FDM Group Limited

Annual report and financial statements

Registered number 2542980

31 December 2013

Contents

Corporate information

Directors	Ivan Martin	(Non-Executive Chairman)
	Roderick Flavell	(Chief Executive Officer)
	Sheila Flavell	(Chief Operating Officer)
	Andrew Brown	(Sales Director)
	Michael McLaren	(Finance Director)
Company Secretary	Michael McLaren	
Registered office	Third Floor Cottons Centre Cottons Lane London SE1 2QG	
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE12RT	
Bankers	HSBC Bank plc 8 Canada Square London E14 5HQ	

Strategic report

Strategic report for the year ended 31 December 2013

The Directors present their strategic report on FDM Group Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2013.

Principal activity

The Company's and Group's principal activity is that of an international IT services provider. A review of the Group's business is set out in the following section of the Strategic Report. The results for the year and the financial position of the Company and the Group are shown in the attached financial statements.

Review of the business

The Directors are delighted to report increases in revenue, gross profit and operating profit in the year ended 31 December 2013; revenue increased by 2.1% to £105.6 million (2012: £103.4 million); gross profit increased by 10.0% to £41.6 million (2012: £37.8 million) and operating profit increased by 14.5% to £21.2 million (2012: £18.5 million). EBITDA before exceptional items grew by 15.3% to £23.3 million (2012: £20.2 million).

The Group specialises in recruiting and training graduates and ex-forces personnel in six core technical competencies. The Group provides its consultants to large international customers who have a need for high calibre and suitably trained individuals to maintain business as normal operations and planned project work. The six core technical competencies are: Development, Testing, Project Management Office (PMO), Data Analysis, Application Support and Infrastructure.

The Group provides a commitment to customers to enable them to achieve their specific business objectives through the provision of our traditional or tailored IT services and solutions to suit their individual project and business requirements.

The Group's Academy Programme bridges the gap between academia and employment, providing successful graduates with relevant skills. This combination of technical and business training fully equips our IT Consultants with the knowledge and skills to succeed in industry.

Our IT Consultants are employees of the Group and therefore we retain accountability for them, creating a low risk staffing solution for our customers. The Group's services are both geographically flexible and cost effective, allowing customers to benefit from cost efficiency without compromising on quality.

The strong financial performance is testament to the investment we have made in our employees, the quality of training provided, the state of the art facilities and the ongoing relationships with our global customer base. It is the Directors' intention that this strategy will continue to drive the short, medium and long term growth of the business.

During the year the Group continued to invest across its key areas of operations and a record number of consultants started their careers in Europe and North America through our Academy Programme.

A number of key management positions were strengthened in North America to further develop the growth experienced in the US and Canada. The Canadian office and training facility has been set up in Toronto to build on the demand for our Consultants and service our customer requirements.

The UK business moved the location of the London office and training academy to the Cottons Centre. The Cottons Centre increases the capacity of the training centre and enhances the training facilities offered to graduates. The European management team has been strengthened which will enable us to continue to develop the business model in the UK and European mainland.

Further afield the Group set up new operations in the year in South Africa; the opportunity having arisen following customer demand which allows the Group to build its presence in South Africa.

Strategic report *(continued)*

Review of the business *(continued)*

The Group has also built on its Women in IT and ex-forces initiatives. The Women in IT campaign promotes, supports and encourages more women into IT. Following on from the success of the Group's US Veterans Programme, the UK business is now offering IT training and careers to the ex-forces community.

The Group continues to increase its customer base as well as growing the number of consultants at existing customers. The relationships built up in the UK continue to provide affiliated international opportunities for the Group and new opportunities are being developed in the international operations.

The Group is continuing to increase its diversity by targeting new sectors at the same time as strengthening relationships with longstanding customers.

Location of the Group's global offices:

North America	EMEA		APAC
• USA	• United Kingdom	• Germany	• Hong Kong
• Canada	• France	• Switzerland	• Singapore
	• Belgium	• Luxembourg	
		• South Africa	

Recognition and awards

The Group's continued presence as a leading international IT services provider was recognised through the following awards in the year:

- The Job Crowd's Top 10 Companies For Graduates To Work For
- The Job Crowd's Top 10 IT Services and IT Consulting Companies For Graduates To Work For
- UK Guardian 300 Most Popular Graduate Employers
- Sunday Times PwC Profit Track 100
- Europe's 500 Fastest Growing Companies

The Group continues to create jobs and attract talent in the graduate market.

Strategic report *(continued)*

Financial information

The Board of Directors present below consolidated financial information showing the current year and 2012 results:

	2013 £000	2012 £000
Group revenue	105,620	103,443
Group gross profit	**41,593**	**37,826**
Operating profit	21,229	18,537
Depreciation and amortisation	497	435
Exceptional items	1,543	1,230
EBITDA	**23,269**	**20,202**

EBITDA is operating profit measured before depreciation, amortisation and exceptional items.

During 2013 the Group incurred £1,543,000 of exceptional costs. These related to the relocation of the London office and dilapidations for certain operating leases expiring in 2014 which amounted to £1,295,000. The Group also incurred exceptional staff costs which totalled £248,000 in the year.

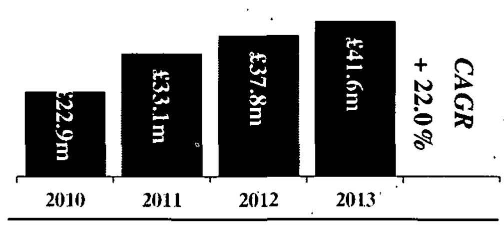
During 2012 the Group incurred £1,230,000 of exceptional costs. These related to professional fees for Group restructuring costs of £1,000,000, and exceptional staff costs of £230,000.

Performance against Key Performance Indicators (KPIs)

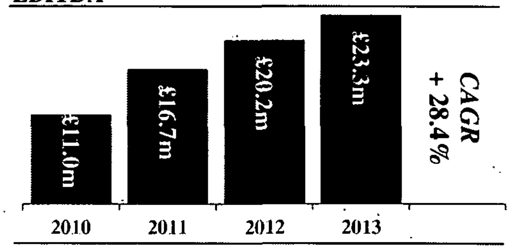
A table of relevant KPIs is set out below:

	2013	2012
Revenue	£105.6m	£103.4m
Gross profit	£41.6m	£37.8m
EBITDA	£23.3m	£20.2m
EBITDA % of revenue	22.1%	19.5%
EBITDA % of gross profit	56.0%	53.4%
IT Consultants on billing	1,162	954
IT Consultant utilisation rates	97.6%	96.9%
Net funds/ (debt)	£5.9m	£(2.6)m
Debtor days	59 days	61 days

GROSS PROFIT



EBITDA



The Group's IT Consultants on customer sites grew by 21.8% to 1,162 at 31 December 2013. The increase in Consultants has driven the performance of the Group. The tight control over non-utilised Consultants and the increase in demand for our Consultants has resulted in the increase in utilisation rates in the year. The Group has maintained a tight control over cash in the year which has led to a reduction in debtor days in the Group.

Strategic report *(continued)*

Future developments and strategies

The Group has established a successful business model creating a strong platform for future growth and strengthening our international presence.

The business is well placed to take advantage of the many opportunities in the marketplace and the focus is to further expand our core markets in the UK and the USA together with growing markets in mainland Europe, Canada, China and South Africa. To facilitate its expansion the Group will continue to invest in its people, operations and training academies.

The Group will continue to expand its customer base and service offerings whilst reducing any business concentration risk.

Corporate responsibility

The Directors consider the Group's impact on its stakeholders such as employees, trainees, customers, suppliers, investors together with the wider community. Management ensures that the decisions made are responsible and ethical by taking into consideration wider society external to the organisation. The Group is committed to contributing towards creating a sustainable environment and community in which it operates as a business.

Employees

The Directors recognise that the success of the business as a whole is dependent on all of our staff at every level. We continue to invest in our staff through training initiatives and recruiting and employing the best people. Our focus and ethos as a company is built on training and developing individuals that make a positive difference and reach their full potential in our stakeholders' organisations.

The Group maintains a healthy and safe working environment for all employees and visitors.

The Group is dedicated to promoting a diverse workforce that reflects wider society. There is zero tolerance towards discrimination throughout all our business activity whether it relates to race, nationality, religion, disability, gender, age, sexual orientation or any other such discrimination where an individual may feel marginalised. Where possible we make reasonable adjustments for individuals to accommodate their needs.

The Group is proud to be championing Women in IT with 50% of the Group management team being female. As at December 2013 25% of the total Group workforce were female (2012: 23%). The Group has also established a 'Female Champions' initiative, which gives every female employee the opportunity to have a mentor.

The UK business launched its dedicated ex-forces programme, which has demonstrated the Group's support of the Armed Forces through the offering of IT careers to the ex-forces community. The UK has been recognised in this area through its work with the British Forces Resettlement Services and the Careers Transitions Partnership.

The Group gives full and fair consideration to the employment of disabled persons. 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 endeavours to make any reasonable adjustments to enable disabled employees to fulfil their 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.

The Group has a policy of keeping all employees informed on matters of concern to them as employees, both in their immediate work situation and in the wider context of the Group's wellbeing. This approach encourages participation and involvement in matters that affect their interests as employees. Communication with employees takes place in the form of monthly and quarterly newsletters, biannual staff magazines, regular email announcements and via our corporate intranet portal which is updated daily.

Informal communication is facilitated by emails to all Group companies and encouragement is given to employees to provide feedback in order to achieve a common awareness on all aspects affecting the performance of the Group.

Strategic report *(continued)*

Corporate responsibility *(continued)*

Community

We believe that we have a responsibility to contribute towards the local community and wider society, and actively encourage individual and collective initiatives to support this. We have regular fundraising events to get as many people in the business as possible to become involved in charity work.

We endeavour to support the wider community by focusing on employing graduates from IT-related sectors and getting them into work by investing time and money into training them and placing them with large corporate companies. We also offer summer internships and work experience placements to allow individuals to gain business experience and develop their skill set, which will in turn allow them to improve their CV and chances of future employment.

Environment

At FDM we recognise our responsibility to minimise detrimental impact to the environment. Consequently we embrace the principles of sustainable development and are putting into practice measures to ensure that we are reducing energy consumption, and recycling where possible. The Group complies with all of the relevant environmental legislation and regulations as a minimum requirement and looks to continually improve its approach.

Principal risks and uncertainties

The Group's Board of directors meet formally on a monthly basis to review the performance and status of each business unit and of the Group as a whole. The principal risks and uncertainties identified by the Group which could impact its performance can broadly be defined as the external environment, operational and financial and are set out below.

The external environment

In the current economic environment the risk of failure in large multinational corporations is a real one together with the pressure on reducing costs and headcount within organisations. Although this is a risk to the global economies the business has excelled due to its compelling offering and robust business model. The Group offers high value, lower cost solutions to large multinational businesses.

The Group has continued to reduce its business concentration in any particular sector and/or customer by diversifying further its customer base. The Group has expanded the number of its customers in the Government, Media, Airline and Retail sectors.

Operational risks

During the year management across the Group was strengthened through the positioning of several experienced managers, investment in the account management team and the provision of training initiatives across the Group.

The Group continues to invest in IT systems to ensure that its global network of offices can run independently and that our employees are able to operate from any Group location.

Financial risks

The Group is structured and financed in a way which minimises the financial risks to the business whilst allowing for sufficient working capital for the Group to trade and expand. In this economic climate no business is immune from financial risks and this is explored in more detail in the table on the following page.

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Risk type	Potential impact	Mitigating factor
External/strategic risks		
A prolonged recession and the potential adverse effect on key sectors and customers of the Group	• Demand reduces in market place • Downward pricing pressure and reduction in margins • Uncertainty over international economic climate • Surplus of unutilised IT consultants in house • Increased competition to win new business	• Increase in demand for IT professionals around the world • Benefits of the Group's IT Consultant model which provides low cost and flexibility compared to alternatives and competition • Clear focus on the expansion locations for future growth • Diversification of customer base with growing confidence in the Group's business model and service offering
Volatile foreign currency rates	• Adverse translation impact	• Natural hedge in subsidiaries with income, expenses, receipts and payments in their local currencies • Currency requirements and currency rate exposure is reviewed on a regular basis
Increase in UK interest rates	• Increased cost of borrowing	• Regular review of the Group's debt position and interest rate exposure
Operational risks		
Loss of key personnel	• Loss of critical experience / skills and failure to attract and retain talent • Loss of key relationships with customers • Lack of leadership to deliver key business strategies	• Equity participation for key management • Remuneration packages reviewed annually • Regular reviews of management structure to ensure capability and succession • Establishment of clear leadership message identifying our primary objectives
Loss of key customer to competition	• Loss of revenue and market share • Surplus of IT consultants in house	• Development of relationships within customer base on global scale • Diversification of customer base with growing confidence in the Group's business model and service offering • Focus on winning new customers and expanding sector base

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Risk type	Potential impact	Mitigating factor
Operational risks (continued)		
Inability to manage recruitment levels to meet customer demand and to attract / retain high quality candidates into the Academy Programme	• Group is unable to meet customer demand • Loss of reputation with graduate base	• The maintaining of strong relationships with universities and other avenues of recruitment • Targeted advertising in order to generate applications
Inability to quickly adapt the Academy Programme for different territories, technological innovation and customer/ supplier requirements	• Reduced level of services offered, which are less valuable to customers • Group is unable to meet customer demand • Loss of reputation in core markets together with a loss of revenue and market share • Reduction in the IP value of the Group and Academy Programme	• Regular review of training methods and materials for up to date delivery and technology • Review and implementation of latest technology and working practices • Feedback from trainees and customers is implemented into future training programmes

Risk type	Potential impact	Mitigating factor
Financial risks		
Insufficient cash resources	• Short term liquidity problems in the Group resulting in working capital shortfall and inability to pay dividends to the shareholders and service borrowings • Breach of bank covenants	• Tight controls over cash management • Daily cash flow forecasting and quarterly covenant reporting • Availability of working capital facilities to facilitate growth and strategic goals
Bad debt risk	• Short term liquidity problems resulting in working capital shortfall and inability to pay dividends to the company and service borrowings • Loss of revenue and market share	• All material trade receivable balances are contracted with blue-chip customer base • Ongoing monitoring of outstanding receivables • Maintain relationships with customer accounts payable and key customer stakeholders
Breach of bank covenants	• Default position on loan agreement and renegotiation and/or removal of debt facilities	• Monitor bank covenants and headroom on an ongoing basis • The Group operates within the covenants and has sufficient headroom with the current borrowings for at least 12 months from the date of this report

Strategic report *(continued)*

Financial instruments

The Group has established risk and financial management policies intended to protect it from certain risks which may hinder achievement of the Group's performance objectives. The framework aims to limit undue counterparty exposure, to ensure suitable levels of working capital are maintained, and to monitor and manage risk at business unit level.

Post balance sheet events

There have been no material post balance sheet events that would require disclosure or adjustment to these financial statements.

By order of the Board of Directors

M McLaren
Company Secretary
3rd Floor Cottons Centre, Cottons Lane,
London, SE1 2QG

29 April 2014

Directors' report

The Directors present their Directors' report and audited consolidated financial statements for the year ended 31 December 2013.

General information

FDM Group Limited is both a trading company and a holding company within the FDM Group; the Company is in turn a wholly owned subsidiary of Astra 5.0 Limited.

Branches outside the UK

During the year the Group established a branch in France. The Group has no other branches.

Future developments

The future developments of the business have been disclosed in the Strategic Report.

Dividends

The Group made a reported profit after tax for the year of £16.1 million (2012: £14.2 million). Dividends totalling £13.0 million were paid to the parent company during the year (2012: £16.3 million). No further dividends have been proposed for the year ended 31 December 2013 (2012: £nil).

Charitable and political donations

During the year the Group made charitable donations of £5,795 (2012: £12,778). The Company made charitable donations of £5,700 in the year (2012: £6,260).

No political contributions were made during the year by the Group or Company (2012: £nil).

Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

I Martin (Non-Executive Chairman)
R Flavell
S Flavell
A Brown
M McLaren

The Group provides indemnity insurance for Directors' liability. The insurance was in place throughout the year and up to the date of approval of these financial statements.

Supplier payment policy

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, provided that all trading terms and conditions have been complied with. At 31 December 2013, the Company had an average of 30 days purchases owed to trade creditors (2012: 33 days).

Employee involvement and disabled employees

Employee involvement and provisions for disabled employees can be found in the Strategic Report and is incorporated in this report through cross reference.

Directors' report *(continued)*

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are summarised in the Strategic Report. The principal risks and uncertainties and risk management processes are also described in the Strategic Report.

The Group's continued and forecast global growth, positive operating cash flow and liquidity position together with its distinctive business model and infrastructure enables the Group to manage its business risks successfully. The Group's forecasts and projections show the Group will continue to operate with adequate cash resources and within the Group's working capital facilities.

The Directors have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis for preparing the financial statements.

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.

Independent Auditors

During the year Ernst & Young LLP resigned as auditors and PricewaterhouseCoopers LLP were appointed by the Directors in their place.

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Directors' report *(continued)*

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the Company and of the profit or loss of the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business

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

By order of the Board of Directors

M McLaren

M McLaren **29 April 2014**
Company Secretary
3rd Floor Cottons Centre, Cottons Lane,
London, SE1 2QG

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

Report on the financial statements

Our opinion

In our opinion:
- the financial statements, defined below, give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit and the group's and the parent company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and parent company financial statements (the "financial statements"), which are prepared by FDM Group Limited, comprise:
- the consolidated and parent company statement of financial position as at 31 December 2013;
- the consolidated income statement and consolidated and parent company statement of comprehensive income for the year then ended;
- the consolidated and parent company statement of cash flows for the year then ended;
- the consolidated and parent company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:
- whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report, Directors' Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 13, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Simon Bailey

Simon Bailey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 April 2014

Consolidated Income Statement
for year ended 31 December 2013

	Note	2013 £000	2012 £000
Revenue	3	**105,620**	103,443
Cost of sales		**(64,027)**	(65,617)
Gross profit		**41,593**	37,826
Administrative expenses		**(18,821)**	(18,059)
Exceptional administrative expenses	8	**(1,543)**	(1,230)
Total administrative expenses		**(20,364)**	(19,289)
Operating profit	5	**21,229**	18,537
Financial income	9	**1**	10
Financial expenses	9	**(63)**	(65)
Net finance expense		**(62)**	(55)
Profit before income tax		**21,167**	18,482
Taxation	10	**(5,063)**	(4,233)
Profit for the year attributable to equity holders of the parent company		**16,104**	14,249

The results above arise from continuing operations.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement.

The notes on pages 21 to 39 are an integral part of these consolidated financial statements.

Consolidated and Parent Company Statement of Comprehensive Income
for year ended 31 December 2013

Group	**2013**	2012
	£000	£000
Profit for the financial year	**16,104**	14,249
Items that may be subsequently reclassified to profit or loss		
Exchange differences on retranslation of foreign operations	**17**	(122)
Total comprehensive income recognised for the year	**16,121**	14,127

Company	**2013**	2012
	£000	£000
Profit for the financial year	**16,124**	12,728
Total comprehensive income recognised for the year	**16,124**	12,728

The notes on pages 21 to 39 are an integral part of these consolidated financial statements.

Consolidated and Parent Company Statement of Financial Position

at 31 December 2013

	Note	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Non-current assets					
Investments	13	-	-	1	1
Property, plant and equipment	11	2,504	991	1,987	438
Intangible assets	12	77	40	74	40
Deferred income tax assets	14	-	45	-	45
Total non-current assets		2,581	1,076	2,062	524
Current assets					
Trade and other receivables	15	21,011	28,110	16,829	24,950
Cash and cash equivalents	16	5,932	2,195	3,325	353
Total current assets		26,943	30,305	20,154	25,303
Total assets		29,524	31,381	22,216	25,827
Current liabilities					
Borrowings	18	-	4,808	-	4,808
Trade and other payables	17	10,774	10,891	8,787	10,562
Current income tax liabilities		2,150	2,228	1,789	1,966
		12,924	17,927	10,576	17,336
Non-current liabilities					
Deferred income tax liability	14	25	-	25	-
Total liabilities		12,949	17,927	10,601	17,336
Net Assets		16,575	13,454	11,615	8,491
Equity attributable to equity holders of the parent					
Share capital	20	236	236	236	236
Share premium	20	3,494	3,494	3,494	3,494
Translation reserve	20	572	555	-	-
Capital redemption reserve	20	63	63	63	63
Retained earnings		12,210	9,106	7,822	4,698
Total equity		16,575	13,454	11,615	8,491

The notes on pages 21 to 39 are an integral part of these consolidated financial statements.

These financial statements were approved by the Board of Directors on 29 April 2014 and were signed on its behalf by:

M McLaren

M McLaren
Director

Consolidated and Parent Company Statement of Cash flows

for year ended 31 December 2013

	Note	Group 2013 £000	As restated - note 3 Group 2012 £000	Company 2013 £000	As restated - note 3 Company 2012 £000
Cash flows from operating activities					
Profit before tax for the year		**21,167**	18,482	**20,233**	16,296
Adjustments for:					
Depreciation and amortisation	5	**497**	435	**340**	323
Financial income	9	**(1)**	(10)	**(1)**	(10)
Financial expense	9	**63**	65	**63**	65
Loss on disposal on non-current assets		**9**	-	**9**	2
Dividends received		**-**	-	**(1,748)**	-
(Increase) / decrease in trade and other receivables		**(2,261)**	(8,717)	**8,105**	(7,999)
Increase / (decrease) in trade and other payables		**9,284**	1,543	**(1,758)**	2,213
Cash flows generated from operations		**28,758**	11,798	**25,243**	10,890
Interest received		**1**	10	**1**	10
Income tax paid		**(5,072)**	(3,403)	**(4,215)**	(2,483)
Net cash flow from operating activities		**23,687**	8,405	**21,029**	8,417
Cash flows from investing activities					
Dividends received		**-**	-	**1,748**	-
Acquisition of property, plant and equipment	11	**(2,003)**	(471)	**(1,874)**	(85)
Acquisition of other intangible assets	12	**(68)**	(14)	**(60)**	(14)
Net cash used in investing activities		**(2,071)**	(485)	**(186)**	(99)
Cash flows from financing activities					
(Repayments)/ borrowings	18	**(4,808)**	4,808	**(4,808)**	4,808
Dividends paid	21	**(13,000)**	(16,250)	**(13,000)**	(16,250)
Interest paid		**(63)**	(65)	**(63)**	(65)
Net cash used in financing activities		**(17,871)**	(11,507)	**(17,871)**	(11,507)
Net increase/ (decrease) in cash and cash equivalents		**3,745**	(3,587)	**2,972**	(3,189)
Cash and cash equivalents at 1 January		**2,195**	5,885	**353**	3,542
Effect of exchange rate fluctuations		**(8)**	(103)	**-**	-
Cash and cash equivalents at 31 December	16	**5,932**	2,195	**3,325**	353

The notes on pages 21 to 39 are an integral part of these consolidated financial statements.

Consolidated and Parent Company Statement of Changes in Equity
for year ended 31 December 2013

Group

	Share Capital £000	Share premium £000	Translation reserve £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2013	236	3,494	555	63	9,106	13,454
Total comprehensive income	-	-	-	-	16,104	16,104
Exchange adjustments	-	-	17	-	-	17
Dividends paid	-	-	-	-	(13,000)	(13,000)
Balance at 31 December 2013	**236**	**3,494**	**572**	**63**	**12,210**	**16,575**
Balance at 1 January 2012	236	3,494	677	63	11,107	15,577
Total comprehensive income	-	-	-	-	14,249	14,249
Exchange adjustments	-	-	(122)	-	-	(122)
Dividends paid	-	-	-	-	(16,250)	(16,250)
Balance at 31 December 2012	236	3,494	555	63	9,106	13,454

Company

	Share Capital £000	Share premium £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2013	236	3,494	63	4,698	8,491
Total comprehensive income	-	-	-	16,124	16,124
Dividends paid	-	-	-	(13,000)	(13,000)
Balance at 31 December 2013	236	3,494	63	7,822	11,615
Balance at 1 January 2012	236	3,494	63	8,220	12,013
Total comprehensive income	-	-	-	12,728	12,728
Dividends paid	-	-	-	(16,250)	(16,250)
Balance at 31 December 2012	236	3,494	63	4,698	8,491

The notes on pages 21 to 39 are an integral part of these consolidated financial statements.

Notes to the financial statements

1 Corporate information

FDM Group Limited (the "Company") is a limited company incorporated in England and Wales. The address of the registered office is 3rd Floor, Cottons Centre, Cottons Lane, London, SE1 2QG.

The financial statements consolidate those of the Company and its subsidiaries (the "Group"). Subsidiaries and their countries of incorporation are presented in note 13.

These Group financial statements present the results for the year ended 31 December 2013. The Group financial statements were approved by Michael McLaren on behalf of the Board of Directors on 29 April 2014.

The principal activities are detailed in the Strategic Report and information regarding the ultimate parent undertaking is presented in note 25.

2 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are summarised in the Strategic Report. The principal risks and uncertainties and risk management processes are also described in the Strategic Report.

The Group's continued and forecast global growth, positive operating cash flow and liquidity position together with its distinctive business model and infrastructure enables the Group to manage its business risks successfully. The Group's forecasts and projections show the Group will continue to operate with adequate cash resources and within the Group's working capital facilities.

The Directors have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis for preparing the financial statements.

3 Accounting policies

3.1 Basis of preparation

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and in accordance with the Companies Act 2006 as they apply to the financial statements of the Group for the year ended 31 December 2013. The Group financial statements have been prepared in accordance with IFRIC interpretations.

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand (£000), except where otherwise indicated.

These accounting policies have been applied consistently, other than where new policies have been adopted.

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2013. The Group has taken exemption under s408 of the Companies Act 2006 from reporting the Company income statement.

Notes to the financial statements *(continued)*

3 Accounting policies *(continued)*

3.2 Basis of consolidation *(continued)*

Subsidiaries

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Details of the subsidiaries shareholding by the Group are presented in note 13. There are no minority interests in the subsidiaries of FDM Group Limited.

3.3 Summary of significant accounting policies

a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and excluding sales taxes and duty.

Rendering of services

Revenue from the provision of supplying IT staff and consultancy services to third party customers is recognised as follows:

- the revenue is recognised in the period in which the IT consultants performed the work at the contracted rates for each IT consultant. Revenue is based on timesheets from its IT consultants which are authorised by the Group's customers detailing the hours and service provided;
- non-receipted timesheets are accrued at the estimated contract value and released on receipt of timesheets authorised by the Group's customers.

b) Foreign currency translation

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Pounds Sterling (£), which is the functional currency of the parent company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates prevailing at the time of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in the Group's presentational currency using exchange rates prevailing at the end of the reporting period. Income and expense related items are translated at the average exchange rates for the period.

Exchange differences arising are classified as other comprehensive income and transferred to the Group's translation reserve.

Non-monetary items that are measured in terms of historical cost in a foreign currency are retranslated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

Notes to the financial statements *(continued)*

3 Accounting policies (continued)

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date in the countries where the Group operates and generates income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

d) Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated 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

The assets' residual values, useful lives and methods of depreciation are reviewed each financial year end and adjusted if appropriate.

e) Leases

Operating leases

Operating lease payments 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.

Notes to the financial statements *(continued)*

3 Accounting policies *(continued)*

f) Borrowing costs

Borrowing costs including interest are expensed in the period they occur under finance expenses in the income statement. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair values as at the date of acquisition.

Software and software licences

The Group 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. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

h) Trade receivables

Trade receivables are initially recognised at fair value and subsequently carried at the lower of their original invoiced value and recoverable amount.

i) Cash and short term deposits

Cash and short term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

j) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value. In the case of loans and borrowings, these are measured at fair value less directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and bank working capital facilities.

Trade and other payables

Trade and other payables are measured at amortised cost.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortisation is included in the finance expenses in the income statement.

k) Pensions and other post employment benefits

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.

Notes to the financial statements *(continued)*

3 Accounting policies *(continued)*

l) Exceptional items

Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide a better understanding of the financial performance of the Group. They are material items of expense or income that have been shown separately due to the significance of their nature or amount and include items such as dual head office lease costs, material redundancy and restructuring costs.

m) Significant accounting estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

Deferred tax

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Revenue recognition

The Group estimates the fair value of revenue from timesheets which have not been received at the yearend by applying a percentage based on historic information to the value of each timesheet. Such estimates are subject to limited uncertainty.

n) Restatement

The Consolidated Statement of Cash Flows for the year ended 31 December 2012 has been restated to assist in the understanding of the movement in cash flows within the Group and Company. The restatement presents the movements in cash flow in regard to the working capital facility included within Borrowings.

4 New standards and interpretations

The IASB and IFRS Interpretations Committee have issued the following standards and interpretations which were effective during the year and were adopted by the Group in preparing the financial statements:

Amendments effective in 2013	Effective for accounting periods beginning on or after	Endorsed by the EU
Amendment to IAS 12,'Income taxes' on deferred tax	1 January 2013	Yes
Amendment to IAS 1,'Presentation of financial statements' on OCI	1 July 2012	Yes
IFRS 13, 'Fair value measurement'	1 January 2013	Yes
IAS 19 (revised 2011) 'Employee benefits'	1 January 2013	Yes
Amendment to IFRS 1 on hyperinflation and fixed dates	1 January 2013	Yes
Amendment to IFRS 1,'First time adoption' on government grants	1 January 2013	Yes
Amendments to IFRS 7 on Financial instruments asset and liability offsetting.	1 January 2013	Yes
Annual improvements 2011	1 January 2013	Yes

Notes to the financial statements *(continued)*

4 New standards and interpretations *(continued)*

The IASB and IFRS Interpretations Committee have issued the following standards and interpretations with an effective date of implementation for accounting periods beginning after the date on which the Group's financial statements for the current year commenced. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application:

Effective after 31 December 2013	**Effective for accounting periods beginning on or after**	**Endorsed by the EU**
New standards		
IFRS 9, 'Financial instruments' (effective 1 January 2015)	1 January 2015	No
IFRS 10, 'Consolidated financial statements' (endorsed 1 January 2014)	1 January 2014	Yes
IFRS 12, 'Disclosures of interests in other entities' (endorsed 1 January 2014)	1 January 2014	Yes
IAS 27 (revised 2011) 'Separate financial statements' (endorsed 1 January 2014)	1 January 2014	Yes
Amendments		
Amendments to IFRS 10,11 and 12 on transition guidance (endorsed 1 January 2014)	1 January 2014	Yes
Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities (effective 1 January 2014)	1 January 2014	Yes
Amendments to IAS 32 on Financial instruments asset and liability offsetting (effective 1 January 2014)	1 January 2014	Yes
Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures (effective 1 January 2014)	1 January 2014	Yes
Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting (effective 1 January 2014)	1 January 2014	Yes
Annual improvements 2012 (effective 1 July 2014)	1 July 2014	No
Annual improvements 2013 (effective 1 July 2014)	1 July 2014	No
New IFRICs		
IFRIC, 'Levies' (effective 1 January 2014)	1 January 2014	No

Notes to the financial statements *(continued)*

5 Group operating profit

Group operating profit for the year has been arrived at after charging:

	2013 £000	2012 £000
Hire of property – operating leases	**1,957**	1,500
Exchange losses	**96**	84
Depreciation and amortisation	**497**	435
Loss on disposal of fixed assets	**9**	-

Auditors' remuneration

The Group paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Group:

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
FDM Group Limited	**57**	60	**57**	60

6 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		Number of employees	
	Group 2013	Group 2012	Company 2013	Company 2012
Programmers	**1,122**	1,004	**843**	771
Sales	**63**	50	**48**	35
Administration	**150**	138	**109**	102
	1,335	1,192	**1,000**	908

The aggregate payroll costs of these persons were as follows:

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Wages and salaries	**42,843**	36,958	**30,392**	27,794
Social security costs	**4,699**	3,633	**3,070**	2,787
Other pension costs	**183**	204	**102**	96
	47,725	40,795	**33,564**	30,677

The Group operates a number of defined contribution pension plans.

The pension charge for the year represents contributions payable by the Group to the scheme and amounted to £183,000 (2012: £204,000). Amounts paid by the Company were £102,000 (2012: £96,000). There were no outstanding or prepaid contributions at the end of the financial year (2012: £nil).

Notes to the financial statements *(continued)*

7 Directors' remuneration

	2013 £000	2012 £000
Directors' remuneration	**1,602**	1,849
Company contributions to money purchase pension plans	**17**	16

The aggregate of remuneration of the highest paid Director was £510,000 (2012: £500,000).

The Directors of the Company are also Directors of the parent company and subsidiaries. The Directors believe it is not practicable to apportion this amount between the services as Directors of the Company, the parent or its subsidiaries.

	Number of Directors 2013	Number of Directors 2012
Retirement benefits are accruing to the following number of Directors under:		
Money purchase schemes	**3**	3

8 Exceptional administrative expenses

During 2013 the Group incurred £1,543,000 of exceptional costs. The Group incurred exceptional property costs by relocating the London office and dilapidations for operating leases expiring in 2014 which amounted to £1,295,000. The Group also incurred exceptional staff costs which totalled £248,000 in the year.

In 2012, the Group incurred exceptional items relating to professional fees for Group restructuring costs of £1,000,000 and £230,000 in relation to the departure of key personnel.

9 Financial income and expenses

	2013 £000	2012 £000
Interest income on bank accounts	**1**	10
Financial income	**1**	10
Interest payable on financing facility	**(63)**	(65)
Financial expenses	**(63)**	(65)

Notes to the financial statements *(continued)*

10 Taxation

Recognised in the income statement

	2013 £000	2012 £000
Current income tax:		
Current income tax charge	**4,993**	4,355
Adjustments in respect of prior years	**-**	(121)
Total current tax	**4,993**	4,234
Deferred tax:		
Relating to origination and reversal of temporary differences	**70**	(1)
Total deferred tax	**70**	(1)
Total tax in income statement	**5,063**	4,233

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 23.25% (2012: 24.5%).

Reconciliation of effective tax

	2013 £000	2012 £000
Accounting profit before income tax from continuing operations	**21,167**	18,482
Accounting profit multiplied by UK standard rate of corporation tax of 23.25% (2012: 24.5%)	**4,921**	4,528
Effect of different tax rates on overseas earnings	**330**	129
Expenses not deductible for tax purposes	**73**	310
Group relief from parent companies	**(261)**	(613)
Adjustments in respect of prior years	**-**	(121)
Tax charge	**5,063**	4,233

Deferred tax assets and liabilities are measured at the rate that is expected to apply to the period when the asset if realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the balance sheet date. Therefore, at 31 December 2013, deferred tax assets and liabilities have been calculated based on the rates that have been substantively enacted by the balance sheet date.

At the balance sheet date, the Finance Act 2013 had been substantively enacted confirming that the main UK corporation tax rate will reduce to 21% with effect from 1 April 2014 and 20% from 1 April 2015. Therefore, at 31 December 2013, deferred tax assets and liabilities have been calculated based on a rate of 20% where the temporary difference is expected to reverse after 1 April 2015. These reductions may also reduce the Company's future current tax charges accordingly.

Notes to the financial statements *(continued)*

11 Property, plant and equipment

Group 2013	Short Leasehold Improvements £000	Motor Vehicles £000	Fixtures & Fittings £000	Plant & Equipment £000	Total £000
Cost					
Balance at 1 January 2013	652	23	1,035	719	2,429
Additions	1,519	-	164	320	2,003
Disposals	(296)	-	(163)	(6)	(465)
Reclassification	300	-	(556)	256	-
Effect of movements in foreign exchange	(4)	-	(1)	(5)	(10)
Balance at 31 December 2013	2,171	23	479	1,284	3,957
Depreciation					
Balance at 1 January 2013	533	17	408	480	1,438
Depreciation charge for the year	169	4	86	207	466
Disposals	(296)	-	(146)	(6)	(448)
Reclassification	23	-	(125)	102	-
Effect of movements in foreign exchange	(2)	-	1	(2)	(3)
Balance at 31 December 2013	427	21	224	781	1,453
Net book value					
Balance at 31 December 2012	119	6	627	239	991
Balance at 31 December 2013	**1,744**	**2**	**255**	**503**	**2,504**

Property, plant and equipment

Company 2013	Short Leasehold Improvements £000	Motor Vehicles £000	Fixtures & Fittings £000	Plant & Equipment £000	Total £000
Cost					
Balance at 1 January 2013	652	23	262	724	1,661
Additions	1,496	-	124	252	1,872
Disposals	(296)	-	(125)	(6)	(427)
Balance at 31 December 2013	1,852	23	261	970	3,106
Depreciation and impairment					
Balance at 1 January 2013	533	18	194	478	1,223
Depreciation charge for the year	129	3	33	149	314
Disposals	(296)	-	(116)	(6)	(418)
Balance at 31 December 2013	366	21	111	621	1,119
Net book value					
Balance at 1 January 2013	119	5	68	246	438
Balance at 31 December 2013	**1,486**	**2**	**150**	**349**	**1,987**

Notes to the financial statements *(continued)*

12 Intangible assets

Group	Software & Software Licences 2013 £000	Software & Software Licences 2012 £000
Cost		
Balance at 1 January	**406**	392
Additions	**68**	14
Disposals	**(127)**	-
Balance at 31 December	**347**	406
Amortisation		
Balance at 1 January	**366**	338
Amortisation for the year	**31**	28
Disposals	**(127)**	-
Balance at 31 December	**270**	366
Net book value		
Balance at 31 January	**40**	54
Balance at 31 December	**77**	40

Company	Software & Software Licences 2013 £000	Software & Software Licences 2012 £000
Cost		
Balance at 1 January	**406**	392
Additions	**60**	14
Disposals	**(146)**	-
Balance at 31 December	**320**	406
Amortisation		
Balance at 1 January	**366**	338
Amortisation for the year	**26**	28
Disposals	**(146)**	-
Balance at 31 December	**246**	366
Net book value		
Balance at 31 January	**40**	**54**
Balance at 31 December	**74**	**40**

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

Notes to the financial statements *(continued)*

13 Investments in subsidiaries

Company	2013 £000	2012 £000
At 1 January	1	1
Additions	-	-
At 31 December	1	1

The Group and Company have the following investments in subsidiaries:

Group and Company	Country of Incorporation	Class of shares held	Ownership
FDM Group Inc.	USA	Ordinary	100%
FDM Group NV	Belgium	Ordinary	100%
FDM Group GmbH	Germany	Ordinary	100%
FDM Switzerland GmbH	Switzerland	Ordinary	100%
FDM Group SA	Luxembourg	Ordinary	100%
FDM Group HK Limited	Hong Kong	Ordinary	100%
FDM Singapore Consulting PTE Limited	Singapore	Ordinary	100%
FDM Group Canada Inc	Canada	Ordinary	100%
FDM South Africa (PTY) Limited	South Africa	Ordinary	100%

FDM South Africa (PTY) Limited was incorporated in 2013.

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.

14 Deferred tax (liabilities)/ assets

Deferred tax (liabilities)/ assets are attributable to the following:

Group and Company	2013 £000	2012 £000
Property, plant and equipment	(25)	45
Deferred tax (liability)/ asset	(25)	45

Movement in deferred tax during the year

	1 January 2013 £000	Recognised in income statement £000	31 December 2013 £000
Property, plant and equipment	45	(70)	(25)
	45	(70)	(25)

	1 January 2012 £000	Recognised in income statement £000	31 December 2012 £000
Property, plant and equipment	43	2	45
	43	2	45

Notes to the financial statements *(continued)*

15 Trade and other receivables

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Receivables due from subsidiaries	**-**	-	**1,253**	1,892
Receivables due from parent	**-**	7,124	**-**	7,124
Trade receivables	**17,087**	19,192	**12,668**	14,354
Other receivables	**235**	91	**146**	34
Prepayments and accrued income	**3,689**	1,703	**2,762**	1,546
	21,011	28,110	**16,829**	24,950

Amounts due from subsidiaries and the parent are unsecured and repayable on demand.

The trade receivables as at 31 December are aged as follows:

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Not due	**8,695**	10,090	**6,792**	7,665
Not more than three months past due	**8,086**	8,195	**5,634**	6,393
More than three months but not more than six months past due	**235**	907	**201**	296
More than six months but not more than one year past due	**71**	-	**41**	-
	17,087	19,192	**12,668**	14,354

At 31 December 2013, trade receivables are shown net of an allowance for doubtful debts of £66,000 (2012: £133,000).

	Group £000	**Company £000**
At 1 January 2012	103	43
Charge for the year	30	17
Utilised in the year	-	-
At 31 December 2012	133	60
Charge for the year	-	-
Release in the year	(67)	(10)
At 31 December 2013	**66**	**50**

The provision covers debt which is all more than six months past due. All other trade receivables are fully performing.

Notes to the financial statements *(continued)*

15 Trade and other receivables *(continued)*

The carrying amounts of the Group's and Company's trade and other receivables are denominated in the following currencies:

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Pounds sterling	**12,668**	14,358	**12,668**	14,358
Euros	**793**	1,199	**-**	-
Swiss Francs	**915**	1,543	**-**	-
US Dollars	**2,301**	1,915	**-**	-
Canadian Dollars	**189**	-	**-**	-
Hong Kong Dollars	**130**	124	**-**	-
Singapore Dollars	**91**	53	**-**	-
	17,087	19,192	**12,668**	-

16 Cash and cash equivalents

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Cash at bank and in hand	**5,932**	2,195	**3,325**	353

Cash denominated in currencies other than Pounds Sterling comprise £2,997,000 (2012: £1,984,000), denominated in Euros, Swiss Francs, Hong Kong Dollars, Singapore Dollars, US Dollars, Canadian Dollars and South Africa Rand.The Company currently holds facilities in the form of an Import Line facility of $322,600 and a Class Guarantee facility of £33,000. The Company also holds a guarantee dated the 16 December 2010 in favour of Rptre Sarl for €31,548.

The credit quality of financial assets can be assessed by reference to external credit ratings. Cash at bank is held with banks with the following ratings:

Cash at bank by credit rating	**Group 2013 £000**	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
AA	**5,389**	1,946	**3,325**	353
A	**543**	249	**-**	-
	5,932	2,195	**3,325**	353

Notes to the financial statements *(continued)*

17 Trade and other payables

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Payables due to subsidiaries	**-**	-	**386**	1,922
Payables due to parent	**12**	-	**-**	-
Trade payables	**1,818**	2,093	**1,374**	1,546
Other payables	**864**	934	**785**	863
Other taxes and social security	**3,613**	3,185	**2,927**	2,661
Accruals and deferred income	**4,467**	4,679	**3,315**	3,570
	10,774	10,891	**8,787**	10,562

Amounts due to subsidiaries and parent are unsecured and repayable on demand.

Trade and other payables denominated in currencies other than Pounds Sterling comprise £873,000 (2012: £619,000) denominated in Euros, Swiss Francs, Hong Kong Dollars, Singapore Dollars, US Dollars, Canadian Dollars and South Africa Rand.

18 Borrowings

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Secured - at amortised cost				
Working capital facility	**-**	4,808	**-**	4,808
	-	4,808	**-**	4,808

The Group and Company has a working capital facility of £10,000,000 provided by HSBC. The working capital facility expires in 2015 and is secured on the assets of the Company.

19 Analysis of net debt

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Analysis of net debt				
Working capital facility	**-**	4,808	**-**	4,808
Total debt	**-**	4,808	**-**	4,808
Less cash and cash equivalents	**(5,932)**	(2,195)	**(3,325)**	(353)
Net (funds)/ debt	**(5,932)**	2,613	**(3,325)**	4,455

Net debt is defined as borrowings less net cash and cash equivalents.

The Group had undrawn borrowings at 31 December 2013 of £15,000,000 (2012: £5,192,000).

Notes to the financial statements *(continued)*

19 Analysis of net debt *(continued)*

Movement of net debt	**Group 2013 £000**	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Net (debt)/ funds at beginning of year	**(2,613)**	5,885	**(4,455)**	3,542
Net increase/ (decrease) in cash and cash equivalents	**3,737**	(3,690)	**2,972**	(3,189)
Drawdown of borrowings	**-**	(4,808)	**-**	(4,808)
Repayment of borrowings	**4,808**	-	**4,808**	
Net funds/ (debt)	**5,932**	(2,613)	**3,325**	(4,455)

20 Capital and reserves

Share capital

	2013 £000	2012 £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**	236

Ordinary Share Capital

There have been no changes to share capital in 2013.

Share premium reserve

There have been no changes to the share premium reserve in 2013.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Capital redemption reserve

There have been no changes to the capital redemption reserve in 2013.

Notes to the financial statements *(continued)*

21 Dividends

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Ordinary Dividends				
Paid to parent company	**13,000**	16,250	**13,000**	16,250

The Group paid dividends to its parent company totalling £13,000,000 (2012: £16,250,000).

22 Operating leases

Non-cancellable operating lease rentals in respect of land and buildings are payable as follows:

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Less than one year	**927**	1,648	**277**	994
Between one and five years	**5,788**	1,889	**4,610**	321
More than five years	**6,393**	-	**6,393**	-
	13,108	3,537	**11,280**	1,315

23 Related parties

Group

Directors and key management of the ultimate parent company control 38.5% (2012: 38.5%) of the voting shares of the Group.

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

	Group and Company 2013 £000	2012 £000
Key management emoluments	**1,602**	1,849
Company contributions to money purchase pension plans	**17**	16
	1,619	1,865

Included within key management remuneration is an amount of £303,000 which is due to be paid in April 2013 (2012: £586,000).

Inflexion Private Equity Partners received £nil (2012: £170,000) in association with their Directorship fees for the Group.

Notes to the financial statements *(continued)*

23 Related parties *(continued)*

Company

The Company holds inter-company balances with its subsidiary and parent undertakings. The transactions which have taken place are all in relation to administrative expenses and intercompany loan repayments which are listed below.

	Management charges to/ (from) related parties 2013 £000	**Dividends from/ (to) related parties 2013 £000**	**Amounts owed by/ (to) related parties 2013 £000**	Management charges to/ (from) related parties 2012 £000	Dividends from/ (to) related parties 2012 £000	Amounts owed by/ (to) related parties 2012 £000
Astra 5.0 Limited	**(473)**	**(13,000)**	**(12)**	(367)	(16,250)	7,124
FDM Inc	**494**	-	**463**	1,105	-	741
FDM Group HK Limited	-	-	**3**	36	-	(1)
FDM Group NV	-	-	**207**	-	-	(101)
FDM Group GmbH	-	**1,748**	**68**	76	-	(1,137)
FDM Switzerland GmbH	**47**	-	**184**	855	-	317
FDM Group SA	**10**	-	**119**	53	-	34
FDM Group Canada Inc	**18**	-	**191**	-	-	22
FDM Singapore Consulting Pte Limited	**5**	-	**163**	2	-	95
FDM South Africa (PTY) Limited	-	-	**11**	-	-	-
Totals	**101**	**(11,252)**	**1,397**	1,760	(16,250)	7,094

24 Financial risk management

The use of financial instruments is managed under policies and procedures approved by the Directors. 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.

The financial assets and the financial liabilities disclosed in the balance sheet are disclosed at their fair value. There are no adjustments between the amounts presented in the balance sheet and the fair values of the assets and liabilities.

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 £66,000 (2012: £133,000) 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 customer 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.

Notes to the financial statements *(continued)*

24 Financial risk management *(continued)*

Interest and liquidity risk

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

The Group monitors its risk to a shortage of funds using a liquidity planning tool.

The Company holds a £10 million 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, Canadian Dollars, Swiss Francs, Euros, Hong Kong Dollars, Singapore Dollars and South African Rand. 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.

25 Ultimate parent undertaking and ultimate controlling party

The immediate parent undertaking is Astra 5.0 Limited. The ultimate parent undertaking and controlling party is Inflexion Private Equity Partners LLP, a partnership incorporated in UK and who holds 61.5% of the ordinary share capital of Astra Topco Limited.

Astra Topco Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of Astra Topco Limited are available from 3rd Floor, Cottons Centre, Cottons Lane, London, SE1 2QG.