ANNUAL REPORT AND ACCOUNTS 2015

FDM Group (Holdings) plc

Creating and inspiring exciting careers that shape our digital future

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About FDM

The Group

FDM Group (Holdings) plc ("the Company") and its subsidiaries (together "the Group" or "FDM") is a global professional services provider with a focus on Information Technology ("IT") and with over 160 clients in a variety of industries.

The Group's principal business activities involve recruiting, training and placing its own permanent IT and business consultants (known as "Mounties") at client sites. This is across a range of technical and business disciplines including Development, Testing, Support, Project Management Office ("PMO"), Data Services, Business Analysis, Business Intelligence and Cyber Security. The Group also supplies contractors to customers, either to supplement its own employed consultants' skill sets or to provide greater experience where required.

The Group has training academies and sales operations in dedicated facilities located in London, Leeds, Glasgow, New York, Toronto, Frankfurt and Hong Kong. In addition, FDM has a sales office in Singapore and operates in mainland China, Ireland, France, Switzerland, Luxembourg, Austria and South Africa. FDM has established partnerships with key universities, enabling it to recruit high quality graduates to train as Mounties.

FDM is a strong advocate of diversity and inclusion in the workplace, with around 60 nationalities working together as a team. The Group encourages and supports the recruitment of women into the IT industry, promoting their advancement through the "FDM Women in IT" initiative. The Group also actively recruits ex-Forces personnel in both the UK and the USA, as well as having a "Returners to Work" programme in Hong Kong, aiding those workers who are ready to re-enter the workplace after a career break.

Strategy

FDM's strategy is to deliver customer led, sustainable profitable growth on a consistent basis. This strategy requires that all activities and investments produce the appropriate level of profit and cash returns, deliver sustained and measurable improvements for all stakeholders including customers, staff and shareholders and further FDM's objective of launching the careers of talented people worldwide.

The Group's strategy is to increase the number of Mounties on site delivering IT and business services to its customers through:

- Establishing new training academies and investing in operational capacity and new service areas;
- Increasing the number of Mounties on site across our existing customer base and growing the number of new customers;
- Expanding its geographic presence across the territories in which we operate; and
- Being agile and responsive to shifting technology trends and customer demands.

FDM's vision and values

FDM's vision is to be recognised as the leading provider of innovative and specialised IT and business services making it the preferred choice in the market place whilst creating and inspiring exciting careers that shape our digital future. This is driven through the following values:

AMBITION

- We set ourselves challenging goals and are determined to achieve them

COLLABORATION

- We work best when we work together

ENERGY

- We thrive on activity and getting things done

INCLUSIVITY

- We embrace and bring together the best people with diverse backgrounds and experiences

PROFESSIONALISM

- We work to high standards

GROWTH

- We like to be challenged and have a willingness to learn, innovate and improve

Forward-looking statements

This Annual Report contains statements which constitute "forward-looking statements". 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 be correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

"Our values are part of our DNA. They define the way we work with each other and with our clients, academic partners and key stakeholders."

Rod Flavell
Chief Executive Officer

Highlights

FDM has delivered on its key financial and operational objectives.

Financial highlights

	31 December 2015	31 December 2014	% change
Revenue	£160.7m	£123.3m	30.3%
Mountie revenue	£119.4m	£88.9m	34.3%
Adjusted[1] Group operating profit	£30.2m	£24.9m	21.3%
Group profit before tax	£29.4m	£19.0m	54.7%
Adjusted[1] Group profit before tax	£30.1m	£24.4m	23.4%
Basic earnings per share	20.5p	12.7p	61.4%
Adjusted[1] basic earnings per share	21.0p	17.5p	20.0%
Net cash position at year end	£22.4m	£12.3m	82.1%
Cash flow generated from operations	£36.5m	£19.3m	89.1%
Adjusted[1] cash flow generated from operations	£36.5m	£24.6m	48.4%
Adjusted[1] cash conversion	121.3%	101.1%	20.0%
Ordinary dividend per share[2]	16.5p	7.5p	120.0%
Special dividend per share[2]	5.0p	–	n/a

Operational highlights

- Mounties assigned to client sites at the commencement of week 52 were up 31% at 2,022 (2014: 1,539)[3]
- Total headcount assigned to client sites at week 52 was up 26% at 2,329 (2014: 1,845)[3]
- Mountie utilisation rate for the year to 31 December 2015 was 97.8% (2014: 98.4%)
- Further successful geographic expansion into new territories and strong growth in Mounties on client sites across all regions
- 65 new clients in 2015
- Continued investment in training academies in each of our geographic locations such that by 31 March 2016 we will have increased global training capacity by 33% over March 2015
- Final dividend of 8.5 pence per share giving a total ordinary dividend for the year of 16.5 pence, in addition to a special dividend of 5.0 pence per share

1 The adjusted Group operating profit, adjusted profit before tax, adjusted cash flow generated from operations and adjusted cash conversion are calculated before exceptional items and performance share plan expenses (including social security costs). The adjusted basic earnings per share is calculated before the impact of exceptional items and performance share plan expenses (including social security costs and associated deferred tax).

2 The dividend in 2015 is in respect of the full year ended 31 December 2015 and represents an interim dividend of 8.0 pence per share and a proposed final dividend of 8.5 pence per share, in addition to a proposed special dividend of 5.0 pence per share. The dividend declared in 2014 is in respect of the period from admission to the London Stock Exchange on 20 June 2014 to 31 December 2014.

3 Week 52 in 2015 commenced on 21 December 2015 (2014: week 52 commenced on 22 December 2014).

Industry awards received during the year included:

- The JobCrowd – Top 100 Companies For Graduates To Work For 2015/16 (also won in 2014/15)
- The JobCrowd – Top IT Services and Consulting Companies For Graduates To Work For 2015/16
- Shares Awards – Best Main Market Company Achievement 2015
- European CEO Awards – Best CEO in the IT Industry 2015
- CEO Insight Awards – Best IT Services Employer 2015
- Information Age Women in IT Awards – Editor's Choice 2015
- Computer Weekly – Top 50 Most Influential Women in UK IT 2015
- USA Military Times – Best for Vets Employer 2015 (also won in 2014)
- USA CivilianJobs.com – Most Valuable Employer for Military 2015 (also won in 2014)

Chairman's Statement

"The ongoing investment in our people and infrastructure continues to deliver significant growth in Mounties deployed, Mountie revenue, profitability, cash generation and shareholder returns."

Performance

I am delighted to report another year of strong performance by the Group. We delivered a 31% growth in Mountie headcount in 2015 achieving a record 2,022 Mounties placed with clients by week 52 2015 (week 52 2014: 1,539). Global revenues increased by 30% to £160.7 million (2014: £123.3 million) with growth in revenues and operating profits being delivered by each of our operating regions.

During 2015 we secured 65 new clients across multiple sectors and now have a presence in finance, media, insurance, energy, aviation, government and not-for-profit sectors. We have expanded the regions in which we operate, placing Mounties for the first time in Austria and expanding into six new states in the USA. We have strengthened our partnerships with many universities, clients and military associations which enable us to continue creating and inspiring exciting careers that shape our digital future.

Strategic investment

At the core of our strategy is investment in our people and in our infrastructure. A key feature of 2015 has been the accelerated investment in our training academies; a combination of new facilities in new locations or larger facilities in existing locations. In June 2015 we opened an academy in Leeds, followed by openings in Glasgow and Hong Kong immediately after the year end, with a new and significantly enlarged facility opening in Toronto in April 2016. We are currently sourcing a new satellite centre in the USA which will enable us to accommodate the growing demand from our existing customers in states outside of the tri-state area of New York, New Jersey and Connecticut. We will continue to open and hire temporary training facilities to accommodate our client needs where required. The training offered through our academy facilities is continuously enhanced, refined and expanded in order to suit new and existing customers, territories and markets.

In 2015 we introduced a performance share plan that has enabled us to widen the factors motivating and rewarding our staff for their contribution to the success of the Group. We have also made some key personnel appointments in the year to ensure we are well placed to continue to deliver growth, excellent services to all of our customers and outstanding careers to our Mounties.

Board changes

I am delighted to welcome Michelle Senecal de Fonseca and David Lister to the Board, Michelle joined the Board on 15 January 2016 and David's appointment will commence on 9 March 2016. Their significant experience and capabilities further strengthen the Board.

I would like to thank Jonathan Brooks, who stepped down during the year, for his contribution to the Group during his tenure.

Dividends

I am pleased to report that the Directors are proposing a final dividend of 8.5 pence per share, which together with the interim dividend gives a total ordinary dividend per share for the year of 16.5 pence. I am also pleased to report that the Board is proposing a special dividend of 5.0 pence per share. It is our intention to continue to deliver increasing shareholder returns in part through our progressive dividend policy.

Current trading and outlook

2016, our 25th trading year, has started well for the Group and I am confident that we are well placed to deliver another year of good progress.

I would like to thank all of our employees for their hard work and dedication over the past year whose commitment and energy continue to drive the Group forward.

I. Martin

Ivan Martin
Chairman

8 March 2016

Chief Executive's Review

"I am exceptionally proud of what FDM has achieved in 2015. The Group, across all its regions, delivered a strong financial performance, materially grew the number of Mounties on site and accelerated our UK and international Academy expansion programme. Notwithstanding significant investments made in the year in people and facilities to underpin our future growth, we finished 2015 with net cash balances of £22.4 million. Reflecting the Group's strong cash position and the Board's confidence in the business, the Board is also proposing a special dividend of 5.0 pence per share, equivalent to £5.4 million."

Our strategy

Our strategy, which is to deliver customer led, sustainable profitable growth on a consistent basis, is enabled by:

- Attracting, training and developing high-calibre consultants globally ("Mounties");
- Investing in operational capacity through the development of state-of-the-art training facilities ("Academies");
- Providing excellent client service to attract new clients and to retain and expand contracts with existing clients ("Clients"); and
- Developing new service capabilities in current markets and in new markets which offer attractive growth opportunities ("New markets and services").

We have made good progress against our strategic objectives in 2015 as set out below:

Mounties

- FDM is now amongst the UK's largest graduate employers.
- FDM's reputation amongst leading universities is growing with excellent feedback.
- A 31% increase in the number of Mounties placed in all territories, reaching a record 2,022 at week 52 in 2015.
- Ex-Forces Programme performing strongly with over 130 personnel placed at client sites across all territories.
- Numerous employer awards won by FDM as detailed in the Highlights section on page 6.
- Improved funding initiatives during training for Mounties.

Academies

- Four new Academies opened in 2015 or early 2016:
  - Leeds, a new location for FDM, replacing its existing Manchester facility;
  - Glasgow, enlarged premises in existing location;
  - Hong Kong, enlarged premises in existing location with the addition of a training Academy; and
  - Toronto, a new and significantly enlarged facility in existing location.
- 1,240 individuals trained through FDM's Academies in the year, an increase of 32% compared with 2014.

Clients

- 65 new clients across all territories.
- Increased presence and diversification in the key sectors in which FDM operates.

New markets and services

- Three new service offerings successfully launched: Business Analysis; Business Intelligence; and Cyber Security.
- Recruitment of new Group Chief Information Officer to drive the expansion of the Group's existing range of technical and business disciplines.
- Six new US states entered into, including Virginia and California.

Our markets

An overview of the financial performance of and developments in each of the markets in which we operate is set out on pages 15 and 16. Whilst significant growth and progress was made across all markets, North America in particular had an outstanding year. We gained 16 new clients across the region, with one of FDM's new clients in 2015 already our largest client in North America, a remarkable achievement in such a short period of time. What we have achieved with this client demonstrates the quality and flexibility of the FDM model and the lengths FDM will go to in order to meet its customers' needs.

Case study

Engagement

In early 2015 FDM was engaged by a US client to provide a pool of trained, readily available, local resource to facilitate a planned systems transformation.

Delivery

In partnership with the US client team lead, FDM designed an intensive and tailored programme to train Mounties in relevant technologies and methodologies. FDM set up a remote "pop-up" training centre in Virginia, enabling local talent to be sourced and trained by experienced FDM trainers near the US client's main operation.

To facilitate the knowledge transition and to reduce the on boarding phase, a Senior FDM consultant and FDM Business Development Manager were embedded into the US client's team. Through a combination of shadowing current activity, work environment analysis, and hands-on activity, a full picture of the US client's requirements was captured and incorporated into FDM's training programme.

Outcome

FDM successfully placed an initial 30 Mounties, followed by an additional 45 by week 52 2015. The total Mounties on site has since grown to 80 by February 2016. The feedback received from the client has been excellent, with further requests for consultants in the first quarter of 2016.

Our people

Our Mounties and staff are the face of FDM; it is their quality and delivery which enables us to grow our business with existing customers and to win new customers. During 2015, we trained 1,240 Mounties, an increase of 32%. This was only possible because of the strength of our management, recruitment, sales and training teams. We continue to seek ways to ensure we are able to retain and develop our best people and to this end introduced a new share award scheme in the year, the details of which are explained in note 25 to the Consolidated Financial Statements. We have also improved our funding initiatives for Mounties in training to ensure we continue to attract the best resource available.

We championed a number of people initiatives in the year; FDM currently employs over 130 ex-Forces personnel in the UK and USA and FDM USA was recognised as a Most Valuable Employer for Military USA (by CivilianJobs.com) and a Best for Vets Employer (by USA Military Times) for the second year running. The Group continues to support the advancement of women into the IT industry through the "FDM Women in IT" initiative. 26% of the Group's workforce is now female. We also established in the year, the "Returners to work" initiative in Hong Kong, which helps individuals re-train, upskill, and return to the work place after a career break.

Looking forward

We have made a strong start to 2016 and I believe the Group is well placed to continue to deliver growth.

Rod Flavell
Chief Executive Officer

8 March 2016

Business Model

A model designed to create sustainable growth

We recruit

Successful partnerships with key universities and ex-Forces partners

A graduate programme offering quality training, commercial experience and opportunity for fast-track career progression to attract the best candidates

We train

Strategically located training Academies with highly skilled trainers

Intensive three month training programme combining technical education with industry-standard certifications and professional training

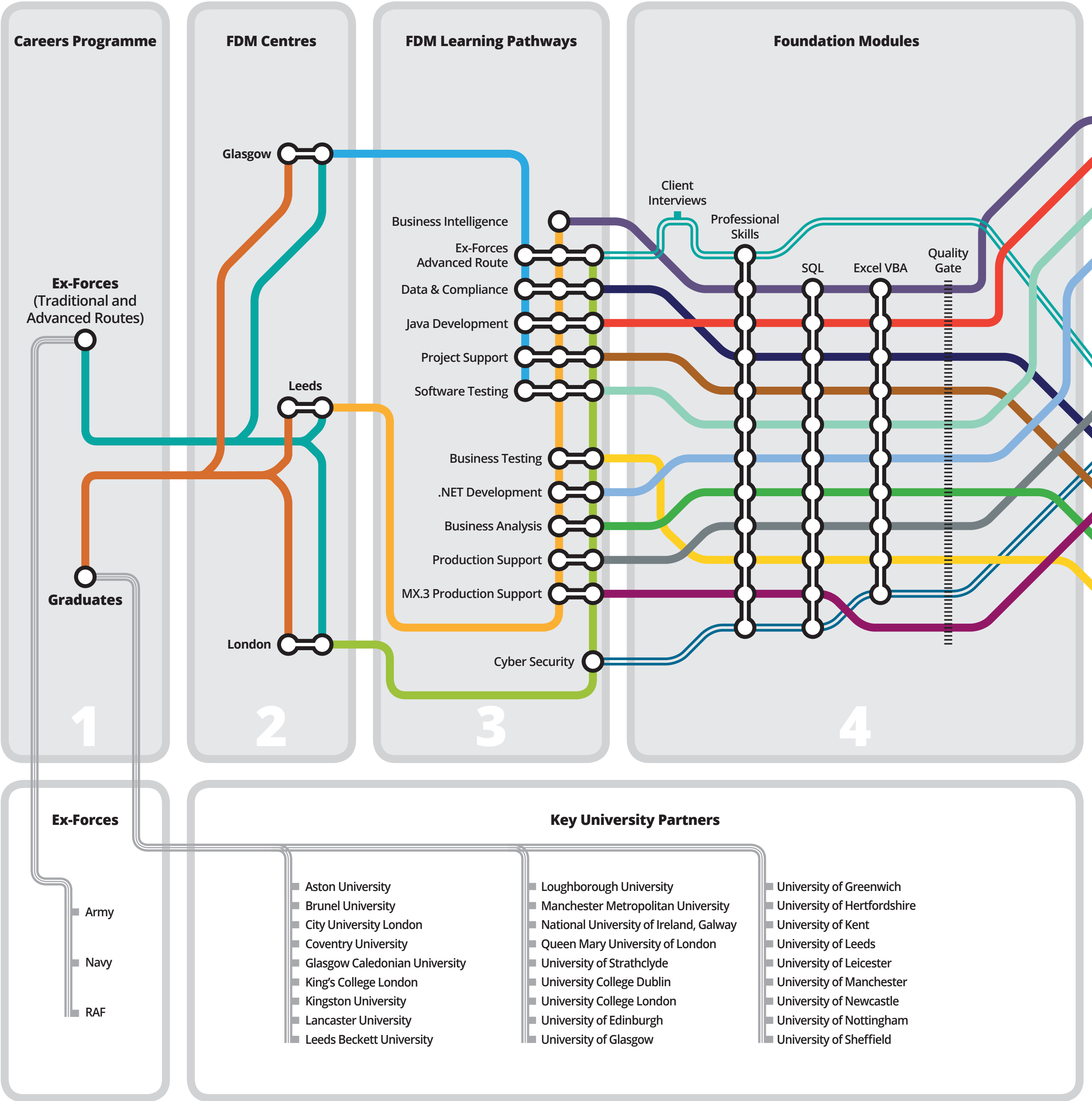
Advancement and career progression enabled

We deploy

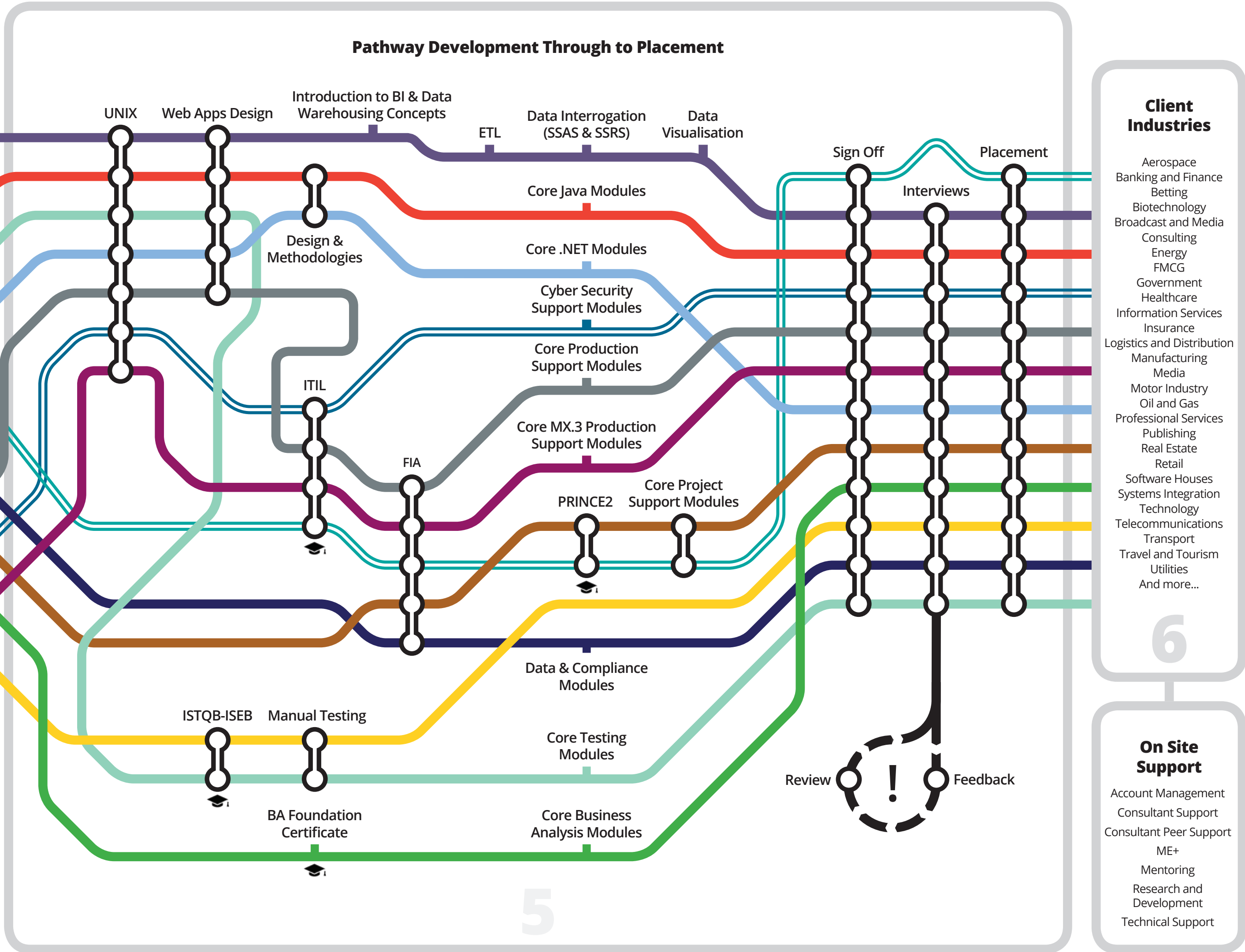
Highly skilled resource which is fully operational at client sites from day one

FDM is a global organisation whose Mountie model benefits clients with a global presence

Mounties are able to transition permanently to clients once their two year bond period is complete, offering the opportunity for continuity and minimum disruption to clients when needed



The above illustration represents the FDM model as applied to its UK business.

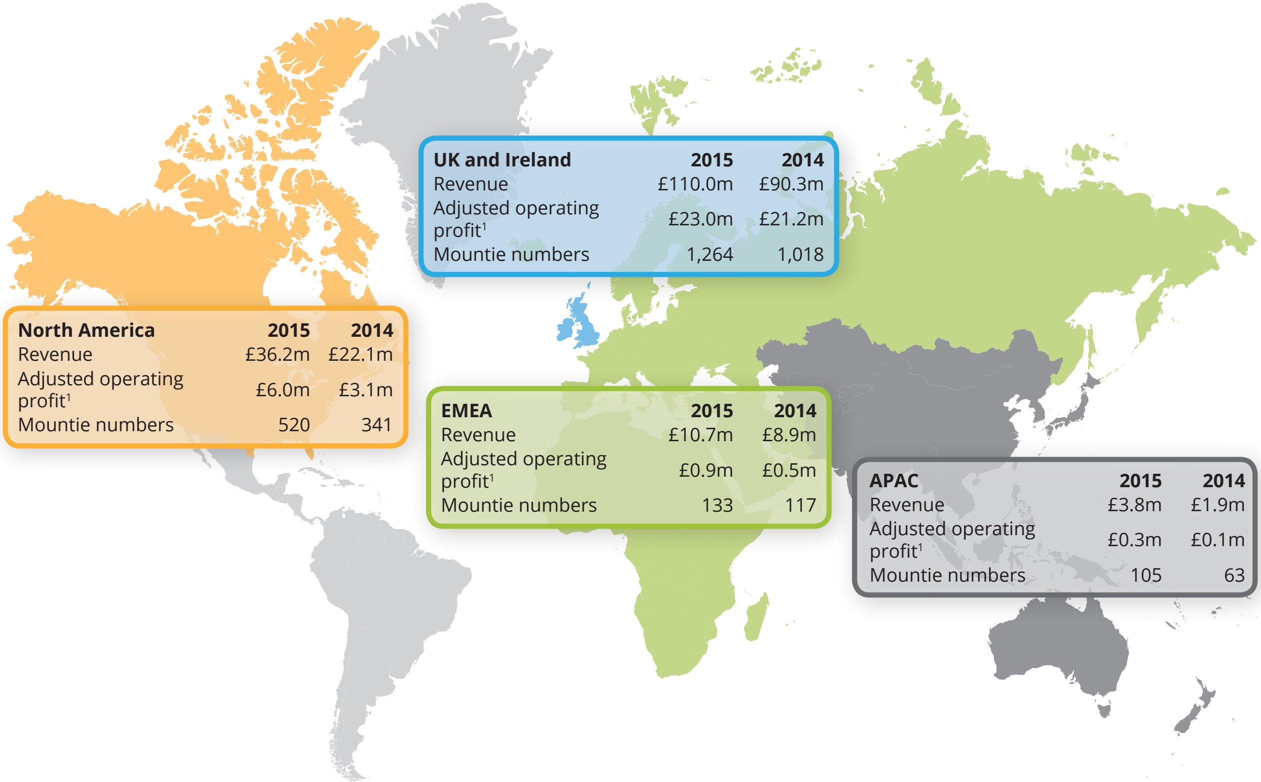


Key

- Graduate Trainees
- Ex-Forces Trainees
- Glasgow Centre
- Leeds Centre
- London Centre
- Business Analysis Course
- Business Testing Course
- Cyber Security Course
- Data & Compliance Course
- Ex-Forces Advanced Route
- Java Development Course
- MX.3 Production Support Course
- .NET Development Course
- Production Support Course
- Project Support Course
- Software Testing Course
- Business Intelligence
- Key Strategic University/Ex-Forces Partners
- Quality Gate (Confirmation of Learning Pathway)
- Consultant Post-Interview Feedback and Review
- Qualifications

Our Markets

Highlights



UK and Ireland	2015	2014
Revenue	£110.0m	£90.3m
Adjusted operating profit[1]	£23.0m	£21.2m
Mountie numbers	1,264	1,018

North America	2015	2014
Revenue	£36.2m	£22.1m
Adjusted operating profit[1]	£6.0m	£3.1m
Mountie numbers	520	341

EMEA	2015	2014
Revenue	£10.7m	£8.9m
Adjusted operating profit[1]	£0.9m	£0.5m
Mountie numbers	133	117

APAC	2015	2014
Revenue	£3.8m	£1.9m
Adjusted operating profit[1]	£0.3m	£0.1m
Mountie numbers	105	63

UK and Ireland

The UK and Ireland delivered another strong performance in the year. Total revenue was up by 22% to £110.0 million (2014: £90.3 million) and adjusted operating profit[1] increased by 8% to £23.0 million (2014: £21.2 million). The number of Mounties placed at client sites reached 1,264 at week 52 (2014: 1,018).

Demand from both existing and new customers in the year was high, with the UK and Ireland securing 41 new customers in the year. As with the rest of the Group, the UK and Ireland continues to diversify the sectors in which it operates, most notably increasing its presence in the government and not-for-profit sectors during the year.

New service offerings continue to be a key strategic focus for the Group. As the hub of the Group, the UK continues to act as the test bed for new service areas, of which there were three in the year, Business Analysis, Business Intelligence and Cyber Security. The appointment of Jonathan Young in the UK as Group Chief Information Officer will facilitate the expansion of the Group's existing range of technical and business disciplines.

In June 2015 we relocated from Manchester to our new state-of-the-art Academy and sales office in Leeds. The Leeds Academy provides capacity for FDM to recruit and train additional graduates and ex-Forces personnel and an opportunity for FDM to work more closely with our university partners in the area, whilst creating new partnerships and developing existing relationships with customers in the region. Shortly after the year end, we opened our new Glasgow office and are confident it will also provide additional training, recruitment and collaboration opportunities for the Scottish regions.

[1] The adjusted operating profit is calculated before; exceptional items and performance share plan expenses (including social security costs).

North America

Our North American operations have delivered an exceptional performance in 2015. Total revenue grew to £36.2 million (2014: £22.1 million), an increase of 64% and adjusted operating profit[1] increased to £6.0 million (2014: £3.1 million), an increase of 94%. Mounties placed on site during the year exceeded 500 for the first time, totalling 520 at year end compared to 341 in 2014.

FDM gained 16 new customers in 2015, including a number of high profile household names, one of which has already become our largest client in North America. We placed Mounties in six new states, including Virginia and Maryland, and FDM now provides services to the five largest banks in Canada.

In order to facilitate the increase in demand, the Group has accelerated its investment programme in the USA. Enlarged premises in Toronto are due to open in April 2016 and the North American management team was strengthened in the year with a number of key hires to support its ongoing growth, including a new head of military and a new head of training. A location for a further small scale training academy in the USA is currently being explored.

EMEA (Europe, Middle East and Africa, excluding UK and Ireland)

As reported previously, the EMEA market has been made more complex by the differing interpretations by clients of the evolving labour leasing legislation in Germany. Despite this, EMEA revenues increased by 20% to £10.7 million (2014: £8.9 million) and adjusted operating profit[1] increased to £0.9 million (2014: £0.5 million). The number of Mounties placed at client sites at week 52 was 133, compared with 117 at week 52 2014. The current focus of the EMEA business is to continue to grow the Mountie model in Germany and Switzerland, whilst Mounties were placed for the first time in the year in Austria. A new head of sales for the EMEA region was appointed during the second half of the year to help drive this growth.

APAC (Asia Pacific)

An improved performance in the APAC region saw revenues double to £3.8 million (2014: £1.9 million), with adjusted operating profit[1] growing to £0.3 million (2014: £0.1 million). APAC Mounties placed on site at the beginning of week 52 were 105, up from 63 in 2014.

The APAC business continues to be based in Hong Kong and the new Academy and sales office opened in early 2016 to accommodate continuing growth. For the first time, training of local talent will take place in our own premises in the region. The Hong Kong base continues to support operations in China. The Singapore sales office provides training from temporary facilities when required.

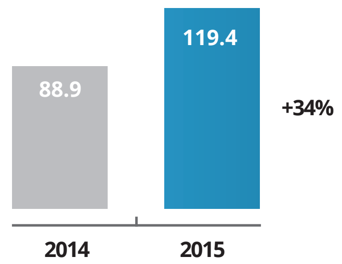
[1] The adjusted operating profit is calculated before; exceptional items and performance share plan expenses (including social security costs).

Key Performance Indicators

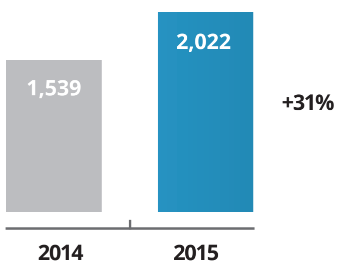
We focus on a number of Key Performance Indicators ("KPIs") to identify trends in the trading performance of the Group. The Group aims to increase profitability whilst maintaining a healthy balance sheet and investing in the operations and geographies which underpin the organic growth of the Group. The Group continues to deliver strong margins and converts profits into operating cash for investment to provide a return to shareholders. The KPI targets, used as a basis for remuneration awards, are included in the Remuneration Report.

The adjusted numbers in the KPI analysis remove the impact of exceptional costs and costs associated with the performance share plan, to provide a clear understanding of the underlying trading performance.

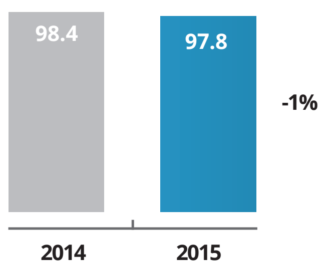
Mountie revenue (£m)
Increased Mounties on site throughout the year has driven revenue growth



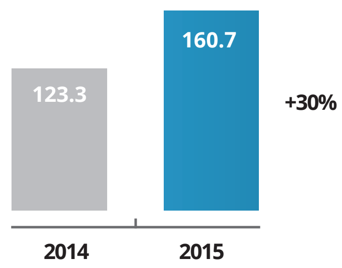
Mounties on client sites (start week 52)
Increase in Mounties on site across all segments and key service areas



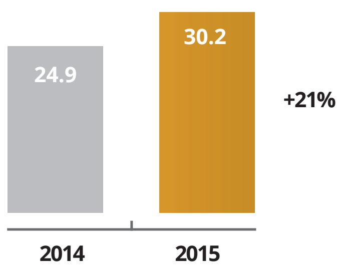
Mountie utilisation rate (%)
Mountie utilisation rates decreased marginally during the year but remained within expected tolerances



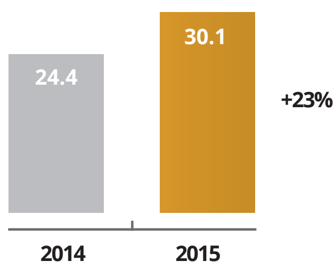
Total revenue (£m)
Strong organic growth driven by the Mountie model



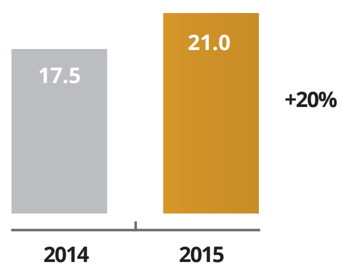
Adjusted operating profit[1] (£m)
The Group delivered operating profit growth whilst investing in its operational capacity



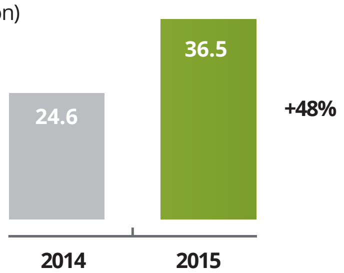
Adjusted profit before tax[1] (£m)
Profit before tax increased from strong trading and lower net finance costs



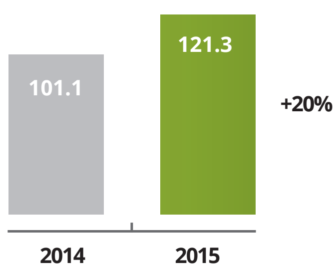
Adjusted earnings per share[1] (pence)
We have delivered earnings growth in line with our targets



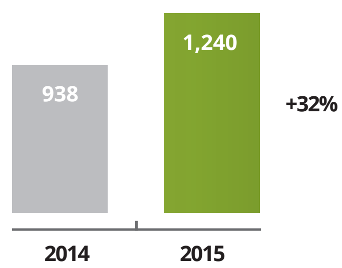
Adjusted cash generated from operations[1] (£m)
The Group closed the year with cash balances of £22.4 million (2014: £12.3 million)



Adjusted cash conversion[1] (%)
The conversion of profits into cash remains good



Training completions[2]
The number of Mounties completing training increased by 32%



[1] The adjusted operating profit, adjusted profit before tax, adjusted cash generated from operations and adjusted cash conversion are calculated before exceptional items and performance share plan expenses (including social security costs). The adjusted earnings per share is calculated before the impact of exceptional items and performance share plan expenses (including social security costs and associated deferred tax).

[2] Training completions, which drives growth in Mountie numbers, is included for the first time as a non-financial KPI.

Risk Management

We believe that effective risk management is critical to the delivery of the Group's strategic objectives.

Approach to risk

The Board has overall responsibility for ensuring risk is effectively managed across the Group and does not delegate any significant elements of the risk management process. The Board deals directly with the approach to risk management and the procedures for the identification, assessment, management, mitigation and reporting of risks.

Identifying and monitoring key risks

The principal tool used by the Board to monitor and report risk is the risk register. The preparation of the register is led by the Chief Financial Officer, supported by the senior management team and details the Group's risks, the impact of each risk, the likelihood of that risk occurring and the strength of the mitigating controls in place and how these are evidenced. The updated risk register was last reviewed, debated and agreed by the Board in December 2015 and was reviewed twice in 2015.

The current risk register included 24 risks categorised between strategic, operational, compliance and financial risks, of which 10 are considered to be the Group's principal risks.

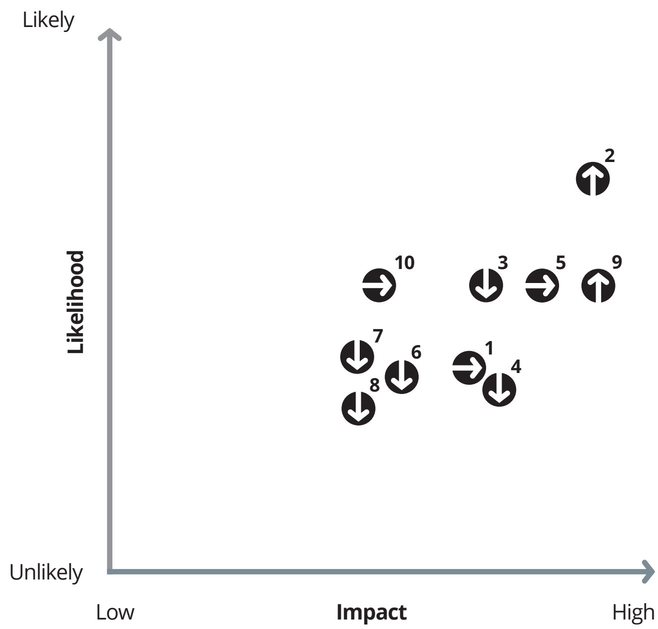
Changes to the risks reported in 2014

The risks reported here are broadly the same as those reported last year with the exception of the following:

- The risk of a disruptive cyber-attack has been elevated to being one of the Group's principal risks. The increasing frequency with which corporations are being targeted has resulted in this being a key area of focus for the Board. During the year a Group Chief Information Officer whose responsibilities include, amongst other things, IT security was appointed by the Board.
- The risk relating to "balancing supply and demand" has been subdivided into two separate risks – one being the risk of not having sufficient Mountie resource to accommodate a rapid increase in demand and the other being unable to utilise or place Mounties should a sudden decrease in demand occur.
- The risk relating to the Group's ability to effectively upscale has also been subdivided into two separate risks – one relating to the ability to secure the necessary physical infrastructure as the business expands and a further risk of potentially being unable to secure the necessary skilled personnel as the business expands.
- Due to the strength of controls in place, risks relating to exercising oversight over the UK and overseas businesses and managing growing cash balances are no longer considered by the Board to be key risks.

The principal risks and uncertainties faced by the Group in 2015, together with the potential effects, controls and mitigating factors and the rationale for perceived increases and decreases in the risks compared to 2014, are set out on pages 20 to 22.

Principal risks



Appointment of Group Chief Information Officer in the year

Strategic risks

Risk and impact	Mitigation	Movement in the year
1. Economic environment A downturn in the UK and/ or global economies could curtail demand significantly and the ability of the Group to deploy its Mountie resource, adversely impacting on revenue, gross margin and overall profitability.	External factors such as macro-economic risks are outside of the Group's control. The Group is primarily invested in the UK and the US, thus minimising its exposure to weaker economies. Notwithstanding the impact of risk 2 below, the Group is focused on diversifying its customer base both by sector and by geography.	No change With some instability occurring in global markets since the beginning of 2016, the Board is of the view that this risk remains unchanged.
2. Concentration exposure in the financial services sector The majority of the Group's revenue is generated from the financial services sector. A crisis in the financial services sector could reduce revenue significantly and have a negative impact on the majority of the Group's KPIs.	As above, the Group is focused on diversifying its customer base both by sector and by geography. The Group is continuing to increase its service offerings with three new revenue streams, Business Analysis, Business Intelligence and Cyber Security, introduced in the year.	Increased As the proportion of the Group's revenue which is generated from the financial services sector continues to increase, this is perceived by the Board to be a higher risk than in 2014.
3. Balancing supply and demand (i) An inability to meet a rapid increase in demand due to insufficient Mountie resource and an inability to recruit in a timely manner would result in lost revenue, eroded customer confidence and an adverse reputational impact.	The recruitment team maintains strong links to universities and other recruitment channels. Resource management meetings occur weekly to ensure supply and demand issues are identified and resolved. The management team is incentivised to maximise utilisation and increase flow through of graduates within the Academies. The ex-military personnel and women returners to work, whilst relatively small in terms of overall Group headcount, are growing and will help spread the Group's access to a wider talent pool.	Reduced There has been a continued focus by management during the year to ensure the most efficient utilisation and deployment of Mounties. Specific initiatives undertaken in the year should result in the Group being better able to balance supply and demand. These include attracting Mounties via additional funding initiatives whilst in training. New and/ or enlarged offices in different locations will give the Group greater ability to meet higher demand.
4. Balancing supply and demand (ii) An inability to utilise or redeploy Mounties in the event of a sudden decrease in demand would result in a reduction in margin and would demotivate Mounties.	As above, resource management meetings occur weekly to ensure supply and demand issues are identified and resolved in a timely manner.	Reduced The growth and diversification in the Group's client base by both number of clients and geographical spread has reduced the risk of the Group not being able to fully utilise its Mountie resource.

Operational risks

Risk and impact	Mitigation	Movement in the year
5. Recruitment and development of highly skilled Mounties Mounties are the Group's core asset. A failure to deliver high quality Mounties into its customer base could result in a loss of customers and damage to the Group's reputation.	The Group continually reviews and benchmarks the remuneration packages and incentives it offers to attract graduates. Strong relationships exist with universities and other recruitment channels including ex-military personnel and women returners to work. A tailored development programme is in place for Mounties, covering training and development opportunities, including after the bond period. The Group is focussed on promoting its reputation in the marketplace as a leading graduate employer.	No change The Group has continued to receive a number of employer awards during the year, enhancing its reputation amongst graduates. Military programmes both in the UK and the US have grown in the year. The number of ex-military personnel on site during the year exceeded 100 in the UK. The Group's nascent women returners to work can provide access to another talent pool.
6. Ability of business to effectively upscale (i) The inability of the business to effectively upscale as a result of not securing the required physical infrastructure (sites) would result in lost revenue and missed growth opportunities.	Research, identification and assessment of investment opportunities is performed on a regular basis. The Group has gained considerable experience from successfully securing and developing existing sites which can be replicated for new sites.	Reduced The Group has a track record of successfully securing and developing sites both in the UK and overseas. During the year the Group opened a new Academy in Leeds with further openings after the year end in Glasgow, Hong Kong and Toronto.
7. Ability of business to effectively upscale (ii) The inability of the business to effectively upscale as a result of not being able to recruit and retain key staff with appropriate skills.	The remuneration packages of all employees are reviewed regularly to ensure they remain competitive. An annual appraisal system includes the identification of training requirements, which are fulfilled within the following 12 months. The Nomination Committee considers succession matters as a regular agenda item.	Reduced Recent developments in the Group's business - its listing, increased profitability, expansion overseas - make it an attractive employer for skilled personnel.
8. Development of new service offerings The inability of the Group to develop new service offerings and revenue streams could result in a loss of customers and market share.	A new executive role, responsible for the development of new service offerings, was established in the year. FDM's flexible training model is able to develop course material relevant to customers' needs. FDM's state-of-the-art training Academies are designed to provide quality training in a professional environment.	Reduced Appointment of Group Chief Information Officer in the year and a continued investment in the Group's Academies has resulted in this risk being reduced. Three new service streams were introduced in the year; Business Analysis, Business Intelligence and Cyber Security.

Operational risks *(continued)*

Risk and impact	Mitigation	Movement in the year
9. Business interruption – caused by successful cyber-attack or other disaster This could result in a financial loss to the Group due to fraudulent access to Group funds/ assets and an impact on reputation through a loss of customer or sensitive data.	The Group's IT systems are protected by anti-virus software and firewalls. Staff are regularly made aware of the risk of a cyber-attack and the appropriate actions necessary to mitigate the risk of this occurring. A new Group Chief Information Officer was appointed in the year who has taken responsibility for IT security matters.	Increased The Group experienced attempted cyber-attacks during the year - as such this is deemed to be a key risk to the Group.

Compliance risk

Risk and impact	Mitigation	Movement in the year
10. International regulatory non-compliance Failure to comply with international tax, legal, employment and other business regulations could result in significant fines and/ or revocation of business licences.	The Group has robust recruitment procedures which ensure the employment of appropriately skilled personnel in areas where compliance with legislation is required. The Group seeks appropriate advice and engages external advisors as appropriate, particularly in overseas locations, and proactively manages those relationships.	No change The Group continues to invest in appropriately skilled personnel in areas where compliance and expertise is required.

Viability statement

In accordance with provision C.2.2 of the 2014 revision of the Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the "Going Concern" provision. The period selected by the Board for its assessment is three years, for the following reasons:

- The Group's strategic plan covers a period of three years
- The period identified is underpinned by financial budgets and forecasts
- The core of FDM's business is the Mountie model. The period identified approximates to the average lifecycle of Mounties' engagement with FDM.

In making its assessment, the Board has considered the Group's current position and prospects, its cash flow requirements and other key financial assumptions over the three year period and has sensitised certain of those assumptions where considered appropriate. As stated previously, the core of FDM's business is the Mountie model; the sensitivity analysis therefore included the consideration of various scenarios relating to flexing Mountie headcount, direct costs of training and employing Mounties, as well as a loss of the Group's two largest customers and major disruption to one of the Group's major training facilities.

The Board has also taken into account in its assessment, the principal risks affecting the Group (as set out above); the likelihood of those risks occurring and the impact on the Group's future performance, solvency and liquidity should those risks occur.

Based on the results of this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period of their assessment.

The Group is focused on promoting its reputation in the marketplace as a leading graduate employer

Financial Review

"2015 was another year of strong financial performance as we delivered an adjusted operating profit of £30.2 million and increased our footprint in all our operating regions."

Summary income statement

	31 December 2015	31 December 2014	% change
Revenue	£160.7m	£123.3m	30.3%
Mountie revenue	£119.4m	£88.9m	34.3%
Contractor revenue	£41.3m	£34.4m	20.1%
Adjusted operating profit	£30.2m	£24.9m	21.3%
Adjusted profit before tax	£30.1m	£24.4m	23.4%
Reported profit before tax	£29.4m	£19.0m	54.7%
	Pence per share	**Pence per share**	**% change**
Adjusted EPS	21.0	17.5	20.0%
Reported EPS	20.5	12.7	61.4%

Overview

Group revenue in the year increased by 30%, from £123.3 million to £160.7 million. Mountie revenue increased by 34% to £119.4 million (2014: £88.9 million) whilst contractor revenue increased by 20% to £41.3 million (2014: £34.4 million). The significant increase in Mountie revenue reflects the Group's strategy of focusing on increasing Mountie numbers and Mountie revenue, with the latter representing 74% of total revenue in 2015 compared with 72% in 2014. This had a small positive impact on the gross margin which increased from 39.3% to 39.5%. The proportion of Mountie headcount allocated to the Group's top 30 customers has decreased to 75% in week 52 2015 (2014: week 52 80%). The declining relative significance of non-Mountie revenues to the Group is expected to continue as the emphasis remains centred on growing Mountie numbers.

An analysis of Mountie revenue and headcount by region is set out in the table below:

	2015 Mountie revenue £m	2014 Mountie revenue £m	2015 Mountie numbers at week 52	2014 Mountie numbers at week 52
UK and Ireland	74.6	61.7	1,264	1,018
North America	31.0	18.0	520	341
EMEA	10.2	7.3	133	117
APAC	3.6	1.9	105	63
	119.4	**88.9**	**2,022**	**1,539**

Overheads increased in the year from £23.5 million to £33.9 million, reflecting the significant investment in larger Academies in the year in support of FDM's continued growth and the increase in Mountie headcount. A new Academy opened in the year in Leeds with openings in Glasgow, Hong Kong and Toronto after the year end also impacting operating costs in the year as leases were signed and some staff contracted prior to the year-end. The Group made a number of strategic hires in the year across its management, recruitment, sales and training teams increasing total headcount in these areas of the business to 316 from 267. The increase in overheads as a result of the accelerated investments made in the year has had an impact on the adjusted operating margin which has decreased to 18.8% from 20.2%.

Adjusting items

The Group presents adjusted results, in addition to the statutory results, as the Directors consider that they provide a useful indication of underlying performance. The adjusted results are stated before performance share plan expenses including associated taxes and exceptional items (where applicable).

There were no exceptional items in 2015 (2014: £5.4 million). The exceptional items in 2014 represented the £4.9 million of costs associated with admission of the Company's ordinary shares to the Main Market of the London Stock Exchange ("Admission") and exceptional staff costs of £0.5 million.

The performance share plan expenses including social security costs were £0.7 million in 2015 (2014: £nil). Details of the performance share plan are set out in note 25 to the Consolidated Financial Statements.

Net finance costs

As the Group has no borrowings, finance costs are minimal. The net charge for the year represents £16,000 of finance income and a finance expense of £168,000 representing non-utilisation charges on the undrawn element of the Group's revolving credit facility.

Taxation

The Group's total tax charge for the year was £7.3 million, equivalent to an effective tax rate of 25.0%, on profit before tax of £29.4 million (2014: effective tax rate of 28.9% based on a tax charge of £5.5 million and a profit before tax of £19.0 million). The effective tax rate was higher in 2014 due to the impact of £4.0 million of non-deductible expenses incurred in relation to the Admission.

The effective tax rate in 2015 is higher than the underlying UK tax rate of 20.25% due primarily to profits earned in higher tax jurisdictions.

Earnings per share

The basic earnings per share increased in the year to 20.5 pence (2014: 12.7 pence) whilst adjusted earnings per share was 21.0 pence (2014: 17.5 pence).

Dividends

Subject to shareholders' approval the Group's total dividend for the year will be 21.5 pence per share (2014: 7.5 pence per share). This comprises total ordinary dividends of 16.5 pence per share (2014: 7.5 pence per share) and a special dividend of 5.0 pence per share (2014: nil pence per share). The total ordinary dividends of 16.5 pence per share will be covered 1.2 times by basic earnings per share.

The Board has adopted a progressive dividend policy; the Group will retain sufficient capital to fund ongoing operating requirements, maintain an appropriate level of dividend cover and sufficient funds to invest in the Group's longer term growth.

Cash flow and net funds

Net cash inflow generated from operating activities more than doubled in the year, increasing from £14.4 million in 2014 to £29.6 million in 2015. After paying dividends of £16.7 million and capital investments of £2.4 million, net cash increased by £10.1 million to £22.4 million. Adjusted cash conversion increased to 121% from 101%, reflecting improved working capital management in the year.

At the end of the financial year, the Group had total facilities of £20.0 million available until 31 August 2018 (2014: £30.0 million - a £10.0 million facility expired in February 2015). The committed facilities, which were undrawn for all of 2015, are in place to support the Group's financing needs and provide headroom against forecast requirements.

Balance sheet

The Group has a robust balance sheet, with no debt and £22.4 million of cash. The Group's largest asset, its trade receivable balance, reduced year on year, despite the growth in revenue and year end debtor days reduced to 48 (2014: 64 days), as a result of improvements to the systems and credit control functions of the Group.

Mike McLaren
Chief Financial Officer

8 March 2016

Group revenue in the year increased by 30%, from £123.3 million to £160.7 million

Corporate Social Responsibility

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

Employees

The Directors recognise that the success of the business as a whole is dependent on all of our staff at every level. Throughout the Group we provide guidance, coordination and awareness of our key initiatives, enabling colleagues with similar interests or backgrounds to collaborate and take part in workshops, conferences, mentorship and local activities. The following new career support initiatives were introduced in 2015, helping each employee to reach their full potential:

- Consultant Peer Support ("CPS") initiative

  The CPS initiative builds a sense of community among our Mounties within client locations. Our selected Ambassadors will help their fellow Mounties to start their new placements on site.

- Mentoring Programme

  In the UK we introduced the "Mentoring Programme", enabling our people to have or become a mentor. This gives our employees the opportunity to firstly define and then achieve their ambitions with the help of someone within FDM as their mentor. It also gives more experienced consultants the chance to give something back by becoming a mentor. The programme is supported by an internal FDM Mentoring Team, which provides training via web seminars for mentors, matching participants, giving access to ME+® (see below) to capture goals and ambitions, and the opportunity for feedback along the journey.

- ME+®

  FDM launched a career self-development mobile app called ME+®. ME+® aims to put people in control of their own careers and guides them to achieve their ambitions. The app was developed jointly with Me Plus Development Limited. The new innovative technology allows the accessibility required within a diverse, graduate community. FDM Group was shortlisted as a finalist in the category of "Excellence through Technology" in the Personnel Today Awards 2015 as a result of this project.

As part of recognising and rewarding our staff's commitment and hard work, in April 2015, we introduced a new performance share plan that will allow participants to share in the benefit from the on-going growth of the Group. Details of the share plan are set out in note 25 to the Consolidated Financial Statements.

We communicate with employees regularly via email, monthly staff newsletters and face to face meetings in order to ensure that they are being supported especially when placed remotely on site. The FDM Consultant of the Month and FDM Stars initiatives are designed to reward those that are excelling, as nominated by our customers and other employees in the business. The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests.

Diversity and inclusion in the workplace

The Group's workforce is made up of around 60 nationalities working together and is dedicated to promoting a diverse workforce that reflects wider society. There is zero tolerance towards discrimination throughout all our business activities whether it relates to race, nationality, religion, disability, gender, age, sexual orientation or any other such discrimination where an individual may feel marginalised. Currently half of attendees to the FDM assessment centre in the UK are from an ethnic minority background. It is this diversity that forms the foundation of our culture and drives our business forward.

Supporting ex-Forces personnel

The dedicated Ex-Forces Programme operated by our businesses in the UK and USA has demonstrated the Group's support of the Armed Forces through the offering of IT and business careers to the ex-Forces community. The UK business has been recognised in this area through its work with the British Forces Resettlement Services and the Careers Transitions Partnership, as well as signing the Ministry of Defence Armed Forces Corporate Covenant to demonstrate our support to the Armed Forces community.

In the USA we have been recognised for our commitment to launching the careers of former Service men and women. In 2015, FDM was announced for the second year in a row as a "Best for Vets Employer" by The Military Times and "Most Valuable Employer for Military" by CivilianJobs.com. FDM signed a memorandum of agreement with the US Army Partnership for Youth Success programme in 2015, reaffirming our commitment to assisting veterans in making the transition into the commercial workplace.

People with disabilities

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

Gender diversity

The table below shows the gender split at different levels within the organisation as at 31 December 2015.

As at 31 December 2015	Number of males	Number of females
On the Board	6	1*
Within Senior Management	11	9
All employees	1,924	678

* In January 2016, Michelle Senecal de Fonseca was appointed to the Board, increasing the number of female Board members to two.

The Group hosts regular "Advantage Sessions" to encourage women to consider a career in IT and FDM Female Champions act as role models to other women in the business. We take part in judging awards, networking events and speaker panels, as well as hosting the annual "FDM Everywoman in Technology Awards" that are designed to celebrate and promote outstanding women in the industry. FDM's Chief Operating Officer, Sheila Flavell, has been recognised in Computer Weekly's "Top 50 Most Influential Women in IT" in 2015. In Hong Kong, we introduced the "Returners to Work Programme" in 2015 aiding those who are ready to re-enter the workplace after a career break.

In 2014 FDM signed the United Nations Women's Empowerment Principles CEO Charter, sealing our commitment to actively promote gender diversity in the workplace and the wider business community. In Germany, FDM signed the Komm mach MINT Memorandum in 2014, a government initiative to encourage companies to support more women into Science and Technology careers.

FDM is currently part of the Home Office's "Think, Act, Report" initiative to drive greater transparency on gender employment issues.

Our community

The Group believes that it has a responsibility to contribute towards the local community and wider society and actively encourages individual and collective initiatives to support this. In 2015, the Group carried out fundraising events globally to raise money for charities such as Save the Children, Macmillan Cancer Research, Nepal Earthquake Appeal and the German Sports Aid Foundation.

Our community *(continued)*

We run paid summer internships in our London, Glasgow, Leeds and New York offices. Undergraduate students are offered an eight-week placement, during which they work on live business projects, providing them with exposure to a commercial environment during their studies. The scheme aims to match students to business areas within the Group which are relevant to their studies, to ensure the interns gain targeted experience.

Environmental policy

Throughout the Group the responsibility to minimise detrimental impact to the environment is recognised. Although we have no manufacturing facilities we aim to reduce the Group's environmental impact by monitoring and minimising the consumption of energy in the Group's operations and where possible promote the procurement of environmentally friendly products. The Group complies with all relevant environmental legislation. We aim to reduce waste and, where practicable, re-use and recycle consumables. We have recycling facilities in all our offices and recycle waste paper and ink cartridges. Computers that are no longer in use are donated to charities. We encourage communication via electronic documents.

CO_2 emissions

The Company complies with the greenhouse gas ("GHG") emissions reporting requirements of The Companies Act 2006 (Strategic and Directors' Reports) Regulations 2014. The Company reports all material GHG emissions, wherever possible using tonnes of CO_2-equivalent ("CO_2e tonnes") as the unit, to account for all GHGs which are attributable to human activity, as defined in section 92 of the Climate Change Act 2008(a). Emissions data is reported for the Group's worldwide operations. The methodology used to compile this data is in accordance with DEFRA's "Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance (June 2014)".

Fuel type	Year ended 31 December 2015 CO_2e tonnes	Year ended 31 December 2014 CO_2e tonnes
Scope 2[1]	545	453
Scope 3[2]	1,194	923
Greenhouse gas emissions intensity ratio:	CO_2e tonnes	CO_2e tonnes
CO_2e tonnes per £ million of revenue	10.8	11.2

1 Scope 2 being electricity, heat, steam and cooling purchased for the Group's own use.
2 Scope 3 being emissions which the Group is not directly responsible for, but arise as a by-product of its operation.

The Group's Scope 1 CO_2 emissions are negligible and are therefore not disclosed. The Group's Scope 3 CO_2 emissions increased in 2015 due to the inclusion of emissions data from travel bursary costs. The paying of travel bursary costs to trainees was introduced during 2015, and has allowed FDM to widen its recruitment base.

The Strategic Report was approved by the Board on 8 March 2016 and signed on its behalf by:

Rod Flavell
Chief Executive Officer

8 March 2016

In 2015, FDM was announced for the second year in a row as a "Best for Vets Employer" by The Military Times and "Most Valuable Employer for Military" by CivilianJobs.com

Board of Directors

Ivan Martin

Non-Executive Chairman

Ivan has been Chairman of FDM Group since 2006 and is Chairman of the Nomination Committee. Ivan joined the board of Microgen plc as a Non-Executive Director in January 2016 and became Chairman of the Board as planned in March 2016. He has no other significant commitments. He was a member of Misys plc's board and headed their banking software division until 2005. Previously, Ivan worked at ACT Group plc and spent his earlier career at US multinational computer business, Unisys Corporation. Between 2007 and 2014, he was Executive Chairman of Sesame Bankhall Group. Ivan was also a Non-Executive Director of Avelo, a financial services technology business, and Chairman of Red Commerce, a specialist SAP recruitment and staffing business.

Roderick (Rod) Flavell

Chief Executive Officer

Rod is the founder and Chief Executive Officer of the Group. He is responsible for the overall strategic development and expansion of the Group and, over the past 25 years, has been instrumental in developing the Group into one of the UK's leading IT graduate employers. He is also a member of the Nomination Committee. Rod is a firm supporter of improving diversity in the IT workplace, with clear results being achieved by the Group through the FDM Women in IT, Returners to Work, ex-Forces and veteran career transition initiatives. Rod was recognised as "Best CEO in the IT Industry" in 2015 at the European CEO Awards.

Sheila Flavell

Chief Operating Officer

Sheila was appointed Chief Operating Officer of FDM Group in 2008 and has over 25 years' experience in both the public and private IT sectors. Sheila's experience and knowledge of the Group has been key in driving the Group's global expansion programme. She is fully committed to driving gender diversity in the workplace and spearheads FDM's global Women in IT campaign. Her dedication to promoting gender balance in the workplace has been recognised through various awards including "Corporate Leader of the Year" at the Cisco everywoman in Technology Awards 2012, "Top 30 Most Inspirational Female Entrepreneurs in the City 2014" by Brummell Magazine and featured 13th in the Computer Weekly "Top 50 Most Influential Women in UK IT" 2015 list.

Andrew (Andy) Brown

Group Commercial Director

Andy has spent over 20 years with FDM and progressed through the Group's sales team to become Global Sales Director in 2007. Andy now fulfils the role of Group Commercial Director and oversees the expansion of the Group with a key focus on the sales, HR and recruitment functions. Andy's strategic focus is around developing new service offerings in line with client demands, as well as increasing the number of applicants for the Group's graduate programme, which are both key areas to the success and growth of the Group. Andy has also played a key role in the launch and success of the UK Ex-Forces Programme, which was initiated in January 2014.

Michael (Mike) McLaren

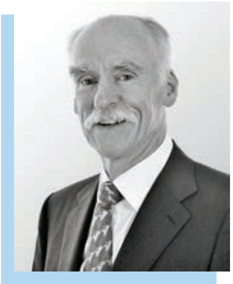
Chief Financial Officer

Mike was appointed Chief Financial Officer of the Group in 2011. Prior to joining the Group, Mike served as Chief Operating Officer and Group Finance Director of Timeweave plc (formerly Alphameric plc) and has served on a number of other Boards for both private and listed companies. Mike is a Fellow of the Institute of Chartered Accountants in England and Wales.

Peter Whiting

Non-Executive Director

Peter was appointed in June 2014 as Senior Independent Director, Chairman of the Remuneration Committee and is a member of the Audit Committee and the Nomination Committee. Peter has over twenty years of experience as an investment analyst, specialising in the software and IT services sector. Peter joined UBS in 2000 and led the UK small and mid-cap research team. Between 2007 and 2011 he was Chief Operating Officer of UBS European Equity Research. One of his responsibilities during this period was the oversight of the graduate recruitment, training and development programmes both for the Research business and the Equities operation as a whole. Peter is also a Director of Microgen plc and MBA Polymers Inc.



Robin Taylor

Non-Executive Director

Robin was appointed in June 2014 and is Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. He is a member of the Institute of Chartered Accountants of Scotland. Robin is currently a Non-Executive Director of EMIS Group plc and Fusionex International plc and was formerly Chief Financial Officer of main market publicly listed companies Intec Telecom Systems plc, ITNET plc and JBA Holdings plc. Prior to that, Robin held a variety of financial and general management roles in both Europe and North America.

Michelle Senecal de Fonseca

Non-Executive Director

Michelle was appointed in January 2016 and is a member of the Audit Committee and Remuneration Committee. Michelle has more than 25 years of experience in international telecommunications and technology and, until the start of 2016, served as the global Director of Cloud & Hosting Services at Vodafone, which she joined in July 2012. From 2007 to 2011 Michelle worked at the European Bank for Reconstruction and Development where she managed the Telecom, Media and Technology banking team. Michelle is a cofounder and board member of Women in Telecoms and Technology, a UK not-for-profit organisation, and is also a global council member at Thunderbird School of Global Management in Phoenix, Arizona.

Corporate Governance Report

Chairman's introduction

On behalf of the Board, I am pleased to introduce the Group's Corporate Governance Report for the year ended 31 December 2015. Since the Group's listing in 2014, the Board has been committed to ensuring appropriate standards of governance are introduced and maintained throughout the Group. This report sets out the way the Group complies with good corporate governance principles; it describes how the Board and its Committees work and also the Board's approach to risk management and internal control. I am delighted to welcome Michelle Senecal de Fonseca and David Lister to the Board, their appointments will further strengthen the capabilities and experience of the Board. Michelle joined the Board on 15 January 2016, whilst David's appointment commences on 9 March 2016.

UK Corporate Governance Code

The Board is committed to the highest standards of Corporate Governance as set out in the UK Corporate Governance Code 2014 ("the Code"). During the financial year 2015, the Company has complied with the Code other than in respect of the following exceptions:

- A formal schedule of matters specifically reserved for the decision of the Board was adopted on 27 January 2015, therefore was not in place for the whole year;

- The UK Corporate Governance Code recommends that, on appointment, the chairman of a company with a Premium Listing on the Official List should meet the independence criteria set out in the UK Corporate Governance Code. Ivan Martin joined the Board of Directors of FDM in July 2006 and became Non-Executive Chairman of the Group on 1 October 2006. Ivan does not meet the independence criteria set out in the UK Corporate Governance Code as he was a shareholder of the Company in the three year period prior to the Company's listing; the period specified by the Code for not being a material shareholder. The Board decided in 2014 that in order to ensure maximum continuity and stability in the Company's transition from a privately owned company to a listed company, Ivan should remain as Non-Executive Chairman of the Group because of the vast experience and knowledge that he brings to the FDM team. The Board believes that it is still in the best interests of the Group that Ivan remains as Chairman;

- The Nomination Committee was established on 27 January 2015, therefore was not in place for the whole year. Further information about the role and responsibilities of the Nomination Committee is set out in the Nomination Committee report on page 45. The Nomination Committee did not carry out an effectiveness review during the year but plans to do so in 2016.

The provisions of the Code applicable to listed Companies are divided into five parts as set out below:

1 Leadership

The role of the FDM Board

The Board is collectively responsible to the Company's shareholders for the long-term success of the Company. The Board meets regularly to review strategic, operational and financial matters. It approves the interim, preliminary and annual financial statements, the annual budget and longer term forecasts, significant contracts and capital investment in addition to reviewing the effectiveness of the internal control systems and business risks faced by the Group. Where appropriate, it has delegated certain responsibilities to the Audit, Remuneration and Nomination Committees. The Committees comprise the independent Non-Executive Directors (and in the case of the Nomination Committee, also Ivan Martin and Rod Flavell) and play a key role in supporting the Board. Information is supplied to the Board in advance of meetings and the Chairman ensures that all Directors are properly briefed on the matters being discussed.

The Board closely monitors management and its delivery of a sustainable and profitable business, ensuring it operates within the appropriate risk-reward culture. The Group has established a core set of values, which the Board adheres to and promotes throughout the Group. These values have helped to further the entrepreneurial culture within FDM, which has been critical in promoting the continued success of the Group without encouraging excessive risk-taking.

A schedule of formal matters reserved for the Board's decision and approval is available on the Company's website, **www.fdmgroup.com**. These relate to matters of governance and include the following:

- Approving financial results and other financial, corporate and governance matters;
- Approving material contracts;
- Approving material capital expenditure;
- Approving Group strategy;
- Approving appointments to the Board;
- Determining dividend policy, as well as approving and recommending dividends as appropriate;
- Reviewing material litigation;
- Reviewing annually the effectiveness of internal control and the nature and extent of significant risks identified by management and associated mitigation strategies; and
- Approving the annual budget.

Board decisions are usually by consensus at Board meetings. On occasion, decisions may be taken by a majority of Board members. In the case of an equality of votes, FDM's Articles of Association provide the Chairman with a casting vote. Where appropriate, the Board has delegated authority to its committees.

Details of the number of meetings of the Board (including sub-committees at which only certain Directors are required to attend) and committees and individual attendances by Directors are set out in the table below.

	Board meetings attended	**Audit Committee meetings attended**	**Remuneration Committee meetings attended**	**Nomination Committee meetings attended**
Number of meetings held in 2015	13	4	5	1
Ivan Martin	13/13	n/a[1]	n/a[1, 2]	1/1
Rod Flavell	13/13	n/a[1,3]	n/a[1]	1/1
Sheila Flavell	13/13	n/a[1]	n/a[1]	n/a[1]
Mike McLaren	13/13	n/a[1,3]	n/a[1]	n/a[1]
Andy Brown	13/13	n/a[1]	n/a[1]	n/a[1]
Peter Whiting	13/13	4/4	5/5	1/1
Jonathan Brooks (resigned 30 October 2015)	11/11	3/3	4/4	1/1
Robin Taylor	13/13	4/4	5/5	1/1

1 Not applicable, not a member of the Committee and not required to attend.

2 Ivan Martin attended one meeting of the Remuneration Committee.

3 Rod Flavell and Mike McLaren attended Audit Committee meetings by invitation, not as Committee members. Rod Flavell attended 3/4 Audit Committee meetings and Mike McLaren attended 4/4 meetings during the year.

Chairman, Chief Executive and Senior Independent Director

The roles of the Chairman and Chief Executive are separate, with a clear division of responsibilities between them; the responsibility for this separation of duties rests formally with the Board.

As Chairman, Ivan Martin presides over the Board and is responsible for its leadership and overall effectiveness. In doing so, he fosters and helps to maintain an effective working relationship between the Executive and Non-Executive Directors.

As Chief Executive, Rod Flavell has responsibility for the day-to-day management of the Company's business and the implementation and delivery of the Board's strategy.

This separation of roles enhances the independent oversight of executive management by the Board and more closely aligns the Board with shareholders. It also means that no one individual within the Group has unfettered powers of decision making. The Directors' powers are set out in the Company's Articles of Association.

Peter Whiting is the Group's Senior Independent Director. In performing this role, Peter provides shareholders with someone to whom they can turn if ever they have concerns which they cannot address through the normal channels, for example with the Chairman or Executive Directors. Peter is also available as an intermediary between his fellow Directors and the Chairman.

Whilst there were no requests from Directors or shareholders for access to the Senior Independent Director during the year, the role serves as an important check and balance in FDM's governance process. In the fulfilment of his role Peter ensures he maintains a thorough understanding of the views of the Company's shareholders.

Role of the Non-Executive Directors

The Group's current Non-Executive Directors have a broad and complementary mix of business skills, knowledge and experience acquired across sectors and geographies. This allows them to provide strong, independent and external perspectives to Board discussions, which complement the skills and experience of the Executive Directors. In turn, this leads to a diversity of views being aired at Board meetings, robust and constructive debate and optimal decision-making. At the same time, it also reduces the likelihood of any one perspective prevailing unduly. A key role performed by the Non-Executive Directors is the scrutiny of executive management in meeting agreed objectives and monitoring the reporting of performance. They also ensure that financial controls and systems of risk management are both rigorous and appropriate for the needs of the business. Following the resignation of Jonathan Brooks during the year, the Board is further strengthened with the appointment of Michelle Senecal de Fonseca on 15 January 2016 and David Lister with effect from 9 March 2016.

Non-Executive Directors are appointed for specified terms, up to a maximum of three years, and reappointment is not automatic. The terms and conditions of appointment of Non-Executive Directors, including the expected time commitment, are available for inspection at the Company's registered office.

During the year, the Board considered the independence of each of the Non-Executive Directors. In doing so, it concluded that, with the exception of Ivan Martin as detailed in the Statement of Compliance, each Non-Executive Director was independent of management and free from any relationship that could interfere with the exercise of their independent judgement. The Board will regularly review the independence of each of the Non-Executive Directors.

2 Board effectiveness

Composition of the Board

The Board currently comprises four Executive Directors and four Non-Executive Directors. Their biographies, including information on prior experience are set out on pages 33 and 34.

The Group's policy is to hire the best candidates for all positions at all levels throughout the business, irrespective of gender, including candidates at Board level. Board composition is regularly reviewed to ensure that the balance of skills, knowledge and experience of the Company's Board remains appropriate to the business.

With Sheila Flavell as Chief Operating Officer, and Michelle Senecal de Fonseca as a Non-Executive Director, the number of female Board members has increased to two (2014: one). Further information and statistics on gender diversity can be found within the Corporate Social Responsibility report on page 30. The Board has not set any specific aspirations in respect of gender diversity at Board level and supports fully the Code principles in respect of diversity. The Board recognises the benefits of diversity, of which gender is one aspect, and it will continue to ensure that this is taken into account when considering any particular appointment, whilst ensuring appointments are made on merit and ability to enhance the performance of the business. Jonathan Brooks resigned from the Board on 30 October 2015. The Board is of the view that the appointments of Michelle Senecal de Fonseca and David Lister will provide additional experience and capabilities to strengthen the Board and support the Group's growth plans and strategic objectives.

Conflict of interests

Procedures are in place for the disclosure by Directors of any interest that conflicts, or possibly may conflict, with the Company's interests and for the appropriate authorisation to be sought if a conflict arises, in accordance with the Company's Articles of Association.

In deciding whether to authorise a conflict or potential conflict of interest only non-interested Directors (i.e. those that have no interest in the matter under consideration) will be able to take the relevant decision. In taking such a decision the Directors must act in a way they consider, in good faith, will be most likely to promote the success of the Company and may impose such limits or conditions as they think fit. The Board has reviewed the procedures in place and considers that they operate effectively. There were no actual conflicts of interest which arose during the year under review or to the date of this report.

Appointments to the Board

The Board recognises its responsibility for planning and progressive refreshing of the Board. There is a formal and transparent procedure for the appointment of new directors, the primary responsibility for which is delegated to the Nomination Committee. Further details of the work undertaken by the Committee during the 2015 financial year are contained on pages 45 and 46.

Board commitment

The Board has established a policy permitting its Executive Directors to hold only one external Non-Executive Directorship, subject to any possible conflict of interest.

This ensures that the Executive Directors retain sufficient time for and focus on the Company's business, whilst allowing them to gain external board exposure as part of their leadership development. Executive Directors are permitted to retain any fees paid for such services.

Details of remuneration received by each of the Executive Directors for the year ended 31 December 2015 are shown in the single figure table presented on page 57 of the Remuneration Report.

While the Company does not have a similar policy for Non-Executive Directors, their key external commitments are reviewed each year to ensure that they too have sufficient time commitment for the fulfilment of their Board responsibilities. Key external commitments of the Board are included within their biographies on pages 33 and 34.

The Board considered the commitments of the Chairman and is satisfied that he has sufficient time to devote to his Board responsibilities with FDM. However, the Board will keep his commitment under review as a matter of good governance.

Board induction and development

On appointment, each Director takes part in a tailored induction programme which is designed to give him or her an understanding of the Company's business, governance and stakeholders.

Elements of the programme include:

- Senior management briefings to provide a business overview, update on current trading conditions and strategic commercial issues;
- Meetings with the Company's key advisors and major shareholders, where necessary;
- Head Office site visit (the location of Board meetings are periodically rotated to ensure the Board members have exposure to different sites and employees);
- Provision of a legal and regulatory memorandum and briefing on the duties of Directors of listed companies;
- Details of the Group corporate structure, Board and Committee structures and arrangements and key policies and procedures; and
- The latest statutory financial reports and management accounts.

The Chairman, in conjunction with the Company Secretary, ensures that Directors are provided with updates on changes in the legal and regulatory environment in which the Company operates. These are incorporated into the annual agenda of the Board's activities along with wider business and industry updates; the Chairman also keeps under review the individual training needs of Board members. The Company's principal external advisors provide updates to the Board, at least annually, on the latest developments in their respective fields, and relevant update sessions are included in the Board's meetings. The Company Secretary presents corporate governance reports to the Board as appropriate, together with any relevant technical guidance. In this way, each Director keeps their skills and knowledge current so they remain competent in fulfilling their role both on the Board and on any Committee of which they are a member. Training for Directors is available as required and is provided by way of external courses.

Information and support

The Board meets regularly throughout the year and agrees a forward calendar of matters that it wishes to discuss at each meeting. Standing items, including operational and financial reviews and Committee updates are considered at each scheduled Board meeting, with unplanned items such as commercial or property-related decisions being considered as and when required. The Chairman, in conjunction with the Chief Executive, plans the agenda for each Board meeting and ensures that supporting papers are clear, accurate, timely and of sufficient quality to enable the Board to discharge its duties.

Specific areas of focus by the Board during the year included:

Strategy	• Group strategy update • Separate consideration of strategic components, including graduate recruitment, IT and international expansion
Operational	• Capital expenditure (including approval of new offices in Leeds, Glasgow, Hong Kong and Toronto)
Financial	• Monthly trading statements • Business updates from the UK, North America, EMEA and APAC management teams • Full year and half year results • Group budget and two year forecasts
Risk	• Group risk register
Governance	• Matters reserved for the Board • Appointment of Nomination Committee and approval of its terms of reference • Consideration of Board diversity • Board effectiveness review • Approved viability period and statement • Going concern
Investors	• Investor Relations Strategy • Markets – received market update from Investec

All Board Directors have access to the Company Secretary, who advises them on Board and governance matters. As well as the support of the Company Secretary, there is a procedure in place for any Director to take independent external professional advice at the Company's expense in the furtherance of their duties, where considered necessary.

Board evaluation

A formal evaluation of the effectiveness of the Board was carried out during the year. The evaluation was carried out internally and led by the Chairman. All Directors completed an evaluation questionnaire, followed up with one-to-one meetings with the Chairman. The questionnaire covered a broad range of subjects, including board meeting agendas; frequency of meetings; risk; strategy; board composition and member performance; and other challenges faced by the Board and how those are managed.

Audit Committee and Remuneration Committee effectiveness were also assessed during the year in the same way as outlined above. The Nomination Committee effectiveness review will be carried out in 2016.

There was general agreement that, overall, the Board and its Committees continued to operate effectively throughout the period. Board members' experience remains a key strength, notwithstanding that it could be bolstered further with additional member(s) with relevant experience which the Board has acted upon by recruiting two new Non-Executive Directors. It was noted that interaction with regional and international management teams, particularly in Germany, could be enhanced. An action plan has been put in place following the evaluation process to address this and other findings.

Re-election of Directors at the 2016 Annual General Meeting

The Company's Articles of Association require that any newly appointed Non-Executive Directors retire at the Annual General Meeting ("AGM") and offer themselves for re-election. Accordingly, Michelle Senecal de Fonseca who was appointed to the Board as a Non-Executive Director since the previous AGM and David Lister who joins the Board on 9 March 2016, will be retiring and standing for re-election at the AGM this year. In respect of existing directors, the Articles of Association require that such Directors only offer themselves for re-election at intervals of no more than three years. As all of the Directors (other than the two Non-Executive Directors referred to above) offered themselves for re-election at the previous AGM, none of those Directors are required to stand for re-election this year. However, the Board is of the view that it is more appropriate that a proportion of the Directors retire and seek re-election each year. As such Rod Flavell, Peter Whiting and Robin Taylor will also retire at the AGM and offer themselves for re-election.

Having received advice from the Nomination Committee, the Board and the Chairman are satisfied that each Director is qualified for re-election by virtue of their skills, experience and commitment to the Board.

3 Accountability

Financial and Business Reporting

In its reporting to shareholders, the Board recognises its responsibility to present a fair, balanced and understandable assessment of the Group's position and prospects. The Directors consider this Annual Report, taken as a whole, to be fair, balanced, and understandable and that it provides the information necessary for shareholders to assess the Group's performance and strategy.

Risk management and internal control

The Board is ultimately responsible for maintaining sound risk management and internal control systems.

The Group's risk management systems and internal control systems are designed to meet the Group's needs and to manage the risks to which it is exposed, including the risks of failure to achieve business objectives and of material misstatement or loss. However such risks cannot be eliminated. The Group's systems can only provide reasonable but not absolute assurance. They can never completely protect against such factors as unforeseeable events, human fallibility or fraud.

The Board has established a continuous process for identifying, evaluating and managing the significant risks faced by the Group (in accordance with the revised Turnbull Guidance). The Board's view of the Group's key risks and how the Group seeks to manage those risks is set out on pages 18 to 22.

The Board regularly reviews the effectiveness of the Group's internal controls which have been in place from the start of the year to the date of approval of this report and believes that it is in accordance with the guidance 'Internal Control: Revised Guidance for Directors on the Combined Code'.

The key elements of the system of internal controls include:

- The Board meets on a regular basis and is responsible for the operational strategy, reviewing operating results, identification and mitigation of risks and communication and application of the Group's policies and procedures. Where appropriate, matters are reported to the Board;

- The Group has a clear organisational structure with defined responsibilities and accountabilities;
- Regular reports are made available to the Board on key developments, financial performance against budget and operational issues in the business;
- Operational and financial controls and procedures are in place which include authorisation limits for expenditure, sales contracts and signing authorities, IT application controls, organisation structure, segregation of duties and reviews by management. In addition to these controls, there is a set of group-wide policies on procedures addressing non-quantifiable risks. These include the Group's code of conduct and ethics, anti-corruption policy and other arrangements;
- Centralised finance and support functions exist;
- A formal budgeting process occurs annually. The budgets and forecasts are reviewed, approved and monitored by the Board;
- Regular meetings occur between the Executive Board and Senior Management team; and
- Increased scope external audits are performed on specific areas of the business.

The Board, with the assistance of the Audit Committee, carried out an annual assessment of the effectiveness of the Group's risk management and internal control system during the reporting period. During the course of its review, the Board did not identify or hear of any failings or weaknesses that it determined to be significant, which are not currently being addressed.

The Audit Committee

The composition and work of the Audit Committee, including its relationship with the external auditors, is set out in the Audit Committee Report on pages 47 to 51.

4 Remuneration

The Company's policy on remuneration and details of the remuneration of each Director are given in the Remuneration Report on pages 53 to 73.

5 Relationship with shareholders

In order to maintain dialogue with institutional shareholders, the Chief Executive Officer and Chief Financial Officer meet with the Company's major shareholders following interim and final results announcements, and otherwise as appropriate.

The Company uses the AGM as an opportunity to communicate with its shareholders and welcomes their participation. Shareholders who attend the AGM will have the opportunity to ask questions and all Directors are expected to be available to take questions.

Notice of the AGM, which will be held at 10.30am on 28 April 2016 at 5 New Street Square, London EC4A 3TW, is enclosed with this report. In accordance with the Companies Act 2006, the Notice of AGM will be sent to shareholders at least 20 working days before the meeting and the notice for general meetings will be sent to shareholders at least 14 days before each general meeting and will include details of the resolutions and the explanatory notes relating to them thereto.

The Board proposes separate resolutions for each issue and proxy forms allow shareholders who are unable to attend the AGM (or general meeting, as applicable) to vote for or against or to withhold their vote on each resolution. As soon as practical following the conclusion of the AGM (or general meeting, as applicable), the proxy votes cast, including details of votes withheld, shall be announced to the London Stock Exchange via regulatory News Service and published on our website.

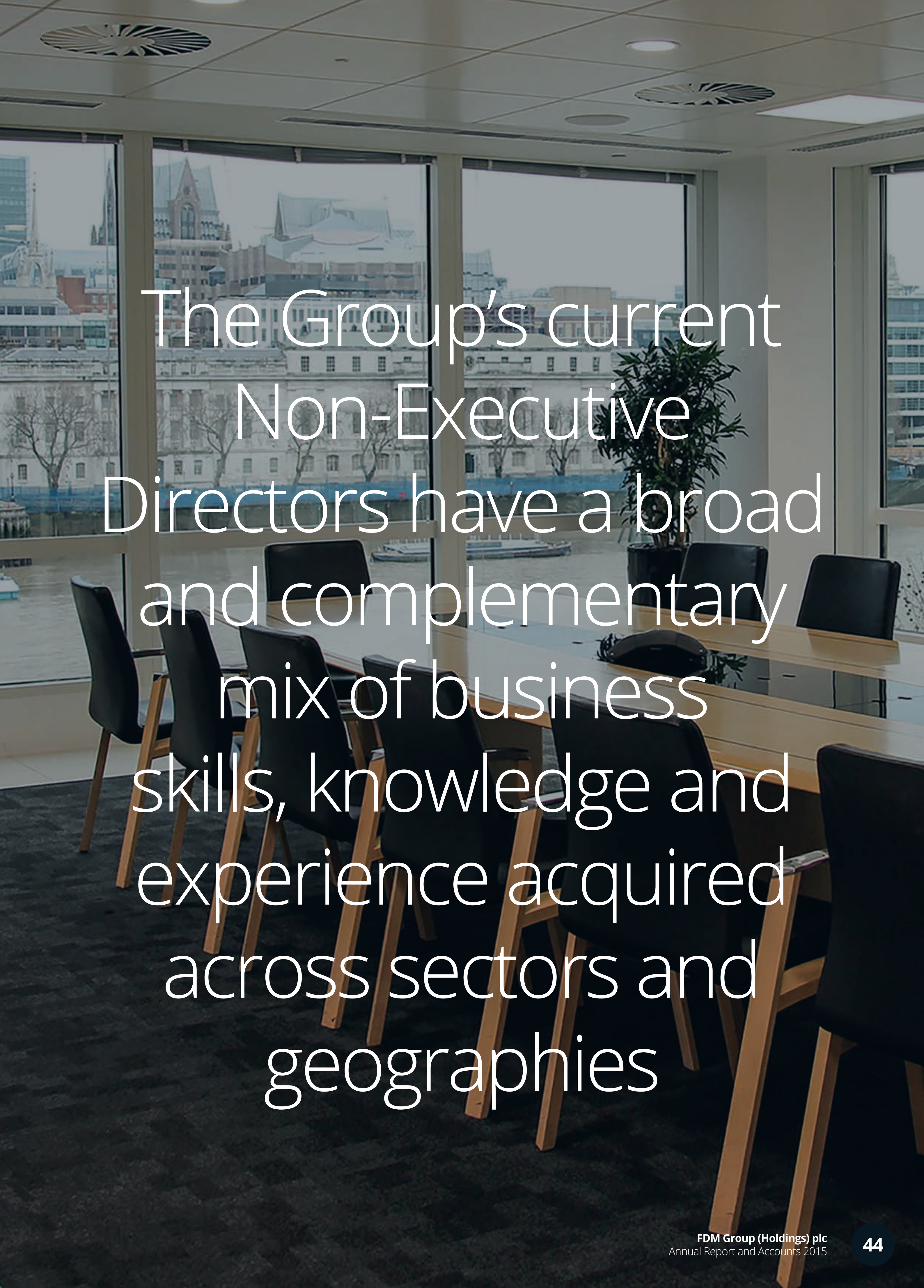
The Company's Articles of Association can only be amended by special resolution approved by the Company's shareholders.

The Group's website (**www.fdmgroup.com**) is the primary source of information on the Group.

The Corporate Governance Report was approved by the Board on 8 March 2016 and signed on its behalf by:

Ivan Martin
Chairman

8 March 2016



The Group's current Non-Executive Directors have a broad and complementary mix of business skills, knowledge and experience acquired across sectors and geographies

Nomination Committee Report

Chairman's introduction

I am pleased to present the report of the Nomination Committee for the year ended 31 December 2015. Information on the activities of the Committee, including the details of the process leading to the appointment of two new Non-Executive Directors, is set out in this report.

I am delighted to welcome Michelle Senecal de Fonseca to the Board and am very confident that Michelle will bring a new perspective to the Board based on her previous professional experience. I am also delighted that David Lister will be joining the Board on 9 March 2016.

Committee composition

Ivan Martin (Chairman)
Rod Flavell
Robin Taylor
Peter Whiting

Role of the Nomination Committee

The role of the Committee is summarised below and detailed in full in its terms of reference, a copy of which is available on the Group's website (**www.fdmgroup.com**).

The main responsibilities of the Committee are to:

- Review the composition of the Board and its Committees including its balance of skills and experience and make recommendations to the Board with regard to any changes;
- Lead the process for Board appointments and recommend new appointments to the Board for approval; and
- Consider succession for Directors and other senior executives.

Committee activities during the year

The Committee meets when necessary and was convened once during the financial year. Specific matters considered at the meeting included: Review of Board composition; Review of Committee's terms of reference; and consideration of the appointment of additional Non-Executive Directors (see below).

Non-Executive Director appointment process

The Committee's key focus during the year was overseeing the process for the appointment of two new Non-Executive Directors. Prior to Jonathan Brooks' resignation, the Nomination Committee had started the process of recruiting one additional Non-Executive Director, but widened the search to two Non-Executive Directors following Jonathan's resignation. The Committee set out the types of skills and attributes it envisaged the new Non-Executives would have, which it communicated to two recruitment specialists, Sapphire Partners and Gillamor Stephens. Sapphire Partners and Gillamor Stephens were selected following a tender process and have no other connection to the Group.

Following the identification of potential candidates for the role by Sapphire Partners and Gillamor Stephens, all Committee members interviewed the potential candidates with the final short list of candidates being interviewed by the Executive Directors. The Board was delighted that Michelle Senecal de Fonseca and David Lister accepted appointments to the Board, Michelle on 15 January 2016 and David with effect from 9 March 2016.

The Committee and the Board have sought to recruit the best candidates to promote the long term success of the Group based on merit and with due regard for the benefits of diversity on the Board. The appointment of Michelle Senecal de Fonseca increases the number of female Board members to two. Further information regarding Board diversity can be found on page 38.

Looking ahead

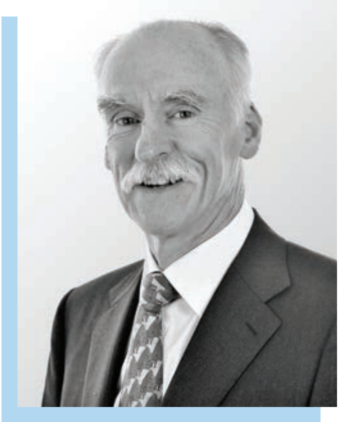
The focus of the Committee in 2015 was very much the appointment of new Non-Executive Directors. In 2016, the Committee will continue to assess the Board composition and will consider in greater detail succession planning for the Board over the short, medium and longer terms. The Committee also plans to carry out an effectiveness review.

Ivan Martin
Chairman

8 March 2016

Audit Committee Report

Chairman's introduction



As Chairman of the Audit Committee, I am pleased to present our report for the year ended 31 December 2015. The report is intended to give a meaningful insight into the workings of the Committee during the financial year in order to demonstrate how we have performed our responsibilities in relation to financial reporting, internal controls and risk management and in relation to the external auditors.

The Committee has supported the Board fully in addressing all of the requirements of the new UK Corporate Governance Code (issued September 2014) with a particular focus on risk identification and ensuring effective mitigating controls are in place. Looking forward to 2016, in addition to undertaking its usual business, the Committee will continue to look at ways in which the Group's internal control environment can be improved as the Group's international operations continue to expand.

Role of the Audit Committee

The Audit Committee is appointed by, and reports to, the Board. The Committee's principal role is to assist the Board in carrying out its oversight responsibilities in relation to financial reporting, internal control and risk management and in maintaining an appropriate relationship with the Group's auditors. The Committee sets its own agenda, in addition to routine matters and those suggested by the main Board. More details on the Committee's role and responsibilities can be found in the Committee's terms of reference which are available in the Governance section of the Company's website at **www.fdmgroup.com**. The terms of reference are reviewed annually.

Membership

The members of the Committee, who are all Non-Executive Directors of the Company, are Robin Taylor (Chairman), Peter Whiting and Michelle Senecal de Fonseca. The Code requires that at least one member of the Committee should have recent and relevant financial experience. The Chairman of the Committee, who is a chartered accountant with considerable financial experience in a public company environment, fulfils this requirement. Peter Whiting and Michelle Senecal de Fonseca have experience in financial matters through their other business activities.

Jonathan Brooks resigned from the Board and the Audit Committee on 30 October 2015. Michelle Senecal de Fonseca was appointed to the Board and the Audit Committee on 15 January 2016. David Lister will join the Board and Audit Committee on 9 March 2016.

Meetings

The Committee discharges its responsibilities through a series of scheduled meetings during the year, the agenda of each being linked to events in the financial calendar of the Group. The Committee met four times during the financial year and all members were in attendance at all meetings during their tenure.

During the year, the Group Chairman, Chief Executive Officer, Chief Financial Officer, Financial Controller and other senior management, were invited to attend Committee meetings where appropriate in order to ensure that the Committee was fully informed of events and developments within the business and to reinforce a strong risk management culture. The Group's auditors, PricewaterhouseCoopers LLP ("PwC"), attended all four Committee meetings during the financial year.

Activity

Principal activities during the year

Since the beginning of the financial year, the Committee undertook the following activities:

March 2015

- Reviewed and recommended the Preliminary Statements and Annual Report (including appropriateness of the going concern basis of accounting) to the Board for approval
- Reviewed PwC's reports to the Audit Committee
- Approved the annual Audit Committee programme for the remainder of 2015
- Reviewed the Group's risk register and related controls
- Completed Audit Committee and External Auditor effectiveness reviews

June 2015

- Reviewed PwC's interim review scope
- Considered PwC's independence
- Reviewed Audit Committee Terms of Reference
- Reviewed processes governing signature of contracts in overseas offices
- Received a presentation from senior management in respect of planned IT systems improvements and upgrades

July 2015

- Reviewed PwC's report to the Audit Committee (interim review)
- Reviewed and recommended the Interim Statement to the Board for approval
- Reviewed and approved PwC's audit fees for the year ended 31 December 2015

December 2015

- Reviewed PwC's audit plan
- Reviewed the Group's risk register and related controls
- Reviewed the draft viability and going concern statements
- Reviewed the whistleblowing policy (annual review)
- Reviewed the anti-bribery policy (annual review)
- Received an IT Security update following a comprehensive presentation to the full Board in September
- Reviewed the Group's updated accounting policies manual
- Considered the requirement for an internal audit function

Looking ahead

In 2015, the Committee benefited from a rolling series of presentations to the Board by senior members from Group and regional management. For the 2016 financial year and with a view to maximising its effectiveness, the Committee plans to avail itself of regular management briefings which will include the appraisal and management of key risks.

Significant financial reporting items

The Audit Committee pays particular attention to matters it considers important by virtue of their potential impact on the Group's results or the level of estimates and judgements involved in their application to the Consolidated Financial Statements. To this end, the Committee receives reports from the Chief Financial Officer and the Group's external auditors, PwC. The Committee has considered all significant estimates and judgements identified in note 4 to the Consolidated Financial Statements.

The main areas of focus during the year are set out below:

Area of focus	How addressed
Revenue Revenue in respect of non-receipted timesheets is accrued at a percentage of the estimated contract value where timesheets have not been received at the cut-off date from Mounties or contractors.	The Committee discussed and reviewed revenue recognition in detail with management and PwC and remains satisfied that Group accounting policies with regard to revenue recognition have been adhered to and that judgements remain appropriate.
Share-based payments During the year, the Company granted awards under the FDM Performance Share Plan (the "PSP"). Associated with accounting for these awards are judgements relating to the number of shares which will vest.	The Committee discussed and reviewed the key assumptions and judgements applied in calculating the share-based payment charge with the Board and are satisfied that they are appropriate.
Going concern and viability The Audit Committee has considered the "Going Concern" basis and viability period assumed within the financial statements. The underlying assumptions, the reasonableness of those assumptions and the headroom/ funding facilities available were considered as part of the Audit Committee's review. The review also considered the impact of a range of sensitivities on the key assumptions.	The Committee is satisfied with the judgements in these areas and that sufficient work was performed to enable the Audit Committee to conclude on the adoption of the going concern basis. The Committee reviewed and concurred with the reasonableness of the viability period included within the viability statement on page 23.

Internal control and risk management

The key elements of the Group's internal control framework and procedures are set out on pages 41 and 42.

A review of the Group's system of risk management begins on page 18.

As noted on page 18, the Board as a whole deals directly with the risk management process. The Committee proactively supports the work of the Board in respect of risk and during the year it separately identified and progressed a number of risk related projects. The Audit Committee regularly receives reports from management and PwC which enable it to effectively review and assess the Group's internal control environment.

External auditor

Both the Committee and the Board keep the external auditor's independence under close scrutiny. PwC is the Group's current external auditor and was originally appointed in 2013. The Committee is satisfied with the effectiveness of the audit and the Group is not required under the CMA order or EU Regulation to conduct a tender before the year ending 31 December 2023. Any recommendation relating to the re-appointment of the external auditors will continue to be the subject of rigorous review each year.

Auditor independence and objectivity

The Audit Committee monitors the fees paid to the external auditors for non-audit work and delegates the authority for approval of such work to the Chief Financial Officer where the level of fees involved is not material. The Group receives a formal statement of independence and objectivity from PwC each year and obtains quotes in a competitive tender for non-audit work performed. An analysis of non-audit fees in the year is provided in note 7 to the Consolidated Financial Statements. Any significant non-audit work will, in future years, continue to require prior approval from the Audit Committee. The Group does engage other independent accounting firms to perform tax consulting work and other assignments to further ensure the independence and objectivity of the external auditors is not compromised.

Audit partners are rotated every five years. The current audit partner is Jaskamal Sarai. He replaced Alan Kinnear, who stepped down from his role at the end of the 2014 financial year audit, following his retirement from PwC.

Effectiveness of external auditor

During the year, the Committee reviewed the effectiveness and independence of the external auditor, taking into account the input from management, consideration of responses to questions from the Committee, the audit approach and the audit findings reported to the Committee, including conducting one to one meetings with the audit partner. Based on this, the Committee concluded that:

- the overall audit approach, materiality, threshold and areas of audit focus were appropriate to the business; and
- the audit team possessed the necessary quality, expertise and experience to provide an independent and objective audit.

Internal audit

The Audit Committee regularly considers the need for the Group to have its own internal audit function and did so again at its December Board meeting. The Committee is satisfied that no separate internal audit function is required as the business model lacks complexity, significant risks are managed and controlled and a formal governance model is in place ensuring the proper establishment of goals which are measured and managed closely by executive management. In addition, the primary accounting and financial activities are centralised in a single location.

However the Committee plans to engage an independent firm of accountants to conduct additional reviews on systems, controls and processes and with particular focus on overseas jurisdictions.

The Audit Committee will continue to review the need for the Group to have its own internal audit function annually.

Whistleblowing

A Whistleblowing policy enables employees to report concerns on matters affecting the Group or their employment, without fear of recrimination.

The Committee reviewed the Group's Whistleblowing policy and procedures in December 2015 and is satisfied that they are appropriate to the size and scale of the Group.

Anti-bribery and corruption policy

The Group has a zero-tolerance policy to bribery and corruption. The Group's Anti-Bribery and Corruption Policy is issued to all employees. The Committee reviewed the effectiveness of the Policy in December 2015 and concluded that it was sufficient for managing the anti-bribery and corruption risks faced by the Group.

Audit Committee effectiveness

The Committee last considered its own effectiveness in discharging its duties in March 2015. The effectiveness review was carried out using a questionnaire which was completed by each member of the Committee together with a comparison against the Committee's terms of reference and general audit committee best practice. The Committee is satisfied that its performance during the previous financial year was effective. Details of the main activities of the Committee and its role and responsibilities have been detailed earlier in this report.

Robin Taylor
Chairman of the Audit Committee

8 March 2016

During the year, the Company granted awards under the FDM Performance Share Plan

Remuneration Report

Statement from the Chairman of the Remuneration Committee

On behalf of the Board, I am pleased to present our Remuneration Report for the year ended 31 December 2015. This Report is presented in two sections:

- The **Annual Report on Remuneration** – this provides details of the amounts earned by Directors in respect of the year ended 31 December 2015 and how the Directors' Remuneration Policy approved at the 2015 AGM will be operated for the year commencing 1 January 2016. This will be subject to an advisory vote at the 2016 AGM; and

- The **Directors' Remuneration Policy** – this sets out the remuneration policy for Directors approved by shareholders at the 2015 AGM. As noted below, we do not propose to seek shareholder approval for any revisions to the policy, which will continue to apply for 2016.

Consideration by the Directors of matters relating to Directors' remuneration

The Committee comprises Peter Whiting (Chairman), Robin Taylor and Michelle Senecal de Fonseca. Jonathan Brooks was a member of the Committee until his resignation on 30 October 2015. David Lister will join the Board and Remuneration Committee on 9 March 2016. No Directors are involved in or present for discussions about their own remuneration.

The role of the Committee is to:

- Determine the Company's remuneration policy for all Directors and the Chairman;

- Review and determine remuneration and incentive packages for each of the Company's Executive Directors;

- Operate the Company's incentive plans in line with the policy report and various plan rules; and

- Ensure it is kept abreast on issues affecting all aspects of executive remuneration.

The full Remuneration Committee terms of reference can be found on the Company's website.

Our approach to remuneration and its link to our strategy

In 2014 in connection with Admission, the Remuneration Committee formulated a policy in respect of Executive Directors' remuneration to ensure that the policy is aligned with best practice while continuing to enable the Company to attract the right calibre of Executives and promote the long term success of the Company. I was delighted that the policy was strongly supported by shareholders at the 2015 AGM, with over 98% of votes cast in favour of it. The policy is set out on pages 64 to 73 and took effect from the 2015 AGM, although in practice was applied throughout the year. As a Committee, we believe that policy remains appropriate and, accordingly, it will continue to apply for 2016; we have set out in the Annual Report on Remuneration on page 61 how we propose to implement the policy in 2016.

Our reward strategy, and the way in which we implement it, is driven by our overall strategy for the Company. The table opposite illustrates how elements of remuneration are linked to that overall strategy.

Our overall strategy	Our reward strategy
Our strategy: we aim to deliver customer led, sustainable profitable growth on a consistant basis	Our remuneration strategy is designed to promote the long term success of the Company. Long term performance is measured by the three year EPS performance metrics applying to our Performance Share Plan ("PSP"). Performance targets are set so that maximum awards can only be earned for the achievement of stretching levels of performance. We apply an underpin to our PSP awards so that vesting is subject to an assessment of overall financial performance.
Our KPIs and key financial milestones	Mountie revenue, profitability and earnings per share are all key performance indicators for the company. We reflect these in the remuneration strategy as performance measures for the annual bonus and PSP awards.
Our vision and values: We are committed to our people	Employee share ownership is fundamental to our culture and reflected in the wide participation in our share incentive plans. In 2015 we were able to extend participation in our PSP to employees below Board level.
Alignment: Our Executive Directors' interests are aligned with the interests of other shareholders	All our Executive Directors have significant shareholdings in the Company, aligning their interests with those of other shareholders. We further align our Executive Directors and other shareholders by structuring the remuneration package so that a substantial proportion of the maximum opportunity is based on achieving stretching performance conditions.

I maintain contact as required with the principal shareholders of the Company about remuneration to ensure that interests are aligned so far as is practicable.

Remuneration decisions in respect of the year ended 31 December 2015

The year commencing 1 January 2015 was the Company's first full year as a listed company and in which remuneration arrangements for the Executive Directors were determined in accordance with the shareholder approved Directors' Remuneration Policy.

The annual bonus earned by the Executive Directors during 2015 was determined by the Committee based on financial performance relative to full-year targets, specifically group pre-tax profit and Mountie revenue. Bonuses earned by the Executive Directors in respect of 2015 were 82.3% of salary, reflecting the strong performance by the Group during 2015 as detailed in the Strategic Report. Further details of the annual bonus outturn are included in the Annual Report on Remuneration on page 58.

No long term incentives vested by reference to performance in 2015. However, on 20 April 2015 the first awards were made under the Company's 2014 PSP. These awards are in respect of the 2015 – 2017 performance period and incentivise Executive Directors and employees to deliver challenging three-year adjusted earnings per share growth targets over this period. Details of the awards granted to Executive Directors are included in the Annual Report on Remuneration on page 60. Although the Directors' remuneration policy as approved by shareholders enables us to grant awards at the level of up to 100% of salary, the 2015 awards to the Executive Directors were scaled back to 50,000 shares each to enable the grant of awards to employees below the Board. Accordingly, in line with our culture of encouraging employee share ownership and incentivising our colleagues to deliver increased shareholder value, in 2015 we extended participation in the PSP to employees below Board level.

Statement from the Chairman of the Remuneration Committee *(continued)*

Our Executive Directors' salaries were increased in connection with Admission, and those salaries continued to apply for the whole of 2015.

Executive Directors' remuneration in 2016

The Committee has approved a 5% increase to the base salary levels for all Executive Directors with effect from 1 January 2016. Since these salaries were last reviewed at the time of Admission, this is equivalent to an annual increase of 3.3%, which is within the range of increases awarded to the wider workforce. The Committee remains satisfied that they represent competitive, though not excessive, salaries for a company of the size and complexity of FDM, particularly taking into account the growth of the business as a whole since Admission. Mike McLaren's base salary was subject to an additional £30,000 increase (to which the same percentage increase was applied) to reflect the increased complexity of his role, particularly given the rates of growth experienced in overseas territories, in recognition of his performance and development within the role and in the context of market rates for CFOs in other companies of a similar size and complexity, with the result that his salary is aligned with the rest of the executive team at FDM. The metrics in respect of bonuses and the targets and vesting schedule in respect of the PSP will be unchanged in 2016 compared with 2015.

Feedback

We always welcome feedback from shareholders on any aspect of our Directors' remuneration and will continue to monitor our remuneration policy to ensure it remains aligned to the business strategy and delivery of shareholder value.

Peter Whiting
Chairman of the Remuneration Committee

8 March 2016

Employee share ownership is fundamental to our culture and reflected in the wide participation in our share incentive plans

Annual Report on Remuneration

Audited Section

The Audited Section of this report comprises only the following sections:

- Single figure table;
- Annual bonus for 2015;
- Long term incentive awards vesting in 2015;
- Total pension entitlements;
- Payments made to former Directors during the year;
- Payments for loss of office made during the year; and
- Statement of Directors' shareholding and share interests.

Single figure table

The table below details the total remuneration receivable by each Director for the financial years ended 31 December 2015 and 31 December 2014. Where necessary, further explanation of the values provided are included in the notes to the table or the additional information that follows it in relation to the annual bonus and Long Term Incentives ("LTI") vesting in respect of performance in 2015.

		Salary and fees[1] £000	Benefits £000	Annual bonus £000	Long term incentives £000	Pension £000	Other[2] £000	Total remuneration £000
Executive Directors								
Rod Flavell	2015	350.0	19.5	288.1	–	10.5	–	668.1
	2014	335.9	19.3	153.0	–	10.0	140.3	658.5
Sheila Flavell	2015	260.0	13.2	214.0	–	7.8	–	495.0
	2014	244.3	20.8	111.6	–	–	140.3	517.0
Mike McLaren	2015	220.0	13.1	181.1	–	6.7	–	420.9
	2014	200.6	13.1	92.0	–	6.3	–	312.0
Andy Brown	2015	260.0	13.4	214.0	–	7.9	–	495.3
	2014	244.3	13.2	111.6	–	8.1	140.3	517.5
Non-Executive Directors								
Ivan Martin	2015	122.5	–	–	–	–	–	122.5
	2014	108.4	–	–	–	–	–	108.4
Peter Whiting	2015	45.0	–	–	–	–	–	45.0
	2014	23.7	–	–	–	–	–	23.7
Jonathan Brooks[3]	2015	37.5	–	–	–	–	–	37.5
	2014	23.7	–	–	–	–	–	23.7
Robin Taylor	2015	40.8	–	–	–	–	–	40.8
	2014	21.1	–	–	–	–	–	21.1
John Hartz[4]	2015	–	–	–	–	–	–	–
	2014	–	–	–	–	–	–	–
Richard Swann[4]	2015	–	–	–	–	–	–	–
	2014	–	–	–	–	–	–	–

1 The Executive Directors' salaries were reviewed in connection with Admission. As disclosed in the 2014 Directors' Remuneration Report, the salaries that applied from Admission on 20 June 2014, as set out in the Prospectus, continued to apply in 2015. The increase in the Executive Directors' salaries between 2014 and 2015 shown in the above table is attributable to the 2014 salaries being calculated by reference to the pre-Admission salary in respect of part of the year.

2 Comprises equity shares awarded during the period.

3 Comprises fees until his date of resignation on 30 October 2015.

4 John Hartz and Richard Swann received no remuneration from the Group. In 2015 there were no fees charged by Inflexion Private Equity LLP for their services as Directors (2014: £42,500) as both Directors had resigned on 16 June 2014.

The figures in the single figure table on the previous page are derived from the following:

Salary and fees	The total salaries and fees paid in respect of that year. John Hartz and Richard Swann served as Directors until 16 June 2014 and the Company was billed in respect of their fees and expenses by Inflexion Private Equity LLP.
Benefits	Value of benefits received in the year, comprising private medical insurance and car allowance.
Annual bonus	The cash value of the bonuses earned in respect of the financial year, both pre and post Admission in respect of 2014.
Long term incentives ("LTI")	The value of LTI awards that vested in respect of that year (£nil for 2015 and 2014).
Pension	The cash value of Company pension contributions paid on behalf of the Executive Directors as part of the Company's defined contribution scheme.
Other	The value of the Joint Share Ownership Plan ("JSOP") shares that were transferred on Admission. These shares are valued at a price of £2.87, the offer price at Admission.

In 2014, during the Admission process, some of the Directors received payment from the selling shareholders for services provided in relation to realising their investment. As these services were not made for the benefit of or paid by the Company, the remuneration is not disclosed in this report, nor is it shown as an expense in the Group's financial statements.

Annual bonus for 2015

Each Executive Director's annual bonus opportunity for 2015 was based on an adjusted profit before tax target (governing 80% of the opportunity) and a Mountie revenue target (governing 20% of the opportunity). The targets set are detailed in the table below, along with performance against those targets.

For the adjusted profit before tax element of the bonus, a threshold performance level was set at which the bonus paid (20% of the maximum for that element of the bonus) would have been self-funding by reference to a target level of performance of £28.4 million. While the remuneration policy permits a threshold payment of 20% of maximum payable, the Committee decided not to set such a target concerning Mountie revenue. Had the target Mountie revenue of £112.0 million not been achieved, no bonus would have been payable concerning this metric.

	Weighting	Threshold (20% of maximum payable)	Target (50% of maximum payable)	Stretch (100% of maximum payable)	Actual performance	Bonus earned (percentage of maximum payable)
Adjusted profit before tax and before bonus	80%	n/a	£28.4m	£31.9m	£30.4m[1]	57.7%
Mountie revenue	20%	n/a	£112.0m	£120.0m	£119.4m	92.6%

1 The adjusted profit before tax and before bonus figure of £30.4 million reflects the adjusted profit before tax and after bonus figure of £30.1 million.

Accordingly, each Executive Director earned a bonus equal to 82.3% of his/her salary in respect of 2015.

Annual Report on Remuneration *(continued)*

Long term incentive awards vesting in 2015

No long term incentives vested in respect of a performance period ending during the year.

Total pension entitlements

Executive Directors participate in a defined contribution scheme to which the Company contributes an amount equivalent to 3% of salary.

Payments made to former Directors during the year

No payments were made in the year to any former Director of the Company.

Payments for loss of office made during the year

No payments for loss of office were made in the year to any Director of the Company.

Statement of Directors' shareholding and share interests

The current Executive Directors have shareholdings with values significantly in excess of two times' salary, reflecting the Company's historic culture of share ownership and entrepreneurialism. The Committee has also adopted a formal shareholding guideline of 100% of salary; while not relevant for the existing Directors given their significant holdings, the Committee will keep the level of this guideline under review. Newly appointed Executive Directors will normally be given three years to reach the shareholding guideline, subject to their individual circumstances.

The interests as at 31 December 2015[1] were as follows:

	Ordinary shares as at 31 December 2015	Ordinary shares value as at 31 December 2015	Value	Ordinary shares as at 8 March 2016
	Number	£000[2]	(x base salary[3])	Number
Executive Directors				
Rod Flavell	8,201,255	42,852	122.4	8,201,255
Sheila Flavell	8,201,254	42,852	164.8	8,201,254
Mike McLaren	499,295	2,609	11.9	499,295
Andy Brown	4,540,801	23,726	91.3	4,540,801
Non-Executive Directors				
Ivan Martin	–	–	–	–
Robin Taylor	5,226	27	0.7	5,226
Peter Whiting	10,453	55	1.2	10,453
Former Directors				
Jonathan Brooks	–	–	–	–

1 In the case of Jonathan Brooks, the number and value of shares are stated as at 30 October 2015, the date on which he stepped down from the Board.

2 Calculated based on the closing share price of 522.5 pence on 31 December 2015.

3 Calculated on base salary at 31 December 2015.

There have been no changes in the Directors' holdings in the share capital of the Company between 31 December 2015 and the date the financial statements were approved.

Each Executive Director also holds awards under the Company's PSP. All awards held by the Executive Directors were granted in 2015 and remain unvested, with vesting subject to the satisfaction of performance conditions. Details of the awards granted are disclosed below.

Performance Share Plan awards granted in 2015

Each Executive Director was granted awards under the Company's 2014 PSP on 20 April 2015 as set out below, which enables the Executive Director to benefit from the value of up to 50,000 shares subject to the satisfaction of performance conditions based on compound annual growth in adjusted earnings per share.

Each Executive Director was granted an award over the same number of shares.

Award[1]	Number of shares	Exercise price per share	Face value of award
PSP award	40,937	£0.01	£165,500
Tax qualifying option	9,063	£3.31	

1 Each award was granted as an "Approved PSP" award to take account of potential tax advantages for the participant and Company. In addition to the PSP award and tax qualifying option, each Executive Director was granted a "Linked Award" under the PSP which is principally to fund the exercise price of the option. If the tax qualifying option is exercised at a gain, the Linked Award will be exercisable over such number of shares as have a market value at the date of exercise equal to the aggregate exercise price of the tax qualifying option. If the tax qualifying option is not capable of exercise at a gain and is released, the Linked Award may be exercised in respect of up to 9,063 shares, subject to the satisfaction of the applicable performance conditions.

The face value of the award is calculated by multiplying the number of shares subject to the tax qualifying option and the PSP award in total (50,000) by £3.31 being the average share price over the three business days preceding the date of grant which was used to determine the exercise price of the tax qualifying option. As the Linked Award is principally to fund the exercise price of the tax qualifying option, it is not taken into account for these purposes. In practice, the value of the award is the same as if only a PSP award over 50,000 shares was awarded.

The awards will vest based on compound annual EPS growth in line with the following schedule:

Compound annual growth in adjusted[2] EPS	Percentage of the award that will vest
10% p.a.	25%
Greater than 10% p.a. but less than 17% p.a.	Determined on a straight line basis between 25% and 100%
17% p.a. or greater	100%

2 The Committee has discretion to adjust EPS for the purposes of the PSP where it considers it appropriate to do so (for example to reflect a material acquisition and/ or divestment of a Group business) and to assess performance on a fair and consistent basis from year to year.

The extent to which the awards vest (other than, in accordance with the requirements of the applicable tax legislation, any tax qualifying option) will be subject to the Committee's assessment of the overall financial performance of the Company during the performance period. Final levels of vesting may be reduced should the Committee feel that these do not reflect the performance of the Company.

Annual Report on Remuneration *(continued)*

Implementation of the Directors' remuneration policy for 2016

Base salary and fees

The Executive Directors' salaries were increased with effect from 1 January 2016 as discussed in the statement from the Chairman on page 55.

The Chairman's fee was subject to a £6,000 increase with effect from 1 January 2016 and the other Non-Executive Directors' fees were subject to a £2,000 increase with effect from 1 January 2016. A fee of £5,000 was introduced for the role of the Senior Independent Director.

Accordingly, the salaries and fees for 2016 are as set out below:

	Base annual salary
Rod Flavell (Chief Executive Officer)	£367,500
Sheila Flavell (Chief Operating Officer)	£273,000
Mike McLaren (Chief Financial Officer)	£262,500
Andy Brown (Group Commercial Director)	£273,000

	Annual fee
Ivan Martin (Chairman)	£126,000
Non-Executive Director	£42,000
Senior Independent Director	£5,000
Committee Chairman	£5,000

Annual bonus for 2016

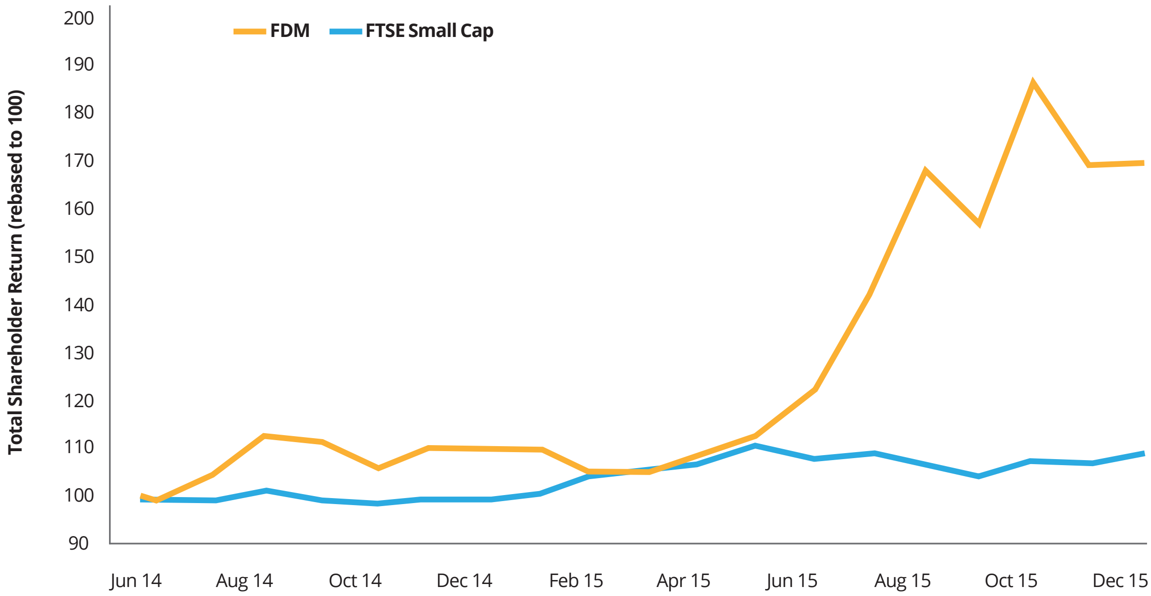
In line with the policy set out on pages 64 to 73 the maximum annual bonus opportunity for all Executive Directors for 2016 is 100% of salary, 80% of the bonus opportunity will be dependent on adjusted group profit before tax, with the remaining 20% based on Mountie revenue. The Committee considers that the details of the 2016 targets are commercially sensitive and they are not disclosed in this report, however the 2016 targets will be disclosed in next year's report.

Long Term Incentives for 2016

The Committee proposes to grant awards under the PSP in respect of 2016. In accordance with the approved Directors' Remuneration Policy, the maximum quantum of award granted to any Executive Director will be up to 100% of salary. The vesting of the awards will be subject to performance conditions based on compound annual growth in adjusted earnings per share over the three year performance period, with the targets and vesting schedule being the same as for the awards granted in 2015.

Performance graph and historical Chief Executive Officer remuneration outcomes

The graph below shows the Company's Total Shareholder Return ("TSR") performance since the date of listing compared to the FTSE Small Cap Index which has been chosen as the Company is a member of that index.



The table below details the total remuneration, annual bonus and LTIP vesting (as a percentage of the maximum opportunity) for the Chief Executive Officer ("CEO") for the last six years. Note that for 2015 this is the remuneration received for the whole of 2015 and so is not directly comparable to the TSR performance chart above, which is for the period from 20 June 2014.

	2010	2011	2012	2013	2014	2015
Total remuneration (£000)	455.2	639.2	686.2	547.7	658.5	668.1
Annual bonus as a % of maximum opportunity	100%	100%	100%	68%	55%	82%

Change in CEO remuneration in relation to the wider workforce

The table below shows the percentage change in salary, benefits and annual bonus for the CEO and the wider workforce between 2014 and 2015. For these purposes, the wider workforce includes all UK employees excluding Mounties, and also excludes employees based overseas in order to exclude the effects of fluctuating exchange rates. Mounties have been excluded from the UK wider workforce numbers to ensure a more meaningful comparison to the CEO's remuneration as their remuneration is not subject to the same annual review process as the rest of the UK workforce.

Percentage change	CEO	Wider workforce
Salary[1]	0.0%	4.8%
Taxable benefits	1.0%	0.0%
Annual bonus	88.3%	11.3%

1 For these purposes, the salaries applying as at December 2015 are compared with the salaries as at December 2014 (rather than the salaries earned over those years). In the single figure table on page 57, the CEO's salary for 2015 is greater than his salary for 2014, which reflects the increase in his salary with effect from Admission during 2014.

Annual Report on Remuneration *(continued)*

Spend on pay

The following table sets out the percentage change in dividends and the overall expenditure on pay (as a whole across the organisation).

	Year ended 31 December 2014 £000	Year ended 31 December 2015 £000	Percentage change
Dividends	–	16,665	n/a
Overall expenditure on pay	58,900	78,487	33%

Statement of voting from last AGM

At the AGM held on 30 April 2015, the Board's resolutions in relation to remuneration received strong support from shareholders. The results of the vote on the various remuneration resolutions are set out below:

Resolution	Votes for	% of votes for	Votes against	% of votes against	Votes withheld
Approve the Directors' Remuneration Policy	87,035,109	98.46%	1,359,484	1.54%	0
Approve the Directors' Remuneration Report	87,374,625	98.85%	1,019,968	1.15%	0

Advisors

During the financial year, the Committee received independent advice from Deloitte LLP, who were appointed by the Committee, in relation to the Committee's consideration of matters relating to Directors' Remuneration. Deloitte LLP were appointed in 2014 following a formal tender process. Fees for advice provided to the Remuneration Committee during the year were £6,300. Fees were charged on a time and disbursements basis.

Deloitte LLP is a member of the Remuneration Consultants Group and voluntarily operates under its code of conduct in its dealing with the Remuneration Committee. The Remuneration Committee continued to review the appointment of Deloitte LLP and is satisfied that all advice received was objective and independent.

Directors' Remuneration Policy

The Company's Directors' remuneration policy was approved by shareholders at the AGM held on 30 April 2015. The policy as approved is set out below except that we have not repeated the charts illustrating the application of the policy in 2015, as these are historic, and we have updated date specific references. The full policy as approved at the 2015 AGM is available on the Company's website at **www.fdmgroup.com**.

Executive Directors

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary			
Core element of fixed remuneration to reflect the individual's role and experience as part of a broadly market competitive total remuneration package, to enable the Group to recruit and maintain the required skills and expertise to enable it to achieve its strategy.	Salary levels are determined taking into account a range of factors, which may include (but are not limited to): • Underlying Group performance; • The size and scope of the Executive Director's role and responsibilities; • The Executive Director's skill, experience and performance; • Salary levels for equivalent roles at other listed companies of a similar size and/ or complexity to the Group; and • Pay and conditions elsewhere in the Group.	Whilst there is no maximum salary level, salary increases will normally be in line with the wider workforce in percentage of salary terms. Salary increases above this level may be awarded in certain circumstances, such as: • Where an Executive Director has been promoted or has had a change in scope or responsibility; • To reflect an individual's development or performance in role (e.g. a newly appointed Executive Director being moved to align with the market over time); • Where there has been a change in market practice; or • Where there has been a change in the size and/ or complexity of the business. Such increases may be implemented over such time period as the Committee deems appropriate.	Not applicable.

Directors' Remuneration Policy *(continued)*

Executive Directors *(continued)*

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Benefits			
To provide benefits as part of a broadly market competitive total remuneration package.	Executive Directors receive benefits set at an appropriate level taking into account total remuneration, market practice, the benefits provided to other employees in the Group and individual circumstances. Benefits provided currently include car allowances and private health insurance. Other benefits may be provided based on individual circumstances. These may include, for example, relocation expenses and expatriate allowances.	Whilst the Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value of benefits is set at a level which the Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role, the level of benefits provided for other employees in the Group and individual circumstances.	Not applicable.
Retirement benefits			
To provide an appropriate level of retirement benefit (or cash allowance equivalent) as part of a broadly market competitive total remuneration package.	Executive Directors are eligible to participate in the Company's defined contribution scheme. In appropriate circumstances, such as where contributions exceed the annual or lifetime allowance, Executive Directors may take a taxable cash supplement instead of contributions to a pension plan.	Maximum company pension contribution (or cash allowance equivalent) for existing Executive Directors of 3% of salary. However, the Committee may permit a higher company pension contribution (or cash allowance equivalent) for any new Executive Director.	Not applicable.

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual bonus			
Rewards Executive Directors for achieving financial, strategic and/ or individual targets in the relevant year, to provide an incentive for the Group's employees to achieve goals aligned with the Group's strategy.	Performance measures and targets are reviewed annually and pay-out levels are determined by the Committee after the year end based on performance against the targets. The Committee has discretion to amend the pay-out should any formulaic outcome not reflect the Committee's assessment of overall business performance. **Recovery** For up to three years following the payment of an annual bonus award, the Committee may require the repayment of some or the entire award in the event of fraud or dishonesty leading to a material misstatement of financial results.	Maximum bonus opportunity for Executive Directors is 100% of base salary.	Performance measures and targets are set annually reflecting the Company's strategy and aligned with key financial, strategic and/ or individual targets. Pay-out of up to 20% of maximum for threshold performance (the minimum level of performance resulting in any payment), 50% of maximum for on-target performance and full pay-out for stretch performance with straight-line vesting in between each of the points. At least 80% of the bonus will be assessed against key financial performance measures which may include revenue, pre-tax profit or other key financial performance metrics of the Company. The balance of the bonus may be assessed against non-financial strategic measures and/ or individual performance.

Directors' Remuneration Policy *(continued)*

Executive Directors *(continued)*

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
PSP			
To incentivise Executive Directors over the longer term, and to deliver performance-related pay, with a clear line of sight for Executives and direct alignment with shareholders' interests.	Long-term incentive awards are granted under the PSP which was approved on 16 June 2014. Awards under the PSP will typically be granted as a conditional award or the grant of a nil-cost option, in either case vesting subject to the achievement of specified performance conditions, over a period of at least three years. Awards may be settled in cash (or granted as a cash award over a notional number of shares) at the discretion of the Committee. Awards under the PSP may be granted on the basis that the number of shares shall be increased to reflect dividends paid over the vesting period, or the Committee may make a cash payment equal to those dividends on release of the shares.	The usual maximum award level under the PSP in respect of any financial year for Executive Directors is awards over shares with a value of 100% of salary. In certain circumstances, the Committee may grant awards under the PSP in respect of any financial year for Executive Directors up to a maximum of 200% of salary. The Committee may at its discretion structure awards as Approved Performance Share Plan ("APSP") awards to enable the participant and the Company to benefit from HMRC approved option tax treatment in respect of part of the award, without increasing the pre-tax value delivered to participants. APSP awards may be structured as an approved option up to the HMRC limit (currently £30,000) and a PSP share award, with the share award scaled back to take account of any gain made on exercise of the approved option.	Performance will be assessed against challenging performance targets. Performance will be based typically on financial measures including, but not limited to, absolute EPS growth. Awards (other than, in accordance with the requirements of the applicable tax legislation, any approved option granted as part of an APSP award) will also be subject to a financial underpin such that PSP awards will only vest if the Committee is satisfied with the overall performance of the Company. Performance measures (and their weighting where there is more than one measure) are reviewed annually to maintain appropriateness and relevance. For threshold performance 25% of the award will vest, rising to 100% of the award vesting for maximum performance with straight-line vesting in between. Below threshold performance, the award will not vest.

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
PSP *(continued)*			
	The Committee may at its discretion structure awards as APSP awards comprising both a HMRC tax-favoured option granted under the Company Share Option Plan ("CSOP") and a PSP award. APSP awards enable an Executive Director and the Company to benefit from HMRC tax-favoured option treatment in respect of part of the award without increasing the pre-tax value delivered to participants. APSP awards would be structured as a tax-favoured option and a PSP award, with the vesting of the PSP award scaled back to take account of any gain made on exercise of the tax-favoured option. Other than to enable the grant of APSP awards, the Company will not grant awards to Executive Directors under the CSOP. **Recovery** At the discretion of the Committee, unvested awards could be reduced, cancelled or have further conditions imposed in certain circumstances including (but not limited to): • A material misstatement of the Company's audited financial results; • A material failure of risk management by the Company or any subsidiary company within the Group; or • A material miscalculation of any performance measure. For up to three years following the vesting of an award, the Committee may require the repayment of some or the entire award in the event of fraud or dishonesty leading to a material misstatement of financial results.		Where a tax-favoured option is granted as part of an APSP award, the same performance conditions will apply to the tax-favoured option as apply to the PSP award.

Save as set out in the table above in relation to the annual bonus and PSP, there are no provisions for the recovery or withholding of any element of remuneration.

Directors' Remuneration Policy *(continued)*

Information supporting the policy table

Explanation of performance measures chosen

Performance measures for the annual bonus and PSP awards which reflect the Company's strategy are selected. Stretching performance targets are set each year by the Committee taking into account a number of different factors.

The annual bonus can be assessed against financial, strategic and/ or individual targets determined by the Committee with at least 80% subject to key financial targets. The Committee considers financial measures like profit before tax and revenue to be important performance metrics because they encourage behaviours that facilitate profitable growth and the successful future strategic development of the business.

Long-term performance measures are chosen by the Committee to provide a robust and transparent basis on which to measure the Company's performance over the longer term and to provide alignment with the business strategy. They are selected to be aligned with the interests of shareholders and to drive business performance. Currently absolute EPS growth is considered to be a key measure of success as it encapsulates the outcomes of many of the strategic drivers of the business, and helps align management incentives with growth in shareholder value.

The Committee retains the discretion to adjust or set different performance measures or targets where it considers it appropriate to do so (for example, to reflect a change in strategy, a material acquisition and/ or a divestment of a Group business or a change in prevailing market conditions) and to assess performance on a fair and consistent basis from year to year.

Operation of the PSP

The PSP will be operated by the Committee in accordance with the plan rules, including the ability to adjust the number of shares subject to awards in the event of a variation of share capital, demerger, delisting, special dividend, rights issue or other event which may, in the opinion of the Committee, affect the current or future value of shares.

Early vesting of awards

Awards may vest earlier than anticipated in "good leaver" circumstances, as determined by the Committee at their discretion. In the event of a change of control of the Company or other relevant corporate event (such as a demerger, delisting, special dividend or other event which may affect the value of an award), awards under the PSP may vest in accordance with the rules of the PSP. The Committee shall determine the extent of vesting taking into account the extent to which the relevant performance condition has been satisfied. Such vesting would ordinarily be on a time pro rata basis although the Committee has discretion not to apply time prorating.

Non-Executive Directors

Purpose and link to strategy	Operation	Other items
To enable the Company to attract and retain Non-Executive Directors of the required calibre by offering market competitive rates.	The Chairman is paid a basic Chairman fee and additional fees for chairmanship of any Board Committees. Non-Executive Directors receive a basic fee and additional fees for chairmanship of any Board Committees. The Chairman's fee is determined by the Remuneration Committee and the fees of the other Non-Executive Directors are determined by the Board. Fees are based on the time commitment and contribution expected for the role and the level of fees paid to Non-Executive Directors serving on the board of similar-sized UK listed companies. Overall fees paid to Non-Executive Directors will remain within the limit of £1.0 million per annum set by the Company's Articles of Association.	Non-Executive Directors may be eligible to be reimbursed travel and subsistence costs incurred in the performance of their duties. The Non-Executive Directors do not participate in the Company's annual bonus, share plans or pension schemes or other benefit in kind arrangements.

Policy for the remuneration of employees more generally

The Group aims to provide a remuneration package that is competitive in an employee's country of employment and which is appropriate to promote the long term success of the Group. The Group intends to apply this policy fairly and consistently and does not intend to pay more than is necessary to attract and motivate staff. In respect of Executive Directors, a greater proportion of the remuneration package is "at risk" and determined by reference to performance conditions.

Approach to recruitment remuneration

When hiring a new Executive Director, the Committee will seek to align the remuneration package with the above policy.

When determining appropriate remuneration arrangements, the Committee may include other elements of pay which it considers are appropriate and necessary to recruit and retain the individual. However, this discretion is capped and is subject to the limits referred to below:

- Base salary will be set at a level appropriate to the role and the experience of the Director being appointed. This may include agreement on future increases up to a market rate, in line with increased experience and/ or responsibilities, subject to good performance, where it is considered appropriate;
- Benefits will only be provided in line with the above policy;
- Pension contributions may be made above the limit for the existing Executive Directors (3% of salary) up to a maximum of 15%. This flexibility recognises that future Executive Directors will not have the same significant levels of shareholding in the Company as the existing Executive Directors and additional pension benefits may be needed in order to offer a competitive remuneration package;

Directors' Remuneration Policy *(continued)*

Approach to recruitment remuneration *(continued)*

- The Committee will not offer non-performance related incentive payments (for example a "guaranteed sign-on bonus" or "golden hello");
- Other elements may be included in the following circumstances:
  - An interim appointment being made to fill an Executive Director role on a short term basis;
  - If exceptional circumstances require that the Chairman or a Non-Executive Director takes on an executive function on a short term basis;
  - If an Executive Director is recruited at a time in the year then it would be inappropriate to provide a bonus or long term incentive award for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis; or
  - If the Director will be required to relocate in order to take up the position, it is the Company's policy to allow reasonable relocation, travel and subsistence payments. Any such payments will be at the discretion of the Committee;
- The Committee may also alter the performance measures, performance period and vesting period of the annual bonus or PSP, if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale of any such alterations will be clearly explained in the next Directors' Remuneration Report; and
- The maximum level of variable remuneration which may be granted (excluding buyout awards as referred to below) is 300% of salary, in line with the Policy table set out on pages 64 to 68.

The Committee may make payments or awards in respect of hiring an employee to buyout remuneration arrangements forfeited on leaving a previous employer. In doing so, the Committee will take account of relevant factors including any performance conditions attached to the forfeited arrangements and the time over which they would have vested or been paid. The Committee will generally seek to structure buyout awards or payments on a comparable basis to the remuneration arrangements forfeited. Any such payments or awards are excluded from the maximum level of variable remuneration referred to above. Buyout awards will ordinarily be granted on the basis that they are subject to forfeiture or "clawback" in the event of departure within 12 months of joining the Company, although the Committee will retain discretion not to apply forfeiture or clawback in appropriate circumstances.

Any share awards referred to in this section will be granted as far as possible under the Company's existing share plans. If necessary and subject to the limits referred to above, recruitment awards may be granted outside of these plans.

Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue in accordance with their terms.

Fees payable to a newly appointed Chairman or Non-Executive Director will be in line with the policy in place at the time of appointment.

Letters of appointment for the Directors are available for inspection by shareholders at each AGM and during normal business hours at the Company's registered office.

Service contracts

Each Executive Director has a service contract with the Company which may be terminated by the Company or Director by giving 12 months' notice. This notice period is considered appropriate to the Company. Each Non-Executive Director has a letter of appointment with the Company which may be terminated by the Company or Director by giving three months' notice.

Details of the Directors' service contracts (or letter of appointment in the case of a Non-Executive Director), notice periods and, where applicable, expiry dates, are set out below:

Name	Commencement	Expiry	Notice period
Rod Flavell	20 June 2014	–	12 months
Sheila Flavell	20 June 2014	–	12 months
Mike McLaren	20 June 2014	–	12 months
Andy Brown	20 June 2014	–	12 months
Ivan Martin	20 June 2014	–	3 months
Peter Whiting	20 June 2014	–	3 months
Robin Taylor	20 June 2014	–	3 months
Michelle Senecal de Fonseca	15 January 2016	–	3 months

Payments for loss of office

The principles on which the determination of payments for loss of office will be approached are set out below:

Payment in lieu of notice

Each Executive Director's service contract contains provision for payment in lieu of notice at the discretion of the Company. Such payment would consist of basic salary plus benefits only for the notice period (or the balance of the notice period if relevant) together with any accrued but untaken holiday pay entitlement.

Annual bonus

This will be at the discretion of the Committee on an individual basis and the decision as to whether or not to award a bonus in full or in part will be dependent on a number of factors, including the circumstances of the individual's departure and their contribution to the business during the bonus period in question. Any bonus amounts paid will be prorated for time in service during the bonus period and will be paid at the usual time (although the Committee retains discretion to pay the bonus earlier in appropriate circumstances).

PSP

The extent to which any unvested award will vest will be determined in accordance with the rules of the PSP. Unvested awards will normally lapse on cessation of employment. However, the Committee may, in its absolute discretion, determine that on cessation of employment an award that has not yet vested will vest at cessation or at the normal vesting date. In either case, the extent of vesting will be determined by the Committee taking into account the extent to which the performance condition is satisfied and, unless the Committee determines otherwise, the period of time elapsed from the date of grant to the date of cessation. Awards may then be exercised during such period as the Committee determines.

If an award has vested prior to an individual's cessation of employment, the Committee may, in its absolute discretion, allow the award to be exercised for such period as the Committee determines.

Directors' Remuneration Policy *(continued)*

Other payments

In appropriate circumstances, payments may also be made in respect of outplacement and legal fees. Where a buy-out award is made, the leaver provisions would be determined at the time of the award. The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment.

Existing contractual arrangements

The Committee retains discretion to make any remuneration payment or payment for loss of office outside the policy in this report:

- Where the terms of the payment were agreed before the policy came into effect;
- Where the terms of the payment were agreed at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company;
- To satisfy contractual commitments; or
- Under legacy remuneration arrangements.

For these purposes, "payments" includes the satisfaction of awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

Statement of consideration of employment conditions elsewhere in the Company

The Committee generally considers pay and employment conditions elsewhere in the Company when considering the Directors' remuneration. When considering base salary increases, the Committee reviews overall levels of base pay increases offered to other employees. Employees are not actively consulted on Directors' remuneration. Employee share ownership is fundamental to the Company's culture and is reflected in the wide participation in our share incentive plans.

Statement of consideration of shareholder views

The Committee is committed to an ongoing dialogue with shareholders and welcomes feedback on Directors' remuneration. The Committee intends to consult with shareholders in respect of any significant changes to the Director remuneration arrangements.

Approval

This Report was approved by the Board on 8 March 2016 and signed on its behalf by:

PF Whiting

Peter Whiting
Chairman of the Remuneration Committee

8 March 2016

Directors' Report

The Directors present the Directors' Report and audited Consolidated Financial Statements of FDM Group (Holdings) plc for the year ended 31 December 2015.

Principal activities, business review and future developments

The principal activity of the Group is the provision of professional services focusing principally on Information Technology. The Strategic Report on pages 2 to 31 provides a review of the Group's performance during the financial year as well as its future prospects.

Results and dividends

The Group reported a profit after tax for the year of £22.0 million (2014: £13.5 million). Results for the year are set out in the Consolidated Income Statement on page 85.

The Directors propose a final dividend of 8.5 pence per share and a special dividend of 5.0 pence per share. Subject to shareholder approval, both of these dividends will be paid on 3 June 2016 to shareholders of record on 13 May 2016. An interim dividend of 8.0 pence per share was declared by the Directors on 28 July 2015 and was paid on 25 September 2015 to holders of record on 21 August 2015. An interim dividend of 7.5 pence per share in respect of the period from Admission of the Company's shares to the Main Market of the London Stock Exchange on 20 June 2014 to 31 December 2014 was paid on 12 June 2015.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements unless otherwise stated, were:

Ivan Martin	Non-Executive Chairman
Roderick Flavell	Chief Executive Officer
Sheila Flavell	Chief Operating Officer
Michael McLaren	Chief Financial Officer
Andrew Brown	Group Commercial Director
Peter Whiting	Non-Executive Director
Robin Taylor	Non-Executive Director
Michelle Senecal de Fonseca	Non-Executive Director - appointed 15 January 2016
Jonathan Brooks	Non-Executive Director - resigned 30 October 2015

The biographies of the currently serving Directors are provided on pages 33 and 34 of this report.

Director share interests

Details of the interests of Directors in the shares of the Company are provided on page 59 of this report.

Director long term inventive schemes

For the purposes of the UK Listing Authority Listing Rules section 9.8.4C R, details of the Group's long term incentive schemes are disclosed in the Remuneration Report starting on page 53. All other information required to be disclosed by Listing Rule section 9.8.4 R is not applicable for the year under review.

Directors' indemnity and liability insurance

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and officers' liability insurance in respect of itself and its Directors.

Risk management objectives and policies

The Group through its operations is exposed to a number of risks. Details of the Group's financial risk management objectives and policies are set out in note 28 to the Consolidated Financial Statements. The principal risks that the Group faces are set out on pages 20 to 22 of the Strategic Report.

Corporate Governance

For details of the Corporate Governance Report see pages 35 to 43. The Corporate Social Responsibility report, on pages 29 to 31, includes information about the Group's employment policies and greenhouse gas emissions.

Branches outside the UK

The Group continues to operate one branch in France.

Substantial shareholders

As at 31 December 2015 and as at 29 February 2016, the Company had been advised, in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, of the following notifiable interests (whether directly or indirectly held) in 3% or more of its voting rights:

		As at 31 December 2015		As at 29 February 2016	
Substantial shareholder	**Direct/ indirect interest**	**Number of shares**	**% of issued share capital**	**Number of shares**	**% of issued share capital**
Columbia Threadneedle Investments	Indirect	9,540,067	8.9	9,536,762	8.9
Roderick Flavell	Direct	8,201,255	7.6	8,201,255	7.6
Sheila Flavell	Direct	8,201,254	7.6	8,201,254	7.6
Standard Life Investments	Indirect	7,644,351	7.1	8,177,727	7.6
Majedie Asset Management	Indirect	4,669,910	4.3	4,614,611	4.3
Andrew Brown	Direct	4,540,801	4.2	4,540,801	4.2
River & Mercantile Asset Management	Indirect	4,055,056	3.8	3,608,633	3.4
AXA Investment Managers	Indirect	4,013,553	3.7	4,043,717	3.8
Old Mutual Global Investors	Indirect	4,005,184	3.7	4,298,334	4.0
Independent Investment Trust	Direct	4,000,000	3.7	3,797,500	3.5
Investec Asset Management	Direct	3,853,040	3.6	3,610,086	3.4
Artemis Investment Management	Indirect	3,496,271	3.3	3,387,060	3.2
Invesco Asset Management	Direct	3,325,252	3.1	3,325,252	3.1
Unicorn Asset Management	Indirect	3,101,000	2.9	3,254,042	3.0

Political donations

The Group made no political donations in the year (2014: £nil).

Going concern

The Group'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 processes are also described in the Strategic Report.

The Group's continued and forecast global growth, positive operating cash flow and liquidity position, together with its distinctive business model and infrastructure, enables the Group to manage its business risks successfully. The Group's forecasts and projections show that it will continue to operate with adequate cash resources and within the current working capital facilities. The Group passed all bank covenants tested in the year and forecasts that all covenants will be passed for a period of at least twelve months from the date of signing this Annual Report.

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

Greenhouse gas emissions

Details of the Group's compliance with legislation relating to greenhouse gas emissions are set out on page 31 in the Corporate Social Responsibility report.

Employee information

Information on the Group's employee policies is included on page 29 in the Corporate Social Responsibility report.

Capital structure

The Group's capital structure is detailed in note 22 to the Consolidated Financial Statements.

Change of control

The Group has agreements in place with certain of its banking customers that give the bank the right to terminate the contract on a change of control following a takeover bid for the Group. In addition, the Group has a Revolving Credit Facility ("RCF") with HSBC Bank plc, which contains a clause such that HSBC Bank plc has the right to terminate the facility upon a change of control of the Group.

The Group has no agreements with employees or Directors that provide for compensation for loss of office or employment that occurs resulting from a takeover bid.

The Group knows of no agreements under which holders of securities in the Company may restrict votes or transfers in the Company's shares.

Post balance sheet events

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

Related party transactions

The Group's related party transactions are detailed in note 27 to the Consolidated Financial Statements.

Independent auditors

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

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards ("IFRS"s) as adopted by the European Union ("EU"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess a company's performance, business model and strategy.

Responsibility statement of the Directors in respect of the Annual Report

Each of the Directors, whose names and functions are listed on pages 33 and 34, confirm that, to the best of their knowledge:

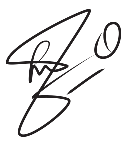
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report contained in this Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Disclosure of information to the auditors

In accordance with Section 418 of the Companies Act 2006, Directors' reports shall include a statement, in the case of each Director in office at the date the Directors' Report is approved, that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors' Report has been approved by the Board of Directors of FDM Group (Holdings) plc on 8 March 2016 and signed on its behalf by:



Rod Flavell
Chief Executive Officer

8 March 2016

Mike McLaren
Chief Financial Officer

8 March 2016

Independent auditors' report to the members of FDM Group (Holdings) plc

Report on the group financial statements

Our opinion

In our opinion, FDM Group (Holdings) plc's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 December 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

What we have audited

The financial statements, included within the Annual Report and Accounts (the "Annual Report"), comprise:

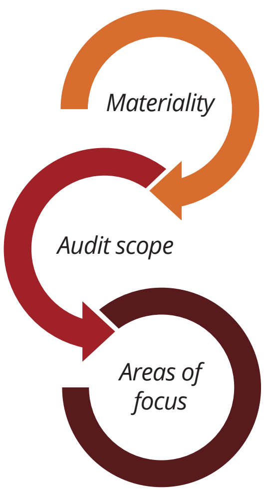
- the consolidated statement of financial position as at 31 December 2015;
- the consolidated income statement and statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

Our audit approach

Overview



- Overall group materiality: £1,500,000 which represents 5% of adjusted profit before tax.

- The group financial statements are a consolidation of 13 reporting units.
- We performed full scope audits of the UK and USA operating reporting units.
- We audited the revenue, trade and other receivables and cash and cash equivalent balances of the Germany and Switzerland trading reporting units.
- We also performed full scope audits of the centralised functions in the UK, comprising the parent and intermediate holding companies.
- Our full scope audits covered 87% of revenue (with a further 6% coverage obtained through our work on the Germany and Switzerland reporting units) and 91% of adjusted profit before tax.

- Revenue recognition in respect of uninvoiced amounts.
- Share option plan expense.

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

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

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	*How our audit addressed the area of focus*
Revenue recognition in respect of uninvoiced amounts	
Refer to note 3.3 (b) to the Consolidated Financial Statements for the directors' disclosures of the related accounting policies and page 49 ('Significant financial reporting items') within the Audit Committee Report. At the year-end, revenue is accrued for work performed that has not yet been invoiced. Within this estimate, revenue is recognised for contracts either where services have been provided but customer purchase orders have not yet been finalised, or where consultants' timesheets have not yet been approved by the customer or have not been received by the group. There is some judgement in the recognition of this revenue, in order to estimate the amount of work performed by consultants before receipt of approved timesheets or purchase orders, which could lead to an under or overstatement of revenue and profit, whether intentionally or in error.	We gained an understanding from management of the key assumptions underpinning the year end sales adjustments and compared these assumptions with the prior year. We evaluated management's estimate for unreceived timesheets by comparing a sample of estimated timesheets to the timesheet received post year end. We found the estimate to be appropriate. We substantively tested the year end adjustment for timesheets received but not invoiced by agreeing to subsequent cash receipt or customer approval, in order to identify any inappropriate recognition of revenue, noting no material exceptions in our testing.
Share option plan expenses	
Refer to notes 3.3 (n) and 4 to the Consolidated Financial statements for the directors' disclosures of the related accounting policies, judgements and estimates, and page 49 ('Significant financial reporting items') within the Audit Committee Report. During the year, the group has implemented a share option plan for management and senior employees. The assumptions used in calculating the charge recognised in the income statement are judgemental and complex, including an estimate of the number of leavers from the scheme in each period as well as an estimate of the future growth in adjusted earnings per share of the group (refer to page 60 ('Annual Report on Remuneration') for details on the share option plan). These judgements could lead to an under or overstatement of the share option plan expense, whether intentionally or in error.	We gained an understanding from management of the key assumptions underpinning the share option valuation model. We evaluated the assumption made by management for forecast growth in adjusted earnings per share by comparing to recent historical performance as well as reviewing budgets and forecasts approved by the Board of Directors, and found it to be appropriate. We evaluated management's assumption for the number of leavers from the scheme by comparing to historical leavers from the scheme, and found it to be appropriate. We evaluated the sensitivity analysis performed by management to assess the potential impact of changes in key assumptions, noting that a significant change in the assumptions would be needed to cause a material error in the share option plan expense. We concluded that stress testing these assumptions did not have a material impact on the income statement charge. We checked the mathematical integrity of the model, and found it to be accurate. We tested a sample of options granted to deeds of grant and leavers from the scheme to resignation letters, noting no exceptions in our testing. We also considered the disclosures made in note 25 to the financial statements and determined that they are consistent with the requirements of accounting standards.

Report on the group financial statements *(continued)*

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the group, the accounting processes and controls, and the industry in which the group operates.

The group is structured by division, with significant reporting units in the UK and USA, and further smaller reporting units in locations across Europe, Canada, Asia and South Africa. The group financial statements are a consolidation of 13 reporting units, comprising the group's operating businesses and centralised functions.

The accounting and financial management for all reporting units is controlled from the UK, so we as the group engagement team have performed all audit work.

We determined the type of work that needed to be performed at the reporting units to be able to conclude that sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole. Accordingly, we determined that audits of the complete financial information were required for four reporting units, comprising the UK and USA trading reporting units and the parent and intermediate holding companies (which contain, amongst other balances, the group's borrowing facilities and central costs). To support our work on the USA reporting unit, we visited the group's offices in New York, where we met with local management and inspected original copies of certain documents. We also included in our audit scope the revenue, trade and other receivables and cash and cash equivalents in the next two largest reporting units, being Germany and Switzerland, which we performed from the group's head office in the UK, where the accounting is administered. Finally, following discussion with the Audit Committee and group Management, we performed certain specified procedures on the Canada reporting unit, where growth is accelerating rapidly. To facilitate the performance of some of these procedures, we visited the group's offices in Toronto, where we met with local management and inspected original copies of certain documents.

As a result, full scope audit procedures were conducted on reporting units representing 91% of the group's adjusted profit before tax and 87% of revenue, with a further 6% coverage of revenue obtained through our work on the Germany and Switzerland reporting units.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall group materiality	£1,500,000 (2014: £1,200,000).
How we determined it	5% of adjusted profit before tax.
Rationale for benchmark applied	We believe that adjusted profit before tax provides us with the most appropriate basis for determining materiality as we believe this aligns with the principal consideration of the shareholders of the company. Our benchmark is consistent with the prior year, except in the prior year adjusted profit before tax also included the removal of one-off IPO transaction costs.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £70,000 (2014: £60,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the directors' statement, set out on page 76, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the group has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the group's ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2006 opinions

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out pages 35 to 43 with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:	
• information in the Annual Report is: • materially inconsistent with the information in the audited financial statements; or • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or • otherwise misleading.	We have no exceptions to report.
• the statement given by the directors on page 41, in accordance with provision C.1.1 of the UK Corporate Governance Code (the "Code"), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the group's performance, business model and strategy is materially inconsistent with our knowledge of the group acquired in the course of performing our audit.	We have no exceptions to report.
• the section of the Annual Report on pages 47 to 51, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report.

Other required reporting *(continued)*

The directors' assessment of the prospects of the group and of the principal risks that would threaten the solvency or liquidity of the group

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:	
• the directors' confirmation on pages 18 to 22 of the Annual Report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the directors' explanation on page 23 of the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

Under the Listing Rules we are required to review the directors' statement that they have carried out a robust assessment of the principal risks facing the group and the directors' statement in relation to the longer-term viability of the group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Corporate governance statement

Under the Companies Act 2006 we are required to report to you if, in our opinion, a corporate governance statement has not been prepared by the parent company. We have no exceptions to report arising from this responsibility.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the Code. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 77 to 78, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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

Other matter

We have reported separately on the parent company financial statements of FDM Group (Holdings) plc for the year ended 31 December 2015 and on the information in the Directors' Remuneration Report that is described as having been audited.

Jaskamal Sarai (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

8 March 2016

Consolidated Income Statement

for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Revenue	6	**160,656**	123,257
Cost of sales		**(97,207)**	(74,859)
Gross profit		**63,449**	48,398
Administrative expenses		**(33,932)**	(23,530)
Exceptional administrative expenses	10	**–**	(5,412)
Total administrative expenses		**(33,932)**	(28,942)
Operating profit	7	**29,517**	19,456
Financial income	11	**16**	4
Financial expense	11	**(168)**	(490)
Net finance expense		**(152)**	(486)
Analysis of profit before income tax			
Operating profit before exceptional Items		**29,517**	24,868
Exceptional items	10	**–**	(5,412)
Net finance expense		**(152)**	(486)
Profit before income tax		**29,365**	18,970
Taxation	12	**(7,344)**	(5,473)
Profit for the year		**22,021**	13,497

Earnings per ordinary share

	Note	2015 pence	2014 pence
Basic and diluted	13	**20.5**	12.7

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

The notes on pages 90 to 116 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2015

	2015 £000	2014 £000
Profit for the financial year	**22,021**	13,497
Items that may be subsequently reclassified to profit or loss		
Exchange differences on retranslation of foreign operations (net of tax)	**(67)**	97
Total other comprehensive (expense)/ income	**(67)**	97
Total comprehensive income recognised for the year	**21,954**	13,594

The notes on pages 90 to 116 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position

as at 31 December 2015

	Note	2015 £000	2014 £000
Non-current assets			
Property, plant and equipment	14	**4,264**	2,522
Intangible assets	15	**19,550**	19,429
Deferred income tax assets	20	**173**	–
		23,987	21,951
Current assets			
Trade and other receivables	17	**24,593**	25,072
Cash and cash equivalents	18	**22,360**	12,287
		46,953	37,359
Total assets		**70,940**	59,310
Non-current liabilities			
Deferred income tax liabilities	20	**282**	259
		282	259
Current liabilities			
Trade and other payables	19	**19,168**	14,013
Current income tax liabilities		**3,089**	2,515
		22,257	16,528
Total liabilities		**22,539**	16,787
Net assets		**48,401**	42,523
Equity attributable to owners of the parent			
Share capital	22	**1,075**	1,127
Share premium		**7,873**	8,364
Capital redemption reserve		**52**	–
Other capital reserves		**589**	–
Translation reserve		**76**	143
Retained earnings		**38,736**	32,889
Total equity		**48,401**	42,523

The notes on pages 90 to 116 are an integral part of these Consolidated Financial Statements.
The financial statements on pages 85 to 116 were approved by the Board of Directors on 8 March 2016 and were signed on its behalf by:

Rod Flavell
Chief Executive Officer

8 March 2016

Mike McLaren
Chief Financial Officer

8 March 2016

Consolidated Statement of Cash Flows

for the year ended 31 December 2015

	Note	**2015 £000**	2014 £000
Cash flows from operating activities			
Group profit before tax for the year		**29,365**	18,970
Adjustments for:			
Depreciation and amortisation	7	**753**	643
Finance income	11	**(16)**	(4)
Finance expense	11	**168**	490
Share-based payment charge (including associated social security costs)		**710**	421
Decrease/ (increase) in trade and other receivables		**479**	(4,044)
Increase in trade and other payables		**5,027**	2,852
Cash flows generated from operations		**36,486**	19,328
Interest received		**16**	4
Income tax paid		**(6,920)**	(4,898)
Net cash generated from operating activities		**29,582**	14,434
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(2,437)**	(601)
Acquisition of intangible assets		**(172)**	(70)
Net cash used in investing activities		**(2,609)**	(671)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**–**	7,902
Repayment of borrowings	21	**–**	(15,000)
Finance costs paid		**(161)**	(466)
Dividends paid	23	**(16,665)**	–
Net cash used in financing activities		**(16,826)**	(7,564)
Net increase in cash and cash equivalents		**10,147**	6,199
Exchange (losses)/ gains on cash and cash equivalents		**(74)**	78
Cash and cash equivalents at beginning of year	18	**12,287**	6,010
Cash and cash equivalents at end of year	18	**22,360**	12,287

The notes on pages 90 to 116 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

	Share capital	Share premium	Treasury shares	Capital redemption reserve	Other capital reserves	Translation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 January 2015	1,127	8,364	–	–	–	143	32,889	42,523
Profit for the year	–	–	–	–	–	–	22,021	22,021
Other comprehensive expense for the year	–	–	–	–	–	(67)	–	(67)
Total comprehensive (expense)/ income for the year	–	–	–	–	–	(67)	22,021	21,954
Share-based payments (note 25)	–	–	–	–	589	–	–	589
Closure of Employee Benefit Trust (note 26)	–	(491)	–	–	–	–	491	–
Purchase of deferred shares (note 22)	(52)	–	–	52	–	–	–	–
Dividends (note 23)	–	–	–	–	–	–	(16,665)	(16,665)
Balance at 31 December 2015	**1,075**	**7,873**	**–**	**52**	**589**	**76**	**38,736**	**48,401**

	Share capital	Share premium	Treasury shares	Capital redemption reserve	Other capital reserves	Translation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 January 2014	1,018	543	(22)	–	–	46	19,021	20,606
Profit for the year	–	–	–	–	–	–	13,497	13,497
Other comprehensive income for the year	–	–	–	–	–	97	–	97
Total comprehensive income for the year	–	–	–	–	–	97	13,497	13,594
Share-based payments (note 25)	–	–	–	–	421	–	–	421
Transfer to retained earnings	–	–	–	–	(421)	–	421	–
Sale of treasury shares	–	–	22	–	–	–	(22)	–
Bonus issue of shares	81	(53)	–	–	–	–	(28)	–
Proceeds from shares issued	28	7,972	–	–	–	–	–	8,000
Cost of shares issued	–	(98)	–	–	–	–	–	(98)
Balance at 31 December 2014	**1,127**	**8,364**	**–**	**–**	**–**	**143**	**32,889**	**42,523**

The notes on pages 90 to 116 are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1 General information

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

The Company is a public limited company incorporated and domiciled in the UK with a Premium Listing on the London Stock Exchange. The Company's registered office is 3rd Floor, Cottons Centre, Cottons Lane, London, SE1 2QG and its registered number is 07078823.

The Consolidated Financial Statements consolidate those of the Company and its subsidiaries. Subsidiaries and their countries of incorporation are presented in note 3 to the Parent Company Financial Statements.

The Consolidated Financial Statements present the results for the year ended 31 December 2015. The Consolidated Financial Statements were approved by Rod Flavell and Mike McLaren on behalf of the Board of Directors on 8 March 2016.

2 Going concern

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

The Group's continued and forecast global growth, positive operating cash flow and liquidity position, together with its distinctive business model and infrastructure, enables the Group to manage its business risks. The Group's forecasts and projections show that it will continue to operate with adequate cash resources and within the current working capital facilities. The Group passed all bank covenants tested in the year and forecasts that all covenants will be passed for a period of at least twelve months from the date of signing this Annual Report.

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

3 Accounting policies

3.1 Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with IFRSs as adopted by the EU, IFRS Interpretations Committee ("IFRS IC") interpretations and the Companies Act 2006 as applicable to companies reporting under IFRSs.

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

The Group's accounting policies have been applied consistently.

3.2 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015.

Subsidiaries

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

Details of the subsidiaries owned by the Group are presented in note 3 to the Parent Company Financial Statements. There are no minority interests in the subsidiaries of the Company.

3.3 Summary of significant accounting policies

a) Business combinations and goodwill

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to that unit.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

b) Revenue recognition

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

Rendering of services

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

- The revenue is recognised in the period in which the IT consultants perform the work at the contracted rates for each IT consultant. Revenue is based on timesheets from its IT consultants which are authorised by the Group's customers detailing the hours and service provided;
- Revenue in respect of non-receipted timesheets is accrued at the estimated contract value.
- Volume rebates are accrued in the period in which the revenue is incurred, with the value of the rebate offset against revenue. They are calculated with regard to the threshold revenue in a contractual period.

c) Foreign currency translation

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

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

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

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are expressed in the Group's presentation currency using exchange rates prevailing at the end of the reporting period. Income and expense related items are translated at the average exchange rates for the period. Exchange differences arising are classified as other comprehensive income and transferred to the Group's translation reserve.

d) 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 Group operates and generates income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. 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.

3.3 Summary of significant accounting policies *(continued)*

d) Taxes *(continued)*

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 differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying 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.

e) Property, plant and equipment

Property, plant and equipment 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:

Motor vehicles	4 years
Plant and equipment	4 years
Fixtures and fittings	4 years
Leasehold improvements	Length of lease

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

f) Operating leases

Operating lease payments are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as part of the total lease expense.

g) Intangible assets

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

Software and software licences

The Group holds acquired software and software licences as intangible assets. Acquired software and software licences are capitalised on the basis of cost and amortised over the estimated useful lives of the software which is estimated to be four years or the licence term if shorter. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period and adjusted if appropriate.

Goodwill

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units.

Goodwill is reviewed annually or when there is an indication of impairment. Impairment of goodwill is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying value of the cash-generating unit to which the goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

i) Cash and cash equivalents

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

j) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value and subsequently held at amortised cost. The Group's financial liabilities include trade and other payables and a revolving credit facility. During 2014 the Group's bank loans were repaid in full and in February 2015 the Group's working capital facility expired.

Loans and financial liabilities

Borrowing costs paid on the establishment of credit facilities are recognised as an expense in the income statement over the expected usage period of the facility.

k) Pensions and other post-employment benefits

The Group operates a number of defined contribution pension schemes. The assets of each scheme are held separately from those of the Group 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.

3.3 Summary of significant accounting policies *(continued)*

l) Exceptional items

Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide a better understanding of the financial performance of the Group. They are items of expense or income that are material or one-off in nature and are shown separately due to the significance of their nature or amount. Further information on the expenses classified as exceptional is included in note 10.

m) Equity

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.

Equity instruments that are reacquired (treasury shares) are recognised at cost, including any directly attributable incremental costs (net of income taxes), and deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and consideration (net of any directly attributable incremental transaction costs and the related income tax effects), if reissued, is recognised in Share premium. Treasury shares relate to those shares held by the Employee Benefit Trust and are consolidated in the results of the Group. The Company is the sponsoring entity of the Employee Benefit Trust. The Employee Benefit Trust, which was inactive in 2015, was closed during the year ended 31 December 2015. Until its closure during 2015, the share transactions of the Employee Benefit Trust were consolidated in the results of the Group.

Other capital reserves represent the cost of equity on settled share-based payments until such share options are exercised or lapse.

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

n) Share-based payments

Employees (including senior executives) of the Group 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 other capital reserves 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 Group'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 as at 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.

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.

o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Board of Directors. The Executive Directors have been identified as the chief operating decision maker.

p) Dividends

Dividends are recognised as a liability in the year in which they are fully authorised, or in the case of interim dividends when paid.

4 Significant accounting estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting 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. The following are considered to be the Group's significant areas of judgement:

Share-based payment charge

A share-based payment charge is recognised in respect of share awards based on the Directors' best estimate of the number of shares that will vest based on the performance conditions of the awards, which comprise adjusted EPS growth and the number of employees that will leave before vesting. 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 25.

Impairment of goodwill

For impairment testing of goodwill the weighted average cost of capital ("WACC") is calculated to reflect a required rate of return. The WACC is used to discount the estimated future cash flows of the Group to arrive at a value in use, which is compared to the carrying value of the goodwill and other net assets of the respective cash generating unit at the balance sheet date. If the value in use is greater than the carrying value of goodwill and other net assets at the balance sheet date, there is no impairment. For further information, see note 16.

5 New standards and interpretations

The International Accounting Standards Board ("IASB") and IFRS IC have issued the following amendment which was effective during the year and was adopted by the Group in preparing the financial statements. The adoption of this amendment has not had a material impact on the Group's financial statements in the year:

Effective in 2015	Effective for accounting periods beginning on or after	Endorsed by the EU
Amendments		
Amendment to IAS 19, 'Employee benefits', on defined benefit plans	1 July 2015	Yes

The IASB and IFRS IC have issued the following standards and amendments with an effective date of implementation for accounting periods beginning after the date on which the Group's financial statements for the current year commenced. With the exception of IFRS 16 'Leases', the Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application. The Directors have not yet carried out an assessment of the likely impact of IFRS 16 'Leases'.

Effective after 31 December 2015	Effective for accounting periods beginning on or after	Endorsed by the EU
New standards		
IFRS 9, 'Financial instruments'	1 January 2018	No
IFRS 14, 'Regulatory deferral accounts'	1 January 2016	Yes
IFRS 15, 'Revenue from contracts with customers'	1 January 2018	No
IFRS 16, 'Leases'	1 January 2019	No
Amendments		
Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	1 January 2016	Yes
Amendments to IAS 7, 'Statement of cash flows'	1 January 2017	No
Amendments to IAS 12,'Income taxes' on recognition of deferred tax assets for unrealised losses	1 January 2017	No
Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation	1 January 2016	Yes
Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants	1 January 2016	Yes
Amendments to IAS 27, 'Separate financial statements' on equity accounting	1 January 2016	Yes
Amendments to IAS 28, 'Investments in Associates'	1 January 2016	No
Amendments to IAS 38, 'Intangible Assets'	1 January 2016	No
Amendments to IAS 41, 'Agriculture'	1 January 2016	No
Amendment to IFRS 9,'Financial instruments', on general hedge accounting	1 January 2018	No
Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on sale or contribution of assets	1 January 2016	No
Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on applying the consolidation exemption	1 January 2016	No
Amendment to IFRS 11, 'Joint arrangements on acquisition of an interest in a joint operation'	1 January 2016	Yes
Amendment to IFRS 12, 'Disclosure of interests in other entities'	1 January 2016	No
Annual improvements 2012 – 2014 cycle	1 January 2016	Yes

6 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 Executive Directors are the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating segments'.

At 31 December 2015, the Board of Directors consider that the Group is organised on a worldwide basis into four core geographical operating segments:

(1) UK and Ireland;
(2) North America;
(3) Rest of Europe, Middle East and Africa, excluding UK and Ireland ("EMEA"); 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.

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 year to 31 December 2015 the measurement methods used to determine operating segments and reported segmental profit or loss was updated to include all recharges from operating segments, and where appropriate, central costs. This analysis provides a clearer understanding of the underlying performance in each segment. The comparative numbers have been restated for comparability.

For the year ended 31 December 2015

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	110,011	36,154	10,672	3,819	160,656
Depreciation and amortisation	(559)	(176)	(15)	(3)	(753)
Segment operating profit	**22,370**	**5,892**	**909**	**346**	**29,517**
Finance income	14	–	2	–	16
Finance costs	(152)	(4)	(9)	(3)	(168)
Profit before tax	**22,232**	**5,888**	**902**	**343**	**29,365**
Total assets	**57,127**	**8,652**	**3,601**	**1,560**	**70,940**
Total liabilities	**(15,861)**	**(4,258)**	**(1,600)**	**(820)**	**(22,539)**

6 Segmental reporting *(continued)*

For the year ended 31 December 2014 (restated)

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	90,313	22,122	8,909	1,913	123,257
Depreciation and amortisation	(456)	(165)	(20)	(2)	(643)
Operating profit before exceptional items	**21,191**	**3,133**	**488**	**56**	**24,868**
Exceptional expenses	(5,339)	(73)	–	–	(5,412)
Segment operating profit	**15,852**	**3,060**	**488**	**56**	**19,456**
Finance income	4	–	–	–	4
Finance costs	(473)	(5)	(11)	(1)	(490)
Profit before tax	**15,383**	**3,055**	**477**	**55**	**18,970**
Total assets	**47,101**	**7,546**	**3,676**	**987**	**59,310**
Total liabilities	**(11,551)**	**(3,435)**	**(1,357)**	**(444)**	**(16,787)**

Information about major customers

One customer represents 10% or more of the Group's revenues from all four operating segments and is presented as follows:

	2015	2014
	£000	£000
Revenue from customer	**44,714**	30,252

7 Operating profit

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

	2015	2014
	£000	£000
Hire of property – operating leases	**2,627**	2,048
Net foreign exchange differences	**(69)**	(46)
Depreciation and amortisation	**753**	643

Auditors' remuneration

During the year the Group (including its overseas subsidiaries) obtained the following services from the Group's auditors:

	2015	2014
	£000	£000
Fees payable to the Group's auditors for the audit of the Parent Company and Consolidated Financial Statements	65	65
Fees payable to the Group's auditor for other services:		
- The audit of the Group's subsidiaries	114	100
- Fees in relation to Admission process	–	725
- Non-audit services	84	–
	263	890

8 Staff numbers and costs

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

	2015 Number	2014 Number
IT Consultants	1,992	1,390
Sales	79	71
Administration	237	196
	2,308	1,657

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£000	£000
Wages and salaries	70,148	52,358
Social security costs	6,818	5,517
Other pension costs	932	604
Share-based payments	589	421
	78,487	58,900

8 Staff numbers and costs *(continued)*

Retirement benefits

The Group operates a number of defined contribution pension plans. The pension charge for the year represents contributions payable by the Group to the schemes. The pension contributions payable at 31 December 2015 was £143,000 (2014: £107,000). There were no outstanding prepaid contributions at the end of the financial years 2015 and 2014.

9 Directors' remuneration

Details of the Directors' (who also represent the key management personnel of the Group) remuneration in respect of the year ended 31 December 2015 is set out below:

	2015	2014
	£000	£000
Short term employee benefits	**2,292**	1,780
Post-employment benefits	**33**	24
Share-based payments	**–**	421
	2,325	2,225

For further information on Directors' remuneration, see the audited sections of the Remuneration Report as defined on page 57.

10 Exceptional items

The Group incurred no exceptional costs in 2015.

During 2014, the Group incurred £5,412,000 of exceptional expenses. These comprised £4,887,000 in respect of the Company's Admission to the London Stock Exchange, and exceptional staff costs, including share-based payments relating to a scheme that existed prior to Admission of £525,000.

11 Financial income and expense

	2015	2014
	£000	£000
Bank interest	16	4
Financial income	**16**	4

	2015	2014
	£000	£000
Interest payable on working capital facility	(11)	(51)
Interest payable on revolving credit facility	(109)	(351)
Finance fees and charges	(48)	(88)
Financial expense	**(168)**	(490)

12 Taxation

The major components of income tax expense for the years ended 31 December 2015 and 2014 are:

	2015	2014
	£000	£000
Current income tax:		
Current income tax charge	7,494	5,540
Adjustments in respect of prior periods	–	(301)
Deferred tax:		
Relating to origination and reversal of temporary differences	(150)	67
Adjustments in respect of prior periods	–	167
Total tax expense reported in the income statement	**7,344**	5,473

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014, and to 20% with effect from 1 April 2015. Accordingly, the profits for the respective accounting periods are taxed at an effective rate of 20.25% (2014: 21.5%). The tax charge for the year is higher (2014: higher) than the standard rate of corporation tax in the UK. The differences are set out on the next page:

12 Taxation *(continued)*

	2015 £000	2014 £000
Profit before income tax	**29,365**	18,970
Profit multiplied by UK standard rate of corporation tax of 20.25% (2014: 21.5%)	**5,946**	4,079
Effect of different tax rates on overseas earnings	**1,283**	644
Adjustments in respect of prior periods	**–**	(135)
Expenses not deductible for tax purposes	**115**	885
Total tax charge	**7,344**	5,473

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.

In 2015 the UK government announced legislation setting out that the main UK corporation tax rate will be 19% with effect from 1 April 2017, and 18% with effect from 1 April 2020. At 31 December 2015 and 31 December 2014, deferred tax assets and liabilities have been calculated based upon the rate at which the temporary difference is expected to reverse. These reductions may also reduce the Group's future current tax charges accordingly.

13 Earnings per ordinary share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the year. There is no difference between basic and diluted earnings per share for the year as there are no dilutive shares.

		2015	2014
Profit for the year	£000	**22,021**	13,497
Average number of ordinary shares in issue	Number	**107,517,506**	106,219,238
Earnings per share (ordinary shares)	Pence	**20.5**	12.7

Adjusted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company, excluding exceptional items and performance share plan expense (including social security costs), by the weighted average number of ordinary shares in issue during the year.

		2015	2014
Profit for the year (basic earnings)	£000	**22,021**	13,497
Exceptional items (net of tax) (note 10)	£000	–	5,137
Share-based payment expense (including social security costs) (note 25)	£000	**710**	–
Tax effect of share-based payment expense	£000	**(173)**	–
Adjusted profit for the year	£000	**22,558**	18,634
Average number of ordinary shares in issue	Number	**107,517,506**	106,219,238
Adjusted earnings per share	Pence	**21.0**	17.5

14 Property, plant and equipment

2015	**Leasehold improvements**	**Motor vehicles**	**Fixtures and fittings**	**Plant and equipment**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Cost					
At 1 January 2015	2,361	23	642	1,414	4,440
Additions	1,610	–	362	465	2,437
Disposals	(330)	–	–	–	(330)
Effect of movements in foreign exchange	16	–	5	(2)	19
At 31 December 2015	3,657	23	1,009	1,877	6,566
Accumulated depreciation					
At 1 January 2015	623	23	355	917	1,918
Depreciation charge for the year	293	–	156	253	702
Disposals	(330)	–	–	–	(330)
Effect of movements in foreign exchange	3	–	6	3	12
At 31 December 2015	589	23	517	1,173	2,302
Net book value at 31 December 2015	**3,068**	–	**492**	**704**	**4,264**

14 Property, plant and equipment *(continued)*

2014	Leasehold improvements	Motor vehicles	Fixtures and fittings	Plant and equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2014	2,171	23	479	1,284	3,957
Additions	202	–	155	244	601
Disposals	(28)	–	–	(121)	(149)
Effect of movements in foreign exchange	16	–	8	7	31
At 31 December 2014	2,361	23	642	1,414	4,440
Accumulated depreciation					
At 1 January 2014	427	21	224	781	1,453
Depreciation charge for the year	222	2	125	254	603
Disposals	(28)	–	–	(121)	(149)
Effect of movements in foreign exchange	2	–	6	3	11
At 31 December 2014	623	23	355	917	1,918
Net book value at 31 December 2014	**1,738**	**–**	**287**	**497**	**2,522**

15 Intangible assets

2015	Software and software licences	Goodwill	Total
	£000	£000	£000
Cost			
At 1 January 2015	419	19,322	19,741
Additions	172	–	172
Effect of movements in foreign exchange	1	–	1
At 31 December 2015	592	19,322	19,914
Accumulated amortisation			
At 1 January 2015	312	–	312
Amortisation for the year	51	–	51
Effect of movements in foreign exchange	1	–	1
At 31 December 2015	364	–	364
Net book value at 31 December 2015	**228**	**19,322**	**19,550**

2014	Software and software licences	Goodwill	Total
	£000	£000	£000
Cost			
At 1 January 2014	347	19,322	19,669
Additions	70	–	70
Effect of movements in foreign exchange	2	–	2
At 31 December 2014	419	19,322	19,741
Accumulated amortisation			
At 1 January 2014	270	–	270
Amortisation for the year	40	–	40
Effect of movements in foreign exchange	2	–	2
At 31 December 2014	312	–	312
Net book value at 31 December 2014	**107**	**19,322**	**19,429**

The amortisation charge is recognised in administrative expenses in the income statement. The amortisation period of the software and software licences is 4 years. Goodwill is not amortised but is subject to an annual impairment test.

The goodwill has been allocated to cash generating units ("CGUs") summarised as follows:

	UK and Ireland	North America	EMEA	APAC	Total
	£000	£000	£000	£000	£000
Cost and net book value					
At 31 December 2015 and 2014	14,843	3,082	1,397	–	19,322

16 Impairment testing of goodwill

An overview of impairment reviews performed by CGUs is set out below. The recoverable amount of each CGU has been determined on value in use calculations using cash flow projections from financial budgets and forecasts approved by the Board covering a three year period from the date of the relevant impairment review. The key assumptions in the projections, for all CGUs, were as follows:

- Revenue and gross margin were based on expected levels of activity under existing major contractual arrangements together with growth based upon medium term historical growth rates and having regard to expected economic and market conditions for other customers.
- Administrative expenses were forecast to move in line with expected levels of activity in the CGU.
- The growth rate used to extrapolate the cash flows beyond the three year forecast period was 2.0% up to a period of 15 years in total.

16 Impairment testing of goodwill *(continued)*

The pre-tax discount rates used in the calculations were as follows:

	2015	2014
	%	%
UK and Ireland	**10.24**	11.81
North America	**13.95**	13.58
EMEA	**10.08**	10.39

As a result of the review the Directors did not identify any impairment for the goodwill in each CGU. In considering sensitivities, no reasonable change in any of the above key assumptions would cause the recoverable amount to fall below the carrying value of the CGUs.

17 Trade and other receivables

	2015	2014
	£000	£000
Trade receivables	**20,990**	21,654
Other receivables	**341**	191
Prepayments and accrued income	**3,262**	3,227
	24,593	25,072

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

	2015	2014
	£000	£000
Not overdue	**15,324**	14,795
Not more than three months past due	**5,336**	6,461
More than three months but not more than six months past due	**338**	388
More than six months but not more than one year past due	**78**	87
Older than one year past due	**48**	–
Provision for impairment	**(134)**	(77)
	20,990	21,654

An analysis of the provision for impairment by the aged receivable category it relates to is set out below:

	Provision for impairment	Provision for impairment
	2015	2014
	£000	£000
Not overdue	**2**	–
Not more than three months past due	**30**	–
More than three months but not more than six months past due	**35**	–
More than six months but not more than one year past due	**29**	77
Older than one year past due	**38**	–
	134	77

The movement in the provision for impairment is as below:

	2015	2014
	£000	£000
At 1 January	**77**	66
Charge for the year	**57**	11
At 31 December	**134**	77

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

	2015	2014
	£000	£000
Pounds Sterling	**13,872**	14,915
US Dollar	**4,047**	3,722
Canadian Dollar	**599**	447
Euro	**996**	1,329
Swiss Franc	**553**	678
Hong Kong Dollar	**235**	212
Singapore Dollar	**345**	156
Chinese Renminbi	**282**	8
South African Rand	**52**	183
Swedish Krona	**9**	4
	20,990	21,654

18 Cash and cash equivalents

	2015	2014
	£000	£000
Cash at bank and in hand	**22,360**	12,287

Cash and cash equivalents denominated in currencies other than Pounds Sterling amount to £5,404,000 (2014: £4,362,000), denominated in US Dollar, Canadian Dollar, Euro, Swiss Franc, Hong Kong Dollar, Singapore Dollar, Chinese Renminbi, South African Rand and Swedish Krona.

The Group has issued guarantees in favour of Rptre Sarl for €31,548, Commerzbank for CHF150,000, CRP/ Capstone 14W Property Owner LLC totalling US$242,399 and Roza 14W LLC for a leasehold property in the USA for US$25,973.

18 Cash and cash equivalents *(continued)*

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	**2015**	2014
	£000	£000
AA	**20,989**	11,467
A	**1,371**	820
	22,360	12,287

(i) Revolving credit facility

The Group has a £20,000,000 Revolving Credit Facility ("RCF") with HSBC Bank plc, expiring on 14 August 2018. The facility is available to be repaid and redrawn at the discretion of the Group.

The RCF is secured by way of a debenture on the assets of the Company, Astra 5.0 Limited, FDM Group Limited and FDM Group Inc. The interest rate on the RCF is fixed at 2.75% over LIBOR per annum. Since February 2015 the charge on non-utilised funds reduced from 1.0% to 0.4% per annum.

(ii) Working capital facility

At 31 December 2014 the Group had a working capital facility of £10,000,000 provided by HSBC. The facility expired in February 2015 at the end of the facility term.

19 Trade and other payables

	2015	2014
	£000	£000
Trade payables	**3,172**	2,730
Other payables	**883**	881
Other taxes and social security	**5,257**	4,504
Accruals and deferred income	**9,856**	5,898
	19,168	14,013

Trade and other payables denominated in currencies other than Pounds Sterling amount to £723,000 (2014: £2,305,000), denominated in US Dollars, Canadian Dollars, Euros, Swiss Francs, Hong Kong Dollars, Singapore Dollars, Chinese Renminbi, South African Rand and Swedish Krona.

20 Deferred income tax assets/ (liabilities)

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

	2015	2014
	£000	£000
Non-current:		
Non-current temporary differences	**173**	–
Deferred tax asset	**173**	–

	2015	2015
	£000	£000
Non-current:		
Non-current temporary differences	**(282)**	(259)
Deferred tax liability	**(282)**	(259)

Based on the Group's approved forecasts, the Directors consider the deferred tax asset is recoverable within two to five years.

	1 January 2015	Recognised in income statement	31 December 2015
	£000	£000	£000
Movement in deferred tax during 2015:			
Share-based payments	–	173	**173**
Property, plant and equipment	(259)	(23)	**(282)**
	(259)	150	**(109)**

	1 January 2014	Recognised in income statement	31 December 2014
	£000	£000	£000
Movement in deferred tax during 2014:			
Property, plant and equipment	(25)	(234)	(259)
	(25)	(234)	(259)

21 Analysis of net cash/ (debt) (non-GAAP measure)

	2015 £000	2014 £000
Analysis of net cash		
Cash and cash equivalents	**22,360**	12,287

Net debt is defined as borrowings less net cash and cash equivalents. The Group had undrawn facilities at 31 December 2015 of £20,000,000 (2014: £30,000,000).

	2015 £000	2014 £000
Movement of net cash/ (debt)		
Net cash/ (debt) at beginning of year	**12,287**	(8,990)
Net increase in cash and cash equivalents	**10,147**	6,199
Repayment of borrowings	**–**	15,000
Exchange (losses)/ gains	**(74)**	78
Total net cash	**22,360**	12,287

22 Share capital

Authorised, called up, allotted and fully paid share capital

	2015 Number of shares	2015 £000	2014 Number of shares	2014 £000
Ordinary shares of £0.01 each	**107,517,506**	**1,075**	107,517,506	1,075
Deferred shares of £0.01 each	**–**	**–**	5,200,392	52
	107,517,506	**1,075**	112,717,898	1,127

Ordinary shares

All ordinary shares rank equally for all dividends and distributions that may be declared on such shares. At general meetings of the Company, each shareholder who is present (in person, by proxy or by representative) is entitled to one vote on a show of hands and, on a poll, to one vote per share.

Deferred shares

At the Company's Annual General Meeting held on 30 April 2015, shareholders approved the purchase by the Company of 5,200,392 deferred shares for £1.00; the deferred shares had a nominal value of £0.01 each. The deferred shares were not entitled to any dividend or distribution and the holders had 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 had 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 had received £10,000,000 in respect of each such share held by them.

23 Dividends

	2015 £000	2014 £000
Dividends paid		
Paid to shareholders	**16,665**	–

An interim dividend of 8.0 pence per share (2014: nil pence per share) was declared by the Directors on 28 July 2015 and paid on 25 September 2015 to holders of record on 21 August 2015. An interim dividend of 7.5 pence per share in respect of the period from Admission of the Company's shares to the Main Market of the London Stock Exchange on 20 June 2014 to 31 December 2014 was paid on 12 June 2015.

The Board is proposing the following dividends in respect of the year to 31 December 2015, for approval by shareholders at the AGM on 28 April 2016:

- A final dividend of 8.5 pence per share; and
- A special dividend of 5.0 pence per share.

Subject to shareholder approval, both of these dividends will be paid on 3 June 2016 to shareholders of record on 13 May 2016.

This brings the Company's total dividend for the year to 21.5 pence per share (2014: 7.5 pence per share), comprising total ordinary dividends of 16.5 pence per share (2014: 7.5 pence per share) and the special dividend of 5.0 pence per share (2014: nil pence per share). The total ordinary dividends of 16.5 pence per share will be covered 1.2 times by basic earnings per share.

The Board has adopted a progressive dividend policy; the Group will retain sufficient capital to fund ongoing operating requirements, maintain an appropriate level of dividend cover and sufficient funds to invest in the Group's longer term growth.

24 Operating leases

The Group has entered into commercial leases on certain properties. Future minimum payments under non-cancellable operating leases are as follows:

	2015 £000	2014 £000
Less than one year	**2,805**	1,366
Between one and five years	**12,210**	6,292
More than five years	**6,277**	5,023
	21,292	12,681

There are no contingent rents, purchase options, escalation clauses or significant restrictions on any of the Group's operating leases.

25 Share-based payments

	2015 £000	2014 £000
Expenses arising from equity settled share-based payment transaction (i)	**589**	–
Expenses arising from equity settled share-based payment transaction (ii)	**–**	421
	589	421

i) 2015 share-based payments

As disclosed in the Directors' Remuneration Report, the Company granted awards on 20 April 2015 and 10 August 2015, in the form of nominal cost options over ordinary shares in the Company under the FDM 2014 Performance Share Plan ("PSP"). The vesting of the awards is subject to the achievement of a three year performance condition relating to earnings per share.

Awards granted to UK participants have been structured as Approved Performance Share Plan ("APSP") awards to enable participants to benefit from UK tax efficiencies. Each APSP award consists of a tax qualifying option under the FDM 2014 Company Share Option Plan ("CSOP") over shares with a value of up to £30,000 and a separate award under the PSP for amounts in excess of the HMRC £30,000 limit. A Linked Award is also provided under the PSP to enable participants to fund the exercise price of the CSOP option.

PSP and CSOP options are exercisable no later than the tenth anniversary of the date of grant.

The table below summarises the outstanding share options:

	Number of shares	Weighted average exercise price
Outstanding at 1 January 2015	–	–
Granted during 2015	1,220,698	103p
Forfeited during 2015	123,126	n/a
Exercised during 2015	–	–
Expired during 2015	–	–
Outstanding at 31 December 2015	1,097,572	103p
Exercisable at the end of the year	–	–
Weighted average remaining contractual life (years)	2	n/a

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

	PSP	CSOP
Share price at date of grant	331p	331p
Exercise price	1p	331p
Dividend yield	4%	4%
Expected volatility	31%	31%
Risk free interest rate	1.22%	1.22%
Expected life	4 years	4 years
Fair value at date of grant – issue on 20 April 2015	281p	56p
Fair value at date of grant – issue on 10 August 2015	388p	125p

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. As the Company has only a limited history of quoted share price volatility, the expected volatility has been partly based on the historical volatility of comparator companies.

ii) 2014 share-based payments

On 20 June 2014 the FDM Employee Benefit Trust transferred ownership of 146,520 B shares to three Directors of the Company for £nil consideration. The share-based payment arises as a result of the exercise price being at a lower price than the fair value share price at the transfer date, being the date when the shares were valued. The fair value of the shares at the time of the transfer has been calculated using the share price on Admission of £2.87.

26 Closure of Employee Benefit Trust

On 28 December 2015 the Employee Benefit Trust, of which the Company was the sponsor, was closed, resulting in a transfer of £491,000 from the consolidated share premium account to retained earnings. There is no impact on the Parent Company share premium, retained earnings or distributable reserves.

27 Related parties

During the year the Group paid rental of £36,000 (2014: £33,000) to Rod Flavell, Chief Executive Officer and Sheila Flavell, Chief Operating Officer, for rent of an apartment used for short term employee accommodation. The rent payable was at market rate, no balances were outstanding at year end (2014: £nil).

During the year the Group paid £58,000 (2014: £nil) for contractor IT services to Viper Business Solutions Limited, which is a limited company wholly owned by the daughter of Sheila Flavell. The IT services performed were charged at market rate, no balances were outstanding at year end (2014: £nil).

Inflexion Private Equity partners invoiced fees to the value of £nil (2014: £43,000) for Directors' fees and expenses. No balances were outstanding at year end (2014: £nil). Inflexion Private Equity partners had owned 61.5% of the voting rights of the Company until Admission in 2014.

A number of the Directors' family members are employed by the Group. The employment relationships are at market rate and are carried out on an arm's length basis.

28 Financial risk management

The Group 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 Board. These are designed to reduce the financial risks faced by the Group and Company, which primarily relate to credit, interest, liquidity, capital management and foreign currency risks, which arise in the normal course of the Group'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 Group basis and arises from cash and cash equivalents and trade receivables. The Group provides credit to customers in the normal course of business and the amount that appears in the Statement of Financial Position is net of an allowance of £134,000 (2014: £77,000) for specific doubtful receivables.

All material trade receivable balances relate to sales transactions with the Group's blue-chip customer base. At the reporting date, although the Group 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.

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. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt facility which has an interest rate of 2.75% above LIBOR. At the year end the Group had no borrowings therefore it has limited exposure to interest rate risk. The Group manages its interest rate risk through regular reviews of its exposure to changes in interest rates.

Liquidity risk

The Group 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 Group 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 Group'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 Group consists of equity attributable to the equity holders of the Group comprising issued share capital, other reserves and retained earnings.

The Board monitors the capital structure on a regular basis and determines the level of annual dividend. The Group 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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The currencies giving rise to this risk are primarily the US Dollar, Canadian Dollar, Swiss Franc and Euro. The Group has both cash inflows and outflows in these currencies that create a natural hedge. The Group has not entered into hedging contracts for cash positions denominated in foreign currencies.

Fair values

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

Independent auditors' report to the members of FDM Group (Holdings) plc

Report on the group financial statements

Our opinion

In our opinion, FDM Group (Holdings) plc's parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the parent company's affairs as at 31 December 2015 and of its cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Accounts (the "Annual Report"), comprise:

- the parent company statement of financial position as at 31 December 2015;
- the parent company statement of cash flows for the year then ended;
- the parent company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

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

Other required reporting

Consistency of other information

Companies Act 2006 opinion

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

ISAs (UK & Ireland) reporting

Under International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the parent company acquired in the course of performing our audit; or
- otherwise misleading.

We have no exceptions to report arising from this responsibility.

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report - Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 77 to 78, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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

Other matter

We have reported separately on the group financial statements of FDM Group (Holdings) plc for the year ended 31 December 2015.

Jaskamal Sarai (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 March 2016

Parent Company Statement of Financial Position

as at 31 December 2015

	Note	2015 £000	2014 £000
Non-current assets			
Investments	3	**589**	–
		589	–
Current assets			
Trade and other receivables	4	**34,602**	4,351
Cash and cash equivalents	5	**10**	5
Total current assets		**34,612**	4,356
Total assets		**35,201**	4,356
Current liabilities			
Trade and other payables	6	**165**	103
Total liabilities		**165**	103
Net assets		**35,036**	4,253
Equity attributable to equity holders of the parent			
Share capital	7	**1,075**	1,127
Share premium		**7,873**	7,873
Capital redemption reserve		**52**	–
Other capital reserves		**589**	–
Retained earnings/ (accumulated losses)		**25,447**	(4,747)
Total equity		**35,036**	4,253

The Parent Company made a profit for the year of £46,859,000 (2014: loss of £4,835,000). In accordance with section 408 of the Companies Act 2006, the Parent Company's individual profit and loss account is not included in these financial statements.

The notes on pages 122 to 126 are an integral part of the Parent Company Financial Statements.

These financial statements on pages 119 to 126 were approved by the Board of Directors on 8 March 2016 and were signed on its behalf by:

Rod Flavell
Chief Executive Officer

8 March 2016

Mike McLaren
Chief Financial Officer

8 March 2016

Parent Company Statement of Cash Flows

for the year ended 31 December 2015

	Note	2015	2014
		£000	£000
Cash flows from operating activities			
Company profit/ (loss) before tax for the year		**46,859**	(4,835)
Adjustments for:			
Dividends received		**(47,000)**	–
Increase in trade and other receivables		**(30,251)**	(3,170)
Increase in trade and other payables		**62**	103
Net cash flow used in operating activities		**(30,330)**	(7,902)
Cash flows from investing activities			
Dividends received	10	**47,000**	–
Proceeds from issuance of ordinary shares		**–**	7,902
Net cash generated from investing activities		**47,000**	7,902
Cash flows from financing activities			
Dividends paid	10	**(16,665)**	–
Net cash used in financing activities		**(16,665)**	–
Net increase in cash and cash equivalents		**5**	–
Cash and cash equivalents at 1 January		**5**	5
Cash and cash equivalents at end of year	5	**10**	5

The notes on pages 122 to 126 are an integral part of the Parent Company Financial Statements.

Parent Company Statement of Changes in Equity

for the year ended 31 December 2015

	Share capital £000	Share premium £000	Capital redemption reserve £000	Other capital reserves £000	(Accumulated losses)/ retained earnings £000	Total equity £000
Balance at 1 January 2015	1,127	7,873	–	–	(4,747)	4,253
Profit for the year	–	–	–	–	46,859	46,859
Total comprehensive income for the year	–	–	–	–	46,859	46,859
Dividends paid	–	–	–	–	(16,665)	(16,665)
Share-based payments (note 3)	–	–	–	589	–	589
Purchase of deferred shares (note 7)	(52)	–	52	–	–	–
Balance at 31 December 2015	**1,075**	**7,873**	**52**	**589**	**25,447**	**35,036**

	Share capital £000	Share premium £000	Capital redemption reserve £000	Other capital reserves £000	Retained earnings/ (accumulated losses) £000	Total equity £000
Balance at 1 January 2014	1,018	52	–	–	116	1,186
Loss for the year	–	–	–	–	(4,835)	(4,835)
Total comprehensive expense for the year	–	–	–	–	(4,835)	(4,835)
Bonus issue	81	(53)	–	–	(28)	–
Proceeds from shares issued	28	7,972	–	–	–	8,000
Costs of shares issued	–	(98)	–	–	–	(98)
Balance at 31 December 2014	**1,127**	**7,873**	**–**	**–**	**(4,747)**	**4,253**

The notes on pages 122 to 126 are an integral part of the Parent Company Financial Statements.

Notes to the Parent Company Financial Statements

1 Going concern

The Directors have a reasonable expectation that with the continued support of other Group companies, the Company will have adequate resources to continue in operational existence as a holding company for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis for preparing the financial statements.

2 Accounting policies

The Company financial statements have been prepared in accordance with IFRSs as adopted by the EU and in accordance with the Companies Act 2006 as they apply to the financial statements of the Company for the year ended 31 December 2015 and in accordance with IFRIC interpretations.

The Company has taken the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement. The profit for the year was £46,859,000 (2014: loss of £4,835,000).

The financial information has been prepared on a historical cost basis.

The accounting policies of the Company are the same as those of the Group and have been applied consistently. These are set out in note 3 in the Notes to the Consolidated Financial Statements, except that the Company has no policy in respect of consolidation. Investments are carried at historical cost.

Details of the Company's significant accounting estimates, being the share-based payments, are consistent with those disclosed in note 4 to the Consolidated Financial Statements on page 96.

3 Investments

	2015 **£000**	2014 £000
At 1 January	**–**	–
Additions	**589**	–
At 31 December	**589**	–

The addition to investments represents a recharge from the Company to its subsidiary undertakings in respect of the costs associated with the FDM 2014 PSP. For further details of the PSP see note 25 to the Consolidated Financial Statements.

3 Investments *(continued)*

The Company holds the following investments in its subsidiaries:

Company	Country of incorporation	Class of share held	Direct/ indirect	Ownership
Astra 5.0 Limited	Great Britain	Ordinary	Direct	100%
FDM Group Limited	Great Britain	Ordinary	Indirect	100%
FDM Astra Ireland Limited	Ireland	Ordinary	Indirect	100%
FDM Group Inc.	USA	Ordinary	Indirect	100%
FDM Group Canada Inc.	Canada	Ordinary	Indirect	100%
FDM Group NV	Belgium	Ordinary	Indirect	100%
FDM Group GmbH	Germany	Ordinary	Indirect	100%
FDM Switzerland GmbH	Switzerland	Ordinary	Indirect	100%
FDM Group SA	Luxembourg	Ordinary	Indirect	100%
FDM South Africa (PTY) Limited	South Africa	Ordinary	Indirect	100%
FDM Singapore Consulting PTE Limited	Singapore	Ordinary	Indirect	100%
FDM Technology (Shanghai) Co. Limited	China	Ordinary	Indirect	100%
FDM Group HK Limited	Hong Kong	Ordinary	Indirect	100%

The total cost of investments in subsidiaries, excluding the addition in the year, is £2 (2014: £2).

Astra 5.0 Limited acts as an intermediate holding company and provides human resources and marketing services to the Group. The remaining subsidiaries carry out the principal activity of the Group.

4 Trade and other receivables

	2015	2014
	£000	£000
Amounts owed by subsidiary undertakings	**34,539**	4,345
Prepayments and accrued income	**63**	6
	34,602	4,351

All trade and other receivables are receivable in Pounds Sterling and are fully performing. Amounts owed by subsidiary undertakings are unsecured, non-interest bearing and repayable on demand.

5 Cash and cash equivalents

	2015	2014
	£000	£000
Cash at bank and in hand	**10**	5

The Company's cash is held with a financial institution with a credit rating of AA at the date of signing the financial statements.

6 Trade and other payables

	2015	2014
	£000	£000
Trade payables	**55**	–
Accruals and deferred income	**110**	103
	165	103

7 Share capital

	2015	**2015**	2014	2014
	Number of shares	**£000**	Number of shares	£000
Ordinary shares of £0.01 each	**107,517,506**	**1,075**	107,517,506	1,075
Deferred shares of £0.01 each	**–**	**–**	5,200,392	52
	107,517,506	**1,075**	112,717,898	1,127

Ordinary shares

All ordinary shares rank equally for all dividends and distributions that may be declared on such shares. At general meetings of the Company, each shareholder who is present (in person, by proxy or by representative) is entitled to one vote on a show of hands and, on a poll, to one vote per share.

7 Share capital *(continued)*

Deferred shares

At the Company's Annual General Meeting held on 30 April 2015, shareholders approved the purchase by the Company of 5,200,392 deferred shares for £1.00; the deferred shares had a nominal value of £0.01 each. The deferred shares were not entitled to any dividend or distribution and the holders had 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 had 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 had received £10,000,000 in respect of each such share held by them.

8 Related parties

The Company holds inter-company balances with certain of its subsidiary undertakings. The transactions that have taken place are in relation to inter-company loan repayments/ additions which are listed below:

	Dividends from related parties 2015 £000	**Amounts owed by related parties 2015 £000**	Dividends from related parties 2014 £000	Amounts owed by related parties 2014 £000
Astra 5.0 Limited	**47,000**	**4,340**	–	4,345
FDM Group Limited	**–**	**30,199**	–	–
	47,000	**34,539**	–	4,345

9 Financial risk management

The financial risks and uncertainties the Company faces are the same as those of the Group. These are set out on pages 115 and 116.

10 Dividends

	2015 £000	2014 £000
Dividends received		
Received from subsidiaries	**47,000**	–
Dividends paid		
Paid to shareholders	**16,665**	–

An interim dividend of 8.0 pence per share (2014: nil pence per share) was declared by the Directors on 28 July 2015 and paid on 25 September 2015 to holders of record on 21 August 2015. An interim dividend of 7.5 pence per share in respect of the period from Admission of the Company's shares to the Main Market of the London Stock Exchange on 20 June 2014 to 31 December 2014 was paid on 12 June 2015.

The Board is proposing the following dividends in respect of the year to 31 December 2015, for approval by shareholders at the AGM on 28 April 2016:

- A final dividend of 8.5 pence per share; and

- A special dividend of 5.0 pence per share.

Subject to shareholder approval, both of these dividends will be paid on 3 June 2016 to shareholders of record on 13 May 2016.

This brings the Company's total dividend for the year to 21.5 pence per share (2014: 7.5 pence per share), comprising total ordinary dividends of 16.5 pence per share (2014: 7.5 pence per share) and the special dividend of 5.0 pence per share (2014: nil pence per share). The total ordinary dividends of 16.5 pence per share will be covered 1.2 times by basic earnings per share.

The Board has adopted a progressive dividend policy; the Company will retain sufficient capital to fund ongoing operating requirements, maintain an appropriate level of dividend cover and sufficient funds to invest in the Group's longer term growth.

An interim balance sheet as at 28 February 2015 was prepared and delivered to Companies House to enable the interim dividend to be paid on 12 June 2015. The total value of distributable reserves as at 31 December 2015 was £25,447,000.

11 Directors' remuneration

Directors' remuneration was paid by FDM Group Limited in both the current and prior year and no recharge was made to the Company. For further details see note 9 to the Consolidated Financial Statements on page 101.

12 Auditors' remuneration

Auditors' remuneration was paid by FDM Group Limited in both the current and prior year and no recharge was made to the Company.

Shareholder Information

Directors	Ivan Martin	Non-Executive Chairman
	Roderick Flavell	Chief Executive Officer
	Sheila Flavell	Chief Operating Officer
	Michael McLaren	Chief Financial Officer
	Andrew Brown	Group Commercial Director
	Peter Whiting	Non-Executive Director
	Robin Taylor	Non-Executive Director
	Michelle Senecal de Fonseca	Non-Executive Director

Company Secretary

Jonathan Mark Heather

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Registrars

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Notes

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