FDM Group Limited

Directors' report and financial statements

Registered number 2542980

31 December 2010

Contents

Highlights

Fınancıal Hıghlıghts

- Revenues ıncreased by 58 1% to £83 7 mıllıon (2009 £52 9 mıllıon)
- Gross profit ıncreased by 57 3% to £22 9 mıllıon (2009 £14 5 mıllıon)
- Overall gross margıns remaıned consıstent at 27 3% (2009 27 4%)
- Operatıng profit ıncreased by 137 4% to £10 8m (2009 £4 5m)
- Operatıng margın ıncreased to 12 9% (2009 8 6%)
- Profit before tax of £10 7m mıllıon (2009 £4 6 mıllıon), representıng an ıncrease of 133 2%
- Debtor days decreased to 60 days (2009 63 days)
- FDM Consultant utılısatıon rates ıncreased to 98 8% (2009 96 7%)

Directors, Secretary and Advisers

Directors	Ivan Martin (Non-Executive Chairman) Roderick Neil Flavell (Chief Executive Officer) Sheila Flavell (Chief Operating Officer) Andrew Brown (Sales Director) Mike McLaren (Finance Director) (appointed 11 April 2011)
Company Secretary	David Templeman (resigned 4 November 2010) Richard Swann (appointed 4 November 2010, resigned 11 April 2011) Mike McLaren (appointed 11 April 2011)
Registered office and Directors' Business address	Second Floor Lanchester House Trafalgar Place Brighton East Sussex BN1 4FU
Solicitors to the Company	Dechert LLP 2 Serjeants' Inn London EC4Y 1LT
Auditors	KPMG Audit Plc 1 Forest Gate Brighton Road Crawley West Sussex RH11 9PT

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2010

Principal activities

The Group's principal activity is that of an international IT services provider The Group specialises in recruiting and training its own permanent IT consultants

The Company has overseas subsidiaries based in the USA, Belgium, Switzerland, Luxembourg, Germany and Hong Kong

Business review

Trading performance throughout the period under review continued the positive trends displayed in previous years and the Group recorded record profits despite tough macro-economic conditions The Group continued its core strategy of developing into an IT services business and to increase the supply of our in-house resources to the market In order to maintain our growth programme we invested in additional floor space in our London office, opened an academy in our Frankfurt office, opened a new office in Wall Street, New York and an establishment in Hong Kong, to further facilitate our international offerings

FDM Group de-listed from AIM on 19 February 2010 and re-registered as a private limited company Under this new equity structure Inflexion Private Equity Partners LLP, the core management team and other senior officers of the business hold shares in Astra 5 0 Limited, which is the parent company, formed for the purpose of the take-private transaction

The principal risk facing the Group remains around general market conditions We continuously monitor these and necessary steps will be taken to minimise impact on trading if conditions change

The directors look into 2011 with continued optimism, having had the most successful year in its trading history

Proposed dividend

The Group is owned by Astra 5 0 Limited, and to this extent the Group pay dividends to the parent company throughout the year to meet its banking obligations No dividends to the ultimate shareholders will be made

Policy and practice on payment of creditors

It is the policy of the Company to settle outstanding accounts with suppliers on normal terms of credit which are agreed before initial transactions are contracted

At the year end there were 25 days (2009 34 days) purchases in trade payables

Directors

The directors who held office during the year were as follows

I Martin (Chairman)
RN Flavell
DG Templeman (resigned 4 November 2010)
A Brown
S Flavell

Directors' report *(continued)*

Political and charitable contributions

During the year the Group made charitable donations of £3,115 (2009 £1,757) No political contributions were made (2009 £nil)

Corporate social responsibility

The Group makes it a policy of informing all employees of matters of concern to them as employees, both in their immediate work situation and in the wider context of the Group's well being It encourages participation and involvement in matters which affect their interests as employees Communication with employees is effected through the Group's Intranet portal which is updated on a daily basis and quarterly staff magazines sent out by post Informal communication is facilitated by emails to all Group companies and encouragement is given to employees to provide feedback in the aim towards achieving a common awareness on all aspects affecting the performance of the Group

The Group gives full and fair consideration to the employment of disabled persons for suitable jobs In the event of members of staff becoming disabled every effort is made to ensure that their employment within the Group continues either in the job or in a suitable alternative The Group would endeavour to make any reasonable adjustments for disabled employees to fulfil job role responsibility It is the Group's policy to support disabled employees in all aspects of their training, development and promotion where it benefits the employee and the Group

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report 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

Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the Board

Mike McLaren
Company Secretary

27 July 2011

2nd Floor Lanchester House, Trafalgar Place
Brighton, East Sussex, BN1 4FU

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

Company law requires the directors to prepare group and parent company financial statements for each financial year Under that law they have elected to prepare both the group and the parent company financial statements in accordance with IFRSs as adopted by the EU and applicable laws

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 parent company and of their profit or loss for that period In preparing each of the group and parent company financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

KPMG Audit Plc

1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT
United Kingdom

Independent auditor's report to the members of FDM Group Limited

We have audited the financial statements of FDM Group Limited for the year ended 31 December 2010 set out on pages 9 to 29 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion
- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report to the members of FDM Group Limited
(continued)

Matters on which we are required to report by exception

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

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

28th July 2011

P Alex Sanderson (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
2011

Consolidated Income Statement
for year ended 31 December 2010

	Note	2010 £000	2009 £000
Revenue	*2*	**83,661**	52,913
Cost of sales		**(60,811)**	(38,386)
Gross profit		**22,850**	14,527
Administrative expenses		**(12,080)**	(9,272)
Take-private transaction fees		-	(719)
Total administrative expenses	*3*	**(12,080)**	(9,991)
Operating profit		**10,770**	4,536
Financial income	*6*	**5**	62
Financial expenses	*6*	**(52)**	-
Net finance (expense)/income		**(47)**	62
Profit before tax		**10,723**	4,598
Taxation	*7*	**(3,190)**	(1,570)
Profit for the year attributable to equity holders of the parent company		7,533	3,028

The results above arise from continuing operations

Consolidated and Parent Company Statement of Financial Position

at 31 December 2010

	Note	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Non-current assets					
Investments	*11*	-	-	1	-
Property, plant and equipment	*8,9*	800	481	687	472
Intangible assets	*10*	73	114	73	114
Deferred tax assets	*12*	29	144	29	144
		902	739	790	730
Current assets					
Trade and other receivables	*13*	17,442	10,532	14,325	7,448
Cash and cash equivalents	*14*	4,825	11,438	3,207	9,158
		22,267	21,970	17,532	16,606
Total assets		23,169	22,709	18,322	17,336
Current liabilities					
Financing facilities	*14*	3,970	-	3,970	-
Trade and other payables	*15*	8,111	5,928	7,418	4,868
Current tax liability		1,572	713	1,183	505
Total liabilities		13,653	6,641	12,571	5,373
Net assets		9,516	16,068	5,751	11,963
Equity attributable to equity holders of the parent					
Share capital	*17*	236	232	236	232
Share premium	*17*	3,494	3,332	3,494	3,332
Translation reserve	*17*	662	524	-	-
Capital redemption reserve	*17*	63	63	63	63
Retained earnings		5,061	11,917	1,958	8,336
Total equity		9,516	16,068	5,751	11,963

These financial statements were approved by the board of directors on 27 July 2011 and were signed on its behalf by

M McLaren
Director

Consolidated and Parent Company Statement of Cashflows

for year ended 31 December 2010

	Note	Group 2010 £000	2009 £000	Company 2010 £000	2009 £000
Cash flows from operating activities					
Profit for the year		**7,533**	3,028	**5,344**	1,785
Adjustments for					
Depreciation and amortisation	*3*	**268**	205	**252**	200
Financial income	*6*	**(5)**	(62)	**(5)**	(60)
Financial expense	*6*	**52**	-	**52**	-
Loss on disposal of non-current assets		**2**	1	**2**	-
Taxation	*7*	**3,190**	1,570	**2,136**	889
(Increase)/decrease in trade and other receivables	*13*	**(7,412)**	(1,364)	**(5,333)**	15
Increase in trade and other payables	*15*	**2,847**	1,085	**1,006**	464
Interest paid	*6*	**(52)**	-	**(52)**	-
Tax paid		**(2,390)**	(1,829)	**(1,497)**	(1,061)
Net cash from operating activities		**4,033**	2,634	**1,905**	2,232
Cash flows from investing activities					
Interest received	*6*	**5**	62	**5**	60
Proceeds from sale of non-current assets		**5**	-	**5**	-
Dividends received	*18*	**-**	-	**2,667**	-
Increase in ordinary share capital	*17*	**4**	-	**4**	-
Increase in share premium		**162**	-	**162**	-
Acquisition of property, plant and equipment	*8 9*	**(544)**	(236)	**(423)**	(235)
Investment in new subsidiary		**-**	-	**(1)**	-
Acquisition of other intangible assets	*10*	**(10)**	(59)	**(10)**	(59)
Net cash from investing activities		**(378)**	(233)	**2,409**	(234)
Cash flows from financing activities					
Decrease in cash held by Employee Benefit Trust in year		**(2)**	(65)	**(2)**	(65)
Dividends paid	*18*	**(14,233)**	(812)	**(14,233)**	(812)
Net cash used in financing activities		**(14,235)**	(877)	**(14,235)**	(877)
Net (decrease)/increase in cash and cash equivalents		**(10,580)**	1,524	**(9,921)**	1,121
Cash and cash equivalents at 1 January		**11,438**	10 058	**9,158**	8,037
Effect of exchange rate fluctuations on cash held		**(3)**	(144)	**-**	-
Cash and cash equivalents at 31 December	*14*	**855**	11,438	**(763)**	9,158

Consolidated and Parent Company Statement of Comprehensive Income
for year ended 31 December 2010

Group	2010 £000	2009 £000
Foreign exchange translation differences	**138**	(234)
Deferred tax on share-based payments	**154**	67
Income and expense recognised directly in equity	**292**	(167)
Profit for the financial year	**7,533**	3,028
Total comprehensive income recognised for the year	**7,825**	2,861

Company	2010 £000	2009 £000
Foreign exchange translation differences	**138**	(234)
Deferred tax on share-based payments	**154**	67
Income and expense recognised directly in equity	**292**	(167)
Profit for the financial year	**5,344**	1,785
Total comprehensive income recognised for the year	**5,636**	1,618

Consolidated and Parent Company Statement of Changes in Equity

for year ended 31 December 2010

Group

	Share capital £000	Share premium £000	Capital redemption reserve £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2009	232	3,332	63	758	9,699	14,084
Total recognised income and expense	-	-	-	-	3,028	3,028
Exchange adjustments	-	-	-	(234)	-	(234)
Movement in Trust cash balance	-	-	-	-	(65)	(65)
Deferred tax on share options	-	-	-	-	67	67
Dividends	-	-	-	-	(812)	(812)
Balance at 31 December 2009	**232**	**3,332**	**63**	**524**	**11,917**	**16,068**
Balance at 1 January 2010	232	3,332	63	524	11,917	16,068
Total recognised income and expense	-	-	-	-	7,533	7,533
Exchange adjustments	-	-	-	138	-	138
Movement in Trust cash balance	-	-	-	-	(2)	(2)
Increase in ordinary shares	4	-	-	-	-	4
Share premium on ordinary shares	-	162	-	-	-	162
Deferred tax on share options	-	-	-	-	(154)	(154)
Dividends paid	-	-	-	-	(14,233)	(14,233)
Balance at 31 December 2010	**236**	**3,494**	**63**	**662**	**5,061**	**9,516**

The aggregate deferred tax relating to items that are credited or debited to equity is £116 000 liability *(2009 £38,000 asset)*

Company

	Share capital £000	Share premium £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2009	232	3,332	63	7,361	10,988
Total recognised income and expense	-	-	-	1,785	1,785
Movement in Trust cash balance	-	-	-	(65)	(65)
Deferred tax on share options	-	-	-	67	67
Dividends	-	-	-	(812)	(812)
Balance at 31 December 2009	**232**	**3,332**	**63**	**8,336**	**11,963**
Balance at 1 January 2010	232	3,332	63	8,336	11,963
Total recognised income and expense	-	-	-	5,344	5,344
Increase in ordinary share capital	4	-	-	-	4
Share premium on ordinary shares		162	-	-	162
Movement in Trust cash balance	-	-	-	(2)	(2)
Deferred tax on share options	-	-	-	(154)	(154)
Dividends received	-	-	-	2 667	2 667
Dividends paid	-	-	-	(14,233)	(14,233)
Balance at 31 December 2010	**236**	**3,494**	**63**	**1,958**	**5,751**

The aggregate deferred tax relating to items that are credited or debited to equity is £116,000 liability *(2009 £38,000 asset)*

Notes
(forming part of the financial statements)

1 Accounting policies

FDM Group Ltd (the "Company") is a company incorporated in the UK

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") The parent company financial statements present information about the Company as a separate entity and not about its group

Both the parent company financial statements and the group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") On publishing the parent company financial statements here together with the group financial statements, the Company is taking advantage of the exemption in s230 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements

Basis of preparation

Going Concern

As noted in the business review within the directors' report, the Group was the subject of the completion of a take-private transaction under which Inflexion Private Equity Partners LLP, the core management team and other senior officers of the business acquired shares in Astra 5 0 Limited, the parent company, formed for the purpose of the take-private transaction

The directors have reviewed the company's forecasts and are confident that the profile of current trading and the banking facilities in place provide comfort that the business can operate as a going concern

Uses of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results for which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources Actual results may differ from these estimates The estimates, assumptions and judgements that are likely to contain the greatest degree of uncertainty are summarised below

Income taxes

In recognising income tax assets and liabilities estimates have to be made of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain and on the expected manner of realisation or settlement of deferred tax assets and liabilities

Revenue

Non-receipted timesheets are accrued at the estimated contract value within the period and released the following month on receipt of timesheets

Fair values

IFRSs require assets, liabilities and expenses to be recognised at fair value This includes the intangible assets and trade receivables By their nature fair values are estimates and subject to different interpretation

Useful lives

The useful economic life of property, plant and equipment is reviewed on an annual basis The period of actual or economic benefit may vary from the estimated life and residual values

Share-based payments

The calculation of the fair value of share-based payments, is calculated using the binomial option model and requires assumptions and estimates to be made, details are disclosed in note 16

Notes *(continued)*

1 Accounting policies *(continued)*

Basis of consolidation

Subsidiaries are entities controlled by the Group Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities In assessing control, potential voting rights that are currently exercisable or convertible are taken into account The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases

Intragroup balances and unrealised income or expenditure are eliminated in preparing the consolidated financial statements and any gains or losses arising from the translation are recognised in the income statement

Foreign currency

a) Functional and presentation currency

The financial statements are presented in Pounds Sterling which are rounded to the nearest thousand

b) Group subsidiaries

The results and financial position of all Group subsidiaries that have a functional currency that differs from the Group's presentation currency are translated into the presentation currency as follows

- Assets and Liabilities for each balance sheet are translated at the closing rate at the date of balance sheet,
- Income and Expenses for each income statement are translated at the average exchange rate for the period, and
- All resulting exchange differences are recognised as a separate component of equity in accordance with IAS21 - The effects of foreign exchange rates

Any trading gains or losses arising on receipt and payment of foreign currency are realised within the income statement at the date of transaction

The group has taken advantage of the relief available in IFRS 1 to deem the cumulative translation differences for all foreign operations to be zero at the date of transition to Adopted IFRSs on 1 January 2006

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment The estimated useful lives are as follows

Motor Vehicles	4 years
Plant and Equipment	4 years
Fixtures and Fittings	4 years
Leasehold Improvements	Length of Lease

Intangible assets

The Group only holds acquired software and software licences as intangible assets Acquired software and software licences are capitalised on the basis of cost and amortised over the estimated useful lives of the software which is estimated to be four years or the licence term if shorter

Trade receivables

Trade receivables are stated at amortised cost, their carrying value being reduced by appropriate allowances for estimated irrecoverable amounts

Trade payables

Trade payables are stated at amortised cost

Notes *(continued)*

1 Accounting policies *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows

Operating Segments

The Group's main operating segments, as considered by the chief operating decision maker of the business, remain geographical

The Group underwent a restructure in the way in which it organises its business on 1st January 2009 and now shows its secondary segment as streams of activity which are Consultancy, Support, Testing, Training and Infrastructure The Group has operated another stream of activity this year, being Project Management Office (PMO)

Employee benefits

Defined contribution plans

The Group operates a defined contribution pension scheme The assets of the scheme are held separately from those of the Group in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Share-based payment transactions

The share option programme allowed employees to acquire shares of the Company The fair value of options granted after 7 November 2002 and those not yet vested as at the effective date of adopting IFRS 2 is recognised as an employee expense with a corresponding increase in equity

The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options

All options were exercised and the company issued new shares The premium received over the nominal value of 1p ordinary shares, net of any directly attributable transaction costs, has been credited to the share premium account

Employee Benefit Trust

The group operates an Employee Benefit Trust ("the Trust"), which holds shares in the Company for the purpose of incentive plans The Company's own shares held in the Trust are deducted in arriving at equity attributable to equity holders of the parent Any proceeds from subsequent disposal of shares by the Trust are required to be added to equity attributable to equity holders of the parent'

Revenue

Revenue represents the amounts (excluding Value Added Tax) derived from the provision of supplying IT staff and consultancy services to third party customers

Revenue is chargeable on signed timesheets being received, having shown that the service has been provided and is recognised in the period in which the consultant or employee has performed the work

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease Lease incentives received are recognised in the income statement as an integral part of the total lease expense

Net financing costs

Net financing costs comprise bank interest payable and receivable which is recognised in profit or loss as it accrues, using the effective interest method

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

Tax on the profit or loss for the year comprises current and deferred tax Tax is recognised in the 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 year, using tax rates enacted or substantively enacted at the balance sheet 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 assets are also shown arising from the consideration of employee share options granted but not yet exercised at the end of the period The tax deductible on these options will not be realised until the options have been exercised Deferred tax is classified as a non-current asset or liability dependent on its nature to the extent that it is not yet realised

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date

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

Notes *(continued)*

2 Segmental Reporting

The segmental reporting is based on the geography of a division The Group operates in four geographic areas, the UK being the predominant area Asia Pacific opened in September 2010

Geographical Breakdown 2010

	UK	Europe	America	Asia Pacific	Consolidation Adj.	Total
	£000	£000	£000	£000	£000	£000
Revenue	61,599	11,254	10,677	131	-	**83,661**
Profit before tax	**7,480**	**2,240**	**1,005**	**(2)**	-	**10,723**
Depreciation and amortisation	(252)	(8)	(8)	-	-	**(268)**
Purchase of non-current assets	(433)	(26)	(95)	-	-	**(554)**
Total non-current assets	790	27	85	-	-	**902**
Total assets	18,197	3,908	2,665	134	(1,735)	**23,169**
Total liabilities	(12,446)	(918)	(1,889)	(135)	1,735	**(13,653)**
Equity attributable to equity holders of the parent	**5,751**	**2,990**	**776**	**(1)**	-	**9,516**

The consolidation adjustments are the removal of inter-company balances

Geographical Breakdown 2009

	UK	Europe	America	Consolidation Adj.	Totals
	£000	£000	£000	£000	£000
Revenue	37,731	8,718	6,464	-	**52,913**
Profit before tax	**2,674**	**1,314**	**610**	-	**4,598**
Depreciation and amortisation	(200)	(4)	(1)	-	**(205)**
Purchase of non-current assets	(294)	(1)	-	-	**(295)**
Total non-current assets	730	9	-	-	**739**
Total assets	17,336	3,776	1,912	(315)	**22,709**
Total liabilities	(5,373)	(624)	(959)	315	**(6,641)**
Equity attributable to equity holders of the parent	**11,963**	**3,152**	**953**	-	**16,068**

The Group shows its secondary segments by streams of activity which are Consultancy, Support, Testing, Training and Infrastructure A new stream of activity was introduced on 1 January 2010, Project Management Office (PMO), therefore, there are no comparatives for this stream The revenue and gross profit for the streams of activity are shown below It is not possible to segment the administrative expenses and assets of these streams accurately as they are only reportable within the Group's accounts to the extent shown

Stream	**Revenue 2010**	**Revenue 2009**	**Gross Profit 2010**	**Gross Profit 2009**
	£000	£000	£000	£000
Consultancy	41,080	29,422	8,716	6,427
Support	16,628	14,113	7,054	5,126
Testing	11,279	6,769	3,892	2,310
Training	1,529	1,244	557	484
Infrastructure	2,010	1,365	460	180
PMO	11,135	-	2,171	-
Total	**83,661**	**52,913**	**22,850**	**14,527**

Notes *(continued)*

3 Expenses and auditors' remuneration

Included in profit for the year are the following

	2010 £000	2009 £000
Hire of property – operating leases	**805**	717
Exchange losses	**106**	44
Depreciation and amortisation	**268**	205

Auditor's remuneration

	2010 £000	2009 £000
Audit of these financial statements	**40**	83
Amounts receivable by auditors and their associates in respect of		
Other services pursuant to legislation	**-**	22
Other services relating to taxation	**39**	10

Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis

4 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows

	Number of employees Group 2010	2009	Number of employees Company 2010	2009
Programmers	**533**	325	**419**	258
Sales	**42**	38	**30**	27
Technical	**2**	2	**2**	2
Administration	**73**	62	**69**	57
	650	427	**520**	344

The aggregate payroll costs of these persons were as follows

	Group 2010 £000	2009 £000	Company 2010 £000	2009 £000
Wages and salaries	**22,012**	14,228	**16,299**	10,938
Social security costs	**2,218**	1,548	**1,658**	1,058
Other pension costs	**74**	117	**57**	103
	24,304	15,893	**18,014**	12,099

Notes *(continued)*

5 Directors' remuneration

	2010 £000	2009 £000
Directors' emoluments	**1,589**	1,137
Company contributions to money purchase pension plans	**18**	64

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £455,215 (2009 £378,591)

	Number of directors 2010	2009
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	**2**	3

Directors' rights to subscribe for shares in or debentures of the company and its subsidiaries are indicated below

	Number of options At start of year	At end of year	Exercise price £
Andrew Brown	**50,000**	-	**0.01**
Andrew Brown	**23,000**	-	**0 55**
Andrew Brown	**10,500**	-	**0 78**
Sheila Flavell	**6,750**	-	**0 78**
	90,250	-	

6 Finance income and expense

	2010 £000	2009 £000
Interest income on bank accounts	**5**	62
Financial income	**5**	62
Interest payable on financing facility	**(52)**	-
Financial expenses	**(52)**	-

Notes *(continued)*

7 Taxation

Recognised in the income statement

	2010	2009
	£000	£000
Current tax expense		
Current year	3,229	1,670
Adjustments for prior years	-	(58)
Total current tax	3,229	1,612
Deferred tax		
Origination and reversal of temporary differences	(39)	(42)
Total deferred tax	(39)	(42)
Total tax in income statement	3,190	1,570

The current tax charge for the year is higher (2009 higher) than the standard rate of corporation tax in the UK, 28% (2009 28%)

Reconciliation of effective tax

	2010	2009
	£000	£000
Profit before tax	10,723	4,598
Tax using the UK corporation tax rate of 28% (2009 28%)	3,002	1,287
Different tax rates on overseas earnings	145	143
Non-deductible expenses	82	240
Adjustment in respect of deferred tax	(39)	(42)
Over provided in prior years	-	(58)
Total tax expense	3,190	1,570

Notes *(continued)*

8 Property, plant and equipment – Group

2010	Leasehold Improvements £000	Motor Vehicles £000	Plant & Equipment £000	Fixtures & Fittings £000	Total £000
Cost					
Balance at beginning of year	498	27	404	745	1,674
Additions	93	13	176	262	544
Disposals	-	(17)	-	(4)	(21)
Effect of movements in foreign exchange	-	-	(4)	-	(4)
Balance at end of year	591	23	576	1,003	2,193
Depreciation					
Balance at beginning of year	338	16	318	521	1,193
Depreciation charge for the year	30	5	55	127	217
Disposals	-	(10)	-	(4)	(14)
Effect of movements in foreign exchange	-	-	(3)	-	(3)
Balance at end of year	368	11	370	644	1,393
Net book value					
At beginning of year	160	11	86	224	481
At end of year	**223**	**12**	**206**	**359**	**800**

9 Property, plant and equipment – Company

2010	Leasehold Improvements £000	Motor Vehicles £000	Plant & Equipment £000	Fixtures & Fittings £000	Total £000
Cost					
Balance at beginning of year	498	27	263	745	1,533
Additions	93	13	55	262	423
Disposals	-	(17)	-	(4)	(21)
Balance at end of year	591	23	318	1,003	1,935
Depreciation and impairment					
Balance at beginning of year	338	17	187	519	1,061
Depreciation charge for the year	30	5	39	127	201
Disposals	-	(10)	-	(4)	(14)
Balance at end of year	368	12	226	642	1,248
Net book value					
Balance at beginning of year	160	10	76	226	472
Balance at end of year	**223**	**11**	**92**	**361**	**687**

Notes *(continued)*

10 Intangible assets

Group and Company	**2010 Software & Software Licences £000**	2009 Software & Software Licences £000
Cost		
Balance at beginning of year	353	294
Additions	10	59
Balance at end of year	363	353
Amortisation and impairment		
Balance at beginning of year	239	192
Amortisation for the year	51	47
Balance at end of year	290	239
Net book value		
Balance at beginning of year	114	102
Balance at end of year	**73**	**114**

Amortisation charge

The amortisation charge is recognised in administrative expenses in the income statement

11 Investments in subsidiaries

The Group and Company have the following investments in subsidiaries

Group and Company	Country of Incorporation	Class of shares held	Ownership 2010	2009
FDM Group Inc	USA	Ordinary	**100%**	100%
FDM Group NV	Belgium	Ordinary	**100%**	100%
FDM Group GmbH	Germany	Ordinary	**100%**	100%
FDM Group GmbH	Switzerland	Ordinary	**100%**	100%
FDM Group SA	Luxembourg	Ordinary	**100%**	100%
FDM Group HK Limited	Hong Kong	Ordinary	**100%**	-
Mountfield Software Limited (Dormant)	Great Britain	Ordinary	**100%**	100%

The Group's principal activity is that of an international IT services provider The Group specialises in recruiting and training its own permanent IT consultants The subsidiaries all carry out similar such activities

Notes *(continued)*

12 Deferred tax assets - Group and Company

Recognised deferred tax assets

Deferred tax assets are attributable to the following

	2010 £000	2009 £000
Property, plant and equipment	**29**	34
Share-based payments	-	110
Deferred tax asset	**29**	144

Movement in deferred tax during the year

	1 January 2010 £000	Recognised in income statement £000	Recognised in equity £000	31 December 2010 £000
Property, plant and equipment	34	(5)	-	29
Share-based payments	110	44	(154)	-
	144	39	(154)	29

Movement in deferred tax during the prior year

	1 January 2009 £000	Recognised in income statement £000	Recognised in equity £000	31 December 2009 £000
Property, plant and equipment	23	11	-	34
Share-based payments	20	23	67	110
	43	34	67	144

13 Trade and other receivables

	Group 2010 £000	2009 £000	Company 2010 £000	2009 £000
Receivables due from subsidiaries	**-**	-	**1,389**	81
Trade receivables	**15,726**	9,188	**11,530**	6,206
Other receivables	**55**	41	**23**	29
Prepayments and accrued income	**1,661**	1,303	**1,383**	1,132
	17,442	10,532	**14,325**	7,448

At 31 December 2010, trade receivables are shown net of an allowance for doubtful debts of £14,000 *(2009 £91,000)*

Trade and other receivables denominated in currencies other than Pounds Sterling comprise £4,860,000 *(2009 £3,084,000)*, denominated in Euros, Swiss Francs, Hong Kong Dollars and US Dollars

Notes *(continued)*

14 Cash and cash equivalents/ bank overdrafts

	Group 2010 £000	2009 £000	Company 2010 £000	2009 £000
Cash in hand	**4,825**	11,438	**3,207**	9,158
Finance facility	**(3,970)**	-	**(3,970)**	-
Cash and cash equivalents per cash flow statements	**855**	11,438	**(763)**	9,158

Cash denominated in currencies other than Pounds Sterling comprise £1,618,000 (2009 £2,269,000), denominated in Euros, Swiss Francs, Hong Kong Dollars and US dollars

The Company holds a £5,000,000 financing facility with its Bankers, and is drawn as needed to meet working capital requirements Interest is paid on any monies owed at an agreed commercial rate of interest

15 Trade and other payables

	Group 2010 £000	2009 £000	Company 2010 £000	2009 £000
Payables due to subsidiaries	**-**	-	**719**	234
Payables due to parent	**147**	-	**147**	-
Trade payables	**2,659**	2,355	**2,068**	1,661
Other payables	**297**	310	**281**	309
Other taxes and social security	**2,173**	901	**1,779**	745
Accruals and deferred income	**2,835**	2,362	**2,424**	1,919
	8,111	5,928	**7,418**	4,868

Trade and other payables denominated in currencies other than Pounds Sterling comprise £818,000 (2009 £1,059,000) denominated in Euros, Swiss Francs, Hong Kong Dollars and US Dollars

16 Employee benefits

Pension plans

Defined contribution plans

The Group operates a number of defined contribution pension plans

The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £74,000 *(2009 £117,000)* Amounts paid by the Company were £57,000 (*2007 £103,000*)

There were no (2009 £nil) outstanding or prepaid contributions at the end of the financial year

Share-based payments – Group

2010

The Employee Benefit Trust granted options to the employees at the market value of the date of grant when it was AIM listed The trust settled outstanding options to employees and no longer holds any shares on behalf of FDM The trust did not trade on the market in 2010, due to the company being taken private and at this time, all employee options were satisfied by the company on the issuance of new 1p ordinary shares and the transference of the remaining 20,075 shares that were held by the Trust At the year end there are no shares under option, and the trust holds no shares

The weighted average share price at the date of exercise of share options exercised during the period was 150p

There are no options outstanding at the end of the year and therefore no weighted average contractual life

Notes *(continued)*

16 Employee benefits *(continued)*

Share-based payments – Group *(continued)*

2009

In 2009, the trust made purchases of 126,707 1p ordinary shares with a nominal value of 1p totalling £143,540 to cover the demand for share options held by employees, this represented 0 62% of the total called up share capital The maximum number of shares held by the trust during the year was 67,465 shares which represented 0 29% of the total called up share capital

At the 31 December 2009, 20,075 shares with a market value of £29,611 were held by the Trust

At the year end there were 406,350 shares are under option to employees or have been conditionally gifted to them

The weighted average share price at the date of exercise of share options exercised during the period was 111p

There were 406,350 options outstanding at the end of the year and a weighted average contractual life of 5 9 years

17 Capital and reserves

Share capital

	2010 £000	2009 £000
Authorised		
100,000,000 Ordinary shares of 1p each	**1,000**	1,000
Allotted, called up and fully paid		
Ordinary shares of 1p each	**236**	232
Shares classified in shareholders funds	**236**	232

Ordinary Share Capital

In January 2010, the Group increased its allotted share capital by 380,275 1p ordinary shares to 23,600,275 shares in issue This increase in share capital was to cover the share options exercised by employees

Capital redemption reserve

In 2005, the Group repurchased and cancelled 6,280,000 of its own ordinary shares of 1p each An amount equal to the nominal value of these shares has been transferred to the capital redemption reserve equating to £62,800

Share premium reserve

In 2005, the Group on admission to AIM, issued 4,500,000 ordinary 1p shares for cash at 78p per share The proceeds arising from this transaction were transferred to the share premium account In January 2010, the Group increased its share capital by a further 380,275 shares to cover the options outstanding to employees The proceeds arising from this transaction have been placed in the share premium account

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations The Group has elected to take advantage of the exemption on the adoption of IFRS1 to set the cumulative exchange differences to zero at 1 January 2006

Notes *(continued)*

18 Dividends

	Group 2010 £000	2009 £000	Company 2010 £000	2009 £000
Ordinary Dividends				
Final (AIM)	-	813	-	813
Paid to parent company	**14,233**	-	**14,233**	-
Received from subsidiaries	-	-	**(2,667)**	-
Dividend waived by Employee Benefit Trust in year	-	(1)	-	(1)
	14,233	812	**11,566**	812

The Group paid dividends to Astra 5 0 Limited, its parent company totalling £14,233,000

19 Operating leases

Non-cancellable operating lease rentals are payable as follows

	Group 2010 £000	2009 £000	Company 2010 £000	2009 £000
Less than one year	**1,363**	700	**1,039**	569
Between one and five years	**3,941**	2,206	**2,809**	2,034
More than five years	**2,327**	1,293	**1,048**	1,293
	7,631	4,199	**4,896**	3,896

20 Related parties

Group

Directors and key management of the ultimate parent company control 38 5% per cent (2009 10 5%) of the voting shares of the Group

The compensation of key management personnel (including the directors) is as follows

	Group and Company 2010 £000	2009 £000
Key management emoluments	**1,589**	1,137
Company contributions to money purchase pension plans	**18**	64
	1,607	1,201

Included within key management emoluments is an amount of £356,550 (*2009 £210,000*) which is due to be paid by 30 April 2011

Notes *(continued)*

20 Related parties *(continued)*

Company

The company holds inter-company balances with its subsidiary undertakings, as detailed in notes 13 and 15 The transactions which have taken place are all in relation to administrative expenses and inter-company loan repayments/additions which are listed below by subsidiary

	2010 Administrative Expenses £000	2010 Loan Repayments/(Payments) £000	2010 Total £000
FDM Group Inc	726	238	964
FDM Group SA	15	(17)	(2)
FDM Group Switzerland	10	(247)	(237)
FDM Hong Kong	132	2	134
FDM Group GmbH	34	1	35
Astra 5 0 Ltd	(147)	-	(147)
	770	(23)	747

Notes *(continued)*

21 Financial risk management

The use of financial instruments is managed under policies and procedures approved by the Board These are designed to reduce the financial risks faced by the Group and Company, which primarily relate to credit, interest, liquidity and currency risks, which arise in the normal course of the Company's and Group's business

Credit risk

Financial instruments which potentially expose the Group to credit risk consist primarily of cash and cash equivalents and trade receivables The Group provides credit to customers in the normal course of business and the amount that appears in the balance sheet is net of an allowance of £14,000 (2009 £91,000) for specific doubtful receivables, the allowance being due to age or other issues The Group does not require collateral in respect of financial assets

All material trade receivable balances relate to sales transactions with the Group's blue-chip client base At the balance sheet date, there were no significant concentrations of credit risk The maximum exposure to credit risk is represented by the carrying amount of each financial asset

The trade receivables as at 31 December are aged as follows

	2010 £'000	2009 £'000
Not due	9,379	5,739
Not more than three months past due	5,319	3,140
More than three months but not more than six months past due	948	273
More than six months but not more than one year past due	80	36
Trade receivables	15,726	9,188

Interest and liquidity risk

HSBC Bank PLC, the Groups bank, have a fixed and floating charge over the assets of the Group

The Company holds a £5,000,000 financing facility with its Bankers and is drawn as needed to meet working capital requirements Interest is paid on any monies owed at an agreed rate of interest

The Group holds cash in the overseas bank accounts, and there are no overdraft facilities on these accounts

Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk on transactions denominated in a currency other than the functional currency and on the translation of the balance sheet and income statement of foreign operations into Pounds Sterling The currencies giving rise to this risk are primarily US Dollars, Swiss Francs and Euros The Group has both cash inflows and outflows in these currencies that create a natural hedge The Group has not entered into hedging contracts for cash positions denominated in foreign currencies

Capital management

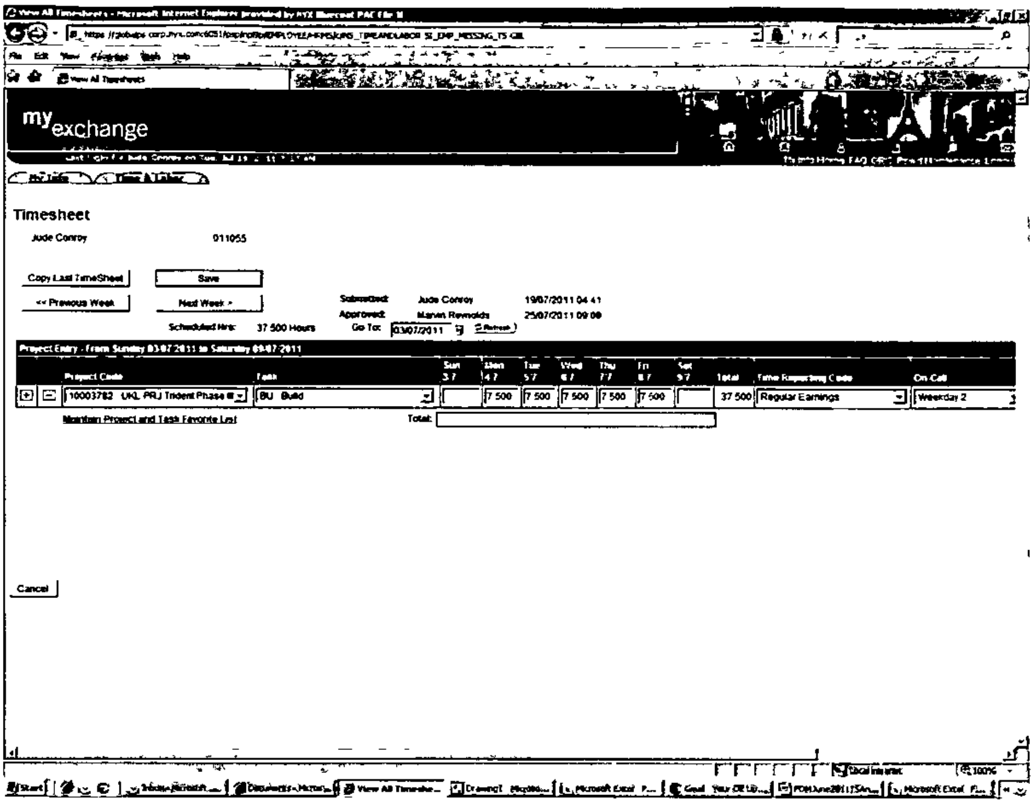
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders, benefits to stakeholders and to maintain an optimal capital structure to reduce the cost of capital

Fair values

There is no significant difference between the carrying amounts shown in the balance sheet and the fair values of the Group and Company's financial instruments For current trade and other receivables/payables with a remaining life of less than one year, the amortised cost is deemed to reflect the fair value

22 Ultimate parent company and ultimate controlling party

Astra 5 0 Ltd is the immediate parent company of the Group 61 5% of the ordinary share capital of Astra 5 0 Ltd is held by Inflexion Private Equity Partners LLP



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Jude Conroy 011055
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Submitted: Jude Conroy 19/07/2011 04 41
Approved: Marvin Reynolds 25/07/2011 09 09
Scheduled Hrs: 37 500 Hours
Go To: 03/07/2011
Project Entry - From Sunday 03/07/2011 to Saturday 09/07/2011
Project Code | Task | Sun 3/7 | Mon 4/7 | Tue 5/7 | Wed 6/7 | Thu 7/7 | Fri 8/7 | Sat 9/7 | Total | Time Reporting Code | On Call
10003782 UKL PRJ Trident Phase III | BU Build | | 7 500 | 7 500 | 7 500 | 7 500 | 7 500 | | 37 500 | Regular Earnings | Weekday 2
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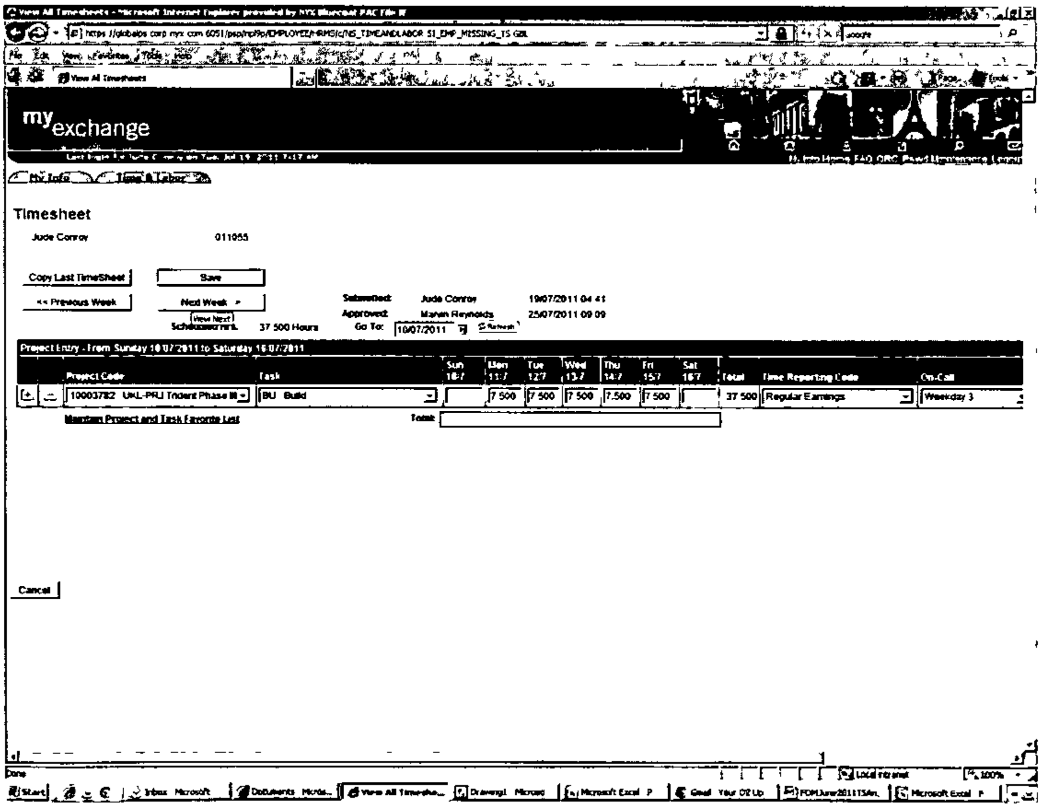

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37 500 Hours
Go To: 10/07/2011
Project Entry - From Sunday 10/07/2011 to Saturday 16/07/2011
Project Code | Task | Sun 10/7 | Mon 11/7 | Tue 12/7 | Wed 13/7 | Thu 14/7 | Fri 15/7 | Sat 16/7 | Total | Time Reporting Code | On-Call
10003782 UKL-PRJ Trident Phase III | BU Build | | 7 500 | 7 500 | 7 500 | 7.500 | 7 500 | | 37 500 | Regular Earnings | Weekday 3
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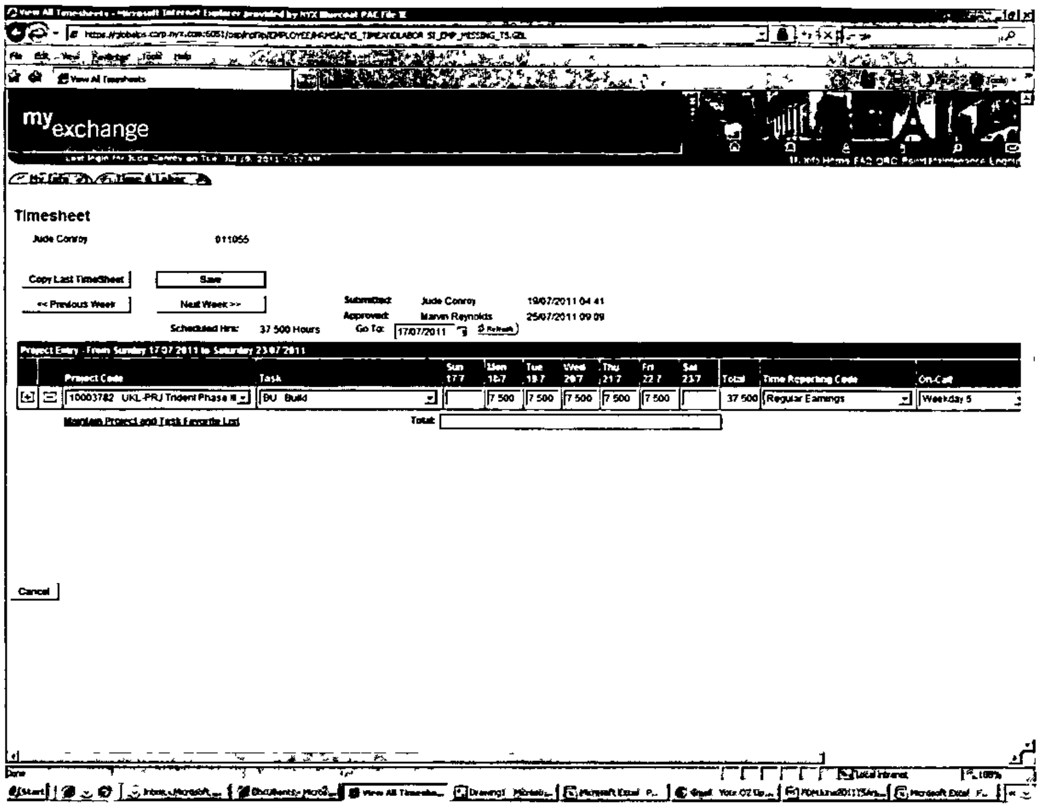

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Project Entry - From Sunday 17 07 2011 to Saturday 23 07 2011

Project Code	Task	Sun 17 7	Mon 18 7	Tue 19 7	Wed 20 7	Thu 21 7	Fri 22 7	Sat 23 7	Total	Time Reporting Code	On-Call
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Total:

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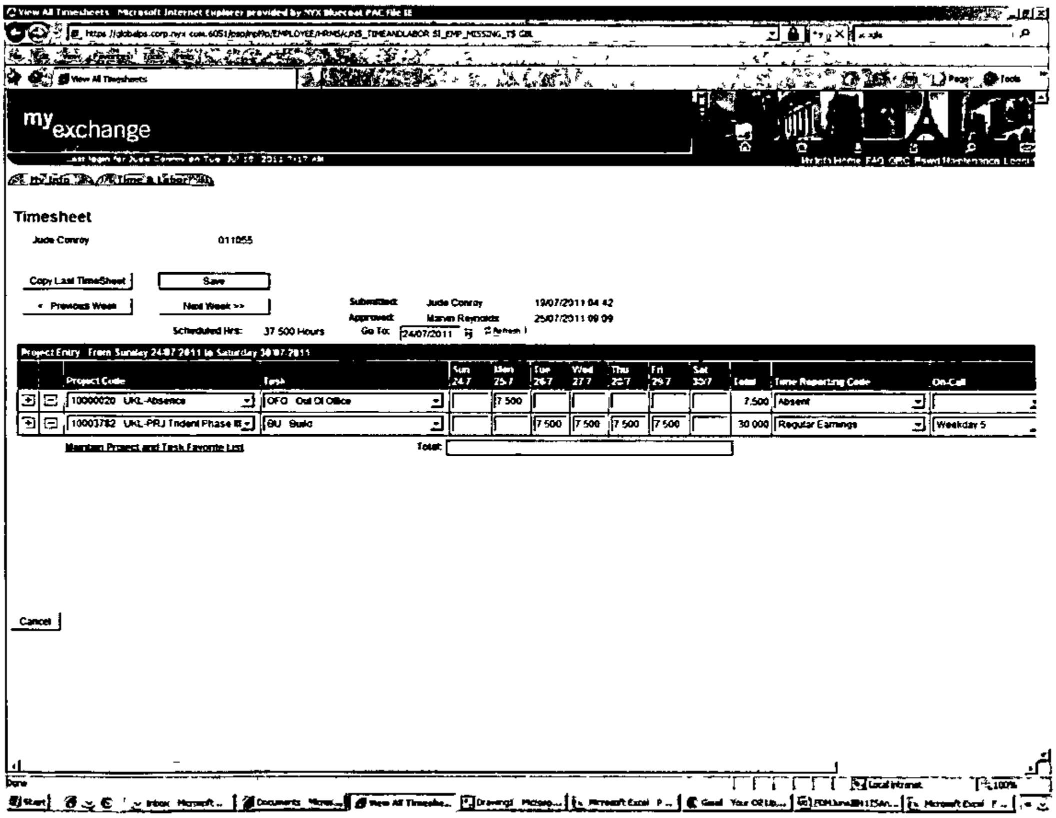

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Approved: Marvin Reynolds 25/07/2011 09 09

Scheduled Hrs: 37 500 Hours Go To: 24/07/2011 Refresh

Project Entry From Sunday 24 07 2011 to Saturday 30 07 2011

Project Code	Task	Sun 24 7	Mon 25 7	Tue 26 7	Wed 27 7	Thu 28 7	Fri 29 7	Sat 30 7	Total	Time Reporting Code	On-Call
10000020 UKL-Absence	OFO Out Of Office		7 500						7.500	Absent	
10003782 UKL-PRJ Trident Phase II	BU Build			7 500	7 500	7 500	7 500		30 000	Regular Earnings	Weekday 5

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Customer

Name FDMGroup Plc
Address 2nd Floor Lanchester House Trafalgar Place
Brighton East Sussex Post Code BN1 4FL
Reg No 2542980 Fax 01273 628817

Date 26/06/2011

Days	Description	Rate	TOTAL
5	Services provided week ending 09/07/2011	£470 00	£2 350 00
5	Services provided week ending 16/07/2011	£470 00	£2,350 00
5	Services provided week ending 23/07/2011	£470 00	£2 350 00
4	Services provided week ending 30/07/2011	£470 00	£1 880 00
15	Support Rota	£100 00	£1 500 00
		SubTotal	£10 430 00
	VAT Reg 894112420	VAT	£2 086 00
		TOTAL	£12 516 00

bailine

All invoices are payable within 30 days upon receipt