



INTERIM REPORT

For the six months ended 30 June 2014

FDM Group (Holdings) plc

The next generation of IT and business Consultants

Contents

03	Who we are
04	Highlights
06	Interim management review
10	Segmental review
12	Outlook
13	Condensed consolidated income statement
14	Condensed consolidated statement of comprehensive income
15	Condensed consolidated statement of financial position
16	Consolidated statement of changes in equity
17	Condensed consolidated statement of cash flows
18	Notes to the condensed interim financial statements
25	Statement of Directors' responsibilities
26	Independent review report to FDM Group (Holdings) plc
27	Responsibilities for the condensed consolidated interim financial statements and the review



Who we are

FDM Group (Holdings) plc ("FDM") is an international professional services provider focusing principally on Information Technology.

FDM specialises in recruiting, training and deploying its own permanent IT consultants across six core service areas; Development, Testing, PMO (Project Management Office), Data Analysis, Application Support and Infrastructure operating from offices in London, Manchester, Glasgow, New York, Toronto, Frankfurt and Hong Kong.

With a large number of blue chip clients across its operational territories FDM meets the demands of its customers through the provision of suitably qualified full time employed consultants, known internally as Mounties. FDM's business model has evolved into the current Mountie model over a number of years through a process of refinement and enhancement such that today FDM looks principally to recruit:

- ✓ Graduates local to each of the territories in which it operates, typically but not exclusively training them in-territory and then deploying them onto client sites within the same territory; and
- ✓ Ex-military personnel local to each of the territories in which it operates, training them as IT consultants in that territory and deploying them on client sites in the same territory

FDM strongly supports the recruitment of women into the IT industry and helping their advancement through the "Women in IT" initiative.



The Job Crowd
Top Companies For
Graduates To Work
For 2014/15



UK Guardian 300
Most Popular
Graduate Employers
2013/14



Europe's 500
Fastest Growing
Companies 2013

Highlights

FINANCIAL HIGHLIGHTS

- ✓ Revenue for the six months to 30 June 2014 increased by 13.6% to £56.6 million (2013: £49.8 million)
- ✓ Net fee income⁽¹⁾ for the six months to 30 June 2014 increased by 19.1% to £42.6 million (2013: £35.8 million)
- ✓ Mountie revenue for the six months to 30 June 2014 increased by 20.0% to £41.2 million (2013: £34.4 million)
- ✓ Mountie utilisation rate for the six months to 30 June 2014 was 97.8% (2013: 96.7%)
- ✓ EBITDA for the six months to 30 June 2014 (operating profit before interest, taxation, depreciation and amortisation and exceptionals) increased by 10.6% to £11.0 million (2013: £10.0 million)
- ✓ Group operating profit before exceptional items for the six months to 30 June 2014 increased to £10.7 million (2013: £9.7 million)
- ✓ Exceptional administrative expenses totalled £5.3 million related to the Initial Public Offering of FDM of £4.9 million and exceptional share-based payment costs of £0.4 million (2013: £nil)
- ✓ Group profit before tax after exceptional items for the six months to 30 June 2014 decreased to £5.1 million (2013: £9.6 million). Basic and fully diluted earnings per share for the six months to 30 June 2014 were 2.4 pence per share (2013: 7.0 pence per share)
- ✓ Basic and fully diluted earnings per share excluding exceptional items were 7.5 pence per share (2013: 7.0 pence per share)
- ✓ Net cash position at 30 June 2014 of £5.4 million (2013: £5.0 million)



OPERATIONAL HIGHLIGHTS

- ✓ Admission of FDM's Ordinary shares to the premium listing segment of the Official List and to trading on the London Stock Exchange effective 20 June 2014
- ✓ Strong performance driven by healthy end markets and successful strategy to drive growth
- ✓ The number of Mounties assigned to client sites at the commencement of week 26 was 1,319 (2013 week 26: 1,039, Mounties assigned to client sites at week 52 2013: 1,153)⁽¹⁾

Improvements to the Group's office estate to support growth include:

- ✓ Opening of Toronto and Glasgow academies and sales offices
- ✓ Expansion of London and New York academies
- ✓ Commenced trading in Shanghai and Johannesburg with Mounties now deployed in mainland China and South Africa

Industry awards received during the period included:

- ✓ The JobCrowd's Top 100 Companies For Graduates To Work For 2014/15
- ✓ The JobCrowd's Top IT Services & Consulting Companies To Work For 2014/15
- ✓ USA CivilianJobs.com Most Valuable Employer (MVE) for Military 2014
- ✓ USA Military Times Best for Vets Employer 2014

Rod Flavell, CEO, commented:

"The first half of 2014 was a period of strong operational and financial progress. Client demand is increasing across all our operating territories and, supported by a strong balance sheet and healthy cash generation, we continue to grow our geographic reach, sector focus and service offering. I am confident that the Group is well placed to make good progress for the remainder of the year."

Interim management review



A handwritten signature in black ink, appearing to read 'R Flavell'.

Rod Flavell,
FDM CEO



A handwritten signature in black ink, appearing to read 'I. Martin'.

Ivan Martin,
Non-Executive
Chairman

FDM is an international professional services provider focusing principally on Information Technology.

FDM specialises in recruiting, training and deploying its own permanent IT consultants across six core service areas; Development, Testing, PMO (Project Management Office), Data Analysis, Application Support and Infrastructure operating from offices in London, Manchester, Glasgow, New York, Toronto, Frankfurt and Hong Kong.

Effective from 20 June 2014 FDM's Ordinary shares were admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange and at the same time the name was changed to FDM Group (Holdings) plc from Astra Topco Limited.

FDM's strategy is to drive continued growth in profitability and cash generation primarily through: leveraging its six core service areas through increased Moutie headcount fuelled by the establishment of new Academies; increased penetration into its current client base and expansion of its client base, including through geographic expansion; and the broadening of its knowledge, skills and domain expertise through remaining agile and responsive to shifting technology trends and client demands.

Group results

Reflecting both its healthy end markets and the Group's successful strategy to drive growth, FDM delivered a strong operating performance in the period with Group revenues increasing by 13.6% to £56.6 million (2013: £49.8 million). Operating profit before exceptional items increased by 10.1% to £10.7 million (2013: £9.7 million). Exceptional costs related to the Initial Public Offering of FDM of £4.9 million and exceptional share-based payment costs of £0.4 million (2013: £nil) reduced the Group operating profit to £5.4 million (2013: £9.7 million).

Earnings per share before exceptional items were 7.5 pence (2013: 7.0 pence) whilst earnings per share after exceptional items were 2.4 pence per share (2013: 7.0 pence per share).

Total headcount at week 26 2014, the effective cut off for 30 June 2014, was 1,616 assigned to client sites (2013: 1,336 assigned to client sites). Of this total 1,319 were Mounties (2013: 1,039) and 297 freelancers (2013: 297). This represents a 21.0% increase in the total headcount assigned to client sites and an increase of 27.0% in Mounties assigned to client sites.

Mountie revenues for the six months to 30 June 2014 were 20.0% higher at £41.2 million (2013: £34.4 million) and overall net fee income, comprising Mountie revenue plus the margin on freelancers, was up by 19.1% to £42.6 million (2013: £35.8 million). Within this total and reflecting the planned geographic expansion of the Group's customer base, United Kingdom Mountie revenues increased by 15.2% to £29.5 million (2013: £25.6 million), North American Mountie revenues increased by 63.5% to £7.7 million (2013: £4.7 million), EMEA excluding the UK decreased (see segmental report) by 4.6% to £3.3 million (2013: £3.4 million) and APAC increased by 30.1% to £0.8 million (2013: £0.6 million).

The relative movement in Mountie and freelance headcount, and related revenues, reflect the Group's intention to increase the quantum of higher margin Mountie revenues; this is being driven by growth in the deployment of Mounties to existing and new clients and the launch of new Mountie skillsets.

Exceptional costs

Exceptional costs related to the Initial Public Offering of FDM were £4.9 million with exceptional share-based payment costs of £0.4 million (2013: £nil).

Net finance expense

The net finance expense relates principally to interest on the drawn element of the Group's revolving credit facility, non-utilisation charges on the undrawn element of the Group's revolving credit facility and fees arising from the Group's working capital facility.

FDM Group (Holdings) plc

Interim report for the six months ended 30 June 2014

Taxation

The tax charge of £2.5 million represents the effective tax charge on the Group profit before taxation excluding exceptional items at the Group's effective tax rate of 24.3% (2013: 24.0%). It has been assumed that tax relief will be restricted in respect of costs relating to the IPO of the Group.

Earnings per share

Basic earnings per share for the period were 2.4 pence (2013: 7.0 pence). Earnings per share excluding exceptional items were 7.5 pence per share (2013: 7.0 pence). There is no difference between basic earnings per share and diluted earnings per share.

Statement of financial position and net funds

As at 30 June 2014 the Group had net cash of £5.4 million (2013: net cash £5.0 million). The IPO (Initial Public Offering) on 20 June 2014 included the issue of 2.8 million new shares for consideration in cash which raised approximately £8.0 million of funds for the Group; this cash has been and will be used to meet the expenses of the IPO that fell to the Group and to repay £3.0 million of the Group's revolving credit facility. A further £9.0 million of the facility has been repaid through cash flows generated during the period.

Dividend

No dividend has been proposed for the period to 30 June 2014 (2013: nil). The Board intends to adopt a progressive dividend policy, while allowing it to retain sufficient capital to fund ongoing operating requirements and to invest in the Group's long-term growth.





Segmental review

United Kingdom



The UK remained the cornerstone of the Group's operations with Mountie numbers deployed at week 26 2014 of 950 (2013: 783) and total UK revenue generated for the six months to 30 June 2014 of £42.1million (2013: £36.9 million). Operating profit before exceptional items for the UK for the six months to 30 June 2014 was £8.3 million, an increase of 5.0% over 2013's £7.9 million. The operating profit growth of 5.0% is lower than the revenue growth of 14.0% following the move to new London premises and as we grow to fill the increased cost base.

As the hub of the Group, the UK continues to act as the test bed for new service areas and has a number of initiatives in development that should broaden our sector, client and potential Mountie reach through widening the disciplines in which we train.

The relocation of our flagship London academy and offices in late 2013 to a purpose built location at The Cottons Centre adjacent to London Bridge has more than doubled our capacity to recruit and train Mounties in the South East. In July 2014 we opened our new Glasgow academy and offices, which we believe will better enable us to support our Scottish and North of England clients and Mounties and allow us to access new clients in the region. In July 2014 we also relocated our Brighton facility to smaller offices dedicated to providing back office services to the Group.

North America



In North America our existing New York office took an additional floor at its 14 Wall Street premises to increase capacity and we opened our Toronto office in January 2014. The combined North American operations saw revenue increase by 49.6% to £9.3 million for the six months to 30 June 2014 (2013: £6.2 million) and operating profit increase by 58.1% to £1.9 million (2013: £1.2 million). Mounties on assignment at week 26 2014 in North America were 240, an increase of 54.8% on 2013 week 26 of 155.

Rest of EMEA, excluding UK



Our combined rest of EMEA, excluding UK, saw revenues decrease by 28.0% to £4.3 million (2013: £6.0 million) and operating profit reduce to £0.4 million from £0.7 million. These changes result principally from the planned refocusing of our German operation following the decision to no longer provide freelancers into the territory, rundown the existing freelancer base and focus only on the Mountie model; Mounties on assignment in EMEA at week 26 2014 were 84 against week 26 2013 Mounties on assignment of 74. We anticipate that the changes that we have made in the segment will deliver an improving financial performance in the second half of 2014.

APAC



In APAC we incorporated a wholly foreign owned entity in Shanghai during the period and now have our first Mounties on deployment in mainland China. Revenues for APAC for the six months to 30 June 2014 were up 30.0% to £0.8 million (2013 £0.6 million). Operating profit for the six months to 30 June 2014 was £0.1 million compared with an operating result of £nil in 2013. APAC Mounties assigned at week 26 were 45 against 2013's 27.

Board

Upon the Company's IPO we welcomed three new Non-Executive Directors to the Board being Peter Whiting, Jonathan Brooks and Robin Taylor who between them bring many years of relevant and valuable experience to the team; the biographies for our new Board members and the rest of the Board are available at www.fdmgroup.com/investors

Outlook

Rod Flavell commented on the results:

“The first half of 2014 was a period of strong operational and financial progress. Client demand is increasing across all our operating territories and, supported by a strong balance sheet and healthy cash generation, we continue to grow our geographic reach, sector focus and service offering. I am confident that the Group is well placed to make good progress for the remainder of the year.”



Note: Certain statements in this interim report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Condensed consolidated income statement

for the six months ended 30 June 2014

	Note	Six months to 30 June 2014 (Unaudited) £000	Six months to 30 June 2013 (Unaudited) £000	Year ended 31 December 2013 (Audited) £000
Revenue		56,572	49,786	105,620
Cost of sales		(34,016)	(30,568)	(64,027)
Gross profit		22,556	19,218	41,593
Administrative expenses		(11,860)	(9,505)	(18,975)
Exceptional administrative expenses	8	(5,308)	-	(1,763)
Total administrative expenses		(17,168)	(9,505)	(20,738)
Group operating profit		5,388	9,713	20,855
Financial income		3	-	1
Financial expense		(303)	(76)	(964)
Net finance expense		(300)	(76)	(963)
Analysis of Group profit before tax				
EBITDA		11,004	9,953	23,115
Exceptional administrative expenses		(5,308)	-	(1,763)
Depreciation and amortisation		(308)	(240)	(497)
Net finance expense		(300)	(76)	(963)
Group profit before income tax		5,088	9,637	19,892
Taxation	9	(2,524)	(2,335)	(5,162)
Group profit for the period		2,564	7,302	14,730
Earnings per Ordinary share (expressed in pence per Ordinary share)				
Basic and diluted (before exceptional items)		7.5	7.0	15.7
Basic and diluted (after exceptional items)		2.4	7.0	14.1

Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2014

	Six months to 30 June 2014 (Unaudited) £000	Six months to 30 June 2013 (Unaudited) £000	Year ended 31 December 2013 (Audited) £000
Group profit for the period	2,564	7,302	14,730
Items that may be subsequently reclassified to profit or loss			
Exchange differences on retranslation of foreign operations Tax	(263)	334	21
on items that may be subsequently reclassified to profit or loss	56	(78)	(4)
	<hr/>	<hr/>	<hr/>
Total comprehensive income recognised for the period	2,357	7,558	14,747
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Condensed consolidated statement of financial position

as at 30 June 2014

	Note	30 June 2014 (Unaudited) £000	30 June 2013 (Unaudited) £000	31 December 2013 (Audited) £000
Non-current assets				
Property, plant and equipment		2,483	839	2,504
Intangible assets		19,386	19,379	19,399
Deferred income tax assets		-	76	-
		<u>21,869</u>	<u>20,294</u>	<u>21,903</u>
Current assets				
Trade and other receivables		23,363	20,408	21,028
Cash and cash equivalents	11	8,449	4,978	6,010
		<u>31,812</u>	<u>25,386</u>	<u>27,038</u>
Total assets		<u>53,681</u>	<u>45,680</u>	<u>48,941</u>
Current liabilities				
Borrowings	11	-	-	-
Trade and other payables		17,245	10,253	11,136
Current income tax liabilities		2,094	2,181	2,174
		<u>19,339</u>	<u>12,434</u>	<u>13,310</u>
Non-current liabilities				
Borrowings	11	3,000	-	15,000
Deferred income tax liability		34	23	25
		<u>3,034</u>	<u>23</u>	<u>15,025</u>
Total liabilities		<u>22,373</u>	<u>12,457</u>	<u>28,335</u>
Net assets		<u>31,308</u>	<u>33,223</u>	<u>20,606</u>
Equity attributable to equity holders of the parent				
Share capital	12	1,127	1,018	1,018
Share premium	12	8,364	543	543
Treasury shares		-	(75)	(22)
Other capital reserves		-	318	-
Foreign currency translation reserve		(161)	285	46
Retained earnings		21,978	31,134	19,021
Total equity		<u>31,308</u>	<u>33,223</u>	<u>20,606</u>

Consolidated statement of changes in equity

for the six months ended 30 June 2014

	Share capital £000	Share premium £000	Treasury shares £000	Other capital reserves £000	Foreign currency translation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2014	1,018	543	(22)	-	46	19,021	20,606
Profit for the period	-	-	-	-	-	2,564	2,564
Other comprehensive income for the year	-	-	-	-	(207)	-	(207)
Total comprehensive income for the period	-	-	-	-	(207)	2,564	2,357
Share-based payment	-	-	-	421	-	-	421
Transfer to retained earnings	-	-	-	(421)	-	421	-
Sale of treasury shares	-	-	22	-	-	-	22
Bonus issue (note 12)	81	(53)	-	-	-	(28)	-
Issue of new shares (net of issue costs)	28	7,874	-	-	-	-	7,902
Balance at 30 June 2014 (unaudited)	1,127	8,364	-	-	(161)	21,978	31,308
Balance at 1 January 2013	1,018	543	(75)	318	29	23,832	25,665
Profit for the period	-	-	-	-	-	7,302	7,302
Other comprehensive income for the period	-	-	-	-	256	-	256
Total comprehensive income for the period	-	-	-	-	256	7,302	7,558
Balance at 30 June 2013 (unaudited)	1,018	543	(75)	318	285	31,134	33,223
Balance at 1 January 2013	1,018	543	(75)	318	29	23,832	25,665
Profit for the year	-	-	-	-	-	14,730	14,730
Other comprehensive income for the period	-	-	-	-	17	-	17
Total comprehensive income for the period	-	-	-	-	17	14,730	14,747
Share-based payment	-	-	-	114	-	-	114
Transfer to retained earnings	-	-	-	(432)	-	432	-
Purchase of treasury shares	-	-	(428)	-	-	-	(428)
Issue of treasury shares	-	-	481	-	-	(53)	428
Dividends paid	-	-	-	-	-	(19,920)	(19,920)
Balance at 31 December 2013 (audited)	1,018	543	(22)	-	46	19,021	20,606

Condensed consolidated statement of cash flows

for the six months ended 30 June 2014

	Six months to 30 June 2014 (Unaudited) £000	Six months to 30 June 2013 (Unaudited) £000	Year ended 31 December 2013 (Audited) £000
Cash flows from operating activities			
Group profit before tax for the period	5,088	9,637	19,892
Adjustments for:			
Depreciation and amortisation	308	240	497
Financial income	(3)	-	(1)
Financial expense	303	76	964
Share-based payment expense	421	-	114
Loss on disposal of non-current assets	-	-	17
(Increase)/decrease in trade and other receivables	(2,334)	594	26
Increase/(decrease) in trade and other payables	6,102	(721)	(30)
Cash flows generated from operations	9,885	9,826	21,479
Interest received	3	-	1
Income tax paid	(2,595)	(2,334)	(5,090)
Net cash flow from operating activities	7,293	7,492	16,390
Cash flows from investing activities			
Acquisition of property, plant and equipment	(283)	(46)	(2,003)
Acquisition of other intangible assets	(6)	(23)	(68)
Net cash used in investing activities	(289)	(69)	(2,071)
Cash flows from financing activities			
Proceeds from issuance of Ordinary shares	8,000	-	-
Share issue costs	(98)	-	-
Drawdown of borrowings	-	-	20,000
Repayment of borrowings	(12,000)	(4,808)	(9,808)
Finance costs paid	(278)	(76)	(798)
Dividends paid	-	-	(19,920)
Net cash used in financing activities	(4,376)	(4,884)	(10,526)
Net increase in cash and cash equivalents	2,628	2,539	3,793
Effect of exchange rate fluctuations on cash held	(189)	220	(2)
Cash and cash equivalents at beginning of period	6,010	2,219	2,219
Cash and cash equivalents at end of period	8,449	4,978	6,010

Notes to the condensed interim financial statements

for the six months ended 30 June 2014

1 General information

FDM Group (Holdings) plc (formerly Astra Topco Limited and hereafter referred to as the “Company”) and its subsidiaries (together the “Group”) is an international professional services provider focusing principally on Information Technology, specialising in the recruitment, training and deployment of its own permanent IT consultants.

The Company is a public limited company incorporated in the UK with a premium listing on the London Stock Exchange. The Company was admitted to the London Stock Exchange on 20 June 2014. The Company’s registered office is at The Cottons Centre, Cottons Lane, London, SE1 2QG and its registered number is 07078823.

These condensed interim financial statements were approved for issue by the Board of Directors on 29 July 2014. They have not been audited, but have been subject to an independent review by PricewaterhouseCoopers LLP, whose independent report is included on pages 22 and 23.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2013 were approved by the Board of Directors on 29 April 2014 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2 Basis of preparation

These condensed interim financial statements for the six months ended 30 June 2014 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority (previously the Financial Services Authority) and IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union. These condensed interim financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2013, which has been prepared in accordance with IFRSs as adopted by the European Union.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and for this reason they continue to adopt the going concern basis in preparing its condensed interim financial statements.

3 Significant accounting policies

These condensed interim financial statements have been prepared in accordance with the accounting policies, methods of computation and presentation adopted in the financial statements for the year ended 31 December 2013.

The new, revised or amended standards and interpretations below are mandatory for the first time for the financial year ending 31 December 2014, none of which have had any significant impact on these financial statements. New, revised or amended standards and interpretations that are not yet effective have not been early adopted.

IFRIC 21 “Levies” (endorsed for annual periods beginning on or after 1 January 2014)

IAS 27 (revised 2011), “Separate financial statements” (endorsed for annual periods beginning on or after 1 January 2014)

IAS 28 (revised 2011), “Investments in associates and joint ventures” (endorsed for annual periods beginning on or after 1 January 2014)

IAS 32 (amendment), “Financial instruments – Presentation on asset and liability offsetting” (endorsed for annual periods beginning on or after 1 January 2014)

3 Significant accounting policies (continued)

IFRS 10 "Consolidated financial statements" (endorsed for annual periods beginning on or after 1 January 2014)

IFRS 11 "Joint arrangements" (endorsed for annual periods beginning on or after 1 January 2014)

IFRS 12 "Disclosure of interests in other entities" (endorsed for annual periods beginning on or after 1 January 2014)

Amendments to IFRS 10, IFRS 11 and IFRS 12 (endorsed for annual periods beginning on or after 1 January 2014)

IASB narrow-scope amendments to IAS 36, "Impairment of assets" (effective for annual periods beginning on or after 1 January 2014)

4 Estimates

When preparing the condensed interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2013. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period excluding disallowable exceptional items.

5 Seasonality

The Group is not significantly impacted by seasonality trends. A lower number of working days in the first half of the year are approximately offset by increased annual leave in the second half of the year.

6 Significant events and transactions

On 20 June 2014, the Company was successfully admitted to the London Stock Exchange achieving a premium listing and placement of 107,517,506 ordinary shares at £2.87 per share. The placement raised £8 million for the Company through the issue of 2,787,457 new ordinary shares and £221 million for selling shareholders net of selling shareholder costs.

7 Segmental reporting

Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used to assess both performance and strategic decisions. Management has identified that the Board of Directors is the chief operating decision maker in accordance with the requirements of IFRS 8 "Operating segments".

At 30 June 2014, the Board of Directors consider that the Group is organised on a worldwide basis into four core geographical operating segments:

- (1) UK;
- (2) Rest of Europe, Middle East and Africa ("EMEA");
- (3) North America; and
- (4) Asia Pacific ("APAC")

Each geographical segment is engaged in providing services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

Sales between segments are carried out at arm's length. All segment revenue, profit before taxation, assets and liabilities are attributable to the principal activity of the Group, being an international IT services provider.

During the six month period to 30 June 2014 there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segmental profit or loss.

7 Segmental reporting (continued)

Segmental reporting for the six months ended 30 June 2014

	UK £000	Rest of EMEA £000	North America £000	APAC £000	Total £000
Revenue	42,123	4,307	9,342	800	56,572
Operating profit before exceptional items, depreciation and amortisation	8,502	362	2,014	126	11,004
Depreciation and amortisation	(215)	(12)	(80)	(1)	(308)
Segment operating profit before exceptional items	8,287	350	1,934	125	10,696
Exceptional administrative expenses	(5,308)	-	-	-	(5,308)
Segment operating profit	2,979	350	1,934	125	5,388
Finance income	3	-	-	-	3
Finance costs	(295)	(6)	(2)	-	(303)
Profit before tax	2,687	344	1,932	125	5,088
Total assets	44,452	3,307	5,233	689	53,681
Total liabilities	(18,578)	(825)	(2,774)	(196)	(22,373)

Segmental reporting for the six months ended 30 June 2013

	UK £000	Rest of EMEA £000	North America £000	APAC £000	Total £000
Revenue	36,940	5,986	6,245	615	49,786
Operating profit/(loss) before exceptional items, depreciation and amortisation	8,056	711	1,223	(37)	9,953
Depreciation and amortisation	(163)	(11)	(65)	(1)	(240)
Segment operating profit before exceptional items	7,893	700	1,158	(38)	9,713
Exceptional administrative expenses	-	-	-	-	-
Segment operating profit/(loss)	7,893	700	1,158	(38)	9,713
Finance income	-	-	-	-	-
Finance costs	(71)	(4)	(1)	-	(76)
Profit/(loss) before tax	7,822	696	1,157	(38)	9,637
Total assets	36,400	5,053	3,730	497	45,680
Total liabilities	(8,823)	(1,145)	(2,349)	(140)	(12,457)

7 Segmental reporting (continued)

Segmental reporting for the year ended 31 December 2013

	UK £000	Rest of EMEA £000	North America £000	APAC £000	Total £000
Revenue	77,323	12,171	14,822	1,304	105,620
Operating profit before exceptional items, depreciation and amortisation	17,725	1,711	3,595	84	23,115
Depreciation and amortisation	(335)	(24)	(136)	(2)	(497)
Segment operating profit before exceptional items	17,390	1,687	3,459	82	22,618
Exceptional administrative expenses	(1,720)	-	(43)	-	(1,763)
Segment operating profit	15,670	1,687	3,416	82	20,855
Finance income	1	-	-	-	1
Finance costs	(964)	-	-	-	(964)
Profit before tax	14,707	1,687	3,416	82	19,892
Total assets	40,042	3,926	4,380	593	48,941
Total liabilities	24,409	1,373	2,350	203	28,335

Information about major customers

Revenue from each customer that represents 10% or more of the Groups revenues is attributable to all four operating segments and is presented as follows:

	Six months to 30 June 2014 £000	Six months to 30 June 2013 £000	Year ended 31 December 2013 £000
Customer A	12,493	12,459	24,871
Customer B	3,648	4,967	10,568

8 Exceptional administrative expenses

During the six months ended 30 June 2014, the Group incurred exceptional costs of £4,887,000 in respect of its listing on the London Stock Exchange. The Group also incurred an exceptional share-based payment expense of £421,000 in the period. The tax effect of the exceptional items is documented in note 9.

9 Taxation

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2014 is 24.3% (the estimated tax rate for the six months ended 30 June 2013 was 24.0%). The taxation charge is higher than the expected annual tax rate in the period to 30 June 2014 due to £5,308,000 of exceptional administrative expenses which have been assumed to be disallowable for tax purposes and had the effect of increasing the effective tax rate to 49.6%.

FDM Group (Holdings) plc

Interim report for the six months ended 30 June 2014

10 Dividends

The Company has not declared or paid dividends in the six month period ended 30 June 2014 (six month period ended 30 June 2013: £nil).

During the year ended 31 December 2013 the Company paid dividends of £20 million (£0.20 per share).

11 Net debt/cash (non-GAAP measure)

	30 June 2014 £000	30 June 2013 £000	31 December 2013 £000
Analysis of net debt			
Revolving credit facility	3,000	-	15,000
Total debt	3,000	-	15,000
Less cash and cash equivalents	(8,449)	(4,978)	(6,010)
Net (cash)/debt	(5,449)	(4,978)	8,990

Net debt is defined as borrowings less net cash and cash equivalents. During the period the Group repaid £12,000,000 of borrowings.

12 Share capital and share premium

On 20 June 2014 a reorganisation of the Company's share capital took place. Immediately prior to the reorganisation the issued share capital of the Company was as follows:

	Number	Nominal value (£)
A Shares	61,500,000	0.01
B Shares	36,454,805	0.01
C Shares	2,045,195	0.01
D Shares	1,839,520	0.01
Exit Shares	8,090,921	0.0000001

The reorganisation involved the following steps being taken in respect of the share capital of the Company:

- certain of the distributable profits of the Company and an amount standing to the credit of the Company's share premium account were capitalised in order to pay up in full 809,084,009,079 new Exit Shares (the "New Exit Shares") on a 99,999:1 basis to the holders of the existing Exit Shares;
- the 809,084,009,079 New Exit Shares and the 8,090,921 existing Exit Shares were consolidated into 8,090,921 exit shares of £0.01 each (the "Consolidated Exit Shares");
- the following shares were reclassified as deferred shares of £0.01 each, having the rights set out in the articles of association of the Company:

12 Share capital and share premium (continued)

	Number	Nominal value (£)
A Shares	1,722,591	0.01
B Shares	996,403	0.01
C Shares	57,061	0.01
D Shares	1,839,520	0.01
Consolidated Exit Shares	584,817	0.01
	<u> </u>	<u> </u>

iv) the remaining A Share, B Shares, C Shares, D Shares and Consolidated Exit Shares were reclassified into Ordinary shares of £0.01 each having the rights set out in the articles of association of the Company.

The Deferred Shares are not entitled to any dividend or distribution and the holders have no right to attend, speak or vote at any general meeting of the Company by virtue of their holdings of any Deferred Shares. The holder of each Deferred Share has the right to receive, after the holders of all other shares in the capital of the Company (other than the Deferred Shares) then in issue have received £10,000,000 in respect of each such share held by them.

Immediately following the reorganisation the Company issued 2,787,457 new Ordinary shares to investors as part of its initial public offering and admission to the premium listing segment of the official list of the UK listing authority and to trading on the London Stock Exchange's main market for listed securities (the "IPO").

The share capital of the Company immediately following the reorganisation and the issuance of new shares in the IPO was as follows:

	Number	Nominal value (£)
Ordinary Shares	107,517,506	0.01
Deferred Shares	5,200,392	0.01
	<u> </u>	<u> </u>

13 Related party transactions

The key management personnel comprise the Directors of the Group. The compensation of key management is set out below:

	30 June 2014 £000	30 June 2013 £000	31 December 2013 £000
Short-term employee benefits	874	843	1,693
Post-employment benefits	11	8	17
Share-based payments	421	-	114
	<u>1,306</u>	<u>851</u>	<u>1,824</u>

14 Financial instruments

There are no differences between the fair value of the financial assets and liabilities included within the following categories in the condensed consolidated statement of financial position and their carrying value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

15 Risks and uncertainties

The Board regularly reviews key risks and uncertainties and has concluded that the disclosure in last year's Annual report and financial statements remains appropriate. These risks and uncertainties, which relate to customers, markets and sectors, recruitment of individuals to train, training facilities and materials, people, technology, compliance with laws and regulations, currency fluctuations and financing, should be read in conjunction with the interim management review for the half year ended 30 June 2014 on pages 6 to 8.



Statement of Directors' responsibilities

The Directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union, and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure and Transparency Rules of the Financial Conduct Authority, namely:

- ✓ an indication of important events that have occurred during the first six months and their impact on the condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- ✓ material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report

Directors who held office during the period:

Ivan Martin.....(Non-Executive Chairman)
 Roderick Flavell.....(Chief Executive Officer)
 Sheila Flavell.....(Chief Operating Officer)
 Andrew Brown.....(Group Commercial Director)
 Michael McLaren.....(Finance Director)
 John Hart.....(Non-Executive Director) – resigned 16 June 2014
 Richard Swann.....(Non-Executive Director) – resigned 16 June 2014
 Jonathan Brooks.....(Non-Executive Director) – appointed 20 June 2014
 Peter Whiting.....(Non-Executive Director) – appointed 20 June 2014
 Robin Taylor.....(Non-Executive Director) – appointed 20 June 2014


The Executive Directors and Chairman of FDM were listed in the financial statements of the Company for the year ended 31 December 2013 and remained the same in the six months to 30 June 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



Rod Flavell
(Chief Executive Officer)



Mike McLaren
(Chief Financial Officer)

29 July 2014

Independent review report to FDM Group (Holdings) plc

Report on the condensed interim financial statements

Our conclusion

We have reviewed interim report, defined below, of FDM (Holdings) plc for the six months ended 30 June 2014. Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

What we have reviewed

The interim report, which is prepared by FDM Group (Holdings) plc, comprise:

- ✓ the condensed consolidated statement of financial position as at 30 June 2014
- ✓ the condensed consolidated income statement and the condensed consolidated statement of comprehensive income for the period then ended
- ✓ the condensed consolidated statement of cash flows for the period then ended
- ✓ the condensed consolidated statement of changes in equity for the period then ended; and
- ✓ the explanatory notes to the interim report

As disclosed in note 2, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The interim report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What a review of condensed consolidated interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

Responsibilities for the condensed consolidated interim financial statements and the review

Our responsibilities and those of the Directors

The interim report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the Company a conclusion on the interim report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London

29 July 2014

FDM Group

3rd Floor, Cottons Centre, Cottons Lane, London SE1 2QG

Tel: +44 (0) 203 056 8240

Fax: +44 (0) 870 757 7634

Email: enquiries@fdmgroup.com

UK

USA

CANADA

GERMANY

SWITZERLAND

LUXEMBOURG

SOUTH AFRICA

HONG KONG

SINGAPORE

CHINA