INTERIM REPORT

for the six months
ended 30 June 2020

FDM Group (Holdings) plc


FDM
FDM
Protect Yourself
and Others Around You
Keep a safe distance at all times
Wash hands frequently with soap and water or use santiser gel
Catch coughs and sneezes with a disposable tissue
Throw away tissues and wash your hands
If you don't have a tissue cough or sneeze into your arm
Avoid touching your eyes, nose and mouth
BE COVIDSAFE
For more information about Coronavirus (COVID-19), please visit health.gov.au

Contents

Highlights

Revenue (£m)

£140.5m

+5%

2019: £134.4m

Adjusted operating profit[1] (£m)

£20.5m

-24%

2019: £27.0m

Profit before tax (£m)

£21.2m

-15%

2019: £24.9m

Adjusted profit before tax[1]

£20.2m

-24%

2019: £26.6m

Basic earnings per share

14.8 pence

-16%

2019: 17.6 pence

Adjusted basic earnings per share[1]

14.1 pence

-25%

2019: 18.9 pence

Cash flows generated from operations (£m)

£30.8m

+45%

2019: £21.3m

Cash conversion[2] (%)

143.3%

+70%

2019: 84.5%

Interim dividend per share

18.5 pence

+16%

2019: 16.0 pence

Net cash position at period end

£58.3m

+103%

2019: £28.7m

Resilient first half performance given challenges presented by the COVID-19 pandemic

COVID-19 has impacted the Group to differing degrees of significance, longevity and economic effect in each of our territories

The Group performed strongly in the first quarter. Trading levels then fell as various lockdown restrictions were imposed, but are now showing signs of improvement in the majority of sectors and all of the geographies in which we operate

FDM's agile and robust business model enabled us to respond rapidly and effectively to changing conditions, including the move to remote recruitment and training, and Mounties working for clients remotely

Mounties assigned to client sites at week 26[3] were down 5% from a year previous at 3,656 (2019: 3,846) and down 329 heads since mid-March

Mountie utilisation rate[4] for the six months to 30 June 2020 was 95.0% (2019: 96.1%)

1. The adjusted operating profit and adjusted profit before tax are calculated before Performance Share Plan expense/ credit (including social security costs). The adjusted basic earnings per share is calculated before the impact of Performance Share Plan expense/ credit (including social security costs and associated deferred tax).
2. Cash conversion is calculated by dividing cash flows generated from operations by operating profit. Previously cash conversion was calculated by dividing cash flows generated from operations by profit before tax. The calculation was amended and the June 2019 comparative restated, to provide a more meaningful indicator following the adoption of IFRS 16 "Leases". Underlying cash conversion is calculated by dividing cash flows generated from operations by operating profit adjusted for the impact of accruals relating to the settlement cost (including expenses) of the longstanding legal claim, and holiday pay.
3. Week 26 in 2020 commenced on 29 June 2020 (2019: week 26 commenced on 24 June 2019).
4. Utilisation rate is calculated as the ratio of cost of utilised Mounties to the total Mountie payroll cost.

The Group has not accessed the UK Coronavirus Job Retention Scheme (UK furlough) nor taken any funding from the UK Government

Training courses have been revised to include greater emphasis on technical disciplines to meet the changing market demand

FDM has launched its "Pod" solution allowing clients to select teams of Mounties who have collaborated throughout their training, in one transaction

28 new clients secured globally (2019: 40) of which eight were secured in the second quarter

Long-running North American legal claim settled through mediation

Strong balance sheet, with £58.3 million cash at period end (2019: £28.7 million)

Reported cash conversion of 143.3% (2019: 84.5%). Adjusted for the impact of accruals relating to the legal claim and holiday pay, underlying cash conversion[2] was 104.8%

On 28 July 2020, the Board declared an interim dividend of 18.5 pence per ordinary share (2019: 16.0 pence), which will be payable on 4 September 2020 to shareholders on the register on 7 August 2020

"The Group has returned a resilient performance in the first half of the year given the challenges presented by the COVID-19 pandemic and, since its first-quarter update to the market in April, has traded comfortably in line with the Board's revised expectations.

Uncertainties over the impact of COVID-19 remain, but FDM's agile and robust business model has allowed us to respond rapidly and effectively to changes in market conditions during the first half, and will allow us to take advantage of opportunities as conditions normalise.

Reflecting the strength of the Group's balance sheet, current encouraging trading levels and our confidence in FDM's long-term prospects, the Board is pleased to declare an interim dividend of 18.5 pence per share."

Rod Flavell
Chief Executive Officer

We are FDM

FDM Group (Holdings) plc (“the Company”) and its subsidiaries (together “the Group” or “FDM”) operate in the Recruit, Train and Deploy (“RTD”) sector. Our mission is to bring people and technology together, creating and inspiring exciting careers that shape our digital future.

The Group’s principal business activities involve recruiting, training and deploying its own permanent IT and business consultants (”Mounties”) at client sites either physically or remotely. FDM specialises in a range of technical and business disciplines including Development, Testing, IT Service Management, Project Management Office, Data & Operational Analysis, Business Analysis, Business Intelligence, Murex, Salesforce, Cyber Security and Robotic Process Automation.

The FDM Careers Programme bridges the gap for graduates, ex-Forces and returners to work, providing them with the training and experience required to make a success of launching or re-launching their careers. We have dedicated training centres and sales operations located in London, Leeds, Glasgow, Birmingham, New York NY, Arlington VA, Charlotte NC, Austin TX, Toronto, Frankfurt, Singapore, Hong Kong, Shanghai and Sydney. We also operate in Ireland, France, Switzerland, Austria, Spain, Luxembourg, the Netherlands and South Africa.

FDM is a collective of over 5,000 people, from a multitude of different backgrounds, life experiences and cultures. We are a strong advocate of diversity and inclusion in the workplace and the strength of our brand arises from the talent within.

Forward-looking statements

This Interim 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. Subject to any requirement under the Disclosure Guidance and Transparency Rules or other applicable legislation or regulation, the Group does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Shareholders and/ or prospective shareholders should not place undue reliance on forward-looking statements, which speak only as of the date of this Interim Report.

Employee networks

Employee networks, created for our people and by our people, provide an inclusive community and sense of belonging. They also enable valuable and productive consultation with the business on process, policy and learning.

L.E.A.D. NETWORK

Leading, Educating and Aspiring Diversity network - representing and celebrating FDM’s BAME community

ELEVATE NETWORK

Empowering and celebrating FDMers of all genders

PRIDE NETWORK

Creating an open and inclusive environment for LGBTQ+ employees through education and representation

UNIQUE NETWORK

Supporting FDMers with visible and non-visible disabilities, including mental health

FAITH NETWORK

Bringing together those who have a faith or similar beliefs

CARE NETWORK

Providing a supportive network for those with parental and/ or caring responsibilities

Interim Management Review

Overview

FDM Group has returned a resilient performance in the first half of the year in light of the challenges presented by the COVID-19 pandemic.

The Group performed strongly in the first quarter of the year, with trading only marginally impacted by the various COVID-19 induced national lockdown restrictions. The second quarter saw more difficult trading conditions than the first quarter, primarily reflected in a reduction in the volume of new deals and the early termination of placements by clients operating in sectors most adversely affected by the pandemic. The impact has been most apparent in the UK market, while our other territories have shown headcount growth when compared with the first half of 2019.

FDM Group has an agile and robust business model which allowed us to respond quickly to the challenges created by COVID-19. Our continuity plans enabled us to use technology such that our recruitment processes and Academies in all our territories could operate remotely, with the significant majority of our Mounties working remotely during the lockdown periods in each jurisdiction, continuing their client placements with revenue-generating work. This has helped us to safeguard the well-being of our staff and our clients and to mitigate the impact of COVID-19 on our revenues.

The number of Mounties placed with clients at week 26 was 3,656, down 5% against the first half of 2019 and down 329 since mid-March. Benefiting from the stronger first quarter performance and a greater than usual number of chargeable days per Mountie, with significantly reduced levels of annual leave taken by Mounties in the first half because of lockdown travel restrictions, revenues for the six-month period grew 5% to £140.5 million (2019: £134.4 million). An accrual has been made at the half year for the pro rata cost of unused annual leave which we anticipate will be taken in the second half of the year. We delivered a profit before tax for the first half of £21.2 million, down 15% on the equivalent period in 2019.

FDM has not accessed any of the UK Government's COVID-19 support packages, has not furloughed any staff and has not reduced any salaries. We have continued recruiting and training Mounties, albeit at reduced levels, have supported our unallocated (beached) Mounties and engaged with our workforce to reassure them of the strength and sustainability of the business.

Our strong focus on cash management and cash collection, together with the decision not to pay a final dividend in respect of the year ended 31 December 2019, resulted in the Group ending the period with £58.3 million of cash and no debt (30 June 2019: £28.7 million of cash and no debt).

The events of the last six months have placed great demands on our staff as they faced changes to working routines and the operations of our clients. The Board is immensely proud of the manner in which they have responded to these challenges and expresses its gratitude to all employees.

Dividend policy

A key tenet of FDM's relationship with shareholders is the payment of sustainable dividends at an attractive level. After careful thought, the Board decided against proposing a 2019 final dividend to the Annual General Meeting (originally intended to be set at 18.5 pence per share). At the time, the COVID-19 situation was new, uncertain and difficult to assess. Since then the business has performed at an encouraging level, cash collection has been consistent and cash conversion robust.

Taking into account the decision not to recommend a final dividend for the 2019 financial year, and reflecting the encouraging trading levels, strong balance sheet and robust cash conversion that we have seen, the Company will pay an interim dividend of 18.5 pence per ordinary share to shareholders in September 2020 (2019 interim dividend: 16.0 pence per share).

The Board has previously stated its policy of holding approximately £30.0 million of cash across the Group and of having no debt; this policy gives us the freedom to react to events and invest as required to secure FDM's position and fund the Group's organic growth. The Board intends both to continue this policy and to manage dividends broadly in line with the earnings and cash conversion payout ratios that we have previously adopted.

Strategy

FDM's strategy is to deliver customer-led, sustainable, profitable growth on a consistent basis through our well-established Mountie model. The impact of COVID-19 on the delivery of our four primary strategic objectives in the first half of the year is set out below:

i. **Attract, train and develop high-calibre Mounties**
   During the second quarter, as lockdown restrictions prevented our trainees from being able to access our physical training locations, we implemented technical solutions to enable all training to be delivered remotely across all our global markets. The near seamless transition to remote training is a credit to our exceptional IT people who worked hard and quickly to ensure the technology supported the delivery of training remotely and to the quality of our team of trainers who continued to deliver first-class training throughout. In total, there were 831 training completions in the first half, a decrease of 18% on the equivalent period in 2019 (2019: 1,008). The flexibility of our business model has allowed us to align recruitment during the second quarter to changing client demand with increased emphasis on more technical roles, whilst we expect the strength of our university partner relationships and our ex-Forces and Getting Back to Business pathways to enable us to increase recruitment steadily over time.

One of the success stories of our first half has been the development of our "Pod" concept. This allows our Mounties to develop their skills remotely in a setting which closely simulates the client environments in which they will be placed. This solution has been well received by both Mounties and clients alike, culminating in improved client engagement, with many attending virtual sessions to see the Pods in action. Some clients have already engaged the services of individual Mounties and entire Pod teams as a result.

ii. Invest in leading-edge training facilities

For the past few years we have increasingly leveraged pop-up centres to deliver training, on the basis that they are quick to establish and offer flexible availability to meet local candidate and client demand. The flexibility offered by pop-ups has meant that in 2020 we have been able to exit certain pop-up leases and give notice on others, reducing our cost base during the recent months when training has largely been delivered remotely. As COVID-19 restrictions necessitated remote delivery of training, we accelerated planned investment in cloud-based training platforms which will continue to add value after lockdown is eased, giving us a range of options to expand and enhance our training delivery. By broadening the accessibility of our training to those with travel restrictions, children and other caring responsibilities, we hope to promote further diversity and inclusivity amongst our trainee population.

iii. Grow and diversify our client base

We continued to deliver the highest level of service to our clients during the first half and have worked closely with our clients to support them as they have had to flex their resource requirements as a result of the impact of COVID-19. Despite the volume of new deals dropping in the second quarter, we secured 28 new clients in the first half (2019: 40) of which eight were in the second quarter. Half of the new clients secured were outside of the financial services sector. Our new Pod concept is proving to be an attractive offering which we are optimistic will give further impetus to the growth and diversification of our client base.

iv. Expand our geographic presence

Except for the UK and Ireland, which saw Mountie headcount fall by 348, we have increased the number of Mounties on site across all regions compared with June 2019. The largest increase came in APAC, which saw Mountie headcount increase by 125. North America increased Mountie headcount by 17, and EMEA Mountie headcount increased by 16.

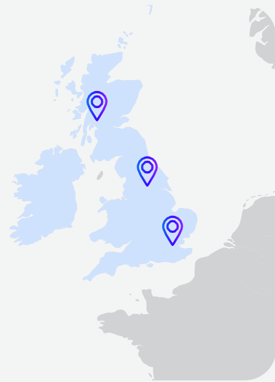
An overview of the financial performance and development in each of our markets is set out on pages 13 and 14.

Market Review

UK and Ireland

Mountie revenue for the six-month period to 30 June 2020 decreased by 6% to £63.9 million (2019: £68.3 million). Mounties placed on client sites at week 26 were 1,637, a decrease of 18% from 1,985[1] at week 26, 2019. Adjusted operating profit decreased by 24% to £14.2 million (2019: £18.8 million).

Following clarity over Brexit and political leadership, 2020 started promisingly; however, we felt the impact of COVID-19 in the second quarter, when the UK was placed into lockdown. The pace and efficiency with which our workforce transitioned to working remotely has been very pleasing. With many Mounties electing to defer annual leave until later in the year, we have seen an overall increase in billable time. COVID-19 and its knock-on effects have impacted demand in some sectors more than others, with travel, energy, retail and insurance most noticeably affected. All of our UK Academies are training and placing Mounties with clients remotely.



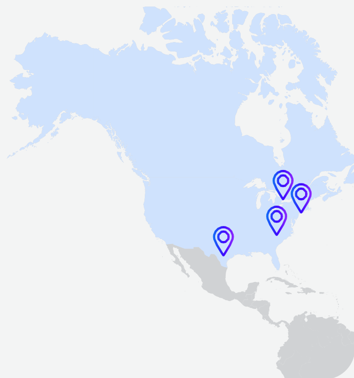
1,637

Mounties placed on client sites at week 26

North America

Mountie revenue for the six-month period to 30 June 2020 grew by 9% to £50.9 million (2019: £46.5 million). Mounties placed on client sites at week 26 were 1,222, an increase of 1% over 1,205 at week 26 2019. Adjusted operating profit decreased by 40% to £4.6 million (2019: £7.7 million), after the Board took the pragmatic and commercial decision to settle for £3.3 million a longstanding legal claim which the Board considered to be unmeritorious (see note 6).

We started the year with modest headcount growth, but the impact of COVID-19 and the associated move to remote working resulted in increased onboarding times and lower demand during the second quarter. Government policy has recently allowed Mounties in some locations to return to their place of work while others continue to work remotely. All our Academies are training and placing Mounties with clients remotely.



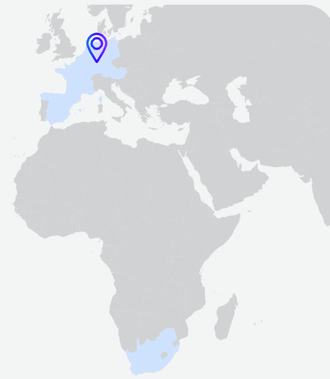
1,222

Mounties placed on client sites at week 26

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

Mountie revenue for the six-month period to 30 June 2020 grew by 42% to £10.8 million (2019: £7.6 million). Mounties placed on client sites at week 26 were 236, an increase of 7% over 220[1] at week 26 2019. Adjusted operating profit increased by 40% to £1.4 million (2019: £1.0 million).

We continued to see good demand in Luxembourg and benefited from a full period of trading in the Netherlands. Our German Academy was temporarily closed during lockdown, reopening in June, and we have developed the infrastructure to train remotely.



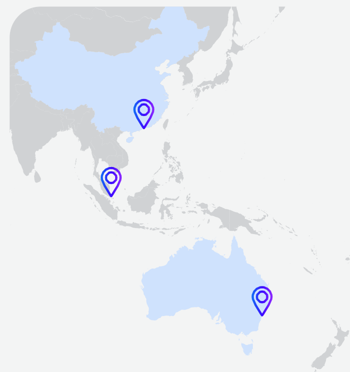
236

Mounties placed on client sites at week 26

APAC (Asia Pacific)

Mountie revenue for the six-month period to 30 June 2020 grew by 39% to £14.2 million (2019: £10.2 million). Mounties placed on client sites at week 26 were 561, an increase of 29% over 436 at week 26 2019. The adjusted operating profit was £0.3 million (2019: adjusted operating loss of £0.5 million) as we continue to invest in our Australian operations and after benefiting from approximately £1 million of COVID-19 related employee cost subsidies, the significant majority of which was received automatically as part of the Singapore government's response to the pandemic.

Buoyed by our Sydney Academy, APAC delivered strong headcount growth under the challenging backdrop of COVID-19 and ongoing protests in Hong Kong. Across the region we commenced work with ten new clients.



561

Mounties placed on client sites at week 26

1 Reflecting a change in management reporting, 30 Mounties previously included within UK and Ireland Mounties deployed as at 30 June 2019 have been re-allocated to EMEA.

APAC delivered strong headcount growth under the challenging backdrop of COVID-19 and ongoing protests in Hong Kong

Financial Review

Group results

Summary income statement

	Six months to 30 June 2020 £m	Six months to 30 June 2019 £m	% change
Mountie revenue	139.8	132.6	+5%
Contractor revenue	0.7	1.8	-61%
Revenue	140.5	134.4	+5%
	Six months to 30 June 2020 £m	**Six months to 30 June 2019 £m**	**% change**
Adjusted operating profit	20.5	27.0	-24%
Adjusted profit before tax	20.2	26.6	-24%
Profit before tax	21.2	24.9	-15%
	Six months to 30 June 2020 £m	**Six months to 30 June 2019 £m**	**% change**
Adjusted basic earnings per share	14.1	18.9	-25%
Basic earnings per share	14.8	17.6	-16%

Mountie revenue increased by 5% to £139.8 million (2019: £132.6 million) (constant currency basis, 5%). Contractor revenue, in line with our plan of curtailing such revenues, decreased by 61% to £0.7 million (2019: £1.8 million). With the Group's strategy focussed on growing Mountie numbers and revenues and contractor revenues now negligible, contractor revenues will not be reported separately for the 2020 full year and thereafter.

Mounties assigned to client sites at week 26 2020 totalled 3,656, a decrease of 5% from 3,846 at week 26 2019 and a decrease of 7% from 3,924 at week 52 2019. At week 26 our ex-Forces programme accounted for 201 Mounties deployed worldwide (week 26 2019: 276). Our Getting Back to Business programme had 102 deployed at week 26 2020 (week 26 2019: 95).

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

	Six months to 30 June 2020 Mountie revenue £m	Six months to 30 June 2019 Mountie revenue £m	Year to 31 December 2019 Mountie revenue £m	2020 Mounties assigned to client site at week 26	2019 Mounties assigned to client site at week 26	2019 Mounties assigned to client site at week 52
UK and Ireland	63.9	68.3	134.2	1,637	1,985	1,910
North America	50.9	46.5	95.7	1,222	1,205	1,277
EMEA	10.8	7.6	16.0	236	220	240
APAC	14.2	10.2	22.3	561	436	497
	139.8	**132.6**	**268.2**	**3,656**	**3,846**	**3,924**

Adjusted group operating margin has decreased significantly to 14.6% (2019: 20.1%), with overheads increasing to £45.3 million (2019: £39.8 million). The reduction in adjusted group operating margin is due primarily to the impact of the settlement of the legal claim in North America (see note 6) and the increase in the holiday pay accrual as at 30 June as employees have taken less annual leave than usual in the first half of the year.

Adjusting items

The Group presents adjusted results, in addition to the statutory results, as the Directors consider that they provide an indication of underlying performance. The adjusted results are stated before Performance Share Plan expense/ credit including associated taxes (where applicable).

A credit of £1.0 million was recognised in the six months to 30 June 2020 relating to Performance Share Plan expenses including social security costs, the update of performance assumptions resulted in release of the reserve at 31 December 2019 (2019: debit expense of £1.7 million). Details of the Performance Share Plan are set out in note 14 to the Condensed Consolidated Interim Financial Statements.

Net finance expense

Finance expense costs include lease liability interest of £0.4 million (2019: £0.4 million). The Group continues to have no borrowings.

Taxation

The tax charge of £5.0 million represents the effective tax charge on the Group profit before tax at the Group's effective tax rate of 23.5% (2019: 23.2%). The effective rate is higher than the underlying UK rate because of profits earned in higher tax jurisdictions.

Earnings per share

Basic earnings per share decreased in the period to 14.8 pence (2019: 17.6 pence), whilst adjusted basic earnings per share was 14.1 pence (2019: 18.9 pence). Diluted earnings per share was 14.8 pence (2019: 17.6 pence).

Dividend

In line with the dividend policy set out on page 9, on 28 July 2020 the Directors declared an interim dividend of 18.5 pence per ordinary share (2019: 16.0 pence) which will be payable on 4 September 2020 to shareholders on the register on 7 August 2020.

Cash flow and Statement of Financial Position

Net cash flow from operating activities increased from £17.1 million in the half year to 30 June 2019 to £24.1 million in the first six months to 30 June 2020. The Group's cash balance increased to £58.3 million as at 30 June 2020 (2019: £28.7 million), as a result of the non-payment of the proposed final dividend in respect of the financial year ended 31 December 2019 and a strong end of half year cash collection performance.

Cash conversion for the period was 143.3%, compared with 84.5% for the comparative prior period. Adjusting for the impact of £7.9 million of accruals relating to the settlement cost (including expenses) of the longstanding legal claim and holiday pay, cash conversion was 104.8%.

Included within trade and other receivables is accrued income of £2,280,000 (30 June 2019: £9,385,000). The decrease in accrued income is in line with expectations following a higher than expected reported balance as at 30 June 2019 primarily due to a delay in invoicing, as described in the 2019 Interim Report.

Related party transactions

Details of related party transactions are included in note 16 to the Condensed Interim Financial Statements.

Principal risks facing the business

The Group faces a number of risks and uncertainties which could have a material impact upon its long-term performance. The principal risks and uncertainties faced by the Group are set out in the Annual Report and Accounts for the year ended 31 December 2019 on pages 30 to 36.

COVID-19

The COVID-19 pandemic continues to cause significant uncertainty around the world, with different government approaches and restrictions in each of FDM's markets. As stated previously, in the second quarter of 2020 the Group experienced a significant reduction in the volume of new Mountie placements, delays in on-boarding of Mounties as clients adapted to the remote working environment, and the early termination of some placements by clients operating in some of the sectors most badly affected by the pandemic. This has led to an increase in the number of beached Mounties. In recent weeks we have seen the number of new deals begin to increase again, but it is too early to say whether the rate of improvement will be sustained and what the trend will be. It is therefore likely that this uncertainty will continue at some level during the second half of the year, making Mountie headcount numbers difficult to predict.

However, we have an agile and robust business model which positions us well to take advantage of opportunities as more normal conditions begin to return. As existing and potential clients adapt to new ways of working we envisage significant opportunities for our Mounties to support new technological change programmes across all sectors in which we operate.

Brexit

The UK Government continues to negotiate with the EU to establish the new working relationship which will apply following the end of the current transition period on 31 December 2020. There is therefore some uncertainty about the legal and commercial framework which will be in place between the UK and the EU after that date. However, we believe that our business model is resilient against many of the threats and uncertainties which are commonly perceived to arise from Brexit.

We have a diversified global geographical footprint and our businesses in each of our territories (including the UK and other EU countries) are self-sufficient and well-established. They have their own local management teams, and recruit Mounties largely from within the territories in which they operate. We are not reliant on moving employees to or from the EU and are not therefore significantly impacted by the changes to the arrangements for the free movement of workers between the EU and the UK.

The Board recognises that some of FDM's clients, and the economic conditions in the UK and EU, have been, and will continue to be, adversely impacted by the effects of both COVID-19 and Brexit. These impacts affect the spending decisions of some clients. Whilst certain scenarios are outside of the Group's control, we believe that FDM's business model is flexible, and the agile resource represented by our Mounties can be attractive to clients during times of economic or political uncertainty, which could potentially result in an increased demand for our services. These factors, together with FDM's strong cash and financial position, give the Board confidence that FDM can respond appropriately to ameliorate the effect of adverse conditions which may follow Brexit.

The Board

Alan Kinnear joined the Board as a Non-Executive Director of the Company on 1 January 2020. Alan had previously worked at PwC for 35 years until his retirement in 2015, including 23 years as an audit partner working with listed, private equity-backed and fast-growth entrepreneurial companies. Alan was the PwC partner leading the external audit in respect of FDM's 2013 and 2014 financial year-ends. Consistent with Provision 10 of the UK Corporate Governance Code, the Board considers Alan to be independent. Robin Taylor, Audit Committee Chair, who had been a Non-Executive Director of the Company since June 2014, retired from the Board on 29 April 2020. Alan Kinnear became Audit Committee Chair on that date, and his skills and background in financial reporting, audit, corporate governance and risk management will be invaluable to the Committee as the regulation of external audit services and the work of audit committees undergoes significant change following the Brydon review.

Summary and outlook

FDM's agile and robust business model has allowed us to respond rapidly and effectively to the exceptional challenges presented by the COVID-19 pandemic. Since the update in April the Group has traded comfortably in line with the Board's revised expectations for the full year, which are unchanged.

By order of the Board

Rod Flavell
Chief Executive Officer

Mike McLaren
Chief Financial Officer

28 July 2020

Condensed Consolidated Income Statement

for the six months ended 30 June 2020

	Note	**Six months to 30 June 2020 £000**	Six months to 30 June 2019 £000	Year ended 31 December 2019 £000
Revenue		**140,493**	134,396	271,529
Cost of sales		**(73,676)**	(69,314)	(139,953)
Gross profit		**66,817**	65,082	131,576
Administrative expenses		**(45,303)**	(39,846)	(78,401)
Operating profit		**21,514**	25,236	53,175
Finance income		**66**	97	194
Finance expense		**(421)**	(433)	(886)
Net finance expense		**(355)**	(336)	(692)
Profit before income tax		**21,159**	24,900	52,483
Taxation	8	**(4,972)**	(5,784)	(11,856)
Profit for the period		**16,187**	19,116	40,627
Earnings per ordinary share		**pence**	pence	pence
Basic	10	**14.8**	17.6	37.3
Diluted	10	**14.8**	17.6	37.2

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2020

	Six months to 30 June 2020 £000	Six months to 30 June 2019 £000	Year ended 31 December 2019 £000
Profit for the period	**16,187**	19,116	40,627
Other comprehensive income/ (expense)			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on retranslation of foreign operations (net of tax)	**1,366**	721	(496)
Total other comprehensive income/ (expense)	**1,366**	721	(496)
Total comprehensive income for the period	**17,553**	19,837	40,131

Condensed Consolidated Statement of Financial Position

as at 30 June 2020

	Note	30 June 2020 £000	30 June 2019 £000	31 December 2019 £000
Non-current assets				
Right-of-use assets		**17,371**	18,920	17,832
Property, plant and equipment		**6,425**	7,360	6,789
Intangible assets		**20,159**	19,732	19,799
Deferred income tax assets		**1,478**	1,988	1,732
		45,433	48,000	46,152
Current assets				
Trade and other receivables	11	**44,756**	45,577	39,937
Cash and cash equivalents	12	**58,281**	28,659	36,979
		103,037	74,236	76,916
Total assets		**148,470**	122,236	123,068
Current liabilities				
Trade and other payables	13	**32,937**	23,214	22,737
Lease liabilities		**5,943**	5,474	5,680
Current income tax liabilities		**1,247**	3,707	2,105
		40,127	32,395	30,522
Non-current liabilities				
Lease liabilities		**16,534**	19,290	17,482
Total liabilities		**56,661**	51,685	48,004
Net assets		**91,809**	70,551	75,064
Equity attributable to owners of the parent				
Share capital		**1,092**	1,091	1,092
Share premium		**9,705**	9,582	9,687
Capital redemption reserve		**52**	52	52
Own shares reserve		**(7,997)**	(8,213)	(8,164)
Translation reserve		**2,291**	2,142	925
Other reserves		**2,958**	3,830	3,946
Retained earnings		**83,708**	62,067	67,526
Total equity		**91,809**	70,551	75,064

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2020

	Note	Six months to 30 June 2020 £000	Six months to 30 June 2019 £000	Year ended 31 December 2019 £000
Cash flows from operating activities				
Profit before tax for the period		**21,159**	24,900	52,483
Adjustments for:				
Depreciation and amortisation		**3,243**	2,956	6,237
Loss/ (profit) on disposal of non-current assets		**3**	1	(9)
Finance income		**(66)**	(94)	(194)
Finance expense		**421**	430	886
Share-based payment (credit)/ charge (including associated social security costs)		**(970)**	1,718	2,106
Increase in trade and other receivables		**(2,661)**	(8,426)	(3,283)
Increase/ (decrease) in trade and other payables		**9,706**	(148)	(564)
Cash flows generated from operations		**30,835**	21,337	57,662
Interest received		**66**	94	194
Income tax paid		**(6,780)**	(4,290)	(11,009)
Net cash flow from operating activities		**24,121**	17,141	46,847
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(400)**	(2,140)	(2,711)
Acquisition of intangible assets		**(79)**	(5)	(321)
Net cash used in investing activities		**(479)**	(2,145)	(3,032)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares		**-**	9	9
Proceeds from sale of shares from EBT		**172**	-	271
Principal elements of lease payments		**(2,641)**	(2,089)	(4,828)
Interest elements of lease payments		**(389)**	(405)	(827)
Lease incentives received		**-**	1,933	1,930
Payment for shares bought back		**(7)**	(2,844)	(2,958)
Finance costs paid	9	**(32)**	(25)	(59)
Dividends paid		**-**	(16,783)	(34,113)
Net cash used in financing activities		**(2,897)**	(20,204)	(40,575)
Exchange gains/ (losses) on cash and cash equivalents		**557**	(40)	(168)
Net increase/ (decrease) in cash and cash equivalents		**21,302**	(5,248)	3,072
Cash and cash equivalents at beginning of period		**36,979**	33,907	33,907
Cash and cash equivalents at end of period	12	**58,281**	28,659	36,979

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2020

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	1,092	9,687	52	(8,164)	925	3,946	67,526	75,064
Profit for the period	-	-	-	-	-	-	16,187	16,187
Other comprehensive income for the period	-	-	-	-	1,366	-	-	1,366
Total comprehensive income for the period	-	-	-	-	1,366	-	16,187	17,553
Share-based payments (note 14)	-	-	-	-	-	(972)	-	(972)
Transfer to retained earnings	-	-	-	-	-	(16)	16	-
New share issue	-	18	-	-	-	-	-	18
Own shares bought back (note 15)	-	-	-	(26)	-	-	-	(26)
Own shares sold	-	-	-	193	-	-	(21)	172
Total transactions with owners, recognised directly in equity	-	18	-	167	-	(988)	(5)	(808)
Balance at 30 June 2020	**1,092**	**9,705**	**52**	**(7,997)**	**2,291**	**2,958**	**83,708**	**91,809**

Condensed Consolidated Statement of Changes in Equity (continued)

for the six months ended 30 June 2019

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019	1,083	8,771	52	(4,562)	1,421	6,310	55,870	68,945
Profit for the period	-	-	-	-	-	-	19,116	19,116
Other comprehensive income for the period	-	-	-	-	721	-	-	721
Total comprehensive income for the period	-	-	-	-	721	-	19,116	19,837
Share-based payments (note 14)	-	-	-	-	-	1,387	-	1,387
Transfer to retained earnings	-	-	-	-	-	(3,867)	3,867	-
New share issue	8	811	-	-	-	-	-	819
Own shares bought back (note 15)	-	-	-	(3,747)	-	-	-	(3,747)
Own shares sold	-	-	-	96	-	-	(3)	93
Dividends (note 9)	-	-	-	-	-	-	(16,783)	(16,783)
Total transactions with owners, recognised directly in equity	8	811	-	(3,651)	-	(2,480)	(12,919)	(18,231)
Balance at 30 June 2019	**1,091**	**9,582**	**52**	**(8,213)**	**2,142**	**3,830**	**62,067**	**70,551**

Condensed Consolidated Statement of Changes in Equity (continued)

for the year ended 31 December 2019

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019	1,083	8,771	52	(4,562)	1,421	6,310	55,870	68,945
Profit for the year	-	-	-	-	-	-	40,627	40,627
Other comprehensive expense for the year	-	-	-	-	(496)	-	-	(496)
Total comprehensive (expense)/ income for the year	-	-	-	-	(496)	-	40,627	40,131
Share-based payments (note 14)	-	-	-	-	-	2,825	-	2,825
Transfer to retained earnings	-	-	-	-	-	(5,189)	5,189	-
New share issue	9	916	-	-	-	-	-	925
Own shares bought back (note 15)	-	-	-	(3,921)	-	-	-	(3,921)
Own shares sold	-	-	-	319	-	-	(47)	272
Dividends (note 9)	-	-	-	-	-	-	(34,113)	(34,113)
Total transactions with owners, recognised directly in equity	9	916	-	(3,602)	-	(2,364)	(28,971)	(34,012)
Balance at 31 December 2019	**1,092**	**9,687**	**52**	**(8,164)**	**925**	**3,946**	**67,526**	**75,064**

Notes to the Condensed Consolidated Interim Financial Statements

1 General information

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

These Condensed Interim Financial Statements were approved for issue by the Board of Directors of the Group on 28 July 2020. They have not been audited, but have been subject to an independent review by PricewaterhouseCoopers LLP, whose independent report is included on pages 40 and 41.

These Condensed Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Annual Report and Accounts for the year ended 31 December 2019 was approved by the Board of Directors of the Group on 10 March 2020 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2 Basis of preparation

These Condensed Interim Financial Statements for the six months ended 30 June 2020 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and IAS 34 'Interim Financial Reporting' as adopted by the European Union. These Condensed Interim Financial Statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2019, which has been prepared in accordance with IFRSs as adopted by the European Union.

Going concern basis

The Group's continued and forecast global growth, positive operating cash flow and liquidity position, together with its distinctive business model and training facilities, have enabled it 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.

Having reassessed the principal risks, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial information.

3 Significant accounting policies

These Condensed Interim Financial Statements have been prepared in accordance with the accounting policies, methods of computation and presentation adopted in the financial statements for the year ended 31 December 2019.

4 Significant accounting estimate

The preparation of the Group's Condensed Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. 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 is considered to be the Group's significant estimate:

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 earnings per share 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 estimates and assumptions applied in the Condensed Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's Annual Report for the year ended 31 December 2019, with the following exception:

- The estimate of the provision for income taxes, is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

No individual judgements have been made that have a significant impact on the financial statements.

5 Seasonality

The Group is not significantly impacted by seasonality trends. A lower number of working days in the first half of the year is approximately offset by increased annual leave in the second half of the year. Restrictions on travel due to COVID-19 have meant that many Mounties have elected to take less annual leave in the first half resulting in a greater than usual number of chargeable days per Mountie. An accrual has been made at the half year for the pro rata cost of unused annual leave which we anticipate will be taken in the second half of the year.

6 Settlement of legal claim

During the period, after engaging in mediation, the Group reached preliminary agreement to settle a long-standing employment-related legal claim brought against FDM on a contingent-fee basis in North America. We remain of the opinion that the claim lacked merit. However, having taken into consideration the likely quantum of future legal fees, and the amount of management time and focus which has been, and would continue to be, required to defend the claim, the Board concluded that it was appropriate at this stage to take the commercial opportunity to agree a settlement. The agreed settlement, which amounts to £3.3 million, has been provided for in these financial statements at the half-year and remains subject to Court approval, which is expected in the next few months.

7 Segmental reporting

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

At 30 June 2020, the Board of Directors consider that the Group is organised into four core geographical operating segments:

1. UK and Ireland;
2. North America;
3. 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 income tax, assets and liabilities are attributable to the principal activity of the Group, being an international professional services provider with a focus on IT.

7 Segmental reporting *(continued)*

Segmental reporting for the six months ended 30 June 2020

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	64,305	51,056	10,796	14,336	140,493
Depreciation and amortisation	(1,289)	(968)	(123)	(863)	(3,243)
Segment operating profit	**14,946**	**4,827**	**1,437**	**304**	**21,514**
Finance income*	96	100	3	1	200
Finance expense*	(162)	(59)	(32)	(302)	(555)
Profit before income tax	**14,880**	**4,868**	**1,408**	**3**	**21,159**
Total assets	**88,640**	**28,975**	**11,208**	**19,647**	**148,470**
Total liabilities	**(16,762)**	**(12,371)**	**(4,788)**	**(22,894)**	**(56,815)**

** Finance income and finance expense include intercompany interest which is eliminated upon consolidation.*

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
30 June 2020	**28,764**	**3,851**	**1,411**	**9,929**	**43,955**

7 Segmental reporting *(continued)*

Segmental reporting for the six months ended 30 June 2019

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	**69,720**	**46,714**	**7,602**	**10,360**	**134,396**
Depreciation and amortisation	(1,218)	(863)	(128)	(747)	(2,956)
Segment operating profit/ (loss)	**17,312**	**7,533**	**950**	**(559)**	**25,236**
Finance income*	119	90	4	2	215
Finance expense*	(200)	(70)	(30)	(251)	(551)
Profit/ (loss) before income tax	**17,231**	**7,553**	**924**	**(808)**	**24,900**
Total assets	**68,614**	**27,766**	**8,190**	**17,666**	**122,236**
Total liabilities	**(18,680)**	**(9,815)**	**(3,769)**	**(19,421)**	**(51,685)**

** Finance income and finance expense include intercompany interest which is eliminated upon consolidation.*

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
30 June 2019	30,017	4,761	1,605	9,629	46,012

Segmental reporting for the year ended 31 December 2019

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	**136,921**	**96,024**	**15,961**	**22,623**	**271,529**
Depreciation and amortisation	**(2,534)**	**(1,866)**	**(252)**	**(1,585)**	**(6,237)**
Segment operating profit/ (loss)	**35,916**	**16,455**	**2,152**	**(1,348)**	**53,175**
Finance income*	231	191	9	2	433
Finance expense*	(388)	(143)	(61)	(533)	(1,125)
Profit/ (loss) before income tax	**35,759**	**16,503**	**2,100**	**(1,879)**	**52,483**
Total assets	**72,523**	**25,341**	**8,647**	**16,557**	**123,068**
Total liabilities	**(17,742)**	**(7,330)**	**(3,525)**	**(19,407)**	**(48,004)**

** Finance income and finance expense include intercompany interest which is eliminated upon consolidation.*

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
31 December 2019	29,586	4,134	1,435	9,265	44,420

Information about major customers

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

	Six months to 30 June 2020 £000	Six months to 30 June 2019 £000	Year ended 31 December 2019 £000
Revenue from customer A	**16,471**	14,270	29,121

8 Taxation

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2020 is 23.5% (the estimated tax rate for the six months ended 30 June 2019 was 23.2%).

9 Dividends

2020

An interim dividend of 18.5 pence per ordinary share was declared by the Directors on 28 July 2020 and will be paid on 4 September 2020 to holders of record on 7 August 2020.

2019

An interim dividend of 16.0 pence per ordinary share was declared by the Directors on 22 July 2019 and was paid on 20 September 2019 to holders of record on 23 August 2019.

The Board updated its recommendation included in the 2019 Annual Report and Accounts and did not propose a final dividend in respect of the year to 31 December 2019 following the global outbreak of COVID-19.

10 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 period.

		Six months to 30 June 2020	Six months to 30 June 2019	Year ended 31 December 2019
Profit for the period	£000	**16,187**	19,116	40,627
Average number of ordinary shares in issue (thousands)	Number	**109,191**	108,485	108,822
Basic earnings per share	Pence	**14.8**	17.6	37.3

Adjusted basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent company, excluding Performance Share Plan expense (including social security costs and associated deferred tax), by the weighted average number of ordinary shares in issue during the period.

		Six months to 30 June 2020	Six months to 30 June 2019	Year ended 31 December 2019
Profit for the period (basic earnings)	£000	**16,187**	19,116	40,627
Share-based payment (credit)/ expense (including social security costs) (see note 14)	£000	**(970)**	1,718	2,037
Tax effect of share-based payment credit/ expense	£000	**195**	(293)	(468)
Adjusted profit for the period	£000	**15,412**	20,541	42,196
Average number of ordinary shares in issue (thousands)	Number	**109,191**	108,485	108,822
Adjusted basic earnings per share	Pence	**14.1**	18.9	38.8

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one type of dilutive potential ordinary shares in the form of share options; the number of shares in issue has been adjusted to include the number of shares that would have been issued assuming the exercise of the share options.

		Six months to 30 June 2020	Six months to 30 June 2019	Year ended 31 December 2019
Profit for the period (basic earnings)	£000	**16,187**	19,116	40,627
Average number of ordinary shares in issue (thousands)	Number	**109,191**	108,485	108,822
Adjustment for share options (thousands)	Number	**486**	374	492
Diluted number of ordinary shares in issue (thousands)	Number	**109,677**	108,859	109,314
Diluted earnings per share	Pence	**14.8**	17.6	37.2

11 Trade and other receivables

	30 June 2020 £000	30 June 2019 £000	31 December 2019 £000
Trade receivables	**36,365**	30,394	33,115
Other receivables	**2,010**	992	1,021
Prepayments and accrued income	**6,381**	14,191	5,801
	44,756	45,577	39,937

Included within prepayments and accrued income is £2,280,000 of accrued income (June 2019: £9,385,000; December 2019: £1,551,000).

12 Cash and cash equivalents

	30 June 2020 £000	30 June 2019 £000	31 December 2019 £000
Cash and cash equivalents	**58,281**	28,659	36,979

13 Trade and other payables

	30 June 2020 £000	30 June 2019 £000	31 December 2019 £000
Trade payables	**1,013**	2,317	1,923
Other payables	**989**	662	599
Other taxes and social security	**8,423**	6,754	8,319
Accruals and deferred income	**22,512**	13,481	11,896
	32,937	23,214	22,737

14 Share-based payments

During the six-month period ended 30 June 2020 the Group recognised a share-based payment credit of £826,000 (2019: £1,381,000 expense) and associated social security costs credit of £144,000 (2019: £337,000 charge). A transfer of £16,000 was made from Other reserves to Retained earnings in respect of the exercise of share options during the period. During the period the share options issued in 2017 vested, these options have not yet been exercised.

15 Investment in own shares

During 2018 the FDM Group Employee Benefit Trust was established to purchase shares sold by option holders upon exercise of options under the FDM Performance Share Plan. The Group accounts for its own shares held by the Trustee of the FDM Group Employee Benefit Trust as a deduction from shareholders' funds.

16 Related party transactions

During the six-month period ended 30 June 2019 the Company paid £18,000 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 30 June 2019, the agreement expired in September 2019. At no time during 2019 was the apartment used by any of the Directors.

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.

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

	Six months to 30 June 2020 £000	Six months to 30 June 2019 £000	Year ended 31 December 2019 £000
Short-term employee benefits	**1,221**	1,205	2,395
Post-employment benefits	**17**	17	33
Share-based payments (credit)/ expense	**(169)**	218	364
	1,069	1,440	2,792

17 Financial instruments

There are no material differences between the fair value of the financial assets and liabilities included within the following categories in the Condensed Consolidated Statement of Financial Position and their carrying value:

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

Statement of Directors' Responsibilities

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

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

Directors who held office during the period:

Rod Flavell	Chief Executive Officer
Sheila Flavell	Chief Operating Officer
Mike McLaren	Chief Financial Officer
Andy Brown	Chief Commercial Officer
David Lister	Non-Executive Chairman
Alan Kinnear	Non-Executive Director (appointed 1 January 2020)
Jacqueline de Rojas	Non-Executive Director
Michelle Senecal de Fonseca	Non-Executive Director
Robin Taylor	Non-Executive Director (resigned 29 April 2020)
Peter Whiting	Non-Executive Director

The Executive Directors of FDM were listed in the Annual Report and Accounts of the Company for the year ended 31 December 2019 and remained the same in the six months to 30 June 2020.

By order of the Board

Rod Flavell
Chief Executive Officer

28 July 2020

Mike McLaren
Chief Financial Officer

Independent review report to FDM Group (Holdings) plc

Report on the Condensed Consolidated Interim Financial Statements

Our conclusion

We have reviewed FDM Group (Holdings) plc's Condensed Consolidated Interim Financial Statements (the "interim financial statements") in the Interim Report of FDM Group (Holdings) plc for the 6 month period ended 30 June 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 June 2020;
- the Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

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

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

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

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.
A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
28 July 2020

UK

Ireland

USA

Canada

Germany

Switzerland

Austria

France

Spain

Luxembourg

The Netherlands

South Africa

Hong Kong

Singapore

China

Australia

FDM Group

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

Tel: +44 (0) 20 3056 8240
Fax: +44 (0) 870 757 7634
Email: enquiries@fdmgroup.com