FDM Group Limited

Registered number 02542980

Annual Report and Financial Statements 2024

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We are FDM

FDM Group Limited ("the Company" or "FDM") is a global professional services provider with a focus on IT.

We are part of a global consultancy group powering the people behind tech and innovation for over 30 years. We help our clients stay ahead of the latest tech trends and thrive in a rapidly changing world.

Our business model is focused on coaching and deploying passionate, energetic and self-motivated Consultants equipped with relevant skills across five Practices:

- Software Engineering;
- Change & Transformation;
- Data & Analytics;
- IT Operations; and
- Risk, Regulation & Compliance ("RRC").

These five core areas of specialism include multiple interconnected sprints within our Skills Lab, resulting in a versatile and adaptable Consultant workforce.

Our purpose

We aim to deliver client-led, sustainable, profitable growth on a consistent basis, through our well-established Consultant model:

- **Identify talented individuals** through our programmes: Graduate, Ex-Forces, Returners and Apprentices.
- **Develop individuals through our Skills Lab** – where our Consultants access expertise, up-skilling and re-skilling as part of continual learning and career development.
- **Grow our client presence profitably** – we look to create new opportunities to deploy our Consultants amongst our developing client base and into other markets and territories.
- **Identify and fill our clients' skills gaps** – we focus on understanding and anticipating our clients' requirements and market trends, to ensure that we can add value in the areas where our clients need it most, provide opportunities to our Consultants, and deliver sustainable profitable growth for our shareholders.
- **Create a long-term sustainable global business** – we aim to have a beneficial impact on the communities in which we operate. We are aware of our responsibility towards our clients and our suppliers, and are working to minimise our impact on the environment.
- **Engage, retain, recognise and energise internal employees** to support, enhance and grow the business to deliver our Consultant model.

Our values

Insightful - We're tuned into the latest tech trends and business needs

Invigorating - We give people what they need to succeed

Influential - We act boldly to push boundaries and set new standard

Awards and Recognition

Awards received during the year included:

- UK Social Mobility Foundation Employer Index - The Top 75 (ranked 41st)
- British Ex-Forces in Business Awards: Rod Flavell won Advocate of the Year (Individual) 2024
- Great British Employers of Veterans Top 50 List 2024
- Scottish Ex-Forces in Business Awards 2024: Employer of the Year – Finalist
- RateMyPlacement's Best 50 Small to Medium-sized Employer Schemes 2024/ 2025 – Finalist

Review of the Business

Our strategy

FDM's strategy remains to deliver customer-led, sustainable and profitable operations on a consistent basis through our established and proven business model, helping clients to stay ahead of the latest tech trends and unlocking opportunities to help them thrive in a rapidly changing world.

Our four key strategic objectives are: attract and develop talented Consultants; invest in our state-of-the-art Skills Lab to provide expert training; grow and diversify our client base; and expand and consolidate our geographic presence through sustainable and efficient means.

Our strategy requires that all activities and investments that are undertaken have the potential to produce the appropriate level of return on investment, that they deliver sustained and measurable improvements for all our stakeholders including clients, staff and shareholders, and that they further our objective of launching the careers of talented people worldwide.

To reinforce our strategy and leadership position and our commitment to diversity, equity and inclusion, in early 2024 we launched a new company logo and brand identity. We believe FDM's new branding better reflects who we are, and what we want to achieve in the future, enabling us to give a clear message to our investors, clients and candidates reflecting what we stand for and how this benefits them.

Strategic objectives

Attract and develop talented Consultants

As the challenging market conditions, experienced in 2023, continued into 2024, we proactively scaled back on recruitment across all our operating regions, resulting in 200 coaching completions in the year (2023: 339). A key focus of the Board in 2024 was actively managing recruitment and the numbers of Consultants on the bench, to minimise operating costs, while continuing to invest in available resource to position us well to capitalise on current and future opportunities. We are highly experienced at balancing the supply of available resource with client demand and have well-established processes in place to ensure we deliver decisive action.

In periods of reduced recruitment, we recognise the need to ensure we remain attractive to candidates. The strength of our University Partner relationships and our Ex-Forces and Returners Programmes, which we continued to develop in the year, will enable us to increase recruitment and coaching when market conditions and client demand improve. We maintain an excellent pipeline of assessed candidates in all our territories, ready to join our Skills Lab as and when we see an increase in market demand. Our ongoing investment in our Ex-Forces, Returners and Apprenticeships Programmes diversifies our talent pipeline further.

We are pleased to report we continue to attract a high number of applicants evidencing appeal that FDM's market-leading, flexible training has in tech skills and innovation and we are well placed to accelerate recruitment and coaching as and when market conditions and client demand improve.

Invest in state-of-the-art Skills Lab to provide expert skills-based learning

With the launch of the new FDM Practices during 2024, we have redefined how FDM delivers its learning and skills development. To ensure that our coaching and upskilling are fully aligned with the Practices methodology, we have moved away from the more traditional method of a linear classroom, lecture-based form of training, previously delivered from our Academies, to a dynamic, skills-based, experiential model which is central to our new Skills Lab.

Following deployment, our Consultants continue to be connected to the Skills Lab. During their placements, we engage with both Consultants and clients to identify and deliver any upskilling required by the Consultant. Likewise, upskilling and mentoring are provided to our benched Consultants while they are not assigned to a client.

Our Technology Partnerships with some of the world's most innovative organisations, including Microsoft and Salesforce, ensure that we are at the forefront of technological advancements. The presence of certified coaches authorised to deliver official training from these organisations enhances the coaching that is delivered through our Skills Lab. The Skills Lab enhances our operations with flexibility and adaptability. This innovative approach allows us to be more agile in meeting evolving client demands, while enabling our Consultants to progress swiftly through the Sprint-based programmes.

We are confident that the coaching and upskilling delivered by our Skills Lab enables our Consultants to develop into experienced professionals with skills across multiple capabilities, delivering maximum value to our clients. Our coaching continues to be accredited via our partnership with TechSkills, an important external validation of the quality of FDM's coaching.

Review of the Business *(continued)*

Strategic objectives *(continued)*

Grow and diversify our client base

We continue to deliver the highest level of service to our clients and have worked closely with them to meet their requirements. Client diversification remains a key part of our strategy, with an element of the performance bonus for the Executive Board and senior management being linked to client diversification targets. We secured 28 new clients in the year (2023: 23). The number of new clients does not include those clients which re-engaged with us during 2024.

Expand and consolidate our geographic presence through sustainable and efficient means

The expansion and consolidation of our geographic presence remains a key growth driver for FDM.

FDM Practices

An important element of our refinement of our operating model has been the transition to FDM Practices ('Practices'), comprising five areas of specialism: Software Engineering; Data & Analytics; IT Operations; Change & Transformation; and Risk, Regulation & Compliance. Our core model has remained the same - to coach and deploy passionate, energetic and self-motivated Consultants; the Practices ensure skills are clearly linked to roles and ultimately the five core areas of specialism. We believe this makes our Consultants more versatile and enhances our ability to respond better to clients' needs as they look for more specific, detailed and nuanced skillsets within each job role.

During the year we continued to develop our Consultancy Services team, set up to provide added expertise and capability to the offering provided by our core model, by delivering collaborative solutions for a wide range of technology problems.

Our people

FDM is a people business, and we are proud of the passion and commitment which our people continued to demonstrate

The wellbeing of all our people remains a key priority for the Board. The People Team continues to engage with employees, to ensure that their wellbeing is monitored and safeguarded.

Climate change

We maintain our focus on reducing our impact on the environment whilst further developing the Company's response to climate-related risks and opportunities. Pages 51 to 61 of FDM Group (Holdings) plc's Annual Report and Accounts 2024 includes details of FDM's governance of climate change, its integration with overall risk management, strategy for managing climate-related issues and opportunities, the metrics used to measure progress and the Group's annual greenhouse gas emissions and energy usage.

Review of the Business *(continued)*

Key Performance Indicators

The Company measures its performance by reference to the following two types of key performance indicators ("KPIs") Financial and Operational:

Financial KPIs

	Year ending 31 December 2024	Year ending 31 December 2023	change
Revenue	**£104.0m**	£127.8m	- 19%
Operating profit	**£15.0m**	£29.0m	- 48%
Exceptional administrative costs	**£3.6m**	-	n/a
Adjusted operating profit[1]	**£19.3m**	£25.5m	- 24%
Adjusted profit before tax[1]	**£36.4m**	£45.5m	- 20%
Profit before tax	**£32.1m**	£49.0m	- 34%

Operational KPIs

	Year ending 31 December 2024	Year ending 31 December 2023	change
Consultants assigned to clients	1,056	1,411	- 25%
Consultant utilisation	88.9%	89.8%	- 1%
Training completions	200	339	- 41%

[1] The adjusted operating profit and adjusted profit before; i) Share Plan expenses and ii) exceptional costs as we better aligned our internal staff and undeployed Consultants with Consultant headcount.

Year-end Consultant headcount was 1,056, a decrease of 25% on the prior year (2023: 1,411). Revenue decreased by 19% to £104.0 million (2023: £127.8 million) and adjusted operating profit[1] decreased by 24% to £19.3 million (2023: £25.5 million).

The market remained challenging in 2024, which was reflected in Consultant headcount. The mix of our Consultant population shifted towards more experienced resource as clients managed reduced budgets which restricted them from both taking on new Consultants and internalising our Consultants as permanent hires. Our experienced Consultants have a higher sell rate and as a result the percentage reduction in revenue was less than the percentage reduction in headcount.

During the year we incurred £3.6 million of exceptional costs associated with measures taken to align better the number of benched Consultants and internal staff with demand.

We carried a higher than typical number of undeployed Consultants into the year and adjusted our coaching schedules to reflect this resulting in reduced coaching completions (2024: 200; 2023: 339).

Despite macroeconomic uncertainty, business development was promising as we gained 28 new clients in the year (2023: 23).

Review of the Business *(continued)*

Financial Review

Adjusting items

The Company presents adjusted results, in addition to the statutory results, as the Directors consider that they provide a useful indication of underlying trading performance and cash generation. The adjusted results are stated before; i) share-based payment credit/ expense including associated taxes and social security costs; and ii) exceptional administrative expenses relating to terminating the employment of internal staff and undeployed Consultants.

Share-based payment

The share-based payment charge is based on estimates relating to a vesting which may occur up to three years after the date of grant and the assumptions underpinning those estimates can change from year to year. An expense of £0.7 million was recognised in the year relating to the share-based payments including social security costs (2023: credit of £3.5 million).

The credit recognised in 2023 arose as a result of a change in the adjusted earnings per share performance vesting assumptions with the outstanding awards anticipated to vest at a lower quantum. Details of the share-based payments are set out in note 23 to the Financial Statements.

Exceptional administrative expenses

During the year, the Group incurred exceptional administrative expenses of £3.6 million (2023: £nil), as a result of the Group taking measures to align better the number of undeployed Consultants and internal staff with current market demand.

Net finance expense

The finance expense costs include lease liability interest of £854,000 (2023: £389,000) and interest on provision for dilapidations of £21,000 (2023: £7,000). The Company has no borrowings. Other financial expense remains low at £24,000 (2023: £5,000).

Taxation

The Company's total tax charge for the year was £3.9 million, equivalent to an effective tax rate of 12%, on profit before tax of £32.1 million (2023: effective tax rate of 16% based on a tax charge of £7.6 million and a profit before tax of £49.0 million). The effective tax rate in 2024 is lower than the underlying UK tax rate of 25% primarily due to income which is not taxable.

Dividends

During 2024 the Company paid a dividend to Astra 5.0 Limited of £20.0 million (2023: £32.0 million).

Net funds

At the end of the financial year, the Company had cash balances of £26.4 million (2023: £27.9 million).

Balance sheet

The Company has a robust balance sheet, with no debt and £26.4 million of cash (2023: no debt and £27.9 million of cash).

Risk Management

Effective risk management is critical to the delivery of the Company's strategic objectives.

Approach to risk

The Board has overall responsibility for ensuring risk is effectively managed, with a focus on evaluating the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives – its "risk appetite". The Board controls the approach to risk management and the procedures for the identification, assessment, management, mitigation and reporting of risks. The Audit Committee takes responsibility for overseeing the effectiveness of sound risk management and internal control systems.

Identifying and monitoring key risks

The Board uses the Risk Register as its principal tool for monitoring and reporting risk. The preparation of the register is led by the Chief Financial Officer, supported by the Senior Management Team. The register details the Group's risks, the potential impact of each risk, the likelihood of that risk occurring, the strength of the mitigating controls in place and how these are evidenced. The Risk Register also documents first, second and third lines of defence 'sources of assurance'. Input is obtained from all areas of the business, including support functions, as appropriate. A member of the Executive Team is assigned as the owner of each risk to ensure an appropriate level of focus and accountability to the Board. The Board formally reviews the Risk Register at the half year and at the year end, following a detailed review by the Audit Committee as part of their assessment of the effectiveness of the risk management process.

The risk management process is reviewed regularly by our Internal Audit function. The latest review concluded that our processes are suitable for a business of our size and complexity. All Internal Audit reviews are risk-based, and each review is designed to consider the key risks recorded in the Risk Register.

The current Risk Register includes 33 risks categorised as strategic, operational, compliance or financial risks, nine of which are considered to be the Company's principal risks. The Risk Register was formally updated in early 2025. In March 2025, the Audit Committee and the Board carried out a robust and formal assessment of the Group's emerging and principal risks as set out in the updated Risk Register.

Principal risks

The principal risks faced by the Company are the same as those faced by the Group. Their current status and how the Group mitigates these risks are set out on pages 29 to 36 of FDM Group (Holdings) plc's Annual Report and Accounts 2024.

We have made one change to the net risk scores of our principal risks, increasing the net likelihood for Risk 5 'Retention of key employees' (this risk was previously named 'Talent development and succession planning'). With challenging market conditions continuing in 2024 and with the action taken by the Board to reduce internal headcount in the year, the Board perceives that there is a potential retention risk associated with key employees in the business if current market conditions persist in 2025. The Board is heavily focused on managing this risk. The change in title of this risk broadens the risk to cover all retention factors, not just those relating to development and succession planning.

The status of all other principal risks remain unchanged. Changes in the macroeconomic environment remains our highest rated risk with a maximum risk score in terms of likelihood. We have therefore not increased the net score of this risk, despite the continuation of challenging market conditions.

A summary of the principal risks facing the Company:

Risk no.	Description
1	Changes in the macro-economic environment
2	Concentration exposure to particular sectors or clients
3	Balancing supply and demand of Consultant resource
4	Recruitment and development of highly skilled Consultants
5	Retention of key employees
6	Development of new service offerings
7	Business interruption – caused by successful cyberattack
8	Business interruption – caused by natural disaster or other similar events
9	Reputation
10	Regulatory non-compliance

Risk Management *(continued)*

Emerging risks

Our risks continue to evolve and an awareness of emerging risks and their potential implications is important in driving our strategic planning and decision-making. We have not identified any emerging risks not already covered in the principal risks section above, or other areas of focus considered below.

Other risk areas of focus

Climate change

During 2024, the Board engaged external consultancy CEN-ESG to assist in updating our climate-related risks and opportunities. The management-level Climate-change Action Group ("CAG") assesses and manages the Group's climate-related risks and opportunities on an ongoing basis, FDM's climate change risk is considered to be low. As a result, climate change is not considered to be one of the Group's principal risks.

Sustainability Report

The long-term success of the business continues to be achieved through an inclusive and collaborative approach with consideration to our key stakeholders; our employees, clients, investors, and the communities in which we operate. Throughout 2024, we continued to promote diversity, equity and inclusion in the workplace, with the aim of contributing to the success of our business and the achievements of our people.

Our values encourage our employees to be themselves at work, and to play a part in creating and fostering an inclusive and open workplace where everyone can thrive. FDM promotes equal opportunity, diversity and inclusion in the workplace to enable equity. We know the positive impact that a diverse workforce has had on our business, and this is an important factor which makes our Consultant model so attractive to many of our clients.

Our people

On the following pages we publish data on certain characteristics shared by our people. However, we understand that the reality is more complex, with intersectionality, overlap and differences within each group. We recognise that each employee has a unique identity, and that our people's experiences can be more nuanced than it is possible to express in a matrix of data. We celebrate these differences. It is important that we create places where our employees feel safe, have the opportunity to thrive and are encouraged to be their true selves at work, as this promotes personal wellbeing, psychological safety and employee engagement.

Diversity, equity and inclusion

Our purpose is to help people forge long-term careers whilst driving diversity, equity and inclusion. We are proactive and enthusiastic promoters of diversity, social mobility and inclusion within our workplaces. FDM's inclusive Programmes aim to ensure that everyone begins their professional life on an equal footing. Our assessment processes are designed to spot a range of qualities including candidates' potential.

We encourage applications from candidates with non-STEM (Science, technology, engineering, and mathematics) backgrounds. We use tools to assess behaviours and aptitudes of applicants, providing us with guidance as to whether candidates have the behaviours required for success on our programme. We measure their aptitude in processing information, their ability to respond in a logical manner, and whether they have the required numerical literacy to enable them to do well in our training. The guidance provided by these assessments helps us in the final strength-based interview stage of our selection process.

We value the fact that our colleagues come from a wide range of backgrounds, and we look to be representative of the communities and geographies in which we operate.

We aim to measure our success in recruiting a diverse workforce of Consultants by carrying out analysis, and where we have sufficient data recorded by the FDM entity, subject to local national legislation, we publish our results. It includes the following groups of respondents, together with the response rate of those that chose to disclose for each group: Consultants (85% response rate); internal staff (90% response rate). By measuring specific characteristics across the employee groups we can assess how the business and our recruitment policies are performing with reference to diversity.

% of 2024 employees those that chose to disclose identify as:

	UK Consultants	UK Internal staff
Arab or Arab British	1%	0%
Asian or Asian British	31%	16%
Black or Black British	13%	6%
Mixed or Mixed British	4%	2%
White or White British	45%	69%
Other	4%	3%
Prefer not to say	2%	4%
Total	100%	100%

Sexual Orientation- Do you identify as LGBTQIA+? % of those that chose to disclose:	**UK Consultants**	**UK Internal Staff**
Yes	5%	5%
No	86%	87%
Prefer not to say	9%	8%
Total	100%	100%

Sustainability *(continued)*

Diversity, equity and inclusion *(continued)*

Supporting social mobility

We are proud to have been ranked 41st in the Social Mobility Foundation's Employer Index for 2024. The index recognises the UK employers who have taken the most action on social mobility in the workplace, to identify, access and progress talent from all backgrounds. We look to support people from low opportunity communities, promoting equal opportunities for career success regardless of socioeconomic background.

Our recruitment processes are reviewed regularly and designed to be as inclusive as possible. For example:

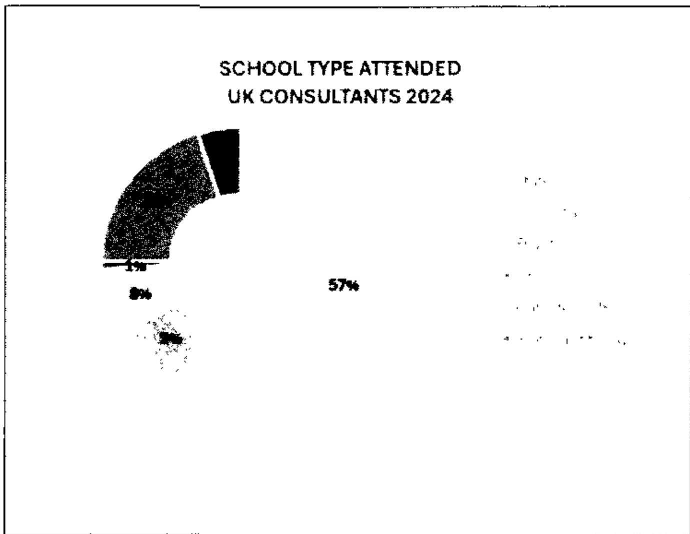
- our opportunities are available to everyone who can show us that they have the aptitude to thrive on our programme with the attitude that our clients are looking for;
- we use strength-based interview questions throughout the process ensuring candidates are not assessed on previous experience or social capital; and
- all staff involved in interviewing applicants undergo training to raise awareness of the potential impact of unconscious bias and to mitigate this in the assessment process.

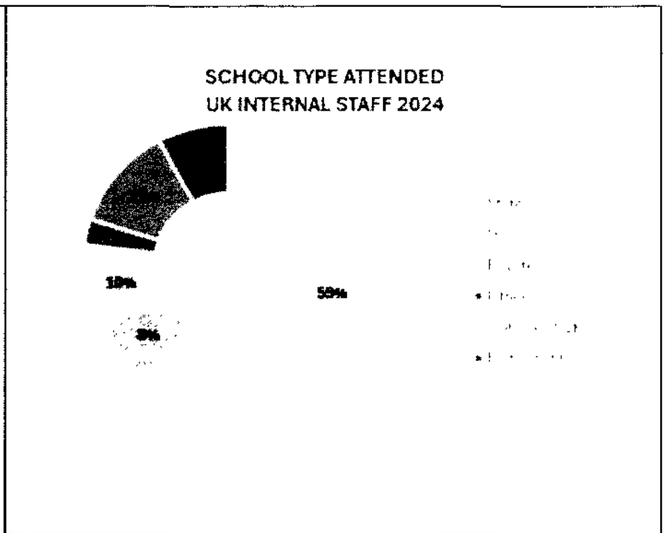
Engagement with schools

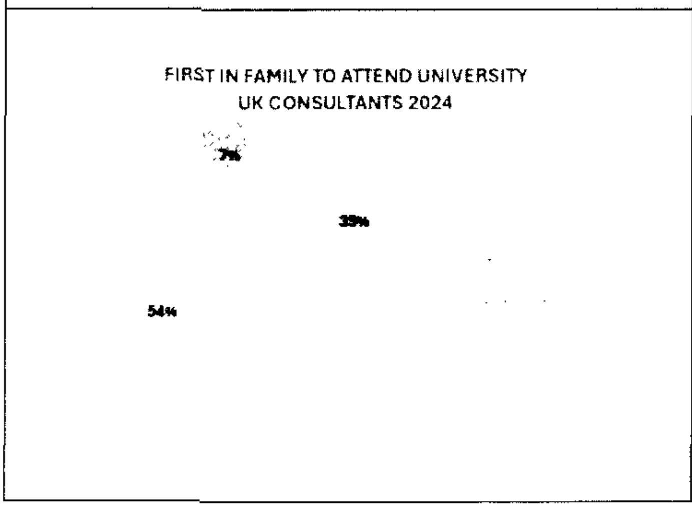
We aim to tackle inequality through partnering with schools in social mobility cold spots where there is higher dependence on the government's pupil premium grant funding (which aims to improve educational outcomes for disadvantaged pupils in state-funded schools). By working with these schools we hope to encourage enthusiastic pupils to pursue a career in tech. The Apprenticeship Programme also provides an opportunity to focus its efforts with the early career year groups. Through targeted initiatives with females, we aim to dismantle some of the stereotypes that are preventing capable young women pursuing an interest in tech.

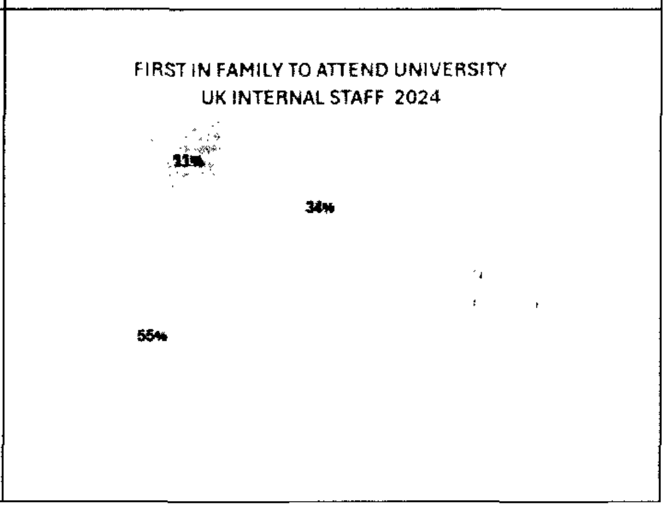
Employee social mobility metrics 2024

% of 2024 employees those that chose to disclose:









Sustainability *(continued)*

Gender equality

We have been a signatory to the United Nations Women's Empowerment Principles ("UNWEP") since 2013 and have a strong tradition of recognising and celebrating the achievements of women in the IT industry. We aim to provide opportunities for candidates at all stages of their careers. We recognise the achievements of female FDM Consultants every week with Women in Tech Wednesdays. This is a testament to the number of talented Consultants that deliver positive outcomes for our clients. We also leverage our social channels to share their success, shining a spotlight on our people.

#SheLivesTech: Inspiring the next generation of women in tech

We held a series of events as part of our She Lives Tech initiative to inspire the careers of our female FDM Consultants working in the tech sector. This includes the She Lives Tech digital bootcamp and showcase. We had attendees from a variety of degree disciplines and they were tasked with creating interactive web applications from scratch. They showcased their work in our FDM centres on International Women's Day.

Our UK mean gender pay gap reported in 2024 was -2.5% (2023: -7.6%), and our median gender pay gap for the same period was -5% (2023: -4.3%) meaning that our median female employee is paid more than our median male employee. These figures are significantly better than average for the UK where the average median pay gap reported for full-time employees was 7.0% (Office for National Statistics - Annual Survey of Hours and Earnings 2024). We monitor these results and keep our policies under review.

Disability

The Company gives full and fair consideration to the employment of disabled people. Throughout the recruitment and selection stages, we encourage candidates to disclose any reasonable adjustments they may require, to remove barriers and to ensure all candidates have the opportunity to be successful. These adjustments may include, for example, providing additional equipment, adapting our telephone screening process or adjusting our assessment day interviews and tests to suit individual needs. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company can continue either in their current role or in a suitable alternative. The Company endeavours to make any reasonable adjustments to enable disabled employees to fulfil the responsibilities of their job role. It is the Company's policy to support disabled employees in all aspects of their training, development and promotion. The Company recognises and delivers training to managers working with employees who require an adjustment due to disability.

Disabilty- % of those that chose to disclose:	**UK Consultants**	**UK Internal Staff**
Yes	6%	5%
No	91%	88%
Prefer not to say	3%	7%
Total	100%	100%

We have been a member of the Business Disability Forum since 2017 and are recognised as 'Level 1 Confident'. The specialist advice and support which it provides enables us to improve our understanding of how we can enhance our accessibility to disabled employees, clients and other visitors to our premises.

Sustainability *(continued)*

Programmes

In addition to our main Graduates Programme, we also invest in programmes for Returners, Ex-Forces and Apprentices as detailed below.

Returners

Our Returners Programme aims to address the challenges faced by professional individuals who have taken a planned career break. It gives them the opportunity to re-enter the workforce at a level appropriate for their experience. Our returners to work typically have between 10 and 15 years of experience and are a valuable source of experienced talent for our clients.

Our programme aims to provide participants from a diverse range of social, ethnic and educational backgrounds, and from a wide range of age groups, with intensive training to learn new skills, refresh existing knowledge and help individuals to regain the confidence to return to their business careers.

Ex-Forces

In 2024, our dedicated Ex-Forces Programme celebrated its tenth anniversary. We recognise that people who have served in the Armed Forces have many transferable skills for a successful career in the corporate world, ranging from adaptability and maturity to responsibility and leadership.

Our dedicated Ex-Forces Programme is rank agnostic and provides coaching to ex-Forces personnel in relevant technical, business and commercial skills. We facilitate a smooth transition into the civilian workplace and offer deployment as one of our Consultants. The Programme is run by ex-service personnel and employs ex-servicepeople from all ranks across all three services. We are proud holders of a Gold Award from the *government's Defence Employer Recognition Scheme, acknowledging our strong commitment and drive in* delivering our pledges under the Armed Forces Covenant, to which we are also a signatory.

In 2024, Rod Flavell (CEO) won the British Ex-Forces in Business Awards: Advocate of the Year (Individual). FDM is ranked in the Great British Employers of Veterans Top 50 List 2024.

Apprenticeships

Our apprentices have the opportunity to gain university degree qualifications whilst developing the skills required to succeed in key IT roles. We provide school leavers from a wide range of backgrounds with technical and skills training while enabling them to achieve a university degree over three years, all funded by FDM.

The Apprenticeships Programme aims to deliver a new, highly skilled technical talent pipeline while creating opportunities for a career in technology for anyone regardless of background. Driven by a desire to increase access to and participation in Higher Education, the programme aims to include students from under-represented groups.

We are on the UK Government's Register of Flexi-job Apprenticeship Agencies and, in 2024, we placed our first apprentices with clients. This allows us to expand the programme outside of the internal opportunities that FDM provides.

63% of our current UK apprentices are from an ethnic minority background and 47% are the first in their family to go to university. The programme also aims to increase participation of women in technology and is partnering with all-female schools, such as Lillian Baylis (Vauxhall, London), Harris Academy (Bermondsey, London), Leeds City College and Outwood Grange Academy (Wakefield) to help students understand what a career in technology could look like and give them the confidence to apply. Participating universities are selected to ensure that the curriculum fits with employer needs and taking account of location to appeal to local students in inner-city areas from the right demographic. Each apprentice receives an employer-appointed mentor and is given a minimum of one day per week of off-the-job training time for university study as well as exposure to specific employment experiences in order to cover the requirements of the degree curriculum.

Sustainability *(continued)*

Employee development

Consultant experience

Through the Skills Lab, Consultants are encouraged to focus on developing their skillset through taking on new challenges and experiences. We are currently implementing processes to support ongoing development, performance awareness and career progression. As our Consultants build up their skillsets through experience with our clients, we support validating new skills to add to their digital profile so our Sales team can effectively align an individual's current skills, capability, and experience to open client opportunities.

The purpose of the Consultant Experience team is to deliver a desirable, inclusive and engaging experience focused on career enhancement and community. Consultants have support and career guidance available to them from Consultant Experience Partners while working on assignment with our clients. The Consultant Experience Partners act as career coaches for our Consultants to empower them to explore their career goals, understand how they can achieve their goals and define what success looks like for them. The Consultant Experience Partners also use their expertise to work with client line managers and Consultants to facilitate regular feedback ensuring a positive assignment.

Together with Sales Account Managers and the respective client line manager, the Consultant Success Team arranges formal touchpoints with Consultants to receive feedback on their assignment and gauge sentiment. The team enables us to take a data-driven approach to continuously improve the Consultant experience. The touchpoints are an effective support mechanism, which, along with the social events that the team runs for Consultants, help build relationships.

Our Consultant Peer Support network of experienced Consultants helps introduce new Consultants to those already working on assignment, to help onboard and settle them into their new role. We hold regular face-to-face events at client sites and off-site events to strengthen connections between peers.

Leadership training: Future Leaders Development Programme

We identify future leaders within the business and offer them the opportunity to participate in a detailed programme of coaching and support. The Future Leaders Development Programme runs over ten months, and includes discussions, group exercises and one-to-one coaching to build the interpersonal excellence of a strong leader. The programme covers building relationships, communication, influencing, the psychology of leadership and getting the most out of the people.

Leadership training: Senior Women Leadership Network

In 2023, the Senior Women's Leadership Network was created to influence and champion change so that FDM may continue to push the agenda forward both internally across the business and externally among professional business communities. The group aims to create role model female leaders while contributing to retention and progression pathways for future female leaders who aspire to senior positions.

Sustainability *(continued)*

Employee engagement

Throughout 2024, we continued to promote activities to engage, retain, recognise and energise our employees. We encourage our employees to be themselves at work, and to play a part in creating and fostering an inclusive and open workplace where everyone can thrive.

Employee Networks

Employee Networks are the voice of our employees and play a vital role in fostering an empathetic and inclusive culture.

L.E.A.D.

Leading, educating and supporting diversity, this network provides a platform to connect and build a community for Black, Asian and Ethnic Minorities within FDM.

Unique

Supporting employees with visible and non-visible disabilities, including long-term illness and mental health conditions. Unique aims to create a place where people of different abilities feel welcome and included.

Elevate

Aiming to unify, empower and celebrate gender diversity at FDM, the network provides employees with a voice through sharing experiences, challenges and ideas.

Care

This network provides a safe and respectful space for the increasing number of carers and caregivers within FDM. Members raise awareness, understanding and offer practical help and support.

Pride

Through education and representation, the network supports all LGBTQIA+ employees by creating a space that encourages authenticity within the workplace.

Faith

A platform that encourages employees of all beliefs and religions to support each other and share experiences.

Employee Networks provide an inclusive place for discussion and learning and a sense of belonging. They were created by our people for our people, providing an opportunity for individuals to share their experiences and support each other. They also enable valuable and productive consultation with the business on process, policy and learning. During the year each Employee Network held various events and campaigns on Viva Engage.

We continue to monitor employee engagement through Group-wide surveys; in 2024 we carried out a survey to give all our employees an opportunity to express their views on a range of subjects to enable us to identify areas for improvement. The survey covered themes such as: employee sentiment and advocacy; career and personal development; organisational and personal commitment; workload; line manager support; perception of alignment of values; and the subjects of diversity, equity and inclusion. The survey has provided some insights into our strengths as well as those issues that are important to our staff enabling us to target areas for improvement.

Our social collaboration platform Viva Engage enables our employees to keep up to date with news and upcoming events, and to communicate with fellow FDM employees across the globe. This internal communication tool allows us to stay connected with our Consultants when they are on a client assignment, helping to foster a sense of belonging with FDM.

Sustainability *(continued)*

Employee engagement *(continued)*

Wellbeing

Our Employee Assistance Programme provides all employees with access to a 24/7 confidential helpline for support, guidance and resources, and structured counselling. We have also hosted drop-in sessions, informational talks and listening circles to help remove the stigma around mental ill health. Employees receive support from trained Mental Health First Aiders throughout FDM.

Recognition

We believe it is important to recognise and reward the commitment and hard work of our colleagues. The FDM Consultant of the Month and FDM Stars initiatives reward those that excel, as nominated by our clients or other employees within the business. We recognise and reward the commitment and contribution of employees who have completed five, ten, twenty, and even thirty years with FDM.

Our Buy As You Earn share plan is open to all employees, providing a longer-term incentive to enable participants to share in the success of our business and reap the rewards of their contribution to our shared goals. Under the Company's Buy As You Earn share plan, the shares purchased in FDM Group (Holdings) plc, which is the ultimate parent company, will be matched with additional shares for those who hold their shares and remain in employment for the required period.

Partnerships

We work with numerous charitable partners and community groups through a combination of employee volunteering, donations, and employee time. We tailor our community activities to reflect the needs and interests of the communities in which we operate, prioritising programmes that use our training expertise to illustrate the possibilities surrounding a career in technology - particularly for underrepresented groups - and require that each of our charitable ventures aligns with our values.

University Partners

FDM Attraction Events

The number of recruitment events attended decreased as we scaled back on recruitment in 2024. We continue to maintain close relationships with our University Partners and held events that promote opportunities for wider student and university outreach. In January 2024, our UK University Partnerships team hosted our Annual University Partners event to more than 50 key partners.

We have delivered digital bootcamps focusing on Agile and Scrum, introductory sessions on data, HTML and CSS, and IT skill sessions for a career in IT. These events enable us to engage with a new audience of non-technical students, helping them to gain practical skills. We believe our digital upskilling bootcamps provide unique interest for students looking to explore a career in technology. During the Summer, we held a series of online events to provide non-tech students an insight into beginners coding. The events focused on upskilling students in HTML and CSS.

In support of our UK University Partners, in 2024 we participated in six university curriculum and consultancy-based projects. We designed, delivered, and supported the students with project briefs that contributed towards their university grade and/ or experience. These projects gave students from all degree backgrounds the opportunity to gain commercial insight, experience working on live business challenges and the opportunity to build relationships with industry professionals, while developing their soft skills.

We also support with University Employability Programmes that involve interview preparation sessions, insight days and workshops with the aim of increasing student confidence and employability.

Sustainability *(continued)*

Charity involvement

Walking With The Wounded

Spearheaded by the Ex-Forces team, our employees are involved with Walking With The Wounded, a charity that delivers employment, mental health care coordination and volunteering programmes in collaboration with the NHS to support those who served in the Forces, and their families, whether mentally, socially or physically wounded, in reintegrating back into society. In 2024, FDM was a lead partner of Walking With The Wounded's Cumbrian Challenge, with numerous FDM UK teams participating in the hike and raising funds.

The Children's Book Project

At the end of 2024, FDM chose to partner with The Children's Book Project. The charity collects donated new or pre-loved books and distributes them straight into the hands of the children that need them most. We have book donation collection sites within all our UK offices, with fundraising events planned for 2025.

Our clients

Our business development teams develop relationships with our clients to gain insight and understanding of their evolving requirements. We work closely with our clients through the process of interviewing and selecting our Consultants for deployment on client projects, which enhances our understanding of the skills and qualities they are looking for. Clients have attended virtual Pod demonstrations and feedback sessions. This interaction helps to ensure that the Consultants we put forward are well matched to the client's requirements and project criteria, which ultimately makes for a successful deployment.

Further information on sustainability

Further information on the Group's sustainability activities and environmental performance and targets can be found in FDM Group (Holdings) plc's Annual Report and Accounts 2024 pages 51 to 60.

Sustainability *(continued)*

Statement by the Directors in performance of their statutory duties under s.172(1) Companies Act 2006

The Directors of the Company have an obligation to act in accordance with a general set of duties which are set out in section 172 of the Companies Act 2006 (the "Companies Act"). This states that the Directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.

Directors are briefed on these duties as part of their induction, and have access to professional advice on them, from the Company Secretary or, if they consider it necessary, from an external independent advisor. The Directors fulfil this duty partly by delegating responsibility for day-to-day decision-making to the Executive Team and other senior managers, under a robust governance structure. Details of how the Board of FDM Group (Holdings) plc operates and matters considered by the Board at a group level are set out in the Corporate Governance Report of the FDM Group (Holdings) plc Annual Report and Accounts 2024.

The Directors consider, both individually and together, that they have acted in accordance with their duties under s.172 of the Companies Act in the decisions taken during the year ended 31 December 2024. There are examples throughout this Annual Report of how the Board takes into account the matters referred to above.

The table below sets out the matters which reflect decisions the Board has made in response to engagement with, or taking into consideration importance of particular matters to, different stakeholder groups.

Relevant stakeholders	**Decisions made and outcome**
Employees	Details of the Group's activities to engage with our employees and the outcome are presented on pages 9 and 14.
University Partners	Universities can be seen as a key supplier. Information on our engagement with our University Partners can be found on page 49 of FDM Group (Holdings) plc's Annual Report and Accounts 2024.
Clients	We enhanced our service offerings in response to our clients' current and future requirements.
Local communities	Further information on our activities with the communities in which we operate can be found on pages 40 to 50 of FDM Group (Holdings) plc's Annual Report and Accounts 2024.
The environment	We are conscious that all business activities have an impact on the environment and climate change, and we are committed to finding ways to mitigate that impact. See page 8 for more information on how we assess the risk of climate change and our commitment to reduce our greenhouse gas emissions, and pages 51 to 61 of FDM Group (Holdings) plc's Annual Report and Accounts 2024.

Mike McLaren
Chief Financial Officer
9 April 2025

Directors' Report

The Directors present the Directors' Report and Financial Statements of FDM Group Limited for the year ended 31 December 2024.

General information

The Company is a professional services provider focusing principally on IT, specialising in the recruitment, development and deployment of its own permanent Consultants. FDM Group Limited is both a trading company and a holding company within the FDM Group; the Company is a private company limited by shares and is a wholly owned subsidiary of Astra 5.0 Limited, which in turn is a wholly owned subsidiary of FDM Group (Holdings) plc. The Strategic Report on pages 2 to 17 provides a review of the Group's performance during the financial year as well as its future prospects.

The financial statements on pages 21 to 42 were approved by Mike McLaren on behalf of the Board of Directors on 9 April 2025.

Future developments

Over the next twelve months the Company is expected to continue to deliver against its strategic objectives.

Results and dividends

The Company made a reported profit for the year of £28.2 million (2023: £41.4 million).

During the year, the Company paid dividends totalling £20.0 million to Astra 5.0 Limited, its Parent Company (2023: £32.0 million). No further dividends have been proposed for the year ended 31 December 2024 (2023: £nil).

Political donations

No political contributions were made during the year by the Company (2023: £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:

Rod Flavell	Chief Executive Officer
Sheila Flavell	Chief Operating Officer
Andrew Brown	Group Commercial Officer
Mike McLaren	Chief Financial Officer

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

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.

The Directors recognise that the success of the business as a whole is dependent on all of our staff at every level and continue to invest in our employees through provision of training initiatives. Our focus and ethos as a company is built on training and developing individuals who make a positive difference and reach their full potential.

Risk management objectives and policies

The Company through its operations is exposed to a number of risks. Details of the Company's financial risk management objectives and policies are set out in note 25 to the Financial Statements. The principal risks that the Company faces are set out on pages 7 to 8 of the Strategic Report.

Directors' Report *(continued)*

Going concern

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

The Company's continued and forecast growth, positive operating cash flow and liquidity position, together with its distinctive business model and infrastructure, enable the Company to manage its business risks successfully. The Company's forecasts and projections show that it will continue to operate with adequate cash resources.

The Directors therefore have a reasonable expectation that the Company 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.

Streamlined Energy and Carbon Reporting ("SECR") and greenhouse gas emissions

In line with 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019', the Company has taken advantage of the exemption from publishing its own 'Energy and Carbon Reporting' due to its inclusion within the Energy and Carbon Reporting of its ultimate parent company, FDM Group (Holdings) plc for the year ending 31 December 2024. See pages 57 to 60 of FDM Group (Holdings) plc's Annual Report and Accounts for the year ending 31 December 2024.

Engagement with employees and other stakeholders

Information on the Directors' engagement with employees and other stakeholders can be found on page 17.

Post balance sheet events

There have been no significant events to report since the date of the balance sheet.

Corporate governance

As a subsidiary of FDM Group (Holdings) plc, the Company is covered by the processes and procedures which are in place across the FDM Group and which are designed to provide effective governance, risk management and controls for all members of the Group. The Directors consider that these processes and procedures are appropriate for the company considering its position in the FDM Group and ensure that the Company is aligned with the FDM Group's approach to effective governance.

Details of how the Board of FDM Group (Holdings) plc operates and matters considered by the Board at a group level are set out in the Corporate Governance Report of the FDM Group (Holdings) plc Annual Report and Accounts 2024.

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors' Report has been approved by the Board of Directors of FDM Group Limited on 9 April 2025 and signed on its behalf by:

Mike McLaren

Chief Financial Officer
9 April 2025

FINANCIAL STATEMENTS

Income Statement

for year ended 31 December 2024

	Note	2024 £000	2023 £000
Revenue		**103,984**	127,770
Cost of sales		**(52,425)**	(64,168)
Gross profit		**51,559**	63,602
Administrative expenses		**(36,609)**	(34,563)
which includes:			
Exceptional items	7	**(3,637)**	-
Operating profit	8	**14,950**	29,039
Income from subsidiaries	22	**16,218**	19,065
Finance income	11	**1,842**	1,335
Finance expense	11	**(899)**	(401)
Net finance income		**943**	934
Profit before income tax		**32,111**	49,038
Tax on profit	12	**(3,882)**	(7,607)
Profit for the financial year		**28,229**	41,431

The results for the year shown above arise from continuing operations.

The notes on pages 25 to 42 are an integral part of these Financial Statements.

Statement of Comprehensive Income

for year ended 31 December 2024

	2024 £000	2023 £000
Profit for the financial year	**28,229**	41,431
Total comprehensive income recognised for the year	**28,229**	41,431

The notes on pages 25 to 42 are an integral part of these Financial Statements.

Statement of Financial Position

at 31 December 2024

	Note	2024	2023
		£000	£000
Fixed assets			
Right-of-use assets	14	**13,847**	11,868
Investments	13	**33**	33
Tangible Assets	15	**916**	1,035
		14,796	12,936
Current assets			
Trade and other debtors	17	**47,440**	46,929
Income tax receivables		**248**	2,537
Deferred income tax assets	16	**260**	275
Cash at bank and in hand	18	**26,415**	27,868
		74,363	77,609
Creditors: amounts falling due within one year			
Trade and other creditors	19	**(53,766)**	(66,131)
Lease liabilities	14	**(1,490)**	(1,772)
		(55,256)	(67,903)
Creditors: amounts falling due after more than one year			
Lease liabilities	14	**(12,940)**	(10,051)
Provisions	20	**(477)**	(228)
Net Assets		**20,486**	12,363
Equity			
Called up share capital	21	**236**	236
Share premium account		**3,494**	3,494
Capital redemption reserve		**63**	63
Other reserves		**2,652**	2,890
Profit and loss account		**14,041**	5,680
Total equity		**20,486**	12,363

The notes on pages 25 to 42 are an integral part of these Financial Statements.

For the year ended 31 December 2024, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year ending 31 December 2024 in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements on pages 21 to 42 were approved by the Board of Directors on 9 April 2025 and were signed on its behalf by:

Mike McLaren
Chief Financial Officer
9 April 2025

Statement of Changes in Equity

for year ended 31 December 2024

	Called up share capital £000	Share Premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000	Total capital and reserves £000
Balance at 1 January 2024	**236**	**3,494**	**63**	**2,890**	**5,680**	**12,363**
Profit for the financial year	-	-	-	-	**28,229**	**28,229**
Total comprehensive income for the financial year	-	-	-	-	**28,229**	**28,229**
Transfer to retained earnings (note 23)	-	-	-	**(13)**	**13**	-
Share-based payments (note 23)	-	-	-	**(225)**	**119**	**(106)**
Dividends (note 22)	-	-	-	-	**(20,000)**	**(20,000)**
Balance at 31 December 2024	**236**	**3,494**	**63**	**2,652**	**14,041**	**20,486**

	Called up share capital £000	Share Premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000	Total capital and reserves £000
Balance at 1 January 2023	236	3,494	63	8,950	(3,763)	8,980
Profit for the financial year	-	-	-	-	41,431	41,431
Total comprehensive income for the financial year	-	-	-	-	41,431	41,431
Transfer to retained earnings (note 23)	-	-	-	(12)	12	-
Share-based payments (note 23)	-	-	-	(6,048)	-	(6,048)
Dividends (note 22)	-	-	-	-	(32,000)	(32,000)
Balance at 31 December 2023	236	3,494	63	2,890	5,680	12,363

The notes on pages 25 to 42 are an integral part of these Financial Statements.

Notes to the Financial Statements

1 General information

The Group is an international professional services provider focusing principally on IT, specialising in the recruitment, training and deployment of its own permanent IT and business consultants.

FDM Group Limited is a limited company incorporated and domiciled in the United Kingdom and registered as a limited company in England and Wales. The Company's registered office is 3rd Floor, Cottons Centre, Cottons Lane, London, SE1 2QG and its registered number is 02542980.

The Financial Statements present the results for the year ended 31 December 2024. The Financial Statements were approved by Mike McLaren on behalf of the Board of Directors on 9 April 2025.

2 Going concern

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

The Directors therefore have a reasonable expectation that the Company 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 Financial Statements have been prepared on a historical cost basis. The Financial Statements are presented in Pounds Sterling and all values are rounded to the nearest thousand (£000), except where otherwise indicated.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced disclosure framework' (FRS 101) and the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The following exemptions from the requirements of International Financial Reporting Standards (IFRS) have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38 B-D (additional comparative information);
  - 111 (cash flow statement information); and
  - 134-136 (Capital management disclosures);
- IAS 7 'Statement of cashflows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective); and

The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group and to disclose key management personnel remuneration.

The Company is a wholly-owned subsidiary of Astra 5.0 Limited and is included in the consolidated financial statements of FDM Group (Holdings) plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Notes to the Financial Statements *(continued)*

3 Accounting policies *(continued)*

3.2 Summary of significant accounting policies

a) Revenue recognition

Revenue is recognised under IFRS 15 and is measured at the fair value of the consideration received or receivable and excluding sales taxes.

Rendering of services

Revenue from the provision of Consultants to third party customers is recognised as follows:

- The revenue is recognised in the period in which the consultants perform the work at the contracted rates for each IT consultant. Revenue is based on timesheets from our consultants which are authorised by the Company's customers detailing the hours and service provided;
- If advance payments are made by customers, these are deferred and the income recognised in the period in which the Consultants perform the work.
- Revenue in respect of outstanding timesheets is accrued based upon estimates at the contract value; and
- Volume rebates are accrued in the period in which the revenue is recognised, with the value of the rebate offset against revenue. They are calculated with regard to specific threshold levels of revenue recognised for certain customers in a contractual period. To the extent the volume rebates are material, amounts are disclosed along with any significant judgements made in their estimation.

Sales invoices are issued following fulfilment of FDM's performance obligation, confirmed by receipt of approved timesheets. Invoices are due for payment in line with agreed credit terms.

b) 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 substantively enacted at the reporting date in the countries where the Company operates and generates income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary difference is not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

c) Exceptional items

The separate reporting of exceptional items helps to provide a better understanding of the Group's underlying business performance. The Group exercises judgement in assessing whether items should be classified as 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 items of expense or income that are material and one-off in nature and are shown separately due to the significance of their nature or amount.

Notes to the Financial Statements *(continued)*

3 Accounting policies *(continued)*

3.2 Summary of significant accounting policies *(continued)*

d) Tangible assets

Tangible assets are stated at cost net of accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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:

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) 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

Software licence costs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software controlled by the Group are recognised as intangible assets and amortised over the useful economic life of the software. Directly attributable costs that are capitalised include invoiced supplier costs and employee costs.

f) Trade debtors

Trade debtors are recognised initially at fair value. They are subsequently measured at amortised cost using an expected credit loss model in line with IFRS 9 which uses a lifetime expected loss allowance for all trade debtors. To measure the expected credit losses, trade debtors have been grouped based on shared credit risk characteristics. Shared credit risk characteristics include current and forward-looking information on macroeconomic factors affecting the sector in which the debtor operates.

When a trade debtor is uncollectible, it is written off against the allowance account for trade debtors. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

g) Cash at bank and in hand

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

h) Trade and other creditors

Trade and other creditors represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within thirty days of recognition. Trade and other creditors are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements *(continued)*

3 Accounting policies *(continued)*

3.2 Summary of significant accounting policies *(continued)*

i) Leases

Under IFRS 16 'Leases', a liability and an asset are recognised at the inception of the lease, the lease liability being the present value of future lease payments. A right-of-use asset is recognised as the same amount adjusted for any initial direct costs, lease incentives received, or lease payments made at or before the commencement date, as applicable.

The charge to the Income Statement comprises i) an interest expense on the lease liability (included within finance expense) and ii) a depreciation expense on the right-of-use asset (included within operating costs). The right-of-use asset is depreciated straight-line over the term of the lease.

The liabilities are measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate at the date of lease inception.

For short-term leases and leases of low-value assets, the Company has chosen to recognise the associated lease payments as an expense on a straight-line basis over the lease term.

j) Financial instruments

Non-derivative financial instruments

The Company's non-derivative financial instruments comprise trade debtors, trade creditors, cash at bank and in hand.

The Company does not have any borrowings.

k) Pensions and other post-employment benefits

The Company operates a number of defined contribution pension schemes. The assets of each scheme are held separately from those of the Company in an independently administered fund. The amount charged to the income statement represents the contributions payable to the schemes in respect of the accounting period.

l) Capital and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. The share premium reflects the extra paid for new shares above their nominal value.

The capital redemption reserve represents an amount equal to the nominal value of 6,280,000 of the Company's own ordinary shares of 1 pence each, that in 2004 were repurchased and cancelled, wholly out of the Company's distributable reserves. The capital contribution reserve represents the cost of equity share-based payments until such share options are exercised or lapse.

m) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in the capital contribution reserve in equity, over the period in which the performance and/ or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised between the beginning and end of that period and is recognised in employee benefits expense. The equity-settled transactions are fair valued at the grant date and the expense recognised over the duration of the vesting period.

Notes to the Financial Statements *(continued)*

3 Accounting policies *(continued)*

3.2 Summary of significant accounting policies *(continued)*

m) Share-based payments *(continued)*

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/ or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

n) Dividends

Dividends are recognised as a liability in the period in which they are approved such that the Company is obligated to pay the dividend.

o) Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate. Provisions are measured at management's best estimate of the expenditure required to settle the Company's liability. These estimates are reviewed each year and updated as necessary. No individual judgements have been made that have a significant impact on the financial statements (2023: *none*).

FDM is a people business and, in the ordinary course, we receive legal claims from time to time, most commonly employment-related. Our in-house legal team deals promptly with these claims where appropriate, but we engage specialist external lawyers when it is required for us to access additional expertise or resource and we think it prudent to do so. We are confident in our employment practices and it is our policy to defend these claims and our business model robustly. We will also take a commercial approach and from time to time may choose to settle claims if we consider it pragmatic and in the Company's best interests to do so, particularly having regard to the time and effort management need to dedicate to a given claim. The Directors evaluate the possibility of an outflow of resources to determine if it is either remote, possible or probable. In each circumstance either adequate provisions are established or appropriate disclosures are made in accordance with the provisions of IAS 37.

Provisions for dilapidations

To the extent that the Group is required to pay a termination fee or restore a property to its original conditions at the end of the lease term, we recognise a provision for dilapidations at the net present value of the forecast expenditure.

4 Other accounting estimate

The preparation of the Company's financial statements requires management to make 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 year. 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.

Notes to the Financial Statements *(continued)*

4 Other accounting estimate *(continued)*

The following estimate is not considered to be a significant estimate as it is considered there is not a significant risk of the estimate resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Share-based payment charge

A share-based payment charge is recognised in respect of share awards in FDM Group (Holdings) plc based on the Directors' best estimate of the number of shares that will vest based on the performance conditions of the awards, which comprise the Group's consolidated adjusted EPS growth and the number of employees that will leave before vesting. In estimating the number of shares likely to vest, the Directors have based their assessment of the adjusted EPS growth in the forecasts contained within the Group's three-year plan, adjusted for the impact of potential scenarios that could potentially impact EPS growth. The charge is calculated based on the fair value on the grant date using the Black-Scholes model and is expensed over the vesting period. The key assumptions in respect of the share-based payment charges are set out in note 23. The credit recognised in 2023 was a result of a change in the vesting assumptions of the adjusted earnings per share performance, with the outstanding awards now expected not to vest. This, combined with that there were no new options awarded in 2023 reduced the level of uncertainty over the accounting estimate that was present at prior year ends.

No individual judgements have been made that have a significant impact on the financial statements (2023: none).

5 New standards and interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are for effective for the year ended 31 December 2024 that have a material impact on the Company's financial statements.

6 Turnover

In both the current and prior year, revenue is generated from the provision of Consultants to third party customers in the UK.

7 Exceptional Items

During the year, the Company incurred exceptional costs of £3.6 million (2023: £nil) as we better aligned our internal staff and undeployed Consultants with market demand.

8 Operating profit

Operating profit for the year has been arrived at after charging/ (crediting):

	2024	2023
	£000	£000
(Profit)/ Loss on disposal of property, plant and equipment	**(4)**	130
Net foreign exchange losses/(gains)	**50**	90
Depreciation of right-of-use assets	**1,750**	1,741
Depreciation and amortisation of other assets	**385**	678

Notes to the Financial Statements *(continued)*

9 Staff numbers and costs

The average monthly number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2024	2023
Consultants	**1,593**	2,183
Administration	**372**	456
	1,965	2,639

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£000	£000
Wages and salaries	**77,412**	92,204
Social security costs	**8,736**	9,957
Other pension costs	**2,282**	2,808
Share-based payments	**692**	(3,544)
	89,122	101,425

Retirement benefits

The Company operates a number of defined contribution pension plans. The pension charge for the year represents contributions payable by the Company to the schemes. The pension contributions payable at 31 December 2024 was £305,000 (2023: £384,000). There were no prepaid contributions at the end of the financial year (2023: £nil).

10 Directors' remuneration

Details of the Directors' (who also represent the key management personnel of the Company) remuneration in respect of the year ended 31 December 2024 is set out below:

	2024	2023
	£000	£000
Short-term employee benefits	**2,310**	2,088
Post-employment benefits	**55**	55
Share-based payments	**71**	(755)
	2,436	1,388

Included within Short-term employee benefits in 2024 is £106,000 relating to annual bonus which was deferred to shares for two years (2023: £73,000).

The aggregate of remuneration of the highest paid Director was £774,000 (2023: 702,000). 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.

The Directors receive a cash value of a salary supplement in lieu of company pension contributions to the Company's defined contribution scheme. No Director participates in a defined benefit pension arrangement in respect of their service with FDM.

Notes to the Financial Statements *(continued)*

11 Finance income and expense

	2024	2023
	£000	£000
Bank interest received	**1,842**	1,335
Finance income	**1,842**	1,335
Interest on lease liabilities	**(854)**	(389)
Interest on provision for dilapidations	**(21)**	(7)
Finance fees and charges	**(24)**	(5)
Finance expense	(899)	(401)

12 Tax on profit

The major components of the income tax expense for the years ended 31 December 2024 and 31 December 2023 are:

	2024	2023
	£000	£000
Current income tax:		
Current income tax charge	**3,783**	5,591
Adjustments in respect of prior years	**(74)**	529
Overseas tax paid (withholding tax)	**156**	395
Deferred tax:		
Relating to origination and reversal of temporary differences	**17**	1,092
Total tax expense reported in the income statement	**3,882**	7,607

The standard rate of corporation tax in the UK increased from 19% to 25% effective 1 April 2023, accordingly, the profits for 2024 were taxed at 25% (2023 at 23.5%). The tax charge for the year is lower (2023: lower) than the standard rate of corporation tax in the UK. The differences are set out below:

Reconciliation of standard tax

	2024	2023
	£000	£000
Profit before income tax	**32,111**	49,038
Profit before income tax multiplied by UK standard rate of corporation tax of 25% (2023: 23.5%)	**8,028**	11,524
Income not taxable	**(4,055)**	(4,480)
Expenses not deductible for tax purposes	**(173)**	(51)
Group relief from group companies	-	(311)
Adjustments in respect of prior years	**(74)**	529
Overseas tax paid (withholding tax)	**156**	396
Total tax charge	**3,882**	7,607

Notes to the Financial Statements *(continued)*

12 Tax on profit *(continued)*

Factors affecting future tax charges

Deferred tax assets and liabilities are measured at the rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the reporting date. Therefore, at each year end, deferred tax assets and liabilities have been calculated based on the rates that have been substantively enacted by the reporting date. At 31 December 2024 and 31 December 2023, deferred tax assets and liabilities have been calculated based upon the rate at which the temporary difference is expected to reverse.

13 Investments

	2024	2023
	£000	£000
At 1 January and 31 December	**33**	33

The Company holds the following investments in its subsidiaries:

Company	Country of Incorporation	Class of Shares share held	Direct/ Indirect	Ownership
FDM Astra Ireland Limited	Ireland	Ordinary	Direct	100%
FDM Group, Inc.	USA	Ordinary	Direct	100%
FDM Group Canada Inc.	Canada	Ordinary	Direct	100%
FDM Group NV	Belgium	Ordinary	Direct	100%
FDM Group GmbH	Germany	Ordinary	Direct	100%
FDM Switzerland GmbH	Switzerland	Ordinary	Indirect	100%
FDM Luxembourg S.A.	Luxembourg	Ordinary	Indirect	100%
FDM South Africa (PTY) Limited	South Africa	Ordinary	Direct	100%
FDM Singapore Consulting PTE Limited	Singapore	Ordinary	Direct	100%
FDM Technology (Shanghai) Co., Ltd	China	Ordinary	Indirect	100%
FDM Group HK Limited	Hong Kong	Ordinary	Direct	100%
FDM Group Australia Pty Ltd	Australia	Ordinary	Direct	100%
FDM Group Austria GmbH	Austria	Ordinary	Direct	100%
FDM Group B.V.	The Netherlands	Ordinary	Direct	100%
FDM Grupa Polska sp. z.o.o.	Poland	Ordinary	Direct	100%
FDM Group New Zealand Limited	New Zealand	Ordinary	Direct	100%
FDM Malaysia Consulting SDN. BHD.	Malaysia	Ordinary	Direct	100%

The registered address for each subsidiary of the Company as at 31 December 2024 is listed below.

Company	Registered address
FDM Astra Ireland Limited	3 Dublin Landings, North Wall Quay, Dublin 1, D01C4E0, Ireland
FDM Group, Inc.	105 and 105F, 34th Floor, 199 Water Street, New York, NY, 10038, USA
FDM Group Canada Inc.	1 Place Ville Marie, 37th Floor, Montreal, QC H3B 3P4, Canada
FDM Group NV	Rue Medori 99, B-1020 Brussels, Belgium
FDM Group GmbH	6th Floor, Mainzer Landstrasse 41, 60329, Frankfurt am Main, Germany
FDM Switzerland GmbH	Lavaterstrasse 40, Zurich, CH 8002, Switzerland
FDM Luxembourg S.A.	Office No. 17, 12c Rue Guillaume Kroll, L-1882, Luxembourg
FDM South Africa (PTY) Limited	9 Kinross Street, Germiston South, 1401 South Africa
FDM Singapore Consulting PTE Limited	77 Robinson Road, #13-00 Robinson 77, Singapore 068896
FDM Technology (Shanghai) Co., Ltd	C31, 22/F Jing'an Kerry Centre Office Tower 3, 1228 Middle Yan An Road, Jing An, Shanghai, 200040, China
FDM Group HK Limited	6/F, The Annex, Central Plaza, 18 Harbour Road, Hong Kong
FDM Group Australia Pty Ltd	Level 21, Tower Three, International Towers, 300 Barangaroo Avenue, Sydney, 2000, NSW, Australia
FDM Group Austria GmbH	*Handelskai 92/Gate 2/7A, 1200 Wien, Austria*
FDM Group B.V.	Westerdoksdijk 423, 1013 BX, Amsterdam, Nederland

Notes to the Financial Statements *(continued)*

13 Investments *(continued)*

Company	Registered address
FDM Grupa Polska sp. z.o.o.	ul. Grzybowska nr 2 lok. 29, Warsaw, 00-131, Poland
FDM Group New Zealand Limited	Level 5, 79 Queen Street, Auckland 1010, New Zealand
FDM Malaysia Consulting SDN. BHD.	Unit C-12-4, Level 12, Block C Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia

14 Right-of-use assets and lease liabilities

(i) Right-of-use assets

Properties	2024 £000	2023 £000
Cost		
At 1 January	**18,145**	16,429
Additions	**4,099**	11,402
Disposals	**(3,409)**	(9,686)
At 31 December	**18,835**	18,145
Accumulated depreciation		
At 1 January	**6,277**	14,222
Depreciation charge for the year	**1,750**	1,741
Disposals	**(3,039)**	(9,686)
At 31 December	**4,988**	6,277
Net book value at 31 December	**13,847**	11,868

(ii) Lease liabilities

	2024 £000	2023 £000
Current lease liabilities	**1,490**	1,772
Non-current lease liabilities	**12,940**	10,051
	14,430	11,823

Contractual maturities of lease liabilities:

	At net present value 2024 £000	At net present value 2023 £000	Not discounted 2024 £000	Not discounted 2023 £000
Less than one year	**1,490**	1,772	**1,564**	1,829
Between 1 and 2 years	**2,156**	1,407	**2,409**	1,577
Between 2 and 5 years	**5,530**	4,010	**7,111**	5,248
Over 5 years	**5,254**	4,634	**8,535**	8,167
Total lease liabilities	**14,430**	11,823	**19,619**	16,821

The total cash outflow for leases was £1,543,000 (2023: £2,407,000). Where there is reasonable certainty that an option to extend a lease will be exercised, lease liabilities have been recognised accordingly.

Notes to the Financial Statements *(continued)*

14 Right-of-use assets and lease liabilities *(continued)*

(iii) Amounts recognised in the Income Statement

The Income Statement shows the following amounts relating to leases:

	2024 £000	2023 £000
Depreciation of right-of-use assets - properties	**1,750**	1,741
Interest expense (included in finance cost)	**854**	389

15 Tangible assets

2024	**Leasehold improvements £000**	**Fixtures and fittings £000**	**Plant and equipment £000**	**Total £000**
Cost				
At 1 January 2024	**2,661**	**756**	**1,654**	**5,071**
Additions	**244**	**23**	**3**	**270**
Disposals	**-**	**-**	**(257)**	**(257)**
At 31 December 2024	**2,905**	**779**	**1,400**	**5,084**
Accumulated depreciation				
At 1 January 2024	**2,192**	**625**	**1,219**	**4,036**
Depreciation charge for the year	**133**	**45**	**207**	**385**
Disposals	**-**	**-**	**(253)**	**(253)**
At 31 December 2024	**2,325**	**670**	**1,173**	**4,168**
Net book value at 31 December 2024	**580**	**109**	**227**	**916**

2023	**Leasehold improvements £000**	**Fixtures and fittings £000**	**Plant and equipment £000**	**Total £000**
Cost				
At 1 January 2023	3,377	711	1,974	6,062
Additions	356	161	15	532
Disposals	(1,072)	(116)	(335)	(1,523)
At 31 December 2023	2,661	756	1,654	5,071
Accumulated depreciation				
At 1 January 2023	2,823	696	1,232	4,751
Depreciation charge for the year	319	45	314	678
Disposals	(950)	(116)	(327)	(1,393)
At 31 December 2023	2,192	625	1,219	4,036
Net book value at 31 December 2023	469	131	435	1,035

Notes to the Financial Statements *(continued)*

16 Deferred income tax assets

Deferred income tax assets are attributable to the following:

	2024 £000	2023 £000
Non-current:		
Non-current temporary differences	**260**	275
Deferred income tax asset	**260**	275

	1 January 2024 £000	Recognised in income statement £000	Recognised in equity £000	31 December 2024 £000
Movement in deferred income tax during 2024:				
Share-based payments	**350**	**(37)**	**2**	**315**
Right-of-use assets	**12**	**(9)**	**-**	**3**
Property, plant and equipment	**(87)**	**29**	**-**	**(58)**
	275	**(17)**	**2**	**260**

	1 January 2023 £000	Recognised in income statement £000	Recognised in equity £000	31 December 2023 £000
Movement in deferred income tax during 2023:				
Share-based payments	1,445	(1,091)	(4)	350
Right-of-use assets	43	(31)	-	12
Property, plant and equipment	(117)	30	-	(87)
	1,371	(1,092)	(4)	275

Notes to the Financial Statements *(continued)*

17 Trade and other debtors

	2024	2023
	£000	£000
Amounts owed by subsidiaries	**8,435**	6,989
Amounts owed by parent	**25,136**	25,136
Trade debtors	**10,246**	10,857
Other debtors	**199**	226
Prepayments and accrued income	**3,424**	3,721
	47,440	46,929

Amounts owed by subsidiaries and the parent are unsecured and repayable on demand. Included within prepayments and accrued income is £617,000 of accrued income (2023: £573,000). The expected loss rate and the aged gross trade debtors and aged loss allowance as at 31 December are as follows:

31 December 2024	**Expected loss rate**	**Gross trade debtors £000**	**Loss allowance £000**
Not overdue	**2%**	**8,955**	**215**
Not more than three months past due	**2%**	**1,541**	**37**
More than three months but not more than six months past due	**2%**	**2**	**-**
		10,498	**252**

31 December 2023	**Expected loss rate**	**Gross trade debtors £000**	**Loss allowance £000**
Not overdue	2%	8,894	202
Not more than three months past due	2%	2,203	50
More than three months but not more than six months past due	2%	12	-
		11,109	252

The movement in the allowance for expected credit loss is as below:

	2024	2023
	£000	£000
At 1 January	**252**	229
Increase in allowance	**-**	23
At 31 December	**252**	252

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Shared credit risk characteristics include current and forward-looking information on macroeconomic factors affecting the sector in which the debtor operates and those affecting the ability of the customer to settle the receivables. The Company has identified relevant factors including the GDP and the unemployment rate, and accordingly adjusts the loss rates based on expected changes in these factors.

Notes to the Financial Statements *(continued)*

18 Cash at bank and in hand

	2024 £000	2023 £000
Cash at bank and in hand	**26,415**	27,868

Cash at bank and in hand denominated in currencies other than Pounds Sterling amount to £238,000 (2023: £527,000), denominated in Euro, Swiss Franc, US Dollar, Canadian Dollar, Singapore Dollar and Hong Kong Dollar.

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

Cash at bank by credit rating

	2024 £000	2023 £000
A	**26,390**	27,844
B	**25**	24
	26,415	27,868

19 Trade and other creditors

	2024 £000	2023 £000
Amounts owned to subsidiaries	**541**	847
Amounts owed to ultimate parent	**41,315**	52,204
Trade creditors	**1,473**	931
Other creditors	**753**	802
Other taxes and social securities	**3,528**	5,171
Accruals	**6,156**	6,176
	53,766	66,131

Amounts owed to subsidiaries and parent are unsecured, non-interest bearing and repayable on demand.

Included within accruals are volume rebates of £849,000 (2023: £970,000) and payroll accruals of £509,000 (2023: £111,000). No significant judgements were made in the estimation of the volume rebate accrual. Any volume rebates, where the rebate period is non-coterminous with the financial year, are accrued based on forecast revenue for the remainder of the rebate period. No individual client rebates were material in 2024 or 2023.

Trade and other creditors denominated in currencies other than Pounds Sterling comprise £57,000 (2023: £66,000) denominated in Euro, US Dollar and Canadian Dollar.

Notes to the Financial Statements *(continued)*

20 Provisions

	2024	2023
Non-current	**£000**	£000
Dilapidation provision		
At 1 January	**228**	-
Provision in the year	**228**	221
Interest expense	**21**	7
	477	228

The Company is required to pay a termination fee or restore the leased premises to their original conditions at the end of the respective lease terms. A provision for dilapidations has been recognised for the net present value of the expenditure expected to be incurred at the end of lease. These costs have been capitalised as part of the right-of-use asset and are amortised over the term of the lease. There were two new provisions in 2024 (2023: one), recognised when the new property lease terms commenced.

21 Called up share capital

	2024	2023
	£000	£000
Authorised		
100,000,000 (2023: 100,000,000) ordinary shares of 1p each	**1,000**	1,000
Allotted, called up and fully paid		
23,600,000 (2023: 23,600,000) ordinary shares of 1p each	**236**	236

22 Dividends

	2024	2023
	£000	£000
Other income		
Income from subsidiaries	**16,218**	19,065
Paid to Parent Company: 85 pence per ordinary shares (2023: 136 pence per ordinary share)	**20,000**	32,000

Dividends are paid from distributable reserves, which comprise the Profit and loss account and Other reserves.

Notes to the Financial Statements *(continued)*

23 Share-based payments

Recognised in income statement	2024 £000	2023 £000
Expense/ (credit) arising from equity settled share-based payment transaction	**646**	(3,028)
Social Security thereon	**46**	(516)
Expense arising from bonus deferred as shares	**106**	105
Expense/ (credit) arising from equity settled share-based payment transaction	**798**	(3,439)

Recognised in reserves	2024 £000	2023 £000
Expense/ (credit) arising from equity settled share-based payment transaction	**752**	(2,923)
Deferred tax recognised in other reserves arising from equity settled share-based payments	**2**	(4)
Transfer to retained earnings - deferred tax	**-**	-
Transfer to retained earnings - lapsed options	**(13)**	(12)
Recharge by FDM Group (Holdings) plc upon exercise of options	**(979)**	(3,121)
	(238)	(6,060)

The credit arising from equity-settled share-based payment transactions in 2023 reflected the latest assessment of the forecast adjusted earnings per share of FDM Group (Holdings) plc. During the period 80,359 options were exercised. A recharge of £979,000 was made from FDM Group (Holdings) plc in respect of the exercise the period (2023: recharge of £3,121,000).

In September 2024 the Company granted; 300,000 nominal cost options over ordinary shares in FDM Group (holdings) plc under the PSP to the Directors, subject to the achievement of a three-year performance condition relating to earnings per share; 203,000 Restricted Stock Options subject to the achievement of a two-year performance condition; and 203,000 Restricted Stock Options subject to the achievement of a three-year performance condition.

Options are exercisable no later than the tenth anniversary of the date of grant. The table below summarises the outstanding share options

	2024 Number of Shares	2024 Weighted average exercise price	2023 Number of shares	2023 Weighted average exercise price
Outstanding at 1 January	**1,358,964**	**5p**	1,675,160	8p
Granted during the year	**706,000**	**1p**	-	n/a
Forfeited during the year	**(69,741)**	**29p**	(40,631)	1p
Exercised during the year	**(80,359)**	**1p**	(266,449)	1p
Lapsed during the year	**(507,799)**	**1p**	(9,116)	546p
Outstanding at 31 December	**1,407,065**	**4p**	1,358,964	5p
Exercisable at the end of the year	**69,190**	**58p**	124,665	49p
Weighted average remaining contractual life (years)	**8.22**	**n/a**	7.45	n/a

Notes to the Financial Statements *(continued)*

23 Share-based payments *(continued)*

The fair values of the PSP Share options made were determined using the Black-Scholes valuation model. The significant inputs to the model were as follows:

Date of grant	11 September 2024 - LTIP	11 September 2024 – RSU 1	11 September 2024 – RSU 2	23 March 2022	30 December 2020
Share price at date of grant	395.5p	395.5p	395.5p	1000p	1116p
Exercise price	1p	1p	1p	1p	1p
Dividend yield	6.5%	6.5%	6.5%	3.2%	2.7%
Expected volatility	32.5%	35%	32.5%	30%	30%
Risk free interest rate	3.74%	5.82%	3.74%	1.684%	0%
Expected life	4 years	3 years	4 years	4 years	4 years
Fair value at date of grant	304p	325p	304p	880p	999p

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Buy as you Earn

Employees have available the option to participate in the Group's Buy as you earn Plan, under which participants may acquire up to £12,000 of shares each year from their after tax remuneration ("Purchased Shares"). Provided the Purchased Shares are retained in the plan and subject, ordinarily, to continued employment, additional "Matching Shares" are awarded on the basis of a 1 for 3 match following the end of each of the first, third and fifth years following the year in respect of which the purchased shares were acquired. The fair values of grants under the Buy as you earn plan were determined using the Black-Scholes valuation model.

24 Ultimate parent undertaking and ultimate controlling party

The immediate parent undertaking is Astra 5.0 Limited. The ultimate parent undertaking and controlling party is FDM Group (Holdings) plc, the registered address of which is 3rd Floor, Cottons Centre, Cottons Lane, London, SE1 2QG.

FDM Group (Holdings) plc is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2024. The Consolidated Financial Statements of FDM Group (Holdings) plc are available from the website www.fdmgroup.com.

25 Financial risk management

The Company manages its capital to ensure the Company and all its subsidiaries will be able to continue as a going concern whilst maximising the return to shareholders.

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 Company, which primarily relate to credit, interest, liquidity, capital management and foreign currency risks, which arise in the normal course of the Company's business.

There are no adjustments between the amounts presented in the Statement of Financial Position and the fair values of the assets and liabilities.

Credit risk

Credit risk is managed on a company basis and arises from Cash at bank and in hand and trade debtors. The Company provides credit to customers in the normal course of business and the amount that appears in the Statement of Financial Position is net of an expected credit loss allowance of £252,000 (2023: £252,000).

All material trade debtor balances relate to sales transactions with the Company's blue-chip customer base. At the reporting date, although the Company had significant balances with key customers, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Credit risk is managed through agreed procedures which include managing and analysing the credit risk for new customers and managing existing customers.

Notes to the Financial Statements *(continued)*

25 Financial risk management *(continued)*

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the year end the Company had no external borrowings therefore it has limited exposure to interest rate risk. The Company manages its interest rate risk through regular reviews of its exposure to changes in interest rates.

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash reserves and continuously monitoring forecast and actual cash flows and where appropriate matches the maturity of financial assets and liabilities.

The Company has no borrowings from third parties at the year end and therefore liquidity risk is not considered a significant risk at this time.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor market, creditor, customer and employee confidence and to sustain future investment and development of the business. The capital structure of the Company consists of equity attributable to the equity holders of the Company comprising issued share capital, other reserves and retained earnings.

The Directors monitor the capital structure on a regular basis and determine the level of annual dividend. The Company is not exposed to any externally imposed capital requirements.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The currencies giving rise to this risk are primarily the US Dollar, Canadian Dollar and Euro. The Company has both cash inflows and outflows in these currencies that create a natural hedge.

Fair values

There is no significant difference between the carrying amounts shown in the Statement of Financial Position and the fair values of the Company's financial instruments. For current trade and other debtors or creditors with a remaining life of less than one year, the amortised cost is deemed to reflect the fair value.

Corporate Information

Directors	Rod Flavell	Chief Executive Officer
	Sheila Flavell	Chief Operating Officer
	Andrew Brown	Chief Commercial Officer
	Mike McLaren	Chief Financial Officer
Company Secretary	Mark Heather	
Registered office	3rd Floor Cottons Centre Cottons Lane London SE1 2QG	
Bankers	HSBC Bank plc 8 Canada Square London E14 5HQ	