of £0.1m (2023: £Nil) which relates to office relocations and IT spend.

Net cash flow from financing activities was an outflow of £1.5m (2023: £1.5m) with the current year reflecting the dividends paid of £0.8m (2023: £0.8m), purchase of treasury shares £0.1m (2023: Nil) and lease repayments under IFRS 16 of £0.6m (2023: £0.7m).

CASH FLOW	£m
Net cash** at 30 September 2023	5.8
Operating cash flow before changes in working capital	1.0
Decrease in trade and other receivables	0.2
Decrease in trade and other payables	(0.4)
Tax paid	(0.4)
Net cash inflow from operating activities	0.4
Net interest paid	-
Net Capital spend	(0.1)
Dividends paid	(0.8)
Purchase of Treasury shares	(0.1)
Repayment of leases	(0.6)
Effects of Foreign Exchange	(0.3)
Net cash** at 30 September 2024	4.3

LIQUIDITY AND GOING CONCERN

The Group continues to be in a strong financial position. At the year-end the Group had net cash balances of £4.3m (2023: £5.8m) which is appropriate for the Group's operating requirements going forward. During the year management agreed a £1m overdraft facility with Barclays and will be transitioning the UK banking across over the coming months.

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

DIVIDENDS

The Directors propose a final dividend for 2024 of 0.75p per share (2023: 0.75p per share) in addition to the interim dividend paid in October 2024 of 0.75p per share (2023: 0.75p). This will be paid on 10 April 2025 to shareholders who are on the register of members at the close of business on 28 February 2025, with an ex-dividend date of 27 February 2025, subject to approval at the Group's Annual General Meeting.

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

**Net cash consists of cash and cash equivalents.

***Utilisation % is calculated by dividing the total hours billed by the total working hours available for chargeable staff.

Corporate Sustainability

ENVIRONMENT

Diales Plc is committed to being accountable and proactive in creating a positive impact on the environment.

As a specialist construction and engineering consultancy, our sector does not have a major environmental impact. Despite this, we recognise that every business must play its part in minimizing its environmental footprint. Therefore, we are targeting our major areas of consumption within our office estate, moving towards environmentally efficient, low-emission alternatives that will have financial and environmental benefits. We have begun a process to comprehensively account for our energy consumption in line with best practice methodologies and comply with Streamlined Energy and Carbon Reporting (SECR) requirements.

We have set up an ESG committee to guide the Company's integration of environmental governance into decisions and longer-term strategy. They will have the support of our 3rd party consultants, Inspired ESG, over the next three years, to advise on developing our journey to a lower emission economy.

Our work with Inspired ESG will cover environmental, social, and governance themes to take account of and set targets for our corporate sustainability based on best practice thresholds. For the theme of environment, we will review our Greenhouse Gas Reporting across scope 1 (our direct emissions), 2 (our indirect, purchased emissions), and 3 (our indirect emissions from our upstream and downstream value chain). For our social and governance work we will engage in ESG reporting with gap analysis, target setting and disclosure. The gap analysis will consider best practice requirements from standards such as Global Reporting Initiative (GRI), CDP, Procurement Policy Note 06/20 (PPN0620) and Task Force on Climate Related Financial Disclosures (TCFD). This initiative has full support from the Board, who will be involved, for example, in the workshop conducted once the ESG assessment information is collected. This work altogether will ensure that our company values of innovation, integrity and transparency are deeply rooted in everything we do.

GREEN HOUSE GAS (GHG) EMISSIONS REPORT

The following table provides details of the Greenhouse Gas (GHG) emissions during the year in relation to the parent company Diales Plc.

	2024 Energy Consumed (kWh	2024 Tonnes of CO2e	2023 Energy Consumed (kWh	2023 Tonnes of CO2e	Energy Consumed (kWh) Change	Tonnes of CO2eC Change
Combustion Gas and consumption of Fuel for the purpose of transport	10,500	2	98,182	19	(88,1321)	(17)
Purchase of electricity for our own use	20,228	4	128,209	27	(107,987)	(23)
Total emissions per full-time equivalent member of staff of Diales Plc the parent	1,044	0	8,385	2	(7,341)	(2)

The reduction from 2023 relates to the closure of the Haslingden office.

The emission factors used were from the UK Government's GHC Conversion Factors for Company Reporting 2024. The Directors have utilised the exemption available for subsidiary companies not classed as large for GHC reporting. As such the above figures are only in relation to the parent company Diales Plc, and not the Group as a whole.

Caring for our People and Communities

EMPLOYEE ENGAGEMENT AND CULTURE

Our employee satisfaction is central to our work. As a consultancy having a positive workforce enables us to best serve and expand our work with clients. We recruit top-quality professionals who resonate with our values and who also seek to thrive in an environment of openness and integrity; the retention of these valued employees is a key performance indicator used by the Group. We currently have an average length of service of 6.8 years which is a testimony to our nurturing of employees, the UK average is 2-5 years.

We have achieved this by tailoring our benefits and development opportunities to the needs of our employees. Examples of the development opportunities include quality management to support the continuation of our ISO 9001 standards and the procedure and infrastructure required to be an unbiased expert witness. We also offer Minerva (an internal training scheme) and the Diales Development Group which provides employees the opportunity to become experts.

DIVERSITY AND INCLUSION

We have vast international coverage, operating in 15 countries, across 28 offices providing services in 25 different languages, all of which is possible through our diverse workforce. We are proud of the inclusive environment we have for our team and continually seek feedback from our staff so we can improve the way we support and advocate for them. Diales is committed to ensuring equal opportunity in all aspects of employment, including recruitment and promotion, giving guidance and encouragement to employees at all levels to act fairly and prevent discrimination on the grounds of sex, gender, race, marital status, disability, age, part-time and fixed term contracts status, sexual orientation or religion. This is codified in our Inclusion and Diversity Policy as well as our Equal Opportunities Policy which covers the full employee journey from recruitment to training and promotion.

HEALTH AND SAFETY

Health and safety is the Group's number one priority and is kept as such being a standard agenda item at every board meeting. The Group has clear Health and Safety policies and procedures that align with relevant local legislation, demonstrating our commitment to providing a safe and sustainable workplace environment that values the well being of our employees. All employees are trained on health and safety as a mandatory regular requirement to ensure that all are able to carry out their jobs safely. All projects have clear risk assessments, and training is given on the induction of a project to ensure that it is mitigated.

EMPLOYEE WELLBEING AND MENTAL HEALTH

We recognise that the health of employees extends beyond physicality, as such we have placed emphasis on our support and monitoring of mental health in our workforce. We assess this through our annual anonymous survey.

The Group has introduced Perkbox, which is available to all employees. This initiative was launched to support staff during the cost-of-living crisis and provides discounts and vouchers for shopping, goods, and utilities. Within Perkbox, there are several initiatives designed to recognise the outstanding work of our teams. Employees can recommend a 'spot bonus' for a colleague, typically in the form of Perkbox reward points, which is awarded when a team member goes above and beyond. Additionally, there is a separate Perkbox competition focused on Employee Wellness, Cost of Living Savings, and Refer a Colleague. Ten winners receive Reward Points.

In addition, Perkbox has a whole section on well-being, offering exercise regimes, healthy eating recipes and access to podcasts/ bitesize snippets for mental health-related support, including mindfulness, anxiety, stress, empowerment and positive thinking. Beyond Perkbox, the Group offers its employees access to a number of health-related assistance apps.

DIALES IN THE COMMUNITY

The Group endeavours, where possible, to help local communities and raise funds for charities. Some of the ways in which the Group has done this are as follows:

- Each year for the past few years, all UK offices have chosen to donate to a charity in lieu of sending Christmas cards. The Germany office has also followed this tradition.
- Across the offices, we volunteer with and donate to local, regional charities, e.g., London Legal Walk by the London team.
- Following the rebrand, the Bristol office donated Driver Trett merchandise to two charities: coffee cups to a homeless charity and stationery to a children's charity.
- Our Middle East team made donations to the Al Noor Training Centre for People of Determination of laptops to support their altruistic efforts.

Risk Management

The Board outlines the principal risks that the Directors consider could impact the business. Underlying these principal risks are the differing economic factors which affect the geographically widespread regions in which we operate. The Board continually reviews the risks facing the Group to ensure the necessary controls are in place to mitigate any potential adverse impact. The Board recognises the nature and scope of risks can change over time and there may be other risks to which the Group is exposed.

PRINCIPAL RISKS AND UNCERTAINTIES	
RISK	**MITIGATING ACTIVITIES**
CREDIT RISK	
The Group's credit risk is primarily attributable to its trade receivables. The risk increases as our business expands into new territories where payment of outstanding receivables can be slower.	Credit risk is managed by running credit checks on customers and by monitoring payments against contractual terms. There is a clear internal process for elevating potential problems in recovering debts such that prompt action is taken to recover debts at the earliest possible point and legal action is taken where necessary.
LIQUIDITY RISK	
Liquidity risk is that the company has enough cash reserves to manage its day to day working capital requirements. The Group's working capital is heavily reliant on customer receipts as a large proportion of the Group's costs are fixed.	The Group monitors cash flow as part of its day-to-day control procedures. At the year end, the Group had cash balances of £4.3m (2023: £5.8m). The net cash position is appropriate for the Group's operating requirements going forward but during the year management agreed a £1m, overdraft facility with Barclays and will be transitioning the UK banking across over the coming months.
REPUTATION RISK	
The Group's reputation is highly dependant upon the quality of work produced by fee earning staff. If this work is not of the highest calibre the Group's reputation could be damaged affecting future income streams.	The quality and experience of our people is fundamental to our success, and we are committed to the development and training of our staff. All assignments are managed by a Director who remains directly responsible until its conclusion and will regularly re-evaluate the client's requirements and issues. The Group also has a robust quality management policy including peer review before reports are issued to clients.

UTILISATION RISK	
Utilisation risk is attributable to the number of hours billed by staff and subconsultants generating revenue against the costs of their services. It is a key performance indicator for the Group and a drop in utilisation of staff can have significant effects on the Group's profitability.	The Group manages the risk by monitoring expected revenue across the Group, employing flexible mobile staff and managing peak work-loads through the use of subconsultants.
RELIANCE ON KEY PERSONNEL	
The business is dependent upon the professional development, recruitment and retention of highly qualified staff.	The Group manages the risk of high staff turnover through attention to human resource issues and the monitoring of remuneration levels against the wider market, including long-term incentive arrangements.
INFORMATION SYSTEMS AND DATA SECURITY	
The Group is heavily reliant on its information technology systems for all day to day processes. A major IT system failure or a malicious attack, data breach or virus attack could impact the ability of the Group to operate having both reputational and financial implications.	The Group's systems are supported by appropriately qualified and experienced individuals and third parties. External expert advice and support is sought when necessary. Critical systems fall over and recovery are regularly tested and no issues have been identified. The Group liaise regularly with their key suppliers to continue to develop and improve the operating systems utilised by the Group. The Group provides regular awareness updates to help colleagues to identify and prevent fraud or misuse of information to ensure that, where certain risks are increased as a result of environmental factors (such as increased levels of cybercrime), the business and colleagues are aware of any heightened risk. Beyond awareness training the Group's open culture and team ethos delivers a responsive communication environment which ensures colleagues can ask questions and be guided as required. Our IT systems have been strengthened during the year with significant investment in cyber security including cyber essentials.
MACRO AND MICRO ECONOMIC ENVIRONMENT	
Current uncertainty in the market as a result of the war in Ukraine and remaining high inflation in some parts of the group, governmental changes in the UK and elsewhere, increased cost of employment in the UK and interest rates remaining high effecting the cost of borrowing.	The Board believes its exposure to both macro and micro environmental factors is mitigated as a result of its global footprint including the broad spectrum of business sectors the Group serves, and the Group's continuous focus on cash collection resulting in it having good headroom to counteract the impact of any economic downturns. Costs are continually reviewed by the board and managed in-line with the Group's projected revenue forecasts. The Group is in a cash positive position and as such currently benefits from the increased interest rates. The Group ensures sanction compliance policies and procedures are robust and adhered to by employees.

TREASURY POLICIES AND FOREIGN EXCHANGE MANAGEMENT

Treasury operations are managed centrally and operate to reduce financial risk, ensure sufficient liquidity is available for the Group's operations and to invest surplus cash.

Corporate Treasury does not operate as a profit centre and does not take speculative positions. The Company regularly invoices in Euros for work performed in Europe as well as receiving foreign currency income in UAE Dirhams ("AED"), Omani Rials ("OMR") and Qatari Riyals ("QAR") from its Middle East businesses; Singapore Dollars ("SGD") and Australian Dollars ("AUD") from its Asia Pacific operations and United States ("USD") and Canadian ("CAD") Dollars from its businesses in the Americas. The Group is therefore exposed to movements in these currencies relative to Sterling. AED, OMR and QAR are currently linked to the US Dollar. Foreign currency balances in excess of forecast amounts required to fund projected outgoings are returned to the UK and have been converted to Sterling balances during the year at spot rate.

Currencies are hedged where outstanding amounts become material. This policy is continually under review. Details of the foreign currency financial instruments in place at 30 September 2024 are shown in note 21 to the accounts. As a consequence of the earnings generated in the Middle East, Canada, Asia Pacific as well as Euro earnings generated in the UK, the Group's net income and its equity is exposed to movements in the value of Sterling relative to the Canadian Dollar, Singapore Dollar, Australian Dollar and Euro. The estimated impact of movements in the Sterling exchange rate on profits and equity are summarised in note 21 to the Financial Statements. As non-Sterling earnings increase, the exposure of the Group's Income Statement and Equity to movements in Sterling will increase as well.

CONTINGENCIES AND LEGAL PROCEEDINGS

The Group monitors all material contingent liabilities, through a process of consultation and evaluation which includes senior management, internal and external advisors. This process results in an evaluation of potential exposure and provisions are made or adjusted accordingly by reference to accounting principles. No contingent liabilities have been recognised at the year end.

HEALTH AND SAFETY

Diales is committed to ensuring the health and safety of its employees in the workplace and where possible implementing health and safety policy improvements. Diales continues to invest in the training and development of safe working practices. The Group measures its health and safety policies through three metrics: lost time due to accidents, lost time days, and reportable accidents. No time was lost because of a reported incident during the year.

Directors and Advisors

Shaun Smith
Non-Executive Chairman
Shaun was appointed to the Board on 23 March 2023 as a Non-Executive Director. Shaun began his career in retail management and corporate treasury at Marks and Spencer Plc before joining Glynwed International Plc in 1989 and subsequently becoming Group Finance Director at AGA Rangemaster Group Plc (formerly Glynwed International Plc) until its takeover in 2015. He then joined Norcros Plc as Chief Financial Officer until July 2021.He is currently an independent Non-Executive Director (holding various positions) at Cake Box Holdings Plc, Epwin Group Plc and INSPECS Group Plc.
Shaun is a qualified Corporate Treasurer and has a degree in economics.

Mark Wheeler
Chief Executive Officer
Mark was appointed to the Board of Directors on 17th May 2017. Mark is an Engineer and Surveyor with over 40 years' construction and engineering experience within the construction industry, including major civil engineering, building and power projects. He specialises in providing expert services support, quantum and technical reports for support in construction dispute resolution. This is achieved by means of litigation, adjudication, arbitration or mediation. He acts as an expert witness in both technical and quantum disputes and has cross-examination experience in court, domestic and international arbitration. He is also head of our Diales expert team.

Charlotte Parsons
Chief Financial Officer
Charlotte has over 24 years' experience in international property, engineering, and construction consultancies, where she has an established track record of providing high-level strategic and change management advice to the boards of PLCs and LLPs. Charlotte's experience as Finance Director at High-Point Rendel Ltd (since acquired by KPMG), and Chief Financial Officer of James R. Knowles (Holdings) PLC (since acquired by Hill International), means that she has a strong understanding of many of the same issues, sectors, markets and jurisdictions as those in which Diales Plc operates.

Peter Collini
Senior Independent Director
Peter, was appointed to the Board of Directors on 17th May 2017. Peter, ACA, is a corporate finance professional with over 25 years' experience of leading significant international transactions. He is Managing Director of Interpath Advisory, a financial advisory business and Chair of Solefield School. Peter previously ran his own financial advisory practice, Riverhill Partners for 17 years, was a Managing Director at Deutsche Bank's Investment Bank and a chartered accountant practising tax with PwC. He holds an MA in Engineering from Oxford University

Elizabeth Filkin CBE
Non-Executive Director
Elizabeth was appointed to the Board of Directors on 1st October 2019. Former Parliamentary Standards Commissioner, Elizabeth has carried major roles in both the private and public sectors. She currently combines chairing The Employers' Initiative on Domestic Abuse, TecSOS and she is also a Trustee of the Vodafone Foundation.

Elizabeth has been the non-executive chair of Annington Homes, a non-executive director of Britannia Building Society, HBS, Logica, Jarvis and Hay Management Consultants and an Audit Commissioner.

John Mullen
Non-Executive Director
John was appointed to the Board of Directors on 1st June 2020. John is a Chartered Quantity Surveyor and Civil Engineering Surveyor with over 40 years' experience across buildings, infrastructure, civils, engineering, energy, oil and gas and process projects. He was one of the founders of Diales Plc, having joined its predecessor partnership in 1983. One of the World's leading quantum experts, working in many different jurisdictions, matters appointed on have ranged in value up to US$2.75 billion in dispute.
He is co-author of the books Evaluating Contract Claims and The Expert Witness in Construction. A Who's Who Legal Thought Leader 2018 and Global Elite Thought Leader 2019, 2020 and 2021.

COMPANY SECRETARY
Charlotte Parsons

CORPORATE GOVERNANCE ADVISORS
One Advisory Limited
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Neville House,
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Engaging With Stakeholders

SECTION 172 STATEMENT

The following disclosure forms the Directors' Statement required under section 414CZA of the Companies Act 2006 on how the Directors have had regard to the matters set out in section 172 (1) (a) to (f) in performing their duties. The Board recognises that engagement with its stakeholders is fundamental to the long-term success of the Company and considers the views and interests of all key stakeholders in its decision making.

KEY STAKEHOLDERS AND WHY WE FOCUS ON THEM	HOW DO WE ENGAGE WITH THEM?
OUR PEOPLE	
The business is dependent on the professional development, recruitment and retention of our highly experienced staff who are responsible for delivering a world class service to our clients. The Directors recognise that the quality, motivation and commitment of our people is fundamental to the Group's success.	Employee engagement and interaction is encouraged through a variety of means including: ▪ One to one appraisal ▪ Regular team meetings ▪ Corporate intranet ▪ Staff conferences ▪ Global management board The Group have invested to improve IT systems enabling staff to continually communicate and interact across the business with both clients and colleagues. The Group's CEO holds a monthly global update call, for all employees, to encourage a more unified business across the Group. Providing an update on what had been happening within the Group and presenting a topical subject with a Q&A session. We believe in the value of developing future talent within the Group and as such we continue to invest in our people across the Group providing financial support for employees who are undertaking professional training to gain the qualifications required to progress with their careers. We also provide internal training and development through our Minerva and Diales Expert Witness programmes, developing the Experts of tomorrow. The Group manages the risk of high staff turnover through attention to human resource issues and the monitoring of remuneration levels against the wider market, including long-term incentive arrangements and a number of non monetary benefits to staff.
SHAREHOLDERS	
Our shareholders have been extremely supportive to the business over the years. This continued support is important to ensure the longer-term success of the business. As such the Directors continually look for ways to maximise shareholder value in both profits and returns and the Group's reputation.	The Chief Executive Officer and Chief Financial Officer have primary responsibility for shareholder engagement and investor relations. They are also supported by the Chairman. There are bi-annual presentations to shareholders following the announcements of our interim and full year results. The Board also seeks regular updates from our corporate brokers regarding the market's perception of the Company. In addition, the Company makes announcements using the regulatory news service (RNS) throughout the financial year so that all investors are aware of current developments and financial performance of the Group. The annual general meeting of the Company, which is generally attended by all Directors, provides an opportunity for all shareholders to ask questions and to meet the Directors in person.

CLIENTS	
The clients we serve are key to the success of our business.	The Group has a diverse client base across the geographic locations and the industrial sectors the Group operates in. These include international and domestic contractors, large law firms, Governments, and individuals. Each project has a commission manager who manages the relationship and service delivery with the client. These individuals are responsible for the project from the start to the finish and ensure that both requirements and expectations of the client are managed effectively so that relationships between both parties are maintained.
GOVERNANCE	
Board appointments in the year are detailed in the Corporate Governance Statement.	The Board believes that it is important for the correct mix of skills and experience be represented in order to deliver its strategy for the benefit of all stakeholders. The Board comprises of two Executive Directors, Mark Wheeler (Chief Executive Officer) and Charlotte Parsons (Chief Financial Officer) and four Non-Executive Directors comprising Shaun Smith (Chairman), Peter Collini (Senior Independent Director), Elizabeth Filkin CBE and John Mullen. The Board is supported by One Advisory as Corporate Governance Advisor.
BANKERS	
The Group currently operates in a net cash position, however, it is important to maintain an open and transparent relationship with its bankers such that if the Group did require future funding there is a greater understanding by the bank of the Group's operations from both a strength and risk perspective.	The Group provides monthly financial performance updates and narrative support regarding the results. Regular contact is also maintained between the bank and the senior finance staff members ensuring the correct amount of facilities and support requirement is maintained for the best interest of the Group. During the year, management agreed a £1m overdraft facility with Barclays and will be transitioning the UK banking across over the coming months.

Report of the Directors

CHARLOTTE PARSONS
Chief Financial Officer
2 December 2024

The Directors present their Report and the Consolidated Financial Statements of Diales Plc ("the Group") and its subsidiary companies for the year ended 30 September 2024.

BUSINESS REVIEW

A review of the business is contained within the Strategic Report.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the Financial Statements.

FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Group including the policy for hedging foreign currency risk, are outlined in the Strategic Report and note 21.

DIRECTORS

The Directors during the year under review were:

- S M Smith
- M Wheeler
- C L Parsons
- J P Mullen
- E J Filkin CBE
- P M Collini

The beneficial interests of the Directors in office during the year in the issued share capital of the Company were as follows:

DIRECTORS INTERESTS	30 September 2024 Ordinary 0.4p Shares	30 September 2023 Ordinary 0.4p Shares
S M Smith	-	-
M Wheeler	335,000	335,000
C L Parsons	-	-
J P Mullen	2,062,428	2,062,428
E J Filkin CBE	37,000	37,000
P M Collini	103,500	103,500

The Company has an established Employee Benefit Trust in which all the employees of the Group, including Executive Directors, are potential beneficiaries. At 30 September 20224 the Trust owned 3,677 (2023: 3,677) shares which it acquired at an average price of 73p per share (note 12).

To date, the Company repurchased 810,000 shares at a cost to be held in treasury and it utilised 752,870 treasury shares to settle outstanding share options. At 30 September 2024 the company holds a total of 1,169,536 treasury shares (2023: 1,412,406).

DIRECTORS' INDEMNITY COVER

All Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events requiring disclosure since 30 September 2024.

AUDITORS

Kreston Reeves LLP are willing to continue in office and a resolution proposing their re-appointment as auditors of the Company and authorising the Directors to fix their remuneration will be put to the shareholders at the Annual General Meeting.

On behalf of the Board:

Charlotte Parsons
Chief Financial Officer

Corporate Governance Statement

OVERVIEW

As Chairman of the Board of Directors of Diales Plc (the "Company" or the "Group"), it is my duty to ensure the Group has both good corporate governance and an effective Board.

The Board recognises the importance of good corporate governance and has elected to adopt the QCA Corporate Governance Code 2018 (the "QCA Code"), which requires companies to adopt and comply with each of the principles or explain non-compliance.

The Board considers the QCA Code appropriate and suitable, having regard to the group's size and complexity. Below is the Company's explanation of how it has complied with the 10 principles of the QCA Code during the year including any deviation from those principles. The Board notes that an updated version of the QCA Corporate Governance Code was published in November 2023, We have reported against the 2018 version of the QCA Code herein and have undertaken a 2023 Code Gap analysis with One Advisory that identified the following areas where we have started work on or intend to during FY25 – Corporate culture, ESG KPIs, Audit Committee reporting and Board succession planning. We intend to fully report against the 2023 version of the QCA Code in our next annual report.

There have been no other significant changes in governance arrangements

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QCA PRINCIPLES

1. ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTES LONG-TERM VALUE FOR SHAREHOLDERS

The Board of Directors has determined that the Company's growth strategy will deliver the greatest medium and long-term value to its shareholders.

Diales Plc provides specialist commercial management, planning, programming and scheduling, project management, and dispute resolution support services, to the global engineering and construction industry. The Company supports clients from project inception and business case; pre-contract preparation, measurement, tendering, and procurement; the construction phase, from managing change, through to completion and agreement of the final accounts; to supporting the asset in use, through to refurbishment, re-purposing, and decommissioning.

The Company's plan for growth has been centred on making a difference by delivering robust and dynamic commercial solutions on time and within budget, either as a standalone service or as part of an integrated team within clients' existing commercial and construction management.

The Group's strategy, together with the principal risks and uncertainties facing the Group, are set out in the Strategic Report on pages 4 to 32 of the 2024 Annual Report.

2. SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Group places a great amount of importance on maintaining communication with stakeholders and is committed to having constructive dialogue with its shareholders.

The Chief Executive of the Board is primarily responsible for shareholder liaison and reports back to the Board. The AGM provides an excellent opportunity for shareholders to engage with the Board and ask questions. All shareholders are invited to attend the AGM and sign up for the Company's investor alert service to ensure that they receive financial results and other key shareholder messages directly from the Company as soon as they become available. Investors also have access to current information on the Company's website.

3. TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The Board recognises that the continued growth and long-term success of the Company is reliant upon open communication with its internal and external stakeholders: professional advisors, shareholders, suppliers, regulators and other stakeholders.

The Company has an ongoing relationship with a broad range of its stakeholders and has regular and direct interaction with stakeholders providing them with opportunities to raise issues and provide feedback to the Company. The Board takes account of such feedback when discussing the Group's strategy.

Diales environmental and community impact is minimal but this is constantly monitored and action will be taken if this changes in the future. Further information about our stakeholder engagement approach can be found in our section 172 statement on pages 34 to 35 of this Annual Report.

4. EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

The Board is responsible for overseeing the Group's risk management and internal controls. It ensures that procedures are in place and implemented effectively to identify, evaluate, and manage the significant risks faced by the Company.

The Board continually reviews the risks facing the Group to ensure the necessary controls are in place to mitigate any potential adverse impact. The Board recognises the

nature and scope of risks can change over time and there may be other risks to which the Group is exposed.
The principal risks and uncertainties affecting the Group are set out on pages 30 and 31 of the 2024 Annual Report.
The Board has considered the need for an internal audit function but has resolved that due to the current size and complexity of the Group, this cannot be justified on the grounds of cost-effectiveness. However, the Board will continue to monitor the need for an internal audit function as the Company grows and develops.

5. MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

The Board comprises of two Executive Directors and four Non-Executive Directors as follows:

Executives

- Group Chief Executive Officer: Mark Wheeler;
- Chief Financial Officer: Charlotte Parsons;

Non-executives

- Non-Executive Chairman: Shaun Smith;
- Non-Executive Director: Peter Collini;
- Non-Executive Director: Elizabeth Filkin CBE; and
- Non-Executive Director: John Mullen.

Further information about the Directors can be found on the Company's website.
With the exception of John Mullen, the Non-Executive Directors are considered by the Company to be independent in that: (i) none of them are executive officers or employees of the Company; and (ii) none of them have a relationship with the Company that will interfere with the exercise of independent judgement in carrying out their responsibilities as Directors. John Mullen is not deemed to be an independent Non-Executive Director as during the year he provided expert services to the Group through his consultancy company.
All Directors are currently subject to re-election at least every three years in accordance with both the requirements of the UK Companies Act and the Company's articles of association. At the forthcoming AGM, all Directors will be subject to re-election and annually thereafter. Directors meet formally and informally both in person and remotely. Board meetings are open and constructive, with every Director participating fully.

Given the nature and purpose of the Company, the experience of the Directors and the Company's proposed strategy, the Directors believe that the composition of the Board is appropriate and suitable.
The Executive Directors are employed on a full-time basis. Each Non-Executive Director must be able to devote sufficient time to the role to discharge their responsibilities effectively.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Directors' attendance at meetings of the Board and its committees during the year to 30 September 2024 are as follows:

Board meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Mark Wheeler	11	11
Charlotte Parsons	11	11
Shaun Smith (Chair)	11	11
Peter Collini	11	11
Elizabeth Filkin CBE	11	11
John Mullen	11	6

Audit Committee meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Mark Wheeler*	3	2
Charlotte Parsons*	3	3
Shaun Smith**	3	2
Peter Collini (Chair)	3	3
Elizabeth Filkin CBE	3	3
John Mullen*	3	1

Remuneration Committee meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Elizabeth Filkin CBE (Chair)	4	4
Peter Collini	4	4
Shaun Smith**	4	4
Mark Wheeler*	4	4
Charlotte Parsons*	2	2
John Mullen*	4	3

* Attendance through invitation
** Appointed to Audit Committee 2 May 2024 and Remuneration Committee 29 November 2023.

Directors' conflict of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.
All Directors are reminded periodically of their obligations

Corporate Governance Statement (continued)

to notify the Company of any changes in their statement of interests and to declare any benefits received from third parties (if any) in their capacity as a Director of the Group.

6. ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

The Company believes that the Directors have appropriate experience in relevant sectors, providing the ability to fulfil their roles. Each individual director has personal responsibility for keeping up to date on matters which may be relevant to their role as a director.

Details of the individual Directors and their experience are set out on the Company's website.

The Company's nominated advisor, solicitors, corporate governance advisors and auditors are available to deal with any questions which arise in relation to the application of the AIM Rules, legal matters or accountancy matters. Details of the relevant advisors can be found on page 33. In order to ensure their independence, the Non-Executive Directors are also entitled to obtain independent legal advice at the cost of the Company in relation to matters which arise where they consider independent advice is required.

The Company Secretary is responsible for providing support to the Chairman and the Board on corporate governance, regulatory and compliance matters, dealing with procedural matters that arise from time to time and dealing with all matters relating to the annual general meeting and any other shareholder meetings.

During the year ended 30 September 2024, the Company's nominated advisor and auditors have advised the Company on routine matters within the scope of their respective engagement letters.

7. EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

The Remuneration Committee is responsible for monitoring the performance of the Executive Directors. The performance of the Chairman and Non-Executive Directors as individuals is reviewed by the Executive Directors. In July 2024, the Board conducted a formal externally-led board evaluation process to ensure that members of the Board collectively function in an efficient manner. All directors completed a confidential survey providing feedback on various aspects of the Board's performance. Detailed feedback was provided to, and considered by, the Board. The evaluation noted that the Board and Committees are overall working well, although areas for improvement were highlighted. Another externally-led board evaluation process will take place in FY25 which will seek to track the progress against the matters identified in 2024.

8. PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole, which in turn will impact the Company's performance. The Group's culture is one of employee and client focus as both are fundamental to the success of the business. The Group has also adopted corporate values and policies to encourage employee and client engagement in relation to its business.

INNOVATION

Our policy is to try to recruit only the best professionals in the business and utilise their combined skills and experience to create innovative and flexible solutions at every opportunity.

PEOPLE

We value ideas based on merit and regardless of position, treat people with consideration. We strive to lead by example. We also strive to be the employer of choice in our industry, recruiting top quality professionals and providing them with respect, opportunities and the support to excel within our team.

OUR CLIENTS

We focus on building professional relationships, delivering great quality service and real value that supports the requirements for each project. Our commitment to our clients' success is how we measure ourselves.

INTEGRITY

We strive to apply the highest professional, ethical and technical standard throughout our organisation. We encourage accountability at all levels.

TRANSPARENCY

We strive to communicate openly, honestly and with clarity of actions and words at all times. We seek to deliver best practice solutions on every occasion.

9. MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD

The Company's governance structures are appropriate for a company of its size. The Board meets at least six times a year (FY24:11) and is responsible for the overall strategy and financial performance of the Group. The Chairman is responsible for the leadership of the Board and for ensuring that the corporate governance of the Group is maintained in line with appropriate policies and practices agreed by the Board.

The Board delegates certain duties and, where applicable, authority, to two Committees to assist it with accomplishing its business objectives and maintain a strong system of internal control and risk management. The Committees meet independently of Board meetings. The current Governance structure is outlined below:

AUDIT COMMITTEE

The Audit Committee comprises of Peter Collini (as Chair) and Elizabeth Filkin CBE and Shaun Smith (appointed 2 May 2024) as members. The primary function of the audit committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other information provided by the Company to shareholders, the Group's systems of internal control regarding finance and accounting and the Group's auditing, accounting and financial reporting processes.

The Audit Committee's primary duties and responsibilities are to serve as an independent and objective party to monitor the Group's financial reporting and internal control system, to review the Group's financial statements, to review and appraise the performance and independence of the Group's external auditors and to provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

The Audit Committee is expected to meet at least three times a year (FY24:3) and at such other times as may be required. Other directors may attend meetings of the Audit Committee by invitation.

The Company does not publish a separate Audit Committee report as it considers that the time and expense involved cannot be justified given the size of the Group and its needs.

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Elizabeth Filkin CBE, with Peter Collini and Shaun Smith (appointed 29 November 2023) as members. It is expected to meet not less than twice a year and at such other times as may be required.

The principal function of the Remuneration Committee is determine the policy on the remuneration packages of the Company's Executive Directors and other senior executives designated by the Board. The Remuneration Committee has responsibility for:

- recommending to the Board a remuneration policy for directors and executives and monitoring its implementation;
- approving and recommending to the Board and the Company's shareholders, the total individual remuneration package of each Executive Director (including bonuses, incentive payments and share awards);
- approving and recommending to the Board the individual remuneration package of other senior executives (including bonuses, incentive payments and share awards);
- approving the design of, and determining targets for, any performance-related share schemes operated by the Company; and
- reviewing the design of all equity-based incentive plans for approval by the Board.

No Director or member of management may be involved in any discussions as to their own remuneration.

The performance of the Chairman and Non-Executive Directors is reviewed by the Executive Directors. Performance is normally reviewed in September of each year with any revisions normally taking place in October.

Considering the size of the board of directors of the Company, the Directors do not currently consider it necessary to establish a Nomination Committee; however, the Directors will keep this under regular review. The functions of a Nomination Committee are undertaken by the Board as a whole.

10. COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders. This is done through Interim and Annual Reports along with Regulatory News Service announcements.

Shareholders are encouraged to attend the Company's AGM, where they will be given the opportunity to interact with the Directors. The Board maintains that, if there is a resolution passed at a general meeting with 20% votes against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action. At the last AGM in March 2024, all resolutions passed with at least 92% support.

Investors also have access to the latest information on the Group through its website.

On behalf of the Board:

Shaun Smith
Chairman

Directors' Remuneration Report

For the year ended 30 September 2024

The members of the Remuneration Committee are Elizabeth Filkin CBE (Chairman), Shaun Smith (appointed 29 November 2023) and Peter Collini who are independent Non-Executive Directors. John Mullen resigned from the Remuneration Committee 29 November 2023.

REMUNERATION POLICY

The Group's remuneration policy is to provide a remuneration package to attract, motivate and retain high calibre individuals, who will deliver significant value to the Group.

DIRECTORS' REMUNERATION REVIEW

Remuneration is reviewed in September each year with any revisions taking place from the beginning of October.
Bonuses may be awarded to the Executive Directors based on the performance of the Company or where there is a contractual obligation.

REMUNERATION ADVISORS

We have appointed FIT Remuneration Consultants to assist with developing our LTIP targets.

On behalf of the Board

Elizabeth Filkin CBE
Chairman of the Remuneration Committee
2 December 2024

DIRECTORS' REMUNERATION 2024(4)	Salary and fees £	Severance £	Bonus £	Benefits £	Car allowance £	Pension £	Total Remuneration £
Mark Wheeler	390,000	-	-	4,889	12,000	9,900	416,789
Charlotte Parsons	180,000	-	-	795	-	1,321	182,116
Shaun Smith(3)	70,000	-	-	-	-	-	70,000
Peter Collini	35,000	-	-	-	-	-	35,000
Elizabeth Filkin CBE	35,000	-	-	-	-	-	35,000
John Mullen(2)	35,000	-	-	-	-	-	35,000
Total	745,000	-	-	5,684	12,000	11,221	773,905

DIRECTORS' REMUNERATION 2023	Salary and fees £	Severance £	Bonus £	Benefits £	Car allowance £	Pension £	Total Remuneration £
Mark Wheeler	390,000	-	-	5,106	12,000	9,900	417,006
Charlotte Parsons	180,000	-	-	531	-	1,321	181,852
Steven Norris(1)	29,000	91,000	-	-	-	-	120,000
Shaun Smith(3)	36,885	-	-	-	-	-	36,885
Peter Collini	35,000	-	-	-	-	-	35,000
Elizabeth Filkin CBE	35,000	-	-	-	-	-	35,000
John Mullen(2)	35,000	-	-	-	-	-	35,000
Total	740,885	91,000	-	5,637	12,000	11,221	860,743

1 Steven Norris resigned as Non-Executive Chairman 23 March 2023.
2 John Mullen no longer provides expert services and generate income for the Group. During the year, the Group paid Mullen Consult Ltd £43,000 (2023: £771,000).
3 Shaun Smith was appointed as Non-Executive Chairman on 23 March 2023.
4 No increases were proposed for FY24.

For the year to 30 September 2024, the remuneration of Non-Executive Directors was set by the Board and consisted of an annual fee paid in equal monthly instalments.

SHARE OPTIONS 2024	Opening Number	Granted Number	Exercised Number	Lapsed Number	Closing Number	Exercisable at 30 September 2024 Number	Exercise Price £	Value of exercisable shares at grant date £	Value of exercisable shares at 30 September 2024 £
Mark Wheeler	453,336	-	-	-	453,336	453,336	Nil	296,935	117,867
Steven Norris	50,000	-	-	(50,000)	-	-	-	-	-
Total	503,336	-	-	(50,000)	453,336	453,336	-	296,935	117,867

The value of exercisable options at 30 September 2024 is based on the closing share price on 30 September 2024 of 26p.

SHARE OPTIONS 2023	Opening Number	Granted Number	Surrendered Number	Lapsed Number	Closing Number	Exercisable at 30 September 2023 Number	Exercise Price £	Value of exercisable shares at grant date £	Value of exercisable shares at 30 September 2023 £
Mark Wheeler	1,953,336	-	-	(1,500,000)	453,336	453,336	Nil	296,935	117,867
Steven Norris	50,000	-	-	-	50,000	50,000	Nil	32,750	13,000
Total	2,003,336	-	-	(1,500,000)	503,336	503,336	-	329,685	130,867

The value of exercisable options at 30 September 2023 is based on the closing share price on 30 September 2023 of 26p.


06

Statement of Directors' Responsibility

The Directors are responsible for preparing the Strategic Report, Report of the Directors, the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRS) and the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRS, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Independent auditor's report to the members of Diales Plc

OPINION

We have audited the financial statements of Diales PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2024 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated cash flow statement, consolidated statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 Reduced Disclosure Framework (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 30 September 2024 and of the Group's loss for the year then ended; and
- The group financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- The parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements 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 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 as applied to listed entities, 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 RELATED 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. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Analysing the financial performance and financial strength of the business based on recently audited annual results, including an assessment of liquidity in the business; and
- Review and challenge of the forecasts prepared by management by investigating the rationale behind the numerical inputs and by considering the accuracy of historic forecasting by management; and
- Evaluating post year end performance of the business up to the date of the approval of these financial statements to gain additional assurance over the continued profitable operation of continuing operations and financial health of the Group; and
- Analysis of the share price over the past 12 months to ensure there have been no significant decreases and further investigations of the Group's reputation in the marketplace to assess for any evidence of material threats to going concern.

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 and 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.

OUR APPLICATION OF MATERIALITY

Group Financial Statements	
	2024
Materiality	£440,800
Basis for determining materiality	1% of revenues
Rationale for the benchmark applied	The group's principal activity is that of consultancy, specifically to clients in the engineering and construction industry. Therefore, a benchmark for materiality of revenue of the group is considered to be appropriate.
Performance materiality	£330,600

Basis for determining performance materiality	75% of materiality
Rationale for benchmark applied	Given the size of the group and the parent company being listed on AIM, as well as a number of significant accounting estimates, a performance materiality has been applied reflecting the level of audit risk involved.

Parent Company Financial Statements	
	2024
Materiality	£317,000
Basis for determining materiality	2% Gross assets
Rationale for the benchmark applied	The company operates as a holding company for the group and has no external income. To this end a benchmark based on the gross assets of the company is considered to be appropriate. The decrease from 3% of gross assets in the prior period does not reflect a change in audit risk profile, this has been done to more closely align with regulatory expectations.
Performance materiality	£237,750
Basis for determining performance materiality	75% of materiality
Rationale for benchmark applied	Given that the parent company is listed on AIM a performance materiality has been applied reflecting the level of audit risk involved.

We reported all audit differences found in excess of our triviality threshold of £22,000 to the directors and the management board.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement in the financial statements due to fraud.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the parent company, the accounting processes and controls, and the industry in which they operate.

Our scoping considerations for the Group audit were based both on financial information and risk. The below table summarises for the parent company, and its subsidiaries, in terms of the level of assurance gained:

Group Component	Level of assurance
Diales Plc	Full statutory audit
Driver Consult Limited	Full statutory audit
Driver Project Services Limited	Full statutory audit
Trett Holdings Limited	Full statutory audit
Trett Limited	Full statutory audit
Trett Contract Services Limited	Full statutory audit
Driver Consult (UAE) LLC	Full statutory audit (component auditor – Kreston Menon Chartered Accountants)
Other group subsidiaries (see full disclosure of these in note 12)	Limited assurance review on transactions or balances deemed to be material to the group

COVERAGE OVERVIEW

	Group revenue (2024)	Group revenue (2023)	Group gross assets (2024)	Group gross assets (2023)
Totals value of benchmark	£42.9m	£42.6m	£22.9m	£25.4m
Full statutory audit	66.9%	62.2%	68.8%	71.4%
Limited assurance procedures	33.1%	37.8%	31.2%	28.6%

Independent auditor's report to the members of Diales Plc (continued)

USE OF COMPONENT AUDITORS

At the planning stage of the audit a scoping assessment was undertaken to determine which elements of the group are material to the overall Group financial statements. Component auditors were then appointed for subsidiaries deemed to be material outside of our initial scope as UK auditors. This was to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

The Responsible Individual and senior members of the Group audit team were involved from the planning stage, directing the audit procedures required with respect to areas considered a significant risk in the group financial statements. Reviews of the component auditor working papers were also completed by the Group audit team for the significant component in the United Arab Emirates.

The remaining components of the Group were considered non-significant and these components were principally subject to limited procedures by the Group audit team as and when balances or transactions were deemed to be material to the group financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

REVENUE RECOGNITION: £42.9M (2023: £42.6M)

Significance and nature of key risk

The Group's revenue is attributable to consultancy, contract administration and project consultancy services.

We have focused on these revenue streams due to the potential for material misstatement of revenue, whether caused by fraud or error, which would fundamentally change the outlook of the financial statements to stakeholder and other users.

The group's revenue accounting policy is outlined in note 1 of these financial statements.

How our audit addressed the key risk

The revenue recognition policies for each revenue stream were reviewed to ensure these are in line with the full requirements of IFRS 15.

A sample from each revenue stream was substantively verified by: Agreeing to underlying agreement or contract, including confirming agreed hourly charge-out rates of staff; confirming the total amount of staff time charged to the project in the year and agreeing the recalculated revenue to be recognised to the sales invoice(s) issued.

Revenue was further analytically reviewed by reference to our own expectations based on previous years, budgets and other information.

Walkthrough testing was undertaken to ensure that the design and implementation of systems and controls in place in respect of the revenue cycle were appropriate and that there were being correctly applied in the business.

Key observations communicated to the Risk and Audit Committee

We have no concerns over the material accuracy of revenue recognised in the financial statements.

VALUATION/IMPAIRMENT OF GOODWILL: £3M (2023: £3M) AND INTANGIBLE ASSETS: £0.6M (2023: £0.7M)

Significance and nature of key risk

Goodwill represents the excess of the cost of a business combination over the interest in the fair value of subsidiaries previously acquired.

Intangible assets relate to the Group's development of a new timesheet and finance system being capitalised.

We have focused on these balances due to the inherent management judgement involved. In respect of goodwill the judgement that these acquisitions continue to represent bespoke revenue generating assets. In respect of intangible assets, the judgement that these development costs be treated as assets of the group rather than expenses.

The group's accounting policies relating to goodwill and intangible assets are outlined in note 1 of these financial statements.

How our audit addressed the key risk

Goodwill - We reviewed goodwill calculations to ensure that these have been correctly calculated in line with the requirements of IFRS 3. The historic inputs into these calculations was vouched to appropriate audit evidence. Recent trading results were assessed to ensure these did not suggest material impairment to the goodwill models.

Ownership documentation was also obtained to ensure current ownership of the cash generating units with goodwill recorded.

Intangible assets - We reviewed the breakdown of items capitalised as part of the timesheet & finance system software being developed. For each item sampled we ensured that these meet the full requirements for recognition under IAS 38.

Both - We considered management's judgement in respect of the determined useful economic life of the asset to ensure that the associated amortisation charge applied is reasonable.

Both - Management's impairment assessments were considered for completeness and material accuracy. We undertook our own assessments of potential impairment indicators, as guided by IAS 36, to ensure that we did not arrive at material differences in the value. With respect to goodwill the headroom on impairment modelling was concluded to be substantial.

Key observations communicated to the Risk and Audit Committee

We have no concerns over the material accuracy of goodwill and intangible asset values recognised in the financial statements.

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- The information given in the strategic report and 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 our knowledge and understanding of the Group and parent company and its 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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement (set out on page 45), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true

Independent auditor's report to the members of Diales Plc (continued)

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 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 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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below

CAPABILITY OF THE AUDIT IN DETECTING IRREGULARITIES, INCLUDING FRAUD

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of intangible assets. Audit procedures performed by the group engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; in particular around the implicit rate used in IFRS 16 accounting and the expected loss rates applied In IFRS 9 accounting; and
- Challenging the completeness of impairment assumptions made by management with respect to intangible assets, including goodwill; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, and reviewing correspondence with relevant tax and regulatory authorities; and
- Substantiating expenses capitalised in intangible assets to ensure that these are legitimate expenses, both in nature and amount, to be considered an asset of the business under IAS 38; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and

- Identifying, through the use of data analytics, and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.

Anne Dwyer
BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
2 December 2024

Consolidated Income Statement

For the year ended 30 September 2024

	Notes	2024 £000	2023 £000
REVENUE	2	42,966	42,633
Cost of sales		(31,449)	(31,800)
Impairment movement	13	(553)	(55)
GROSS PROFIT		10,964	10,778
Administrative expenses		(10,084)	(10,452)
Other operating income		-	47
Underlying* operating profit		1,183	998
Non-recurring operational costs	10	(171)	(255)
Share-based payment charges and associated costs	18	(132)	(370)
OPERATING PROFIT	2,4	880	373
Finance income		45	129
Finance costs	6	(9)	(63)
PROFIT BEFORE TAXATION	2	916	439
Tax expense	7	(490)	(314)
PROFIT FROM CONTINUING OPERATIONS	2	426	125
Loss from discontinued operations, net of tax	2	(1,043)	(461)
LOSS FOR THE YEAR	2	(617)	(336)
Loss attributable to non-controlling interest from continuing operations		-	-
Loss attributable to non-controlling interest from discontinued operations		-	-
Profit attributable to equity shareholders of the Parent from continuing operations		426	125
Loss attributable to equity shareholders of the Parent from discontinued operations		(1,043)	(461)
		(617)	(336)
Basic loss per share attributable to equity shareholders of the Parent (pence)	9	(1.2)p	(0.6)p
Diluted loss per share attributable to equity shareholders of the Parent (pence)	9	(1.2)p	(0.6)p
Basic earning per share attributable to equity shareholders of the Parent (pence) from continuing operations	9	0.8p	0.2p
Diluted earnings per share attributable to equity shareholders of the Parent (pence) from continuing operations	9	0.8p	0.2p

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

The notes on pages 57 to 87 form part of these Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2024

	2024 £000	2023 £000
LOSS FOR THE YEAR	(617)	(336)
Other comprehensive income:		
Items that could subsequently be reclassified to the Income Statement:		
Exchange differences on translating foreign operations	(292)	431
OTHER COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR NET OF TAX	(292)	431
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	(909)	95
Total comprehensive income attributable to:		
Owners of the Parent	(909)	95
Non-controlling interest	-	-
	(909)	95

The notes on pages 57 to 87 form part of these Financial Statements

Consolidated Statement of Financial Position

As at 30 September 2024

	Notes		2024		2023
COMPANY NUMBER: 3475146		£000	£000	£000	£000
NON-CURRENT ASSETS					
Goodwill	12	2,969		2,969	
Property, plant and equipment	11	318		351	
Intangible asset	32	630		714	
Right of use asset	19	752		1,140	
Deferred tax asset	17	165		247	
			4,834		5,421
CURRENT ASSETS					
Trade and other receivables	13	13,878		14,033	
Current tax receivable		-		69	
Cash and cash equivalents	16	4,254		5,833	
			18,132		19,935
TOTAL ASSETS			22,966		25,356
CURRENT LIABILITIES					
Lease creditor	20	(492)		(539)	
Trade and other payables	14	(7,715)		(8,052)	
Current tax payable		(186)		-	
			(8,393)		(8,591)
NON-CURRENT LIABILITIES					
Lease creditor	20	(238)		(618)	
Deferred tax liabilities	17	(167)		(160)	
			(405)		(778)
TOTAL LIABILITIES			(8,798)		(9,369)
NET ASSETS			14,168		15,987
SHAREHOLDERS' EQUITY					
Share capital	18		216		216
Share premium	22		11,496		11,496
Merger reserve	22		1,055		1,055
Currency reserve	22		(1,242)		(950)
Capital redemption reserve	22		18		18
Treasury shares	22		(1,661)		(1,525)
Retained earnings	22		4,285		5,676
Own shares	22		(3)		(3)
TOTAL SHAREHOLDERS' EQUITY			14,164		15,983
NON-CONTROLLING INTEREST	22		4		4
TOTAL EQUITY			14,168		15,987

The financial statements were approved by the Board of Directors, authorised for issue and signed on their behalf by:

Charlotte Parsons
Chief Financial Officer
2 December 2024

The notes on pages 57 to 87 form part of these Financial Statements.

Consolidated Cash Flow Statement

For the year ended 30 September 2024

	Notes	2024 £000	2023 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) for the year		(617)	(336)
Adjustments for:			
Depreciation	11	142	162
Exchange adjustments		58	(79)
Amortisation of right of use asset	19	604	611
Amortisation of intangible asset	32	84	84
Finance expense		(36)	(66)
Tax expense		671	314
Equity settled share-based payment charge[1]		15	319
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		921	1,009
Decrease/(increase) in trade and other receivables		155	6,246
Increase/(decrease) in trade and other payables		(340)	(4,722)
CASH GENERATED IN OPERATIONS		736	2,533
Tax paid		(380)	(172)
NET CASH INFLOW FROM OPERATING ACTIVITIES		356	2,361
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		45	129
Acquisition of property, plant and equipment	11	(123)	(143)
Proceeds from the disposal of property, plant and equipment		(23)	-
Acquisition of intangible assets		-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(101)	(14)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(3)	(63)
Repayment of borrowings		-	-
Proceeds of borrowings		-	-
Repayment of lease liabilities	20	(621)	(676)
Purchase of Treasury shares		(136)	-
Dividends paid to equity shareholders of the Parent		(789)	(785)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(1,549)	(1,524)
Net (decrease)/increase in cash and cash equivalents		(1,294)	823
Effect of foreign exchange on cash and cash equivalents		(285)	79
Cash and cash equivalents at start of period		5,833	4,931
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16	4,254	5,833

(1) The amount stated reflects only the share-based payment charge and does not include the associated costs that are included within the amount stated on the consolidated Income Statement.
(2) The Group has elected to present the statement of cash flows that includes an analysis of all cash flows in total i.e. including continuing and discontinued operations. Amounts relating to discontinued operations by operating, investing and financing activities are disclosed below:

CASH FLOWS (USED) IN DISCONTINUED OPERATIONS (2)	2024 £000	2023 £000
Net cash used in operating activities	(33)	(1,018)
Net cash used in investment activities	-	-
Net cash used in financing activities	-	(1)
NET CASH FLOWS FOR THE YEAR	(33)	(1,019)

The notes on pages 57 to 87 form part of these Financial Statements

Consolidated Statement of Changes in Equity

For the year ended 30 September 2024

	Share capital £000	Share premium £000	Treasury shares £000	Merger reserve £000	Other reserves[2] £000	Retained earnings £000	Own shares[3] £000	Total[1] £000	Non-controlling interest £000	Total Equity £000
OPENING BALANCE AT 1 OCTOBER 2022	216	11,496	(1,525)	1,055	(1,363)	6,478	(3)	16,354	4	16,358
(Loss) for the year	-	-	-	-	-	(336)	-	(336)	-	(336)
Other comprehensive income for the year	-	-	-	-	431	-	-	431	-	431
Total comprehensive income for the year	-	-	-	-	431	(336)	-	95	-	95
Dividends	-	-	-	-	-	(785)	-	(785)	-	(785)
Share-based payment[4]	-	-	-	-	-	319	-	319	-	319
Purchase of Treasury shares	-	-	-	-	-	-	-	-	-	-
CLOSING BALANCE AT 30 SEPTEMBER 2023	216	11,496	(1,525)	1,055	(932)	5,676	(3)	15,983	4	15,987
OPENING BALANCE AT 1 OCTOBER 2023	216	11,496	(1,525)	1,055	(932)	5,676	(3)	15,983	4	15,987
(Loss) for the year	-	-	-	-	-	(617)	-	(617)	-	(617)
Other comprehensive loss for the year	-	-	-	-	(292)	-	-	(292)	-	(292)
Total comprehensive loss for the year	-	-	-	-	(292)	(617)	-	(909)	-	(909)
Dividends	-	-	-	-	-	(789)	-	(789)	-	(789)
Share-based payment[4]	-	-	-	-	-	15	-	15	-	15
Purchase of Treasury shares	-	-	(136)	-	-	-	-	(136)	-	(136)
CLOSING BALANCE AT 30 SEPTEMBER 2024	216	11,496	(1,661)	1,055	(1,224)	4,285	(3)	14,164	4	14,168

(1) Total equity attributable to the equity holders of the Parent.

(2) 'Other reserves' combines the currency reserve and capital redemption reserve. The movement in the current and prior year relates to the translation of foreign currency equity balances and foreign currency non-monetary items. Explanatory details for these reserves are disclosed in note 22.

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

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

The notes on pages 57 to 87 form part of these Financial Statements

Summary of Significant Accounting Policies

For the year ended 30 September 2024

1 ACCOUNTING POLICIES

Diales Plc ("the Company") is a company incorporated and domiciled in the UK. The policies have been applied consistently to all years presented, unless stated.

The Group Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards and Interpretations issued by the International Accounting Standards Boards (IASB), UK-adopted International Financial Reporting Standards (adopted IFRSs) and with those parts of the Companies Act 2006 applicable to those companies reporting under IFRS.

The Company has elected to prepare its financial statements in accordance with FRS 102. These are provided on pages 82 to 87.

BASIS OF PREPARATION

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with Applicable Accounting Standards.

GOING CONCERN

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

The Directors have prepared cash flow forecasts covering a period of more than 12 months from the date of releasing these financial statements. This assessment has included consideration of the forecast performance of the business for the foreseeable future, the cash and financing facilities available to the Group. At 30 September 2024 the Group had cash reserves of £4.3m The strong cash position was after a year of turnaround within the Group. The Group reported a loss of £0.6m, however, profit from continuing operations was £0.4m.

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

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

BASIS OF CONSOLIDATION

Where the Company has the power over the investee, either directly or indirectly, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns, it is classified as a subsidiary. The Consolidated Financial Statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. The Financial Statements are prepared in GBP and are rounded to the nearest £1,000.

The Group Statement of Financial Position incorporates the shares held by the Diales Employee Benefit Trust which are reserved under option which have not vested by the Statement of Financial Position date. These are shown as a deduction from shareholders' equity as an 'own shares' reserve until such a time as they vest unconditionally with the employee.

Accounting policies are consistently applied throughout the Group. Intercompany balances and transactions have been eliminated. Material profits from intercompany sales, to the extent that they are not yet realised outside the Group, have also been eliminated.

Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the Parent Company. Non-controlling shareholders' interest may initially be measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

The choice of measurement basis is made on each acquisition individually. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

BUSINESS COMBINATIONS

The Consolidated Financial Statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, 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 Income Statement from the date on which control is obtained. They are derecognised from the date that control ceases.

Determining the fair value of intangibles acquired in business combinations requires estimation of the value of the cash flows related to the identified intangibles and a suitable discount rate in order to calculate the present value.

In arriving at the cost of acquisition, the fair value of the shares issued by the Company is taken to be the closing bid price of those shares at the date of issue. Where this figure exceeds the nominal value of the shares, the excess amount is treated as an addition to reserves.

GOODWILL

Goodwill represents the excess of the cost of a business combination over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair values of assets given, liabilities assumed and equity instruments issued. Following the adoption of IFRS 3, costs incurred in connection with acquisitions are recognised in profit and loss as incurred.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Consolidated Income Statement.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

FOREIGN CURRENCY TRANSLATION

In preparing the financial statements of the individual entities, transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Sterling using exchange rates prevailing on the Statement of Financial Position date. Income and expense items (including comparatives) are translated using the exchange rates at each month end. Exchange differences arising, if any, are recognised in other comprehensive income and in the Group's translation reserve. Cumulative translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

REVENUE

Revenue is recognised in accordance with IFRS 15 which dictates that revenue is recognised when contracted performance obligations are satisfied. Revenue in respect of the core services being: consultancy, contract administration and project consultancy services, represents the amount earned from the provision of services provided to customers outside of the Group and is recognised based on time incurred, as the services are delivered in line with the contractual arrangements and represents a continual flow of benefits to the customer.

Where the Group enters into a fixed fee arrangement revenue is recognised by reference to the stage of completion of the project. The stage of completion is determined by the Group's management based on the Project Manager's assessment of the contract terms, the time incurred and the performance obligations achieved and remaining.

Fees which are contingent on the occurrence of one or more significant future events are recognised as revenue once the events on which they are contingent have occurred.

Unbilled revenue is included within accrued income.

SEGMENT REPORTING

In accordance with IFRS 8, operating segments are identified based on the "management approach". This approach stipulates external segment reporting based on the Group's internal organisational and management structure and on internal financial reporting to the chief operating decision maker. The chief operating decision maker is the Chief Executive Officer.

Details of the segments are provided in note 2.

FINANCING COSTS

Interest income and interest payable are recognised in the Consolidated Income Statement on an accruals basis, using the effective interest method.

LEASED ASSETS

Lessee

From the 1 October 2019 leased assets are recognised in accordance with IFRS 16 which replaces IAS 17 and provides a single lessee accounting model. In line with IFRS 16, a right of use asset is recognised in relation to all leases entered into by the Group that are greater than one year in length. The amount initially recognised as an asset is equal to the present value of the minimum lease payments payable over the term of the lease. The asset is then amortised over the lease term. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the Consolidated Income Statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

For leases under one year in length, the asset is not capitalised and the total rentals payable under the lease are charged to the Consolidated Income Statement on a straight-line basis over the lease term.

Lessor

Rentals received are credited to the Income Statement on a straight-line basis over the term of the lease.

DIVIDENDS

Interim dividends are recognised when they are paid.

Final dividends are recorded in the Financial Statements in the period in which they are approved by the Group's shareholders in the Annual General Meeting.

EMPLOYEE BENEFITS

Defined contribution plan

The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the Consolidated Income Statement.

Share-based payment transactions

The cost of share options awarded to employees, measured by reference to their fair value at the date of grant, is recognised over the vesting period of the options based on the number of options which in the opinion of the Directors will ultimately vest. This number is reviewed annually. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The cost of the share options is recognised as an employee expense with a corresponding increase in retained earnings.

TAXATION

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying value amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

IMPAIRMENT OF ASSETS

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows).

Goodwill is allocated on initial recognition to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires an entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Any change in estimates could result in an adjustment to recorded amounts.

Impairment charges are included in the administrative expenses line item in the Consolidated Income Statement, except to the extent they reverse gains previously recognised in the Consolidated Statement of Changes in Equity. An impairment loss recognised for goodwill is not reversed.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

FINANCIAL ASSETS

Under IFRS 9, the classification of financial assets is based both on the business model of which the asset is held and the contractual cash flow characteristics of the asset. There are three principal classification categories for financial assets that are debt instruments: (i) amortised cost, (ii) fair value through other comprehensive income (FVTOCI) and (iii) fair value through profit or loss (FVTPL). IFRS 9 has had no effect on the classification of financial instruments held by the Group.

Fair value through profit or loss

This category comprises only in-the-money derivatives (see Financial Liabilities section for out-of-the-money derivatives). They are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognised in the Consolidated Income Statement in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Financial assets at amortised cost

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised using the "expected credit loss model" within the scope of IFRS 9 and as such the Group has adopted a provisions matrix as a method of calculating expected credit losses on trade receivables under the simplified approach. This provision matrix has been calculated based on geographical location of the Group's entities and considers historical default rates, projecting this forward taking into account any specific debtors and forecasts relating to local economies. The movement in the expected credit loss provision is reflected within gross profit in the Consolidated Income Statement.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed. Only where there is a significant delay to the new expected cash flows would the Group discount the amounts due.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less from inception, and bank overdrafts and other short term banking facilities. Bank overdrafts are shown within loans and borrowings in current liabilities in the Consolidated Statement of Financial Position.

Net borrowings comprises borrowings net of cash and cash equivalents.

FINANCIAL LIABILITIES

Financial liabilities at amortised cost

Bank borrowings are initially recognised at fair value. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated Statement of Financial Position. Any issue costs for such borrowings are expensed to the Income Statement. Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Fair value through profit or loss

This category comprises only out-of-the-money derivatives (see Financial Assets for in-the-money derivatives). They are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognised in the Consolidated Income Statement. The Group does not hold or issue derivative instruments for speculative purposes, but to hedge our exposure to foreign currency movements. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Land is not depreciated. Depreciation is charged to the Consolidated Income Statement to write off the cost less the estimated residual value of each part of an item of property, plant and equipment on a straight-line basis over the estimated useful lives at the following annual rates:

- Fixtures and fittings 10% - 33% per annum
- Computer equipment 25% per annum
- Motor Vehicles 25% per annum

Residual values and remaining economic useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

Gains or losses on disposal are included in profit and loss.

INTANGIBLE ASSETS

Intangible assets held which consists of the Group's new finance system is held at cost less accumulated amortisation. The Group have estimated the useful economic life to be 10 years.

EMPLOYEE BENEFIT TRUST

The Group Statement of Financial Position incorporates the results of the Diales Employee Benefit Trust. The Directors consider that the activities of the Trust are being conducted on behalf of the Group and the Group obtains the benefits from the Trust's operation. In accordance with IFRS 10 the assets of the Trust, and any liabilities it has, are recognised in the Group's Statement of Financial Position. Own shares held by the Trust for future distribution to employees under share option arrangements are deducted from shareholders' equity until such a time as they vest unconditionally with the employee. Any income or expenditure incurred by the Trust is recognised in the Group's Financial Statements. The shortfall in the market value of the shares held by the EBT and the outstanding loan is transferred from own shares to retained earnings.

JOINT ARRANGEMENTS

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Group has deemed that it has a joint arrangement in Canada, this has been accounted for as a joint operation. The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Details of the Group's accounting estimates and judgements are included in note 25.

CURRENT IFRS ACCOUNTING STANDARD CHANGES

The following standards have been amended as adoption is mandatory for the 2024 financial year:

Standard	Overview
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	The standard has been amended to clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. In order to conclude a liability is non-current, the right to defer settlement of a liability for at least 12 months after the reporting date must exist as at the end of the reporting period. The amendments also clarify that (for the purposes of classification as current or non-current), settlement is the transfer of cash, the entity's own equity instruments (except as described below), other assets or services.
Amendments to IAS 1 - Non-current Liabilities with Covenants	The standard confirms that only those covenants with which an entity must comply on or before the end of the reporting period affect the classification of a liability as current or non-current.
Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	The amendments require an entity to disclose information about its supplier finance arrangements to enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

None of the above standard changes will have a material effect on the Group Financial Statements.

FUTURE IFRS ACCOUNTING STANDARD CHANGES

Adoption of the following new and amended standards will be mandatory for periods beginning in 2025 and beyond:

Standard	Effective date	Overview
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025 (early adoption permitted)	The amendments have been made to clarify: when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability.
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026 (early adoption permitted)	These amendments: clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027 (early adoption permitted)	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

None of the above standard changes will have a material effect on the Group Financial Statements.

Notes to the Financial Statements

For the year ended 30 September 2024

2 SEGMENTAL ANALYSIS

REPORTABLE SEGMENTS

For management purposes, the Group is organised into three operating divisions: Europe & Americas (EuAm), Middle East (ME) and Asia Pacific (APAC). This has remained unchanged from the previous year. These divisions are the basis on which the Group is structured and managed, based on its geographic structure. The following key service provisions are provided across all three operating divisions: quantity surveying, planning / programming, quantum and planning experts, dispute avoidance / resolution, litigation support, contract administration and commercial advice / management. Segment information about these reportable segments is presented below.

YEAR ENDED 30 SEPTEMBER 2024	Europe & Americas £000	Middle East £000	Asia Pacific £000	Eliminations £000	Unallocated £000	Continuing £000	Discontinued £000
Total external revenue	34,644	4,848	3,474	-	-	42,966	1,619
Total inter-segment revenue	1,513	1,525	68	(3,106)	-	-	-
Total revenue	36,157	6,373	3,542	(3,106)	-	42,966	1,619
Segmental profit/(loss) pre central cost recharge	5,176	326	(119)	-	(4,324)	1,059	(693)
Central cost charge	(3,704)	(364)	(281)	-	4,473	124	(124)
Segmental profit/(loss)	1,472	(38)	(400)	-	149	1,183	(817)
Unallocated corporate expenses[1]	-	-	-	-	-	-	-
Share-based payments charge and associated costs	-	-	-	-	(132)	(132)	-
Non-recurring operational costs	-	-	-	-	(171)	(171)	-
Operating profit/(loss)	1,472	(38)	(400)	-	(154)	880	(817)
Finance income	-	-	-	-	45	45	-
Finance expense	-	-	-	-	(9)	(9)	-
Profit/(loss) before taxation	1,472	(38)	(400)	-	(118)	916	(817)
Taxation	-	-	-	-	(490)	(490)	(226)
Profit/(loss) for the period	1,472	(38)	(400)	-	(608)	426	(1,043)
OTHER INFORMATION							
Non current assets	3,207	50	21	-	1,402	4,680	154
Reportable segment assets	14,398	3,118	2,282	-	2,111	21,909	1,057
Capital additions[2]	495	2	14	-	-	511	-
Depreciation and amortisation	710	24	8	-	-	742	4

(1) Unallocated costs represent Directors' remuneration (the audited Directors' remuneration report can be found on page 42 of these financial statements), administration staff, corporate head office costs and expenses associated with AIM. (2) Capital additions comprise additions to property, plant and equipment and intangible assets. No client had revenue exceeding 10% of the Group's revenue in the year to 30 September 2024.

YEAR ENDED 30 SEPTEMBER 2023	Europe & Americas £000	Middle East £000	Asia Pacific £000	Eliminations £000	Unallocated £000	Continuing £000	Discontinued £000
Total external revenue	35,574	4,220	2,927	(88)	-	42,633	1,893
Total inter-segment revenue	998	388	473	(1,859)	-	-	-
Total revenue	36,572	4,608	3,400	(1,947)	-	42,633	1,893
Segmental profit/(loss) pre central cost recharge	5,285	(88)	(239)	-	(3,685)	1,273	(325)
Central cost charge	(3,057)	(288)	(204)	-	3,685	136	(136)
Segmental profit/(loss)	2,228	(376)	(443)	-	-	1,409	(461)
Unallocated corporate expenses[1]	-	-	-	-	(411)	(411)	-
Share-based payments charge and associated costs	-	-	-	-	(370)	(370)	-
Non-recurring operational costs	(76)	(179)	-	-	-	(255)	-
Operating profit/(loss)	2,152	(555)	(443)	-	(781)	373	(461)
Finance income	-	-	-	-	129	129	-
Finance expense	-	-	-	-	(63)	(63)	-
Profit/(loss) before taxation	2,152	(555)	(443)	-	(715)	439	(461)
Taxation	-	-	-	-	(314)	(314)	-
Profit/(loss) for the period	2,152	(555)	(443)	-	(1,029)	125	(461)
OTHER INFORMATION							
Non current assets	3,285	78	16	-	1,888	5,267	155
Reportable segment assets	17,867	3,495	1,715	-	1,307	24,384	1,379
Capital additions[2]	1,173	14	8	-	-	1,195	-
Depreciation and amortisation	570	30	8	-	-	608	4

(1) Unallocated costs represent Directors' remuneration (the audited Directors' remuneration report can be found on page 42 of these financial statements), administration staff, corporate head office costs and expenses associated with AIM. (2) Capital additions comprise additions to property, plant and equipment and intangible assets. No client had revenue exceeding 10% of the Group's revenue in the year to 30 September 2023.

Notes to the Financial Statements (continued)

GEOGRAPHICAL INFORMATION

EXTERNAL REVENUE BY LOCATION OF CUSTOMERS	2024 £000	2023 £000
United Kingdom	20,823	20,975
United Arab Emirates	4,139	1,532
Netherlands	3,332	4,221
Germany	3,067	2,987
Australia	2,371	2,464
France	1,861	1,509
United States	1,803	1,937
Singapore	1,213	1,321
South Korea	953	124
Italy	777	830
Saudi Arabia	709	1,700
Spain	573	433
Canada	526	801
Turkey	454	-
Sweden	376	8
Chile	372	54
Qatar	247	129
Ireland	178	7
South Africa	106	195
Oman	59	1,948
Ecuador	56	52
Peru	47	70
Belgium	40	284
Libya	19	42
Norway	-	99
Serbia	-	87
Indonesia	-	31
Malaysia	-	116
Kuwait	-	68
Hong Kong	-	67
Other countries	484	435
	44,585	44,526

GEOGRAPHICAL INFORMATION OF NON CURRENT ASSETS

	2024 £000	2023 £000
UK	4,543	5,019
Oman	113	124
UAE	28	49
Singapore	10	6
Qatar	21	29
Malaysia	32	31
Kuwait	-	-
Hong Kong	-	-
Netherlands	32	91
France	-	3
Australia	10	10
Canada	2	3
USA	8	13
Spain	8	7
Germany	26	37
Saudi Arabia	-	-
South Korea	1	-
	4,834	5,422

3 EMPLOYEES

STAFF COSTS INCLUDING DIRECTORS' REMUNERATION

	2024 £000	2023 £000
Wages and salaries	26,250	26,659
Social security costs	2,169	2,221
Other pension costs	1,047	972
Share-based payment charges and associated costs	132	370
	29,598	30,222

The average number of persons employed by the Group, including Directors, during the year was as follows:

BY ROLE	2024	2023
Directors	6	6
Fee-earners	187	197
Administration	57	61
	250	264

KEY MANAGEMENT AND DIRECTORS' REMUNERATION

The aggregate compensation of key management (including Executive Directors) is shown below:

	2024 £000	2023 £000
Remuneration	2,327	1,953
Social security costs	273	211
Short term benefits	5	3
Money purchase pension contributions	51	43
	2,656	2,210
Share-based compensation	103	55
Total key management compensation	2,759	2,265

Key management consists of the statutory Executive Directors of the Company plus a further 7 (2023: 5) Operational Directors who form part of the Global Management Board.

The Executive Directors' remuneration is shown below:

	2024 £000	2023 £000
Emoluments	763	759
Compensation for loss of office	-	91
Money purchase pension contributions	11	11
Total remuneration	774	861

Directors' remuneration disclosed above includes the following payments in respect of the highest paid Director:

	2024 £000	2023 £000
Emoluments	407	407
Money purchase pension contributions	10	10
Total remuneration	417	417

The number of Directors to whom retirement benefits are accruing:

	2024	2023
Money purchase pension schemes	2	2

Notes to the Financial Statements (continued)

4 PROFIT FROM OPERATIONS

Profit from operations includes the following significant expenses:

	2024 £000	2023 £000
Depreciation and amounts written off property, plant and equipment – owned assets	142	162
Amortisation of right of use assets	604	611
Amortisation of intangible asset	84	84
UK Audit services:		
– statutory audit of Parent	58	53
– statutory audit of subsidiaries	28	27
– audit regulatory reporting – interim review	7	6
Exchange loss/(gain)	286	(79)

5 DIVIDENDS

	2024 £000	2023 £000
The aggregate amount of equity dividends comprises:		
Final dividend paid in respect of prior year	394	391
Interim dividend in respect of the previous year	395	394
Aggregate amount of dividends paid in the financial year	789	785
Equity dividends proposed for approval at Annual General Meeting (not recognised at year end)		
Final dividend for 2024: 0.75p (2023: 0.75p)	394	394

An interim dividend in respect of the year ended September 2024 was paid in October 2024 for £394,000, 0.75p per share (2023: £394,000). This is not recognised in these Financial Statements.

Equity dividends are payable to all the registered shareholders other than the Driver Group Employee Benefit Trust and those held in treasury.

6 FINANCE EXPENSE

	2024 £000	2023 £000
Bank interest	3	45
Finance lease interest	6	18
	9	63

7 TAXATION

ANALYSIS OF THE TAX CHARGE

The tax charge on the profit for the year is as follows:

	2024 £000	2023 £000
Current tax:		
UK corporation tax on profit for the year	290	153
Non-UK corporation tax	102	335
Adjustments to the prior period estimates	22	(110)
	414	378
Deferred tax:		
Origination and reversal of temporary differences (note 17)	76	(64)
Tax charge for the year	490	314

FACTORS AFFECTING THE TAX CHARGE

The tax assessed for the year varies from the standard rate of corporation tax in the UK. The difference is explained below:

	2024 £000	2023 £000
Profit/(loss) before tax	98	(22)
Expected tax charge based on the standard average rate of corporation tax in the UK of 25% (2023: 22%)	229	(5)
Effects of:		
Expenses not deductible	61	2,475
Deferred tax – other differences (note 17)	76	(65)
Share options exercised	(64)	59
Foreign tax rate differences	2	(1,240)
Adjustment to prior period estimates	22	(110)
Utilisation of losses	(80)	(865)
Unprovided losses	244	65
Tax charge for the year	490	314

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Corporation tax rate for the year ended 30 September 2024 was 25%. No factors noted that would impact future charges.

8 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the Parent Company is not presented as part of these Financial Statements. The Parent Company's loss for the financial period was £0.2m (2023: £4.08m). The Company has elected to prepare the Parent Company Financial Statements in accordance with FRS 102.

9 EARNINGS PER SHARE

	2024 £000	2023 £000
Profit/(loss) for the financial year attributable to equity shareholders	(617)	(336)
Non-recurring operational costs	171	255
Share-based payment charges and associated costs (note 18)	132	370
Loss from discontinued operations	1,043	461
Underlying profit for the year before share-based payments, non-recurring operational costs and loss from discontinued operations	729	750
Weighted average number of shares:		
- Ordinary shares in issue	53,962,868	53,962,868
- Shares held by EBT	(3,677)	(3,677)
- Treasury shares	(1,169,536)	(1,520,488)
Basic weighted average number of shares	52,789,655	52,438,703
Effect of Employee share options	866,671	1,625,179
Diluted weighted average number of shares	53,656,326	54,063,882
Basic (loss)/earnings per share	(1.2)p	(0.6)p
Diluted (loss)/earnings per share	(1.2)p	(0.6)p
Underlying basic earnings per share before share-based payments, non-recurring operational costs and loss from discontinued operations	1.4p	1.4p
Basic earnings per share attributable to equity shareholders of the parent (pence) from continuing operations	0.8p	0.2p
Diluted earnings per share attributable to equity shareholders of the parent (pence) from continuing operations	0.8p	0.2p

10 NON-RECURRING ITEMS

	2024 £000	2023 £000
Onerous lease (release)/provision on Haslingden office	-	(40)
Severance payments	104	91
Legacy Middle East debt collection legal costs	39	121
Legacy work in progress write off	-	58
Employment claim legal costs	28	25
	171	255

Notes to the Financial Statements (continued)

11 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
COST				
At 1 October 2022	1,720	2,357	199	4,276
Additions	49	94	-	143
Disposals	(82)	(248)	-	(330)
Foreign exchange movement	2	159	(18)	143
At 30 September 2023	1,689	2,362	181	4,232
DEPRECIATION				
At 1 October 2022	1,617	2,076	199	3,892
Charge for year	37	125	-	162
Disposals	(79)	(245)	-	(324)
Foreign exchange movement	(9)	178	(18)	151
At 30 September 2023	1,566	2,134	181	3,881
NET BOOK VALUE				
At 30 September 2023	123	228	-	351
At 30 September 2022	103	281	-	384
COST				
At 1 October 2023	1,689	2,362	181	4,232
Additions	57	66	-	123
Disposals	(5)	(15)	(181)	(201)
Foreign exchange movement	(56)	(57)	-	(113)
At 30 September 2024	1,685	2,356	-	4,041
DEPRECIATION				
At 1 October 2023	1,566	2,134	181	3,881
Charge for year	38	104	-	142
Disposals	(4)	(10)	(181)	(195)
Foreign exchange movement	(54)	(51)	-	(105)
At 30 September 2024	1,546	2,177	-	3,723
NET BOOK VALUE				
At 30 September 2024	139	179	-	318
At 30 September 2023	123	228	-	351

12 GOODWILL

	£000
COST	
At 1 October 2023	2,969
At 30 September 2024	2,969

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method required the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. This has concluded that no impairment is required in the current year against the carrying amount.

- The discount factor would need to increase by more than 25% or revenues need to decrease in excess of 11% for the Diales Project Services CGU to require impairment.
- The Trett Limited CGU has significant headroom, therefore, no sensible sensitivity would indicate any requirement for impairment.

Goodwill is allocated to cash-generating units (CGU) identified on the basis of business segments.

A segment level summary of the goodwill allocated is presented below:

	2024 £000	2023 £000
Europe & Americas	2,969	2,969

The calculations use pre-tax cash flow projections over the next 5 year period based on the budgets for the next financial year. Cash flows beyond the budgeted one year period are extrapolated using the estimated growth rates per the table below. In accordance with IAS 36, the growth rates for beyond the budgeted period do not exceed the long-term average growth rate for the industry. The key assumptions applied in the calculations were:

- Gross margin 19%
- Growth rate 2%
- Discount rate 6% (pre-tax)

Management determined the gross margin rate based on past performance and future trading conditions. The growth rates are believed to be conservative growth rates for this business. The discount rate used is pre-tax to ensure consistency with the pre-tax cash flows and reflects the risk of the business segment.

Details of subsidiaries included in the Consolidated Financial Statements are as follows:

Subsidiary undertakings	Country of registration or incorporation	Principal activity	Percentage* of ordinary shares held	
Diales Consult Limited	England and Wales	Construction consultancy services	100%	
Driver Project Services Ltd	England and Wales	Construction consultancy services	100%	
Driver Consult Oman LLC	Oman	Construction consultancy services	65%	(1)
Driver Consult UAE LLC	Abu Dhabi	Construction consultancy services	49%	(2)
Driver Consult Qatar LLC	Qatar	Construction consultancy services	49%	(2)
Trett Holdings Limited	England and Wales	Construction consultancy services	100%	
Trett Limited	England and Wales	Construction consultancy services	100%	
Driver Trett (Hong Kong) Ltd	Hong Kong	Construction consultancy services	100%	
Driver Trett (Singapore) Pte. Ltd	Singapore	Construction consultancy services	100%	
Trett Consulting B.V.	Netherlands	Construction consultancy services	100%	
Trett Contract Services Limited	England and Wales	Dormant	100%	
Driver Trett (Malaysia) SDN BHD	Malaysia	Construction consultancy services	100%	
Diales Australia Pty Ltd	Australia	Construction consultancy services	100%	
Driver Trett (Canada) Ltd	Canada	Construction consultancy services	100%	
Driver Trett France SAS	France	Construction consultancy services	100%	
Driver Group Limited	England and Wales	Dormant	100%	
Driver Trett Spain S.L.	Spain	Construction consultancy services	100%	
Driver Group Germany GmbH	Germany	Construction consultancy services	100%	
Driver Trett USA Inc	United States of America	Construction consultancy services	100%	
Driver Trett Saudi Administrative Consultancy LLC	Kingdom of Saudi Arabia	Construction consultancy services	100%	

* Unless stated below, voting rights are equivalent to percentage of ordinary shares held.
(1) The Company is entitled to 99% of the profits.
(2) The legal structure of the business provides the Company with effective 100% control and the business is therefore treated as a fully owned subsidiary

In addition to the above investments, the Company has loaned funds of £950,275 and made contribution to the Driver Group Employee Benefit Trust, which in turn has purchased 1,700,645 shares in the Company for £1,242,206. On 29 July 2013 the Trust disposed of 575,645 shares for net proceeds of £506,567. On 10 December 2013 the Trust disposed of 500,000 shares for net proceeds of £107,500. On 12 August 2014 the Trust disposed of 28,323 shares for net proceeds of £27,615. On 23 September 2016 the Trust transferred 200,000 shares to an employee in settlement of 200,000 nil cost options. On 10 March 2017 the Trust transferred 238,000 shares to two employees in settlement of nil cost options. During the year ended 30 September 2018 the Trust transferred 155,000 shares to a number of employees in settlement of share options. At 30 September 2024 the assets of the Trust comprised 3,677 (2023: 3,677) of the Company's own shares with a nominal value of £15 (2023: £15) and a market value of £956 (2023: £956). The cost of shares has been deducted from equity. The net assets of the Trust are available for the benefit of Diales Consult's and Diales Group's employees. Neither the loan from the Company nor the equivalent liability of the Trust is included in debtors or creditors.

Notes to the Financial Statements (continued)

13 TRADE AND OTHER RECEIVABLES

	2024 £000	2023 £000
Trade receivables	11,952	12,222
Other receivables	637	292
Prepayments	1,168	1,356
Accrued income	121	163
	13,878	14,033

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

As at 30 September 2024 trade receivables past due and net of provision were £8,289,000 (2023: £9,226,000). The ageing analysis of trade receivables is as follows:

	Debt age – “days overdue”			
30 September 2024	Current (not yet overdue) £000	0-90 days £000	Over 90 days £000	Total £000
Gross Trade receivables	3,663	4,402	5,680	13,745
Expected credit loss provision	-	-	(1,793)	(1,793)
Trade Receivables	3,663	4,402	3,887	11,952
Expected credit loss %	0%	0%	32%	13%
30 September 2023				
Gross Trade receivables	2,996	1,025	11,161	15,182
Expected credit loss provision	-	-	(2,960)	(2,960)
Trade Receivables	2,996	1,025	8,201	12,222
Expected credit loss %	0%	0%	27%	19%

As at 30 September 2024 the Group has an impairment allowance against trade receivables of £1,793,000 (2023: £2,960,000). The impairment provisions for trade receivables are recognised using the “expected credit loss model” within the scope of IFRS 9 and the Group has adopted a simplified model to recognise lifetime expected credit losses to trade receivables. This provision matrix has been calculated based on geographical location of the Group’s entities and considers historical default rates, projecting this forward taking into account any specific debtors and forecasts relating to local economies.

An analysis of the Group’s trade and other receivables classified as financial assets by currency is provided in note 21.

Movements in the impairment allowance for trade receivables are as follows:

	2024 £000	2023 £000
At the beginning of the year	2,960	3,159
Charge to the Consolidated Income Statement during the year	553	55
Foreign exchange Impact on translation of overases balances	(38)	(254)
Receivables written off during the year as uncollectible	(1,682)	-
At the end of the year	1,793	2,960

The movement in the impairment allowance for trade receivables is shown on the Consolidated Income Statement for the current year.

Movements in the Group’s accrued income are as follows:

	2024 £000	2023 £000
At the beginning of the year	163	977
Transfers in the period from accrued income to trade receivables	(163)	(977)
Time recorded and not yet invoiced	121	163
At the end of the year	121	163

14 TRADE AND OTHER PAYABLES

	2024 £000	2023 £000
Trade payables	1,747	2,390
Social security and other taxes	1,252	1,667
Other payables	1,958	966
Accrued expenses	2,758	3,029
	7,715	8,052

The Directors consider that the carrying value of trade payables is a reasonable approximation of the fair value.

15 BORROWINGS

An analysis of the maturity of loans is given below:

	2024 £000	2023 £000
Current:		
Bank loan and overdraft	-	-
Lease liability	492	539
	492	539
Non-current falling due between one and two years:		
Lease liability	145	454
	145	454
Non-current falling due between two and five years:		
Lease liability	93	164
	93	164

The carrying value of liabilities is a reasonable approximation of the fair value.

As at 30 September 2024 the banking facilities with HSBC consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£100	3.00% over Base

As at 30 September 2024 the Company had access to cash balances of £4,254,000 (2023: £5,833,000) The net cash position is appropriate for the Group's operating requirements going forward but during the year management agreed a £1m facility with Barclays and will be transitioning the UK banking across over the coming months.

16 CASH AND CASH EQUIVALENTS

	2024 £000	2023 £000
Cash at bank	4,254	5,833

Cash and cash equivalent balances are denominated in Sterling, Euros, US Dollars, Qatari Riyals, UAE Dirhams, Omani Rials, Malaysian Ringgits, Singapore Dollars, Australian Dollars, Hong Kong Dollars, Canadian Dollars, Kuwaiti Dinar, Saudi Riyal and Korean Won.

17 DEFERRED TAXATION

Deferred tax has been calculated at 25% (2023: 25%) based on expected future tax rates in jurisdictions where the deferred tax is expected to reverse.

DEFERRED TAX LIABILITY

	2024 £000	2023 £000
At the beginning of the year	160	169
Charge for the year recognised in the Consolidated Income Statement	7	(9)
At the end of the year	167	160

Notes to the Financial Statements (continued)

DEFERRED TAX ASSET

	2024 £000	2023 £000
At the beginning of the year	247	192
(Charge)/credit for the year recognised in the Consolidated Income Statement	(82)	55
At the end of the year	165	247

The elements of the deferred tax balances are as follows:

	Assets		Liabilities	
	2024 £000	2023 £000	2024 £000	2023 £000
Other short term temporary differences	165	247	(167)	(160)
	165	247	(167)	(160)

The Group had taxable losses of £3,038,583 (2023: losses £4,143,000) carried forward at the year end. No deferred tax asset has been recognised in relation to these losses as an accurate estimate of when this asset would be utilised cannot yet be determined.

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2024 £000	2023 £000
53,962,868	Ordinary	0.4p	216	216

Ordinary shares of 0.4p each	2024 Number	2024 £000	2023 Number	2023 £000
At beginning of the year	53,962,868	216	53,962,868	216
Issued during the year	-	-	-	-
At end of the year	53,962,868	216	53,962,868	216

SHARE-BASED PAYMENT TRANSACTIONS

During 2018 2,046,672 options were granted plus the potential for further performance options. These were granted with an exercise price of nil p and a vesting period between 0 and 3 years. 200,000 of these options vested immediately in recognition of contributions made and 50,000 of these options were dependant on the employee also purchasing 50,000 options which was satisfied in that year. The remaining options were conditional on profit targets. At 30 September 2018, 416,672 of the options conditional on profit targets were exercisable including 66,672 in relation to the further performance options. 350,000 of these shares lapsed during the year ended 2019 and a further 950,000 lapsed during the year ended 2020. During 2022 the 50,000 options dependant on the employee purchasing shares were exercised, along with 113,336 of the performance options. At the year end a total of 503,336 shares were unexercised.

During 2021, 4,430,000 share options were granted. These were granted with an exercise price of nil p and a vesting period between 0 and 3 years. 160,000 shares could be exercised immediately. The balance of 4,270,000 shares vest after 3 years and must be excerised within 10 years of grant. Of this remaining balance, 756,674 shares are dependant on the employees remaining employed within the Group until 30 September 2023. A further, 756,663 shares are dependant upon regional performance targets for the years 2021, 2022 and 2023, in the regions where the employees are based and the final 2,756,663 shares are dependant upon Group performance targets for the years 2021, 2022 and 2023. Both the Group and regional targets can also be based on cummulative results. During 2023, 2,195,997 of these shares lapsed. During the year, 228,000 of these shares lapsed and 817,335 were exercised. At the year end a total of 56,668 shares were unexercised.

During 2022 , 1,100,000 share options were granted. 335,000 of these could be exercised immediately and of this amount 185,000 have been exercised in the year. The remaining 765,000 options vest after 3 years and must be exercised within 10 years of grant. 255,006 shares are dependent on the employees remaining employed within the Group until 30 September 2023. A further, 254,997 shares are dependent upon regional performance targets for the years 2021, 2022 and 2023, in the regions where the employees are based and the final 254,997 shares are dependent upon Group performance targets for the years 2021, 2022 and 2023. Both the Group and regional targets can also be based on cumulative results. During 2023, 150,000 of these shares were exercised. During the year, 453,336 of these shares were exercised. At the year-end a total of 56,667 shares were unexercised.

During 2023, 400,000 share options were granted, all of these could be exercised immediately and of this amount 150,000 have been exercised in the year. The options must be exercised within 10 years of grant are dependent on the employees remaining employed within the Group until 30 September 2025. At the year-end a total of 250,000 shares were unexercised.

During the year, 200,000 share options were granted. The options must be exercised within 10 years of grant are dependent on the employees remaining employed within the Group until 1 January 2026. At the year-end a total of 200,000 shares were unexercised.

At 30 September 2024 the following unexercised share options to acquire ordinary shares granted under the Diales Plc Enterprise Management Incentive Scheme and other option agreements were outstanding in respect of 9 employees (2023: 23):

Year of grant	Vesting period	Exercise price per 0.4p share (pence)	2024 Number	2023 Number
2018	22-02-2018 to 22-02-2018	Nilp	200,000	200,000
	22-09-2018 to 01-10-2018	Nilp	250,000	250,000
	30-09-2018 to 01-10-2018	Nilp	53,336	53,336
2021	05-03-2021 to 30-09-2023	Nilp	-	534,000
	01-04-2021 to 31-03-2024	Nilp	-	50,000
	27-07-2021 to 30-09-2023	Nilp	56,668	518,003
2022	08-10-2021 to 30-09-2023	Nilp	-	453,336
	04-11-2021 to 30-09-2023	Nilp	56,667	56,667
	13-06-2022 to 30-09-2025	Nilp	-	-
2023	05-01-2023 to 30-09-2025	Nilp	250,000	250,000
2024	30-01-2024 to 01-01-2026	Nilp	100,000	-
	01-02-2024 to 01-01-2026	Nilp	100,000	-
			1,066,671	2,365,342

	2024		2023	
	Options	Weighted average exercise price per share (pence)	Options	Weighted average exercise price per share (pence)
Outstanding at 1 October	2,365,342	Nil	4,716,336	Nil
Granted during the year	200,000	-	400,000	-
Lapsed during the year	(228,000)	Nil	(2,450,994)	Nil
Exercised during the year	(1,270,671)	-	(300,000)	-
Outstanding at 30 September	1,066,671	Nil	2,365,342	Nil
Exercisable at 30 September	616,671	Nil	2,115,342	Nil

The options outstanding at 30 September 2024 had an exercise price of nil p and a weighted average remaining contractual life of 6.4 years. The Group has recognised a charge in the current year in relation to share options of £132,000 (2023: £370,000).

The Directors' interests in share options are shown on pages 36 and 37 in the Report of the Directors and page 43 in the Directors remuneration report.

19 RIGHT OF USE ASSET

The following right of use assets have been recognised in line with IFRS 16 and are amortised over the period of the lease term.

	2024 £000	2023 £000
At 1 October	1,140	1,375
Additions during the year	388	1,052
Disposals during the year	(172)	(676)
Amortisation charged to the Consolidated Income Statement	(604)	(611)
At 30 September	752	1,140

Notes to the Financial Statements (continued)

20 LEASES

The following leases have been recognised in line with IFRS 16. The net carrying value of these right of use assets at 30 September 2024 was £753,000 (2023: £1,140,000).

The present values of future lease payments are analysed as:

	2024 £000	2023 £000
Current liabilities	492	539
Non-current liabilities	238	618
	730	1,157

All leases within the group relate to right of use assets, the movement in relation to these leases is analysed as:

	2024 £000	2023 £000
At 1 October	1,157	1,388
Additions during the year	388	1,053
Disposals during the year	(200)	(626)
Interest expense	6	18
Accrual and Prepayment movement	-	-
Repayments	(621)	(676)
At 30 September	730	1,157

The total future value of minimum lease commitments under non-cancellable leases that are exempt from IFRS 16 due to either their short life or low value were £nil (2023: £ni). The minimum rents receivable under non-cancellable leases is £nil (2023: £nil)

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments held by the Group, as detailed in this note, are classified as 'Financial Assets Measured at Amortised Cost' (cash and cash equivalents, trade and other receivables), fair value through income statement (derivatives) and 'Financial Liabilities Measured at Amortised Cost' (trade and other payables, bank overdrafts, bank loans and loan notes).

A summary of the financial instruments held by category is provided below:

	Financial assets at fair value through income statement		Financial assets at amortised cost	
	2024 £000	2023 £000	2024 £000	2023 £000
FINANCIAL ASSETS				
Cash and cash equivalents	-	-	4,254	5,833
Trade and other receivables	-	-	13,878	14,033
TOTAL FINANCIAL ASSETS	-	-	18,132	19,866

	Financial liabilities at fair value through income statement		Financial liabilities at amortised cost	
	2024 £000	2023 £000	2024 £000	2023 £000
FINANCIAL LIABILITIES				
Trade and other payables	-	-	7,715	6,385
Loans and borrowings	-	-	-	-
Lease creditor	-	-	730	1,157
TOTAL FINANCIAL LIABILITIES	-	-	8,445	7,542

Financial assets and liabilities measured at fair value through income statement are all valued using level 2 external valuations.

The Group's operations expose it to a variety of financial risks comprising liquidity risk, foreign exchange risk, interest rate risk and credit risk. The Group has in place risk management policies that seek to limit the adverse effects on the financial performance of the Group by using various instruments and techniques.

Risk management policies have been set by the Board and applied by the Group.

(A) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities as they fall due with surplus facilities to cope with any unexpected variances in timing of cash flows.

The Group believes it has sufficient cash and borrowing facilities to meet its operational commitments.

	2024 £000	2023 £000
Cash and cash equivalents	4,254	5,833
Available funds	4,254	5,833

Maturity analysis

The table below analyses the Group's non-derivative financial liabilities into maturity groupings based on the period outstanding at the Statement of Financial Position date up to the contractual maturity date.

30 SEPTEMBER 2024	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans and overdrafts	-	-	-
Finance lease creditor	492	238	730
Trade and other payables	7,715	-	7,715
Total	8,207	238	8,445

30 SEPTEMBER 2023	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans and overdrafts	-	-	-
Finance lease creditor	539	618	1,157
Trade and other payables	8,052	-	8,052
Total	8,591	618	9,209

As at 30 September 2024 the banking facilities with HSBC consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£100	3.00% over Base

As at 30 September 2024 the Company had access to cash balances of £4,254,000.

(B) FOREIGN EXCHANGE RISK

The Group operates in a number of markets across the world and is exposed to foreign exchange risk arising from various currency exposures in particular, with respect to the UAE Dirham, Omani Rial, Qatari Riyal and Saudi Riyal, all of which are linked to the US dollar, the Euro, Malaysian Ringgit, Singapore Dollar, Australian Dollar, Hong Kong Dollar, Canadian Dollar, Kuwaiti Dinar and Korean Won. The Group is exposed to foreign currency risk arising from recognised assets and liabilities as well as commitments arising from future trading transactions. The Group selectively uses financial products to insure against the effect of adverse movements in foreign exchange rates. This includes foreign exchange contracts and foreign currency borrowing. Reviews are carried out on a monthly basis at an overall Group level to assess the level of foreign exchange exposure and to take any necessary action. The Group does not operate hedge accounting.

Notes to the Financial Statements (continued)

The Group's exposure to foreign currency net assets / (liabilities) is summarised as follows:

	2024		2023	
FINANCIAL ASSETS 2023 AND 2024	Cash and cash equivalents £000	Trade and other receivables £000	Cash and cash equivalents £000	Trade and other receivables £000
GBP	1,423	7,147	4,164	6,473
EUR	999	1,990	924	1,911
CAD	66	65	81	347
AED	163	2,248	178	2,165
OMR	6	299	55	487
KWD	30	146	6	42
USD	1,124	309	466	1,113
QAR	69	209	(45)	401
SGD	28	898	(92)	615
MYR	11	14	46	2
HKD	10	-	13	11
AUD	82	146	37	466
SAR	95	316	-	-
KRW	148	91	-	-
Total	4,254	13,878	5,833	14,033

FINANCIAL LIABILITIES 2023 AND 2024	Trade and other payables £000	Loans and borrowings £000	Trade and other payables £000	Loans and borrowings £000
GBP	5,478	525	4,883	1,111
EUR	462	205	543	46
CAD	20	-	422	-
AED	629	-	1,033	-
OMR	82	-	65	-
KWD	109	-	133	-
USD	182	-	332	-
QAR	208	-	276	-
SGD	177	-	117	-
MYR	6	-	34	-
HKD	16	-	6	-
AUD	188	-	208	-
SAR	68	-	-	-
KRW	90	-	-	-
Total	7,715	730	8,052	1,157

The Group generates local currency revenues and costs in Europe, USA, South Africa, Oman, the UAE, Qatar, Kuwait, Malaysia, Singapore, Australia, Hong Kong, Canada, Saudi Arabia and South Korea. As a consequence, the Group's pre-tax income and equity is exposed to movements in GBP relative to the EUR, USD, ZAR, SGD, MYR, AUD, HKD, CAD, KRW, KWD, AED, OMR,QAR and SAR (the latter four currencies are linked to the US Dollar). The following table represents the estimated impact on the Group's pre-tax income and equity from a weakening or strengthening of Sterling relative to these currencies based on the current year.

SENSITIVITY ANALYSIS – IMPACT ON INCOME STATEMENT AND ON EQUITY

% change in Sterling relative to:	Income statement 10% £000	Income statement 20% £000	Equity 10% £000	Equity 20% £000
Sterling strengthens relative to EUR	(79)	(212)	(59)	(157)
Sterling weakens relative to EUR	97	119	72	99
Sterling strengthens relative to USD	(205)	(546)	(147)	(392)
Sterling weakens relative to USD	250	307	180	220
Sterling strengthens relative to SGD	7	18	5	15
Sterling weakens relative to SGD	(8)	(10)	(7)	(8)
Sterling strengthens relative to AUD	(9)	(23)	(6)	(17)
Sterling weakens relative to AUD	11	13	8	10
Sterling strengthens relative to CAD	42	111	30	80
Sterling weakens relative to CAD	(51)	(63)	(37)	(45)
Sterling strengthens relative to KRW	86	229	65	171
Sterling weakens relative to KRW	(105)	(129)	(6)	(13)

As overseas profits and non-Sterling income grow, the exposure of the Group's profit and equity to movements in Sterling relative to the foreign currencies will increase too.

(C) INTEREST RATE RISK

The Group is subject to fluctuations in interest rates on its borrowings and cash and cash equivalents. The Group is aware of the financial products available to insure against adverse movements in interest rates. Formal reviews are undertaken to determine whether such instruments are appropriate for the Group.

The table below shows the Group's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing.

30 SEPTEMBER 2024	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	4,254	-	4,254
Trade and other receivables	-	-	13,878	13,878
Trade and other payables	-	-	(7,715)	(7,715)
Bank loans and overdrafts	-	-	-	-
Finance lease creditor	-	-	(730)	(730)
	-	4,254	5,433	9,687

30 SEPTEMBER 2023	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	5,833	-	5,833
Trade and other receivables	-	-	14,033	14,033
Trade and other payables	-	-	(8,052)	(8,052)
Bank loans and overdrafts	-	-	-	-
Finance lease creditor	-	-	(1,157)	(1,157)
	-	5,833	4,824	10,657

Interest rates on bank loans are disclosed in note 15.

Sensitivity analysis

The Group has calculated the following sensitivities based on available data from forward markets for fixed and floating interest rates and based on forecast average borrowings. Management believe that these reflect the most probable rate movements.

IMPACT ON INCOME STATEMENT AND EQUITY	2024 £000
1% increase in base rate of interest	-
2% increase in base rate of interest	-

Notes to the Financial Statements (continued)

(D) CREDIT RISK

The Group's financial assets are bank balances and trade and other receivables which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. Following the implementation of IFRS 9, management have adopted a simplified model for recognising lifetime expected credit losses against trade receivables. This new provision matrix has been calculated based on geographical location of the Group's entities and considers historical default rates, projecting these forward taking into account any specific debtors and forecasts relating to local economies. The ageing profile of the Group's debtors is disclosed in note 13.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Group mitigates risk by using surplus cash deposits to pay down borrowings and spreading significant deposits among a range of large international banks.

(E) CAPITAL MANAGEMENT

The Group's main objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders. The Group aims to maintain a strong credit rating and headroom whilst optimising return to shareholders through an appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it with regard to the risks inherent in the business and in light of changes to economic conditions.

Capital is managed by maximising retained profits after dividend distributions. Working capital is managed in order to generate maximum conversion of these profits into cash and cash equivalents.

The policy for managing debt is to create a smooth debt maturity profile with the objective of ensuring continuity of funding to meet the Group's future liquidity requirements.

Capital includes share capital, share premium, merger reserve, translation reserve, capital redemption reserve, other reserve, own shares and retained earnings reserve (note 22). Net borrowings include short and long term borrowings (including overdrafts and lease obligations) net of cash and cash equivalents.

(F) 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 of 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).

22 RESERVES

SHARE CAPITAL

The share capital account includes the nominal value for all shares issued and outstanding.

SHARE PREMIUM

The share premium account comprises the premium over nominal value on issued shares less costs directly attributable to the issue of new shares. The use of this reserve is restricted by the Companies Act 2006.

MERGER RESERVE

The excess of the fair value over nominal value of shares issued by the Company for the acquisition of businesses is credited to the merger reserve. This is in accordance with S610 of the Companies Act 2006.

CURRENCY RESERVE

The currency reserve records any exchange differences arising as a result of the translation of foreign currency equity balances and foreign currency non-monetary items.

CAPITAL REDEMPTION RESERVE

The capital redemption reserve records the nominal value of shares purchased and then cancelled by the Company.

NON-CONTROLLING INTEREST

The non-controlling interest relates to minority shareholdings in Driver Consult (Oman) LLC.

RETAINED EARNINGS

The retained earnings reserve includes the accumulated profits and losses arising from the Consolidated Income Statement and certain items from the Statement of Changes in Equity attributable to equity shareholders net of distributions to shareholders.

OWN SHARES

Own shares consist of shares held by the Diales Employee Benefit Trust which have not been exercised at the Statement of Financial Position date shown as a deduction from shareholders' equity. Total number of own shares as at 30 September 2022 was 3,677 (2021: 3,677).

TREASURY SHARES

Treasury shares are shares repurchased by the Company held as a deduction from equity and are held at cost price.

23 RELATED PARTY TRANSACTIONS

Other than the transactions with Directors noted in the Directors' Remuneration Report (pages 42 and 43) during the financial year, the Group had no transactions with other related parties as defined by IAS 24 'Related Party Disclosures'.

The transactions with Mullen Consult Limited during the year are classed as a related party transaction due to the common Directorship of John Mullen. During the year the Group paid Mullen Consult Limited £43,000 (2023: £771,000) in relation to fee earning expert services provided by John Mullen Consult Limited. At 30 September 2024 there was a balance owed to Mullen Consult Limited of £nil (2023: £73,000 inc VAT). Peter Collini is due to recieve an estimated amount of up to £35,000 from a third party in relation to an introduction made via Diales.

24 MAJOR SHAREHOLDERS

The major shareholders (more than 3%) as at 30 September 2024 are:

	Percentage Shareholding	Number of Shares 30 September 2024
AB Traction (Stockholm)	27.25%	14,387,880
Gresham House	20.25%	10,691,949
Mr Adrian J Williams	8.53%	4,504,287
Allianz Global Investors	7.09%	3,745,000
Mr John P Mullen	3.91%	2,062,428
The Ramsey Partnership Fund Ltd	3.87%	2,042,801
Unicorn Asset Management	3.08%	1,626,936

25 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Some asset and liability amounts reported in the Consolidated Financial Statements contain a degree of management estimation and assumptions. There is therefore a risk of significant changes to the carrying amounts for these assets and liabilities within the next financial year. The estimates and assumptions are made on the basis of information and conditions that exist at the time of the valuation.

The following are considered to be key accounting estimates:

IMPAIRMENT REVIEWS

Determining whether intangible assets including goodwill are impaired requires an estimation of the value in use of the cash generating units to which intangible assets or goodwill have been allocated. The value in use calculation requires an entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. An impairment review test has been performed at the reporting date and no impairment is required. Further details can be found in note 12.

RECEIVABLES IMPAIRMENT PROVISIONS

The amounts presented in the Consolidated Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Group's management based on the expected credit loss within IFRS 9. This is calculated using a simplified model of recognising lifetime expected losses based on the geographical location of the Group's entities and considers historical default rates, projecting these forward taking into account any specific debtors and forecasts relating to local economies. At the Statement of Financial Position date a £1,793,000 (2023: £2,960,000) provision was required. If management's estimates changed in relation to the recoverability of specific trade receivables the provision could increase or decrease. Any future increase to the provision would lead to a corresponding increase in reported losses and a reduction in reported total assets.

REVENUE RECOGNITION ON FIXED FEE PROJECTS

Where the Group enters into a formal fixed fee arrangement revenue is recognised by reference to the stage of completion of the project. The stage of completion will be estimated by the Group's management based on the Project Manager's assessment of the contract terms, the time incurred and the performance obligations achieved and remaining.

26 POST BALANCE SHEET EVENTS

There have been no significant events requiring disclosure since 30 September 2024.

Notes to the Financial Statements (continued)

27 SUBSIDIARY COMPANY DETAILS

Subsidiary	Registered Address	Company No:
Diales Consult Limited	Suite 706-708 , Floor 7, 125 Old Broad Street, London, EC2N 1AR	3881875
Driver Project Services Ltd	15 Evolution Wynyard Parl Wynyard Avenue, Wynyard, Billingham , England, TS22 5TB	2785199
Driver Consult Oman LLC	Building No: 2847, Way No: 4247, Al Ghubra, PO Box 363 Postal Code 121, Seeb, Sultanate of Oman	1049477
Driver Consult UAE LLC	Office 37, Haibu Space, Box 112193, Abu Dhabi, UAE	CN-1163115
Driver Consult Qatar LLC	17th Floor, Marina 50, Street no.315, Zone 69, Building No.5, P.O. Box 187, Lusail City, Qatar	46180
Trett Holdings Ltd	190 Aztec West Almondsbury, Bristol, England, BS32 4TP	04742346
Trett Ltd	190 Aztec West Almondsbury, Bristol, England, BS32 4TP	01339325
Driver Trett (Hong Kong) Ltd	Unit E, 14/F., Neich Tower, 128 Gloucester Road, Wan Chai, Hong Kong	725638
Driver Trett (Singapore) Pte. Ltd	6 Battery Road, #03-01, Singapore, 049909	200001372H
Trett Consulting B.V.	Stationspark, 27G, 4462 DZ Goes, Netherlands	22044617
Trett Contract Services Ltd	190 Aztec West Almondsbury, Bristol, England, BS32 4TP	01689325
Diales Australia Pty Ltd	Level 19, AMP Place, Eagle Street, Brisbane, QLD 4000, Australia	160 611 861
Driver Trett (Canada) Ltd	Floor 19, 700 2nd Street SW, Calgary, AB T2P 2W3, Canada	810615039BC001
Driver Trett France SAS	17 Rue Dumont D'Urville, 75116, Paris, France	811 017 656 RCS Paris
Driver Group Limited	Suite 706-708 , Floor 7, 125 Old Broad Street, London, EC2N 1AR	10476443
Driver Trett Spain S.L.	Calle de José Abascal, 41, 28003, Madrid , Spain	42786145
Driver Trett Germany GmbH	Domagkstrasse 16, 80807, Munich, Germany	HRB263675
Driver Trett USA Inc	1460, Broadway, New York, NY 10036, USA	N/A
Driver Trett Saudi Administrative Consultancy LLC	Office 417, Hamad Tower, Kind Fahad Road, Riyadh, Kingdom of Saudi Arabia	1010586233

28 NOTE SUPPORTING STATEMENT OF CASHFLOWS

	At 1 October 2023 £000	Cashflows £000	Non-Cashflows £000	At 30 September 2024 £000
Cash and cash equivalents	5,833	(1,579)	-	4,254
Borrowings	-	-	-	-
Finance lease creditor	(1,157)	621	(194)	(730)
	4,676	(958)	(194)	3,524

Diales Plc (Company) Statement of Financial Position

As at 30 September 2024

			2024		2023
COMPANY NUMBER: 3475146	Notes	£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	30	38		52	
Investments	31	8,865		8,845	
Intangible assets	32	630		714	
Deferred Tax	36	3		3	
			9,536		9,614
CURRENT ASSETS					
Debtors	33	5,455		5,096	
Cash and cash equivalents		852		131	
			6,307		5,227
CREDITORS					
Amounts falling due within one year	34	(2,691)		(942)	
NET CURRENT ASSETS			3,616		4,285
TOTAL ASSETS LESS CURRENT LIABILITIES			13,152		13,899
CREDITORS					
Amounts falling due after more than one year	36		(140)		(160)
NET ASSETS			13,012		13,739
CAPITAL RESERVES					
Called up share capital	37		216		216
Share premium	38		11,496		11,496
Treasury Shares	38		(1,661)		(1,525)
Capital redemption reserve	38		18		18
Retained earnings	38		2,946		3,537
Own shares	39		(3)		(3)
SHAREHOLDERS' FUNDS			13,012		13,739

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the Parent Company is not presented as part of these Financial Statements. The Parent Company's profit for the year was £0.2m (2023: £4.1m).

The Financial Statements were approved by the Board of Directors, authorised for issue and signed on their behalf by:

Charlotte Parsons
Chief Financial Officer
2 December 2024

The notes on pages 83 to 87 form part of the Financial Statements

Statement of Changes in Equity – Company

For the year ended 30 September 2024

	Share capital £000	Share premium £000	Treasury Shares £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total equity £000
CLOSING BALANCE AT 30 SEPTEMBER 2022	216	11,496	(1,525)	18	(83)	(3)	10,119
Pofit for the year	-	-	-	-	4,084	-	4,084
Total comprehensive income for the year	-	-	-	-	4,084	-	4,084
Share-based payment costs	-	-	-	-	-	-	-
Investment in subsidiary – Share options	-	-	-	-	321	-	321
Exercised share options	-	-	-	-	-	-	-
Dividend	-	-	-	-	(785)	-	(785)
Purchase of Treasury shares	-	-	-	-	-	-	-
CLOSING BALANCE AT 30 SEPTEMBER 2023	216	11,496	(1,525)	18	3,537	(3)	13,739
Profit for the year	-	-	-	-	197	-	197
Total comprehensive income for the year	-	-	-	-	197	-	197
Share-based payment costs	-	-	-	-	-	-	-
Investment in subsidiary – Share options	-	-	-	-	-	-	-
Exercised share options	-	-	-	-	-	-	-
Dividend	-	-	-	-	(788)	-	(788)
Purchase of Treasury shares	-	-	(136)	-	-	-	(136)
CLOSING BALANCE AT 30 SEPTEMBER 2024	216	11,496	(1,661)	18	2,946	(3)	13,012

29 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

BASIS OF PREPARATION

These financial statements are prepared under the Financial Reporting Standards 102 'FRS 102'.

PARENT COMPANY DISCLOSURE EXEMPTIONS

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

- No cash flow statement has been presented for the Parent Company;
- Disclosures in respect of the Parent 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 Parent Company as their remuneration is included in the totals for the Group as a whole.

TANGIBLE FIXED ASSETS

Depreciation is provided on other assets at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-	10% - 33% per annum on cost
Computer equipment	-	25% per annum on cost

INVESTMENTS IN SUBSIDIARIES

Investments are included at cost, less amounts written off.

INTANGIBLE ASSETS

Amortisation is provided on intangible assets in order to write off each asset over its estimated useful life.

Notes to the Financial Statements (continued)

DEFERRED TAX

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax balances are not discounted.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

LEASES

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the Profit and Loss Account over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the Profit and Loss Account on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

PENSIONS

The Company operates a defined contribution pension scheme. Contributions payable for the year are charged in the Profit and Loss Account as incurred.

EMPLOYEE BENEFIT TRUST

In accordance with FRS 102.9.33 to 9.38, any payments made to the Trust established for the benefit of the Group's employees are treated as the exchange of one asset for another. Accordingly, the assets of the Trust, and any liabilities it has, are recognised on the Company's Balance Sheet and are deducted from equity. Assets which vest unconditionally to beneficiaries of the Trust cease to be recognised as assets of the Company. Any income or expenditure incurred by the Trust is recognised in the Company's Financial Statements.

SHARE-BASED PAYMENT TRANSACTIONS

The cost of share options awarded to employees measured by reference to their fair value at the date of grant is recognised over the vesting period of the options based on the number of options which in the opinion of the Directors will ultimately vest. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The cost of the share options is charged to the Profit and Loss Account and transferred to other reserves, except where the options relate to employees of subsidiary companies where the charge is recognised as an increase in the cost of investment in that subsidiary.

DIVIDENDS ON SHARES PRESENTED WITHIN SHAREHOLDERS' FUNDS

Dividends unpaid at the Balance Sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the Financial Statements.

ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The Company operates an equity-settled share-based compensation plan as detailed in note 18. Employee services received and the corresponding increase in equity are measured by reference to the fair value of the equity instruments as at the date of grant.
- Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

30 TANGIBLE FIXED ASSETS

	Fixtures and fittings £000	Computer equipment £000	Total £000
COST			
At 30 September 2023	284	762	1,046
Additions	2	10	12
Disposals	-	(2)	(2)
At 30 September 2024	286	770	1,056
DEPRECIATION			
At 1 October 2023	263	731	994
Charge for year	8	16	24
Disposals	-	-	-
At 30 September 2024	271	747	1,018
NET BOOK VALUE			
At 30 September 2024	15	23	38
At 30 September 2023	21	31	52

31 FIXED ASSET INVESTMENTS

	Shares in Group Undertakings £000
COST	
At 1 October 2023	8,845
Capital investment	20
Disposal	-
At 30 September 2024	8,865
NET BOOK VALUE	
At 30 September 2024	8,865
At 30 September 2023	8,845

The capital investment during the year is in relation to share options.

The list of subsidiaries that the Company has a direct and indirect interest in can be found in note 12 of the Consolidated Financial Statements.

32 INTANGIBLE ASSETS

During the prior two financial years the Company started the development of a new timesheet and finance system. The costs associated with this project from the date of sign off by the Board have been capitalised. The new sytem was live from 1 April 2022 and amortisation started from that date.

	2024 £000	2023 £000
At 1 October	714	798
Additions	-	-
Amortisation	(84)	(84)
At 30 September	630	714

33 DEBTORS

Amounts falling due within one year:

	2024 £000	2023 £000
Trade debtors	-	29
Amounts owed by Group undertakings	4,862	4,468
Social security and other taxes	60	142
Prepayments and accrued income	533	457
	5,455	5,096

Notes to the Financial Statements (continued)

34 CREDITORS

Amounts falling due within one year:

	2024 £000	2023 £000
Trade creditors	289	395
Amounts due to group undertakings	1,487	-
Social security and other taxes	50	-
Accrued expenses	865	547
	2,691	942

Amounts falling due after more than one year:

	2024 £000	2023 £000
Bank loan (note 35)	-	-
	-	-

35 BANK LOAN AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2024 £000	2023 £000
Amounts falling due within one year or on demand:		
Bank loans and overdrafts	-	-
	-	-
Amounts falling due between one and two years:		
Bank loan	-	-
Amounts falling due between two and five years:		
Bank loan	-	-
	-	-

As at 30 September 2024 the banking facilities with HSBC consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£100	3.00% over Base

As at 30 September 2024 the Company had access to cash balances of £4,254,000 (2023: £5,833,000). The net cash position is appropriate for the Group's operating requirements going forward but but during the year management agreed a £1m facility with Barclays and will be transitioning the UK banking across over the coming months.

36 DEFERRED TAX

Deferred tax liability

	2024 £000	2023 £000
At the beginning of the year	160	167
Credit for the year	(20)	(7)
At the end of the year	140	160

Deferred tax asset

	2024 £000	2023 £000
At the beginning of the year	3	-
Chargefor the year	-	3
At the end of the year	3	3

The elements of the deferred tax balances are as follows:

	Assets		Liabilities	
	2024 £000	2023 £000	2024 £000	2023 £000
Deferred tax relating to share options and capital allowances	3	3	140	160
	3	3	140	160

37 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2024 £000	2023 £000
53,962,868	Ordinary	0.4p	216	216

Ordinary shares of 0.4p each	2024 Number	2024 £000	2023 Number	2023 £000
At beginning of the year	53,962,868	216	53,962,868	216
Issued during the year	-	-	-	-
At end of the year	53,962,868	216	53,962,868	216

Information relating to the Company's share option scheme is detailed in note 18 of the Consolidated Group Accounts.

38 RESERVES

SHARE CAPITAL

The share capital account includes the nominal value for all shares issued and outstanding.

SHARE PREMIUM

The share premium account comprises the premium over nominal value on issued shares. The use of this reserve is restricted by the Companies Act 2006.

REVALUATION RESERVE

The revaluation reserve is the surplus between the fair value and the historical cost and is in relation to Land and Buildings.

CAPITAL REDEMPTION RESERVE

The capital redemption reserve records shares purchased and then cancelled by the Company.

TREASURY SHARES

Treasury shares are shares repurchased by the Company held as a deduction from equity and are held at cost price.

RETAINED EARNINGS

The profit and loss account includes the accumulated profits and losses arising from the Income Statement and certain items from the Statement of Changes in Equity attributable to equity shareholders net of distributions to shareholders.

OWN SHARES

Own shares consist of shares held by the Driver Group Employee Benefit Trust which have not been exercised at the Statement of Financial Position date shown as a deduction from shareholders' equity.

39 OWN SHARES

	£000
At 1 October 2023	3
At 30 September 2024	3

40 COMMITMENTS

The total future value of minimum lease payments under non-cancellable operating lease rentals are as follows:

	Land and buildings	
	2024 £000	2023 £000
Due		
Not later than one year	25	43
Later than one year and not later than five years	-	25
Later than five years	-	-
	25	68

41 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption included in section 33 of FRS 102 and has not disclosed transactions with other wholly owned members of the Group headed by Diales Plc. Transactions with Directors include transactions disclosed on page 42 and with further disclosure in note 23. There is no ultimate controlling party.

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