Annual Report and Accounts

2024

Powering the people behind tech and innovation

We are a global consultancy powering the people behind tech and innovation. For over 30 years we have helped our clients stay ahead of the latest tech trends and thrive in a rapidly changing world.

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Highlights

Financial

Revenue
£257.7m
-23%
2023: £334.0m

Profit before tax
£28.1m
-49%
2023: £55.6m

Basic earnings per share
18.8 pence
-50%
2023: 37.3 pence

Cash flow generated from operations
£33.1m
-46%
2023: £61.5m

Cash conversion[2]
120.7%
+8%
2023: 111.8%

Share-based payment expense/ credit
£1.1m expense
2023: £5.4m credit

Effective income tax rate
26.9%
+1%
2023: 26.7%

Adjusted operating profit[1]
£33.4m
-33%
2023: £49.6m

Adjusted profit before tax[1]
£34.0m
-32%
2023: £50.2m

Adjusted basic earnings per share[1]
23.0 pence
-30%
2023: 32.9 pence

Cash position at year end
£40.6m
-14%
2023: £47.2m

Adjusted cash conversion[2]
116.2%
-6%
2023: 124.1%

Exceptional administrative expenses
£4.9m
2023: £nil

Dividend per share[3]
22.5 pence
-38%
2023: 36.0 pence

Non-financial

2,578
Consultants assigned to clients at week 52[4]
(2023: 3,892)

Consultant utilisation[5] rate of
92.9%
(2023: 92.8%)

Ranked
41st
in Social Mobility Foundation Employer Index (UK)
(2023: ranked 34)

389
university events attended[6] in 2024
(2023: 657)

877
coaching completions in 2024 (previously called training completions)
(2023: 1,338)

52
new clients globally
(2023: 47)

UK mean gender pay gap of
-2.5%
(2023: -7.6%)

0.77 tCO_2e
Scope 1, 2 and 3 greenhouse gas emissions per employee
(2023: 0.69 tCO_2e)

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.

1 Adjusted operating profit and adjusted profit before tax are calculated before; i) Share Plan expenses of £1.1 million (2023: credit of £5.4 million); and ii) exceptional costs of £4.9 million (2023: £nil) as we better aligned our internal staff and undeployed Consultants with market demand. The adjusted basic earnings per share is calculated before the impact, net of tax of; i) Share Plan expenses; and ii) exceptional costs.

2 Cash conversion is calculated by dividing cash flow generated from operations by operating profit. The adjusted cash conversion is calculated by dividing cash flows generated from operations by operating profit adjusted for Share Plan expenses of £1.1 million as this is a non-cash item (2023: credit of £5.4 million).

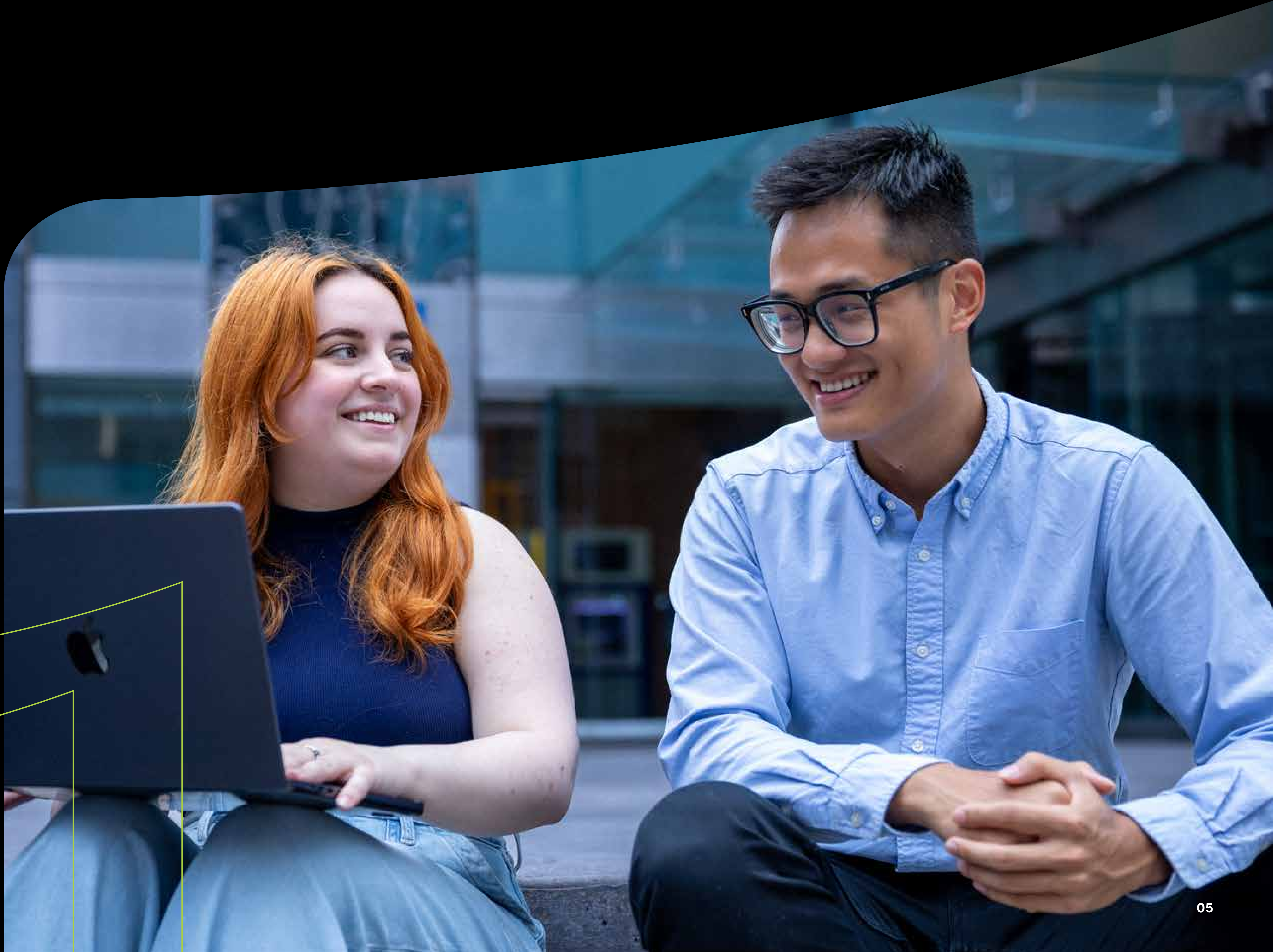
3 A recommended final dividend of 12.5 pence per share, following an interim dividend of 10.0 pence per share declared in July 2024, giving a total dividend for the year of 22.5 pence per share (2023: 36.0 pence per share).

4 Week 52 in 2024 commenced on 30 December 2024 (2023: week 52 commenced on 25 December 2023).

5 The business uses the metric 'Consultant utilisation' to monitor all deployed Consultants. Utilisation rate is calculated as the ratio of the cost of deployed Consultants to the total Consultant payroll cost.

6 This is a mix of physical and virtual events attended.

Strategic Report



We are FDM

FDM Group (Holdings) plc (“the Company” or “FDM”) and its subsidiaries (together “the Group” or “FDM”) form a global professional services provider with a focus on IT.

We are a global consultancy powering the people behind tech and innovation. For over 30 years we have helped our clients stay ahead of the latest tech trends and thrive in a rapidly changing world.

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

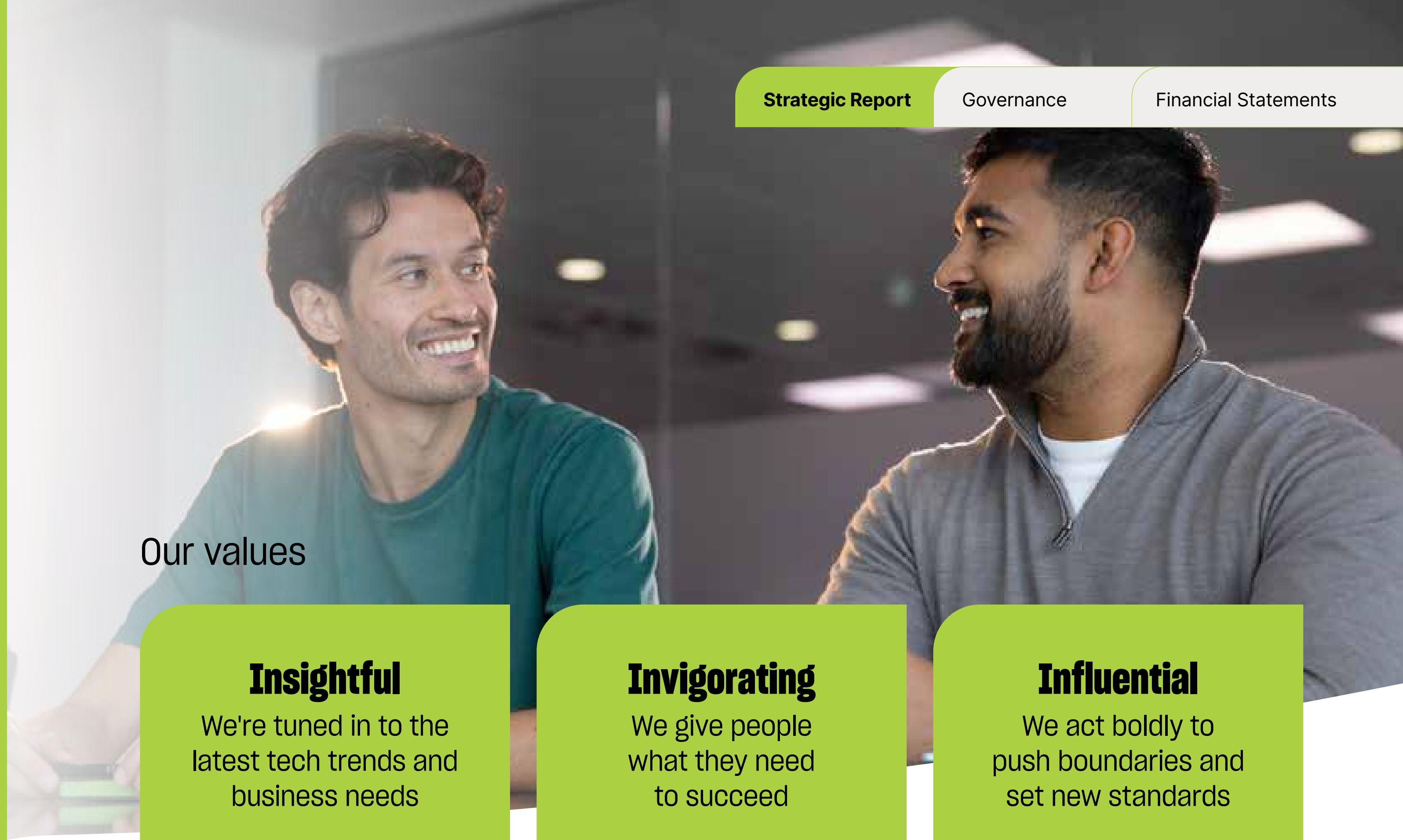
- Software Engineering;
- Change & Transformation;
- Data & Analytics;
- IT Operations; and
- Risk, Regulation & Compliance (“RRC”).

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

Our purpose

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

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



Our values

Insightful
We're tuned in to the latest tech trends and business needs

Invigorating
We give people what they need to succeed

Influential
We act boldly to push boundaries and set new standards

Awards and recognition

Awards and recognition received during the year included:

- UK Social Mobility Foundation Employer Index – The Top 75 (ranked 41st)
- British Ex-Forces in Business Awards: Rod Flavell won Advocate of the Year (Individual) 2024
- Great British Employers of Veterans Top 50 List 2024
- Scottish Ex-Forces in Business Awards 2024: Employer of the Year – Finalist
- RateMyPlacement’s Best 50 Small to Medium-sized Employer Schemes 2024/2025 (UK)
- RippleMatch’s Campus Forward Award: Large Early Career Program (USA)
- VETS Indexes 4 Star employer (USA)
- Military Times Best for Vets 2024 Employer (USA)
- Prosple Top 100 Graduate Employer (Australia)
- Financial Review Top 100 Graduate Employers 2024 (Australia)
- GradConnection’s Top 5 Technology and IT Services Graduate Employers 2024 (Singapore)
- GradConnection’s Top 5 Technology and Engineering Graduate Employers 2024 (Hong Kong)

Statement from the Chair of the Board

I am pleased to present FDM's Annual Report for the financial year ended 31 December 2024.

David Lister
Chair of the Board

Performance

Against a background of continued and exceptional uncertainty across all our major markets, the Group delivered an adjusted profit before tax[1] of £34.0 million (2023: £50.2 million). FDM's balance sheet remains strong with closing cash balances of £40.6 million (2023: £47.2 million) and no debt. The Group made dividend payments during the year of £31.7 million (2023: £39.3 million).

On behalf of the Board I would like to thank all our staff who have worked so diligently during a year in which FDM faced exceptionally difficult trading conditions, contributing to a resilient performance by the business, and have collaborated positively with each other to maintain energy and morale across the business.

Governance

The aim of this report is to present a fair, balanced and understandable picture of the progress we made during 2024, providing a high level of disclosure to enable all our stakeholders, including current and prospective shareholders, to understand our business and its prospects for growth. We are driven by a strong purpose, which leads us to look for profitable opportunities where we can be ready with the solutions to our clients' technology needs, maximising the value we can add to their businesses.

The Board considers robust corporate governance and a sound approach to risk management to be fundamental to the sustainability of the Group and its operations. This Annual Report relates to the 2024 financial year, in respect of which we are guided by the 2018 UK Corporate Governance Code ("2018 Code").

Most of the provisions of the new UK Corporate Governance Code 2024 ("2024 Code") came into effect from 1 January 2025 and you can read more about our project to bring our processes into alignment on page 93.

Engagement with our employees and other stakeholders has always been an important part of our approach and we continue our efforts to ensure employee voices are heard by the Board. There is further information on page 62 about how the Directors have carried out their duties under Section 172 of the Companies Act 2006 to promote the long-term success of the Company for the benefit of its shareholders, while having regard to the interests of all stakeholders. I report on corporate governance in more detail on page 70; our framework of risk management and governance will further evolve during the coming year, following our consideration of the 2024 UK Corporate Governance Code, in line with shareholder expectations and best-practice requirements.

We maintain our focus on reducing our impact on the environment while further developing the Group's response to climate-related risks and opportunities. Our climate-related financial disclosures are presented in a way that is consistent with all of the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Further information can be found on page 51.

Culture and values

FDM's business is supported by a strong cultural identity that helps to ensure our goals are understood and shared by our people. I am particularly proud of the work we do to promote social mobility and to make FDM a diverse and inclusive place to work. In 2024 we were ranked 41 of the Top 75 in the Social Mobility Employer Index, operated by the Social Mobility Foundation, in recognition of the steps we take to enable those from lower socioeconomic backgrounds to succeed. You can find more information on our work in this area on page 40.

Towards the end of the year, we asked our staff for their feedback on a number of areas in our regular employee survey; the survey is an important part of our programme of employee engagement and enables us to understand their views on matters relevant to their day-to-day experience at FDM. There is more information about our engagement with our people on page 48.

Dividend

The Board's policy is to align the Group's dividend broadly with the Group's earnings per share, while taking into account the Board's desire to maintain an appropriate cash buffer at Group-level, to fund organic growth across the business and to maintain the distributable reserves available to the Group. The Board will be recommending a final dividend of 12.5 pence per ordinary share in respect of the year to 31 December 2024 (2023: final dividend of 19.0 pence per ordinary share) for approval by shareholders at our Annual General Meeting ("AGM"), which is scheduled to be held on 20 May 2025, taking the total ordinary dividend to 22.5 pence per share (2023: 36.0 pence per share).

The Board and its Committees

Peter Whiting, our Senior Independent Director and Chair of the Remuneration Committee, stepped down from the Board in May 2024 after having served almost ten years on the FDM Board since the Company's IPO in June 2014. On behalf of the Board, I would like to thank Peter for his invaluable contribution to the Group over that period, and the significant role he played in the management of the business through the successes and challenges of the last decade.

Following Peter's departure, Jacqueline de Rojas, who has been a Non-Executive Director on the Board since October 2019, has taken on the role of Senior Independent Director. Rowena Murray became Chair of the Remuneration Committee.

Looking ahead, I am pleased to confirm that the Board has today appointed Bruce Lee as an Independent Non-Executive Director with effect from 19 March 2025. Based in the US, Bruce has wide experience in CIO roles with global banks, financial institutions and other organisations (including some which historically have been FDM clients). He has an in-depth understanding of FDM's model, the sectors we operate in, and the technologies which are key to those organisations. The Board looks forward to welcoming him and to benefitting from his expertise.

Michelle Senecal de Fonseca will retire from the Board on 19 March 2025 after having served just over nine years as a Non-Executive Director since her appointment. On behalf of the Board I would like to thank Michelle for her contribution, including her particular focus on promoting FDM's support for Women in Tech.

I have also now served just over nine years on FDM's Board since my appointment and, accordingly, I have notified my fellow directors of my intention to retire from the Board this year, when a suitable replacement Chair can be identified. The Nomination Committee is conducting a search for a candidate to replace me as Chair, and a further announcement will be made on this subject in due course.

Further details regarding these changes to the Board are in the Nomination Committee Report on pages 97 and 98.

Outlook

Trading in the early months of 2025 has been encouraging with a modest uptick in client demand across the majority of the regions in which we operate. However, the Board believes that it remains too early, given continuing uncertain macroeconomic conditions, to materially increase investment in recruitment and throughput to our Skills Lab.

FDM is a robust and agile business, with a strong balance sheet and an experienced management team and Board, operating in fundamentally strong end-markets. The Board remains confident that our business is well positioned to return to growth as and when conditions improve.

David Lister
Chair of the Board
18 March 2025

1 The adjusted operating profit is calculated before; i) Share Plan expenses and ii) exceptional costs as we better aligned our internal staff and undeployed Consultants with market demand.

Chief Executive's Review

Overview

The challenging market conditions that began during the first half of 2023 continued for the whole of 2024, impacting client confidence and causing clients to defer decisions relating to project commencements and Consultant placements.

Our highly scalable business model enabled us to respond decisively to the continuing challenging market conditions through managing our internal cost base, scaling back our recruitment and coaching completions, while retaining appropriate levels of experienced Consultant resource to satisfy client demand and to be able to react quickly to any emerging new client opportunities. We also reduced our internal headcount to align better our business operations to market conditions.

We ended the year with 2,578 Consultants placed with clients (2023: 3,892) and 877 Consultants were coached during the year (2023: 1,338). The Group recorded revenue of £257.7 million (2023: £334.0 million) and delivered an adjusted operating profit[1] of £33.4 million (2023: £49.6. million). We incurred exceptional costs of £4.9 million relating to the measures taken to realign our cost base.

The Group's balance sheet remains robust with cash balances of £40.6 million (2023: £47.2 million). The Group has no debt.

The strength of our financial position, together with the actions taken during 2024 to reduce our operating costs, mean we remain well positioned to benefit from market recovery when it comes.

1 The adjusted operating profit is calculated before; i) Share Plan expenses and ii) exceptional costs as we better aligned our internal staff and undeployed Consultants with market demand.

Our strategy

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

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

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

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

Chief Executive's Review continued

Strategic objectives

Attract and develop talented Consultants

As the challenging market conditions, experienced in 2023, continued into 2024, we proactively scaled back on recruitment across all our operating regions, resulting in 877 coaching completions in the year (2023: 1,338). A key focus of the Board in 2024 was actively managing recruitment and the numbers of Consultants on the bench, to minimise operating costs, while continuing to invest in available resource to position us well to capitalise on current and future opportunities. We are highly experienced at balancing the supply of available resource with client demand and have well-established processes in place to ensure we deliver decisive action.

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

I am pleased to report we continue to attract a high number of applicants across all our operating locations evidencing the global appeal that FDM's market-leading, flexible training has in tech skills and innovation. I have no doubt that we are well placed to accelerate recruitment and coaching as and when market conditions and client demand improve.

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

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

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

Our Technology Partnerships with some of the world's most innovative organisations, including Microsoft and Salesforce, ensure that we are at the forefront of technological advancements. The presence of certified coaches authorised to deliver official training from these organisations enhances the coaching that is delivered through our Skills Lab.

The Skills Lab enhances our operations with flexibility and adaptability. This innovative approach allows us to be more agile in meeting evolving client demands, while enabling our Consultants to progress swiftly through the Sprint-based programmes.

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

Grow and diversify our client base

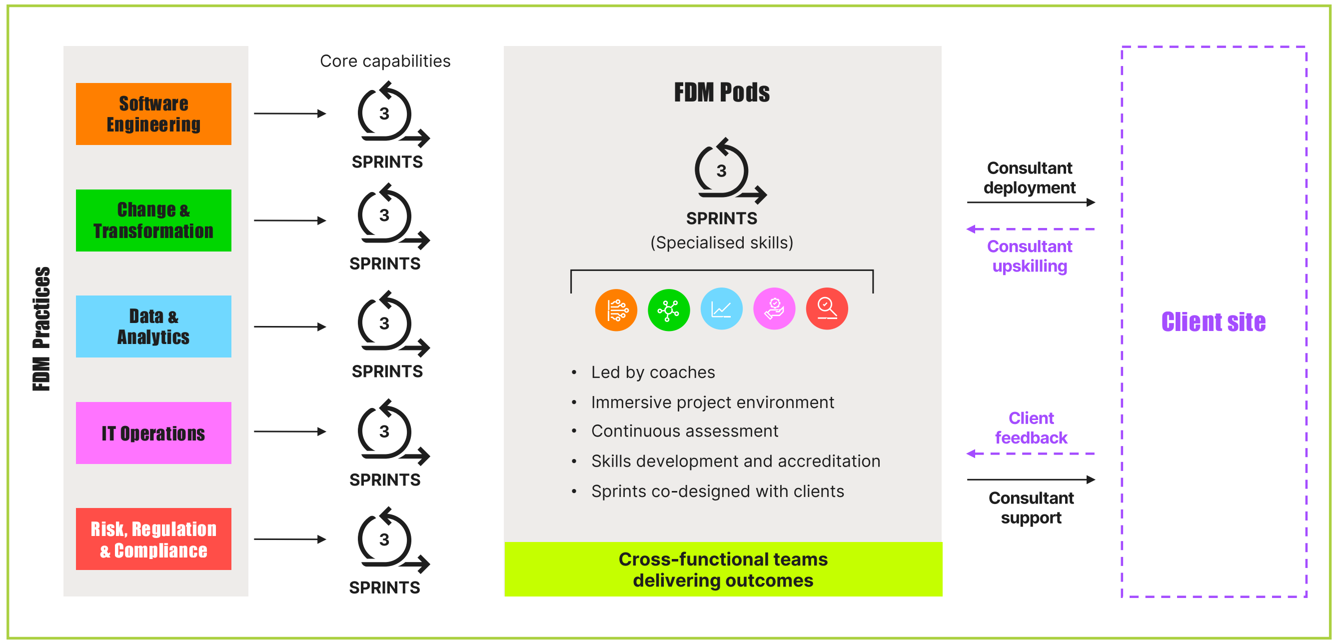
We continue to deliver the highest level of service to our clients and work closely with them to meet their requirements. Client diversification remains a key part of our strategy, with an element of the performance bonus for the Executive Board and senior management being linked to client diversification targets. We secured 52 new clients in the year (2023: 47), of which 28 were in the UK, eight in North America, five in EMEA and eleven in APAC. Of these new clients, 67% were secured from outside the financial services sector. The number of new clients does not include those clients which re-engaged with us during 2024.

Expand and consolidate our geographic presence through sustainable and efficient means

The expansion and consolidation of our geographic presence remains a key growth driver for the Group. While the move to remote delivery of our Skills Lab coaching allows us to reduce the size and cost of our physical footprint worldwide (at the same time enabling us to reduce our greenhouse gas emissions from the use of physical premises), we retain a strong management and sales presence across all our main operating regions, as we focus on delivering sustainable growth across the Group.

An overview of the financial performance and development in each of our markets is set out on page 22.

FDM's Skills Lab



We constantly validate our Consultants' skills and capability through project delivery assessments in a structured programme of Core and Specialised Sprints.

The Core Sprints build a broad range of Practice-wide skills. Following this, Consultants participate in Specialised Sprints within a Pod, a cross-functional team. These sprints take place in an immersive project environment, focusing on depth and role-specific skills tailored to client requirements.

Chief Executive's Review continued

FDM Practices

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

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

Practices	Skills	Consultant roles
Software Engineering		
Our Software Engineers are skilled in using the latest tech and methods to create, test and maintain software that is strong, scalable, and tailored to clients' needs.	• Programming languages • Frameworks • API design, development and testing • Microservices architecture • Test design and defect management • Test automation tools • Source code management • Code debugging and troubleshooting	• Backend Developers • Frontend Developers • Full Stack Developers • QA Engineers • Test Automation Engineers • Mobile Developers
Change & Transformation		
Our Change & Transformation specialists learn to guide organisations through significant changes, mastering project management, problem-solving and agile methods to ensure success.	• Project management • Risk management • Requirements engineering • Change management • Business process – improvement	• Project Managers • Product Managers • Business Analysts • Business System Analysts • Scrum Masters
Data & Analytics		
Our Data & Analytics Consultants work across the data ecosystem providing our clients with a capability to get the most out of their data through business intelligence, data engineering, data governance, data science, data architecture, data analysis and the development of low-code applications through tools such as Power Apps.	• Data modelling • Data warehousing • Data transformation • Data migration • Data visualisation • Data pipelines • AI prompt engineering • Data streaming • Data cataloguing • Data classification	• Business Intelligence Developers • Data Engineers, Analysts and Architects • Data Governance Consultants • Data Scientists • Low-code Developers • Robotics Process Automation Developers
IT Operations		
Our IT Operations specialists are focused on keeping complex IT systems running smoothly and securely, mastering tasks such as system administration, network management and cybersecurity.	• Incident management • Security operations • IT infrastructure • System administration • Network support • Cloud engineering	• Service Desk Analysts Infrastructure Engineers • ITSM Specialists • Cloud Administrators • DevOps Engineers • Cyber Security Analysts • Site Reliability Engineers
Risk, Regulation & Compliance		
Our RRC specialists develop skills in managing risk and ensuring compliance with rules and standards, protecting organisations' reputation and trust with stakeholders.	• Data management • Risk management • Anti-financial crime • Compliance • Team management • Process improvement	• AML/ KYC Analysts and QA/ QCs • Client and Trade Lifecycle – Analysts • Regulatory and Risk – Reporting Analysts • Risk Framework Analysts

Chief Executive's Review continued

Progressing our ESG initiatives

We remain committed to promoting diversity, social mobility and inclusion within our workplace, as evidenced in the People and Communities section of the Sustainability Report on pages 40 to 50. We are highly supportive of our Employee Networks, our charity partners and our various career development and leadership training programmes.

Delivering our science-based GHG emission reduction targets remains an area of focus, and a factor in recent decision making relating to the selection of new offices in Brighton, Glasgow and Leeds. Our total annual GHG emissions are low at below 1 tCO_2e per employee, however, we are not complacent and remain focused on achieving our targets.

Our people

FDM is a people business, and I am proud of the passion and commitment which our people across our operating regions ceaselessly offer the Group.

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

I would like to extend the Board's thanks to every FDM employee for the quality of their work during 2024, which has enabled us to deliver a resilient performance, in challenging market conditions.

Looking forward

While there are some encouraging signs in the markets that FDM serves, it remains too early in the cycle to commit discretionary spend at present. The Board keeps the relevant trading metrics under continuous review and, benefiting from its flexible business model and strong market position and balance sheet, the Group will move rapidly to capitalise on opportunities that it sees.

FDM is a strong, well managed and well financed business. We shall continue to manage our cost base and levels of Consultant resource to ensure we are well positioned to meet our clients' needs and to support them as and when market conditions improve.

Rod Flavell
Chief Executive Officer
18 March 2025

Business Model

Powering the people behind tech and innovation

Our purpose

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

- Identify talented individuals
- Develop individuals through our Skills Lab
- Grow our client presence profitably
- Identify and fill our clients' skills gaps
- Create a long-term sustainable global business
- Engage, retain, recognise and energise internal employees

What we do

We seek talented, high-quality individuals through our Programmes:

- **Graduates**
- **Ex-Forces**
- **Returners**
- **Apprentices**

We coach individuals remotely through our adaptable Skills Lab, delivering experiential-based learning tailored to **client requirements** and sprints with a focus on skills development.

Through building long-term relationships, we understand our **clients' requirements** and we deliver through our five Practices:

Software Engineering

Change & Transformation

Data & Analytics

IT Operations

Risk, Regulation & Compliance

The value we create

For our clients

We provide our clients with a first-class, flexible resource at a competitive cost

2,578

Consultants assigned to clients at year end

For our shareholders

We consistently deliver returns for our shareholders

22.5 pence

full-year dividend for 2024

Recommended final dividend of 12.5 pence per share, following an interim dividend of 10.0 pence per share

For our employees & Consultants

We provide ongoing professional development and support to our employees throughout their careers at FDM

c.4,000 **employees globally**

80+ **nationalities**

Our Consultants continually upskill, allowing for development within the Practices and professional advancement

877

coaching completions in 2024

For the environment

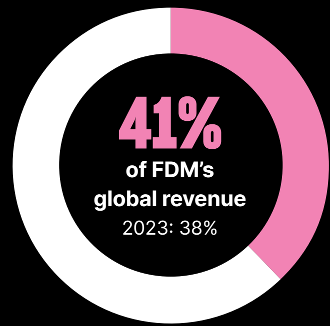
We are committed to reducing our greenhouse gas emissions

0.77 tCO_2e

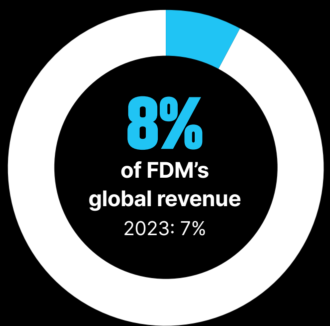
per employee for Scope 1, 2 and 3 greenhouse gas emissions

Our Markets

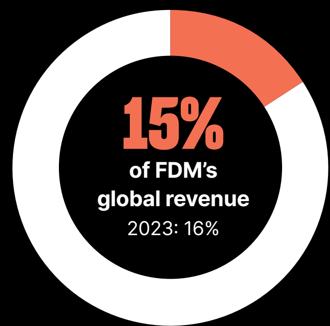
North America	2024	2023
Revenue	£92.2m	£130.2m
Adjusted operating profit[1]	£11.7m	£20.4m
Consultants deployed	742	1,322
Coaching completions	330	340



UK	2024	2023
Revenue	£104.0m	£127.8m
Adjusted operating profit[1]	£18.8m	£25.1m
Consultants deployed	1,056	1,411
Coaching completions	200	339



EMEA	2024	2023
Revenue	£21.9m	£24.1m
Adjusted operating profit[1]	£1.3m	£2.1m
Consultants deployed	256	327
Coaching completions	138	256



APAC	2024	2023
Revenue	£39.6m	£51.9m
Adjusted operating profit[1]	£1.6m	£2.0m
Consultants deployed	524	832
Coaching completions	209	403

1 The adjusted operating profit is calculated before; i) Share Plan expenses and ii) exceptional costs as we better aligned our internal staff and undeployed Consultants with market demand.

Our Markets continued

UK

Year-end Consultant headcount was 1,056, a decrease of 25% on the prior year (2023: 1,411). Revenue decreased by 19% to £104.0 million (2023: £127.8 million) and adjusted operating profit[1] decreased by 25% to £18.8 million (2023: £25.1 million).

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

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

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

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

North America

Year-end Consultant headcount was 742, a decrease of 44% on the prior year (2023: 1,322). Revenue decreased by 29% to £92.2 million (2023: £130.2 million) and adjusted operating profit[1] decreased by 43% to £11.7 million (2023: £20.4 million).

As in the UK, challenging market conditions continued into 2024 and resulted in reduced demand for new Consultants and our Consultant mix becoming more experienced. The shift in tenure mix contributed towards the percentage reduction in revenue being less than the percentage reduction in headcount.

During the year we incurred £0.8 million of exceptional costs associated with the measures taken to align better the number of benched Consultants and internal staff with current demand. With challenging market conditions continuing for a second year, we coached a similar number of Consultants year-on-year (2024: 330; 2023: 340).

During the year we gained eight new clients (2023: seven).

EMEA

Year-end Consultant headcount was 256, a decrease of 22% on the prior year (2023: 327). Revenue decreased by 9% to £21.9 million (2023: £24.1 million) and adjusted operating profit[1] decreased by 38% to £1.3 million (2023: £2.1 million).

During the year we carried a higher than typical number of undeployed Consultants which contributed towards adjusted operating profit decreasing by more than headcount. Exceptional costs associated with measures taken to align better the number of benched Consultants and internal staff with current demand were £0.1 million.

In the year, we coached 138 Consultants (2023: 256) and gained five new clients (2023: eight).

APAC

Year-end Consultant headcount was 524, a decrease of 37% on the prior year (2023: 832). Revenue decreased by 24% to £39.6 million (2023: £51.9 million) and adjusted operating profit[1] decreased by 20% to £1.6 million (2023: £2.0 million).

We experienced similar market conditions to the rest of the Group, and we adjusted our coaching schedules accordingly such that we coached 209 Consultants in the year (2023: 403).

During the year we incurred £0.4 million of exceptional costs associated with the measures taken to align better the number of benched Consultants and internal staff with current demand.

We opened eleven new clients in the year (2023: nine).

1 The adjusted operating profit is calculated before; i) Share Plan expenses and ii) exceptional costs as we better aligned our internal staff and undeployed Consultants with market demand.

Key Performance Indicators

We monitor a range of Key Performance Indicators ("KPIs") to identify trends in our operating and trading performance. Our KPIs provide a balanced set of metrics that give emphasis to both financial and non-financial measures, in line with interests of the various groups of our stakeholders.

The adjusted numbers in the KPI analysis remove the financial impact associated with the Performance Share Plan and exceptional administrative expenses, to provide a clear understanding of the underlying trading performance.

Each KPI is linked to different aspects of FDM's Business Model, as illustrated below. The Business Model is shown on pages 18 to 19.

FDM's four key strategic objectives

- Attract and develop talented Consultants
- Invest in our state-of-the-art Skills Lab to provide expert skills-based training
- Grow and diversify our client base
- Expand and consolidate our geographic presence through sustainable and efficient means

Financial KPIs

Revenue (£m)

-23%

Link to strategic objectives

Performance

2024	257.7
2023	334.0
2022	330.0

Description

Revenue decreased by 23% year-on-year, reflecting continuing challenging market conditions across all our regions.

Adjusted operating profit[1] (£m)

-33%

Link to strategic objectives

Performance

2024	33.4
2023	49.6
2022	52.2

Description

Adjusted operating profit decreased by 33%, reflecting market conditions and also the impact of a higher proportion of experienced Consultants remaining with FDM beyond two years, and the cost of a higher-than-normal number of undeployed Consultants during the first half of the year.

Adjusted basic earnings per share[1] (pence)

-30%

Link to strategic objectives

Performance

2024	23.0
2023	32.9
2022	37.3

Description

Adjusted basic earnings per share decreased by 30% to 23.0 pence, in line with the reduction in the Group's adjusted operating profit.

Cash (£m)

-14%

Link to strategic objectives

Performance

2024	40.6
2023	47.2
2022	45.5

Description

Cash balance ahead of our minimum cash buffer of £30 million.

Cash conversion (%)

+8%

Link to strategic objectives

Performance

2024	120.7
2023	111.8
2022	108.3

Description

Cash conversion was 120.7%, reflecting continuing strong working capital management by the Group.

Non-financial KPIs

Consultants assigned to clients (week 52)

-34%

Link to strategic objectives

Performance

2024	2,578
2023	3,892
2022	4,905

Description

The number of Consultants assigned to clients decreased by 34%, reflecting the impact of market conditions on client confidence, causing clients to defer decisions relating to project commencements and Consultant placements.

Consultant utilisation rate (%)

+0%

Link to strategic objectives

Performance

2024	92.9
2023	92.8
2022	97.5

Description

Consultant utilisation rate of 92.9%, consistent with prior year (92.8%).

Coaching completions

-34%

Link to strategic objectives

Performance

2024	877
2023	1,338
2022	3,179

Description

Coaching completions reduced by 34% in the year as the Group adjusted recruitment and training levels to match reduced client demand.

Scope 1, 2 and 3 greenhouse gas emissions per employee (tCO_2e)

+12%

Link to strategic objectives

Performance

2024	0.77
2023	0.69
2022	0.58

Description

Although the Group's annual emissions per employee have increased by 12%, they remain below 1 tCO_2e. Total annual emissions have fallen by 17% as the business has reduced its operations.

1 The adjusted operating profit and adjusted profit before tax are calculated before; i) Share Plan expenses and ii) exceptional costs as we better aligned our internal staff and undeployed Consultants with market demand. The adjusted basic earnings per share is calculated before the impact, net of tax of; i) Share Plan expenses; and ii) exceptional costs.

Financial Review

The Group delivered a resilient performance in 2024 as market conditions remain challenging.

Mike McLaren
Chief Financial Officer

Revenue decreased by 23% to £257.7 million (2023: £334.0 million) (21% lower on a constant-currency basis[2]), adjusted operating profit1 decreased by 33% to £33.4 million (2023: £49.6 million), and adjusted basic earnings per share1 was down 30%, to 23.0 pence (2023: 32.9 pence). We ended the year with cash balances of £40.6 million (2023: £47.2 million), having converted 120.7% of our operating profit into operating cash flow. Our balance sheet remains strong with no debt. We are well positioned for growth when market conditions improve, with a proven and agile business model that is able to respond rapidly and effectively to market fluctuations.

Summary income statement

	Year ending 31 December 2024	Year ending 31 December 2023	% change
Revenue	**£257.7m**	£334.0m	-23%
Exceptional administrative expenses	**£4.9m**	–	n/a
Adjusted operating profit[1]	**£33.4m**	£49.6m	-33%
Operating profit	**£27.4m**	£55.0m	-50%
Adjusted profit before tax[1]	**£34.0m**	£50.2m	-32%
Profit before tax	**£28.1m**	£55.6m	-49%
Adjusted basic EPS[1]	**23.0p**	32.9p	-30%
Basic EPS	**18.8p**	37.3p	-50%

Overview

Consultants assigned to clients at week 52 2024 totalled 2,578, a decrease of 34% from 3,892 at week 52 2023. At week 52 2024 our Ex-Forces Programme accounted for 105 Consultants deployed worldwide (week 52 2023: 163). Our Returners Programme had 164 Consultants deployed at week 52 2024 (week 52 2023: 219).

The Consultant utilisation rate was consistent with prior year at 92.9% (2023: 92.8%).

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

	Year ending 31 December 2024 Revenue £m	Year ending 31 December 2023 Revenue £m	2024 Consultants assigned to clients at week 52[3]	2023 Consultants assigned to clients at week 52[3]
UK	**104.0**	127.8	**1,056**	1,411
North America	**92.2**	130.2	**742**	1,322
EMEA	**21.9**	24.1	**256**	327
APAC	**39.6**	51.9	**524**	832
	257.7	334.0	**2,578**	3,892

Administrative expenses decreased to £87.5 million (2023: £101.5 million). Included within administrative expenses are £4.9 million of exceptional costs, representing the costs of terminating the employment of internal staff and undeployed Consultants. Adjusted Group operating margin[1] decreased to 13.0% (2023: 14.8%).

1 The adjusted operating profit and adjusted profit before tax are calculated before; i) Share Plan expenses of £1.1 million (2023: credit of £5.4 million) and ii) exceptional costs of £4.9 million (2023: £nil) as we better aligned our internal staff and undeployed Consultants with market demand. The adjusted basic earnings per share is calculated before the impact, net of tax of; i) Share Plan expenses; and ii) exceptional costs.

2 The constant-currency basis is calculated by translating current-year and prior-year reported amounts into comparable amounts using the 2024 average exchange rate for each currency. The presentation of the constant-currency basis provides a better understanding of the Group's trading performance by removing the impact on revenue of movements in foreign exchange.

3 Week 52 in 2024 commenced on 30 December 2024 (2023: week 52 commenced on 25 December 2023).

Financial Review continued

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 trading performance and cash generation. The adjusted results are stated before; i) share-based payment credit/expense including associated taxes and social security costs; and ii) exceptional administrative expenses relating to terminating the employment of internal staff and undeployed Consultants.

Share-based payment
The share-based payment charge is based on estimates relating to a vesting which may occur up to three years after the date of grant and the assumptions underpinning those estimates can change from year to year. An expense of £1.1 million was recognised in the year relating to the share-based payments including social security costs, £0.2 million of which was in respect of the Buy As You Earn ("BAYE") Plan (2023: credit of £5.4 million, including expenses of £0.3 million in respect of the BAYE Plan).

The credit recognised in 2023 arose as a result of a change in the adjusted earnings per share performance vesting assumptions with the outstanding awards anticipated to vest at a lower quantum. Details of the share-based payments are set out in note 26 to the Consolidated Financial Statements.

Exceptional administrative expenses
During the year, the Group incurred exceptional administrative expenses of £4.9 million (2023: £nil), as a result of the Group taking measures to align better the number of undeployed Consultants and internal staff with current market demand.

Net finance income
Net finance income includes bank interest income of £1.9 million (2023: £1.4 million) and lease liability interest of £1.2 million (2023: £0.7 million). The Group has no debt.

Taxation
The Group's total tax charge for the year was £7.6 million, equivalent to an effective tax rate of 26.9%, on profit before tax of £28.1 million (2023: effective tax rate of 26.7% based on a tax charge of £14.9 million and a profit before tax of £55.6 million). The effective tax is higher than the underlying UK tax rate of 25% due to the Group's geographical mix of profits and the impact of items considered to be non-taxable or non-deductible for tax purposes.

Earnings per share
Basic earnings per share decreased in the year to 18.8 pence (2023: 37.3 pence), while adjusted basic earnings per share was 23.0 pence (2023: 32.9 pence). Diluted earnings per share was 18.7 pence (2023: 37.2 pence).

Dividend
During the year, the Group paid two dividends with a total payment to shareholders of £31.7 million (2023: £39.3 million).

At the AGM held on 14 May 2024, a final dividend of 19.0 pence per share for 2023 was approved by shareholders and was paid on 28 June 2024. On 30 July 2024, an interim dividend of 10.0 pence per share for 2024 was declared and was paid on 1 November 2024.

The Board has recommended a final dividend of 12.5 pence per share, subject to shareholder approval at the 2025 AGM, taking the total dividend arising from the 2024 financial year to 22.5 pence per share (2023 total dividend: 36.0 pence per share).

The Group maintains its dividend policy, to retain sufficient capital to fund ongoing operating requirements, while maintaining an appropriate level of dividend cover and sufficient funds to invest in the Group's longer-term growth. As at 31 December 2024, the Company had distributable reserves of £33.7 million. This statement does not form part of the audited financial statements and the distributable reserves figure of £33.7 million is therefore not audited by PricewaterhouseCoopers LLP ("PwC").

Cash flow and Statement of Financial Position
At the year end the Group's cash balance was £40.6 million (2023: £47.2 million). Dividends paid in the year totalled £31.7 million (2023: £39.3 million). Capital expenditure was £0.3 million (2023: £0.7 million) and tax paid was £5.8 million (2023: £12.7 million).

The Group delivered a robust working capital performance. Our business model remains highly cash generative and cash conversion was 120.7% (2023: 111.8%).

Debtor days at the year end were in line with Group targets, as they were in the prior year.

Mike McLaren
Chief Financial Officer
18 March 2025

Risk Management

Effective risk management is critical to the delivery of the Group's strategic objectives and to secure the business for the long term.

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

Risk appetite
As above, "risk appetite" defines the level and type of risk the Board is willing to accept to help the Group achieve its strategic objectives. The Group's risk appetite influences operating decisions and is reflected in the way risk is managed. The Group Risk Appetite Statement is reviewed annually by the Audit Committee.

Risk Management continued

Identifying and monitoring key risks

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

The risk management process is reviewed regularly by our Internal Audit function. The latest review concluded that our processes are suitable for a business of our size and complexity. The annual Internal Audit programme is planned taking due consideration of the Group Risk Register.

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

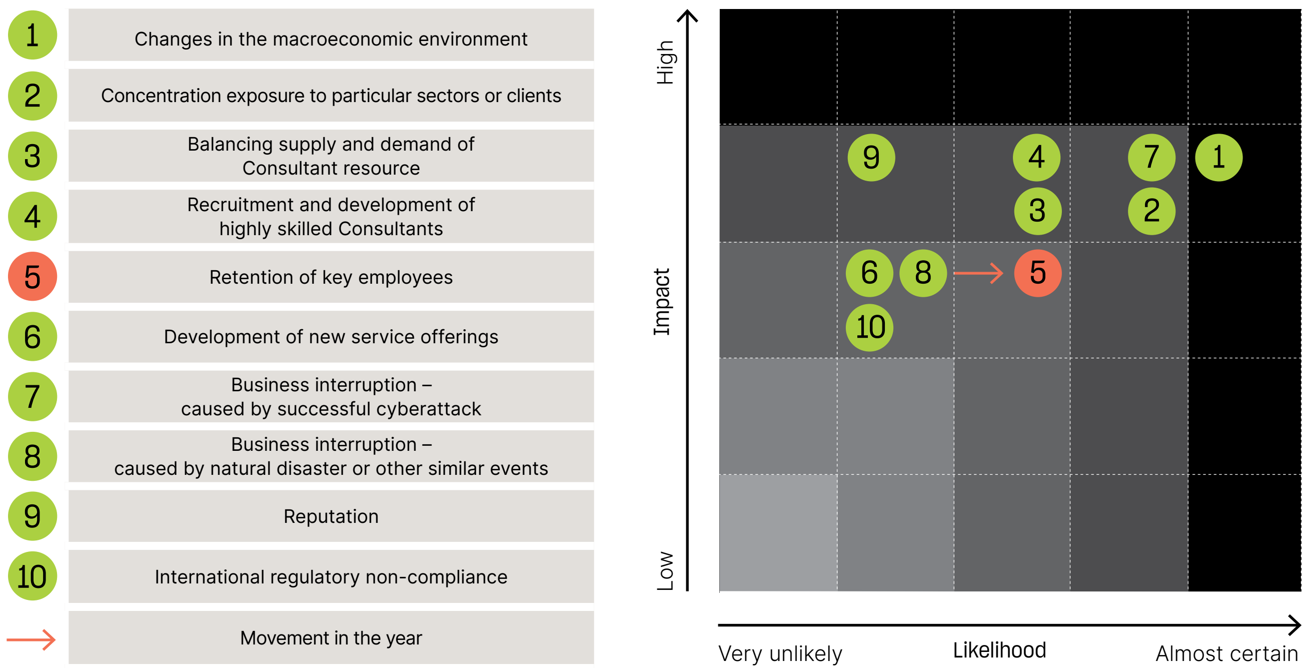
Principal risks

Our principal risks and uncertainties, as set out on pages 32 to 36, have been assessed in accordance with the processes outlined above. We indicate how each principal risk aligns with our strategic objectives, as set out on page 12, indicating those aspects of the business strategy that would be impacted by each risk, were it to materialise.

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

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

The following diagram shows the net risk score for the principal risks after taking account of controls and mitigations, with increase in likelihood for Risk 5 'Retention of key employees':



Emerging risks

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

Other risk areas of focus

Climate change

As with managing risk effectively across the Group, the Board has overall responsibility for climate change management, including oversight of climate-related risks and opportunities. The management-level Climate-change Action Group ("CAG") assesses and manages the Group's climate-related risks and opportunities on an ongoing basis. As detailed on pages 54 to 55, the Group's climate change risk is considered to be low. As a result, climate change is considered not to be one of the Group's principal risks.

Risk Management continued

Strategic risks

Risk and impact	Mitigation	Movement in the year
1 Changes in the macroeconomic environment		No change
A downturn globally or in the territories in which FDM operates, including from geopolitical uncertainties, could curtail demand and the ability of the Group to deploy its Consultant resource, resulting in an adverse impact on revenue, cost and operating profit; a shrinking client base; and a negative impact on share price. Risk owner: **Chief Financial Officer** **Alignment to strategic objectives:**	Although external factors such as macroeconomic risks are outside the Group's control, the Group has various measures in place to respond to changes, including robust planning, budgeting and forecasting and resource allocation procedures. The flexible nature of the Group's business model enables it to manage resource availability allowing it to flex its cost base in the medium term. Bearing in mind the impact of risk 2 below, the Group is also focused on diversifying its client base both by sector and by geography. The Group's current financial position includes a robust balance sheet with no debt, and significant cash balances.	The global economic outlook remains challenging as we enter 2025. As a result, the Board considers it appropriate to maintain a high rating for this risk. Although certain scenarios are outside the Group's control, the Board believes that FDM's business model is flexible, and the agile resource that our Consultants offer remains attractive to clients during times of economic, political and social uncertainty. The Board will continue to review the measures in place to identify and react to changes in macroeconomic conditions; however, these factors, together with FDM's strong cash and financial position, give the Board confidence that FDM can continue to respond appropriately to ameliorate the effect of any adverse economic conditions.
2 Concentration exposure to particular sectors or clients		No change
The majority of the Group's revenue is generated from the financial services sector. Some regions have a concentration of headcount in a smaller number of key clients in 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. Risk owner: **Chief Commercial Officer** **Alignment to strategic objectives:**	As above, the Group is focused on growing its client base both by sector and by geography as well as diversifying the services it offers to clients. Diversification into new client sectors forms an element of bonus targets for Directors and staff. Further details of Directors' bonus targets are in the Remuneration Report on pages 108 to 109.	Although the proportion of the Group's revenue generated from the financial services sector has remained broadly similar to the prior year, the percentage of new client wins outside of the financial services sector during the year was 67%.

FDM's four key strategic objectives

- Attract and develop talented Consultants
- Invest in our state-of-the-art Skills Lab to provide expert training
- Grow and diversify our client base
- Expand and consolidate our geographic presence through sustainable and efficient means

FDM's four key strategic objectives are explained in more detail on page 12.

Risk and impact	Mitigation	Movement in the year
3 Balancing supply and demand of Consultant resource		No change
An inability to appropriately manage the supply and demand of Consultant resource, resulting in either excess or insufficient Consultant resource would result in lost revenue, increased costs, eroded client confidence and an adverse reputational impact. Risk owner: **Chief Commercial Officer** **Alignment to strategic objectives:**	The flexibility of the Group's business model is a key mitigation to this risk. The Group is able to flex the number of Consultants it recruits in response to the Group's near-term resourcing requirements. Multi-team resource management meetings occur regularly to ensure supply and demand issues are identified and resolved. The recruitment team maintains strong links to universities and other recruitment channels. The business operates to maximise utilisation and optimise flow through of Consultants within the Skills Lab. The Ex-Forces, Returners and Apprentice Programmes increase access to a diverse talent pool.	The Group continuously reviews its processes for accurately forecasting demand requirements including the skills required to meet client requirements and recruitment levels. These processes were reviewed by KPMG during the year as part of their Internal Audit Programme of work. During 2024, the business managed, to the maximum extent possible, the level of unallocated Consultants to align better with current market demand. The levels of recruitment and coaching of Consultants were significantly reduced in response to lower client demand.

Operational Risks

Risk and impact	Mitigation	Movement in the year
4 Recruitment and development of highly skilled Consultants		No change
A failure to provide high-quality Consultants to clients could result in a loss of clients and damage to the Group's reputation. Risk owner: **Chief Commercial Officer and Chief Operating Officer** **Alignment to strategic objectives:**	Through our Skills Lab, we coach individuals through multiple interconnected sprints to equip them across our five Practices.	The Board continually monitors and reviews the level of Consultant recruitment levels. Although levels of recruitment are reduced, our Recruitment Teams maintain regular dialogue with successful applicants through our Graduate, Ex-Forces, Returners and Apprentice Programmes.

Risk Management continued

Operational risks Continued

Risk and impact	Mitigation	Movement in the year
5 Retention of key employees		Increased
The ability of the business to retain and develop key employees, thereby enabling the business to expand. **Risk owner:** **All members of the Executive Team** **Alignment to strategic objectives:**	The Group's Remuneration Policy states that the overall remuneration package should be sufficiently competitive to attract, retain and motivate key employees. The remuneration packages of all employees are reviewed and benchmarked regularly to ensure they remain competitive. Leadership training is delivered to internal staff through the Future Leaders Development Programme and the Senior Women Leadership Network. Employees' annual development reviews include the identification of training requirements, fulfilled within the following 12 months. The Nomination Committee considers succession matters as a regular agenda item.	With challenging market conditions continuing in 2024 and with the action taken by the Board to reduce internal headcount in the year, the Board perceives that there is a potential retention risk associated with key employees in the business, if current market conditions persist in 2025.
6 Development of new service offerings		No change
An inability to develop new service offerings and sources of revenue could result in a loss of clients and market share. **Risk owner:** **Chief Commercial Officer** **Alignment to strategic objectives:**	The Consultancy Services team offers clients teams with a range of skills and experience, with senior capability to deliver collaborative solutions for a wide array of technology problems. FDM's flexible training model develops and maintains course material relevant to clients' evolving needs. FDM's training is designed to provide high-quality content either face-to-face or remotely. The Group has a range of touch points with clients, alumni and industry, enabling us to keep up to date with developments in the marketplace and to identify client needs.	The Group is responsive to its clients' needs which it identifies through regular contact and feedback. The Executive Directors are actively involved in key client relationships.

FDM's four key strategic objectives

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- Invest in our state-of-the-art Skills Labs to provide expert training
- Grow and diversify our client base
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FDM's four key strategic objectives are explained in more detail on page 12.

Risk and impact	Mitigation	Movement in the year
7 Business interruption – caused by cyberattack		No change
Major IT system integrity issues or data security issues, either due to internal or external factors, could result in actual financial loss of funds; potential loss of sensitive data with risk of litigation; loss of client confidence; and damage to reputation. **Risk owner:** **Group Operations Director** **Alignment to strategic objectives:**	The Group continues to invest in technology, while further bolstering and driving the advancement of processes and controls to mitigate evolving threats. The Group's IT Security team has significant experience and includes an experienced CISO with over 20 years' experience holding the leading qualifications from ISC2, ISACA, and IAPP, with industry experience across many sectors. Information security strategy and the effectiveness of its roadmap are regularly reported to the Board to ensure constant strategic alignment. Employees are regularly made aware of the risk of cyberattacks, as well as the appropriate actions to mitigate them, as outlined in the Global Standard for Technology Security.	With the ever-increasing global threat of cyberattack, FDM continues to focus on its cybersecurity and information safeguarding capabilities.
8 Business interruption – caused by natural disaster or other similar events		No change
A natural disaster, epidemic or similar health-related event, such as COVID-19, which could potentially result in the closure of one or more of our operating locations, the temporary closing down of clients, or the prevention of staff travelling to their place of work in regions impacted by such events, could lead to disruption and a loss of revenue. **Risk owner:** **Chief Operating Officer** **Alignment to strategic objectives:**	FDM has a Business Continuity Plan in place which includes the procedures to be followed in the event of a major issue such as a natural disaster, epidemic or other health-related event beyond the Group's control. During 2024, KPMG facilitated a scenario-based crisis management exercise with the Board; and A & O Shearman provided their first quarterly update on trends and emerging risks relating to cybersecurity.	The Audit Committee received a Business Continuity Plan update during the year.

Risk Management continued

Operational risks Continued

Risk and impact	Mitigation	Movement in the year
9 Reputation		No change
Reputation is key to the Group maintaining and growing its business. Substandard service or the actions of Consultants or staff could have an adverse impact on the Group's reputation. A failure to manage any subsequent crisis through a lack of reactive procedures could also exacerbate potential damage. **Risk owner:** **Chief Operating Officer** **Alignment to strategic objectives:**	Robust recruitment and training procedures are in place which reduce the risk of employing persons whose actions could result in a negative impact on FDM's reputation. FDM has a zero-tolerance policy with respect to any inappropriate behaviour by an individual employed by the Group or acting on behalf of the Group. The Group focuses on strong relationship management and communication with all stakeholders. Our Consultant Experience team checks in regularly with Consultants to ensure placements are going well, and we seek feedback from clients on our consultants' performance where appropriate.	The Group continues to invest in staff development and high-quality systems and processes to mitigate the risk of operational failure. The Group has a Head of Investor Relations to help manage the relationships with shareholders and stakeholders.

Compliance risk

Risk and impact	Mitigation	Movement in the year
10 International regulatory non-compliance		No change
Failure to comply with international tax, legal, employment and other business regulations could result in significant costs, fines and/ or revocation of business licences. **Risk owner:** **Chief Financial Officer** **Alignment to strategic objectives: n/a**	The Group has robust recruitment and training procedures, which ensure the employment of appropriately skilled personnel in areas where compliance with complex legislation and regulations is required. The Group seeks advice and engages external advisors as necessary, particularly in overseas locations, and actively manages those relationships. The Group regularly reviews and updates contractual documentation, policies and procedures, aiming for ongoing improvement of the approach to managing business risk. The Group ensures that staff undertake ongoing training and professional studies where required.	The Group continues to invest in appropriately skilled personnel and will outsource where needed in areas where compliance and expertise are required. The Group's in-house Legal and People Teams are augmented as required by external advisors with specialist experience and knowledge of the countries in which the Group operates.

Viability statement

The Directors have assessed the prospects of the Group in accordance with Provision 31 of the 2018 Code.

The period selected by the Board for its assessment is three years. This period was chosen for the following reasons: the core of FDM's business is the Consultant model, and three years represents approximately the average life cycle of Consultants' engagement with FDM and the Group's normal investment cycle in its most important asset. Further, the Group's strategic plan covers a period of three years and is underpinned by robust financial budgets, forecasts and a three-year financial plan.

In making its assessment and against a backdrop of continuing challenging market conditions, the Board reviewed the Group's current financial position and prospects, the longer-term sustainability of the business model, the Group's cash flow requirements and other key financial assumptions over the three-year period and carried out a sensitivity analysis of certain assumptions as appropriate. The sensitivity analysis included a low case scenario in which headcount reduces to a low of 1,500 and does not exceed 1,500 by the end of the three-year assessment period. After applying the sensitivities, our modelling showed that the Group would still maintain a positive cash balance, without any third-party debt.

In assessing its viability, the Board has considered the principal risks affecting the Group. Together with the risk of climate change, which was assessed as having a low net risk on the business, the Board evaluated how these risks might impact the Group's future performance, solvency and liquidity. The sensitivity analysis noted above also considered the impact of certain principal risks. Individually, and when considered together, no reasonable combination of sensitivities could result in the Directors altering their view of the Group's viability.

The Group's financial position is robust with cash balances of £40.6 million at the end of the year and no external debt.

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.

Sustainability Report

Sustainability overview

FDM aims to create a long-term sustainable global business that has a beneficial impact on the communities in which it operates.

Improving the sustainability and long-term prosperity of our business can benefit our clients, our employees, and all our other stakeholders. We can deliver a broader positive impact on the lives of those in the communities in which we operate, while working to minimise our impact on the environment. See pages 62 and 63 for a Statement by the Directors in performance of their statutory duties under s.172(1) Companies Act 2006.

FTSE4Good FTSE Russell has assessed FDM as having good sustainability practices and has included the Company as a constituent of its FTSE4Good Index Series. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance ("ESG") practices.

EcoVadis: scored 50 The Group participates in the EcoVadis rating assessment, which covers four pillars: Environment; Labour and Human Rights; Ethics; and Sustainable Procurement. The Group's 2024 overall score was 50. The business is committed to taking action to promote sustainable practices across the Group.

CDP: rated B CDP have rated FDM's 2024 climate change submission as 'B'. CDP is a global environmental disclosure and ratings platform which is recognised as one of the leaders in the market and is used by many of our clients and shareholders to help them make decisions about supply chains and investments. CDP enables our shareholders and clients to obtain an independently-validated view of FDM's efforts to measure and manage our risks and opportunities on climate change.

UN Sustainable Development Goals

In partnership with governments, the private sector and civil society, the United Nations ("UN") 17 Sustainable Development Goals ("UNSDGs") aim to improve the lives of future generations. We have reviewed the UNSDGs and identified six goals that are most closely aligned to our business and strategy, and will look to implement our strategy in a way that will best support the achievement of these goals.

United Nations Sustainable Development Goals	Our contribution	Examples
4 Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Our recruitment processes are designed to be as inclusive as possible.	Our coaching programmes are available to anyone who can show us that they have the aptitude, attitude and capability to thrive.
5 Gender Equality: Achieve gender equality and empower all women and girls.	Women currently make up 36% of our global workforce. We are committed to improving gender balance in our teams around the world, making our business more robust and sustainable.	We are a signatory to United Nations Women's Empowerment Principles ("UNWEP"), and we run various initiatives designed to create a more gender-balanced workforce for FDM and our clients.
8 Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Our reputation is dependent on the people we employ. We treat our employees fairly and help them to launch rewarding careers in technology.	Through our Skills Lab, we provide coaching to our graduates, ex-Forces personnel, returners and Apprentices. When they are assigned to clients, our Consultants gain valuable experience and skills.
10 Reduced Inequalities: To reduce inequalities within and among countries.	We take action to identify talent and improve fair access to the workplace.	Our Apprenticeship programme takes school leavers from a wide range of backgrounds through to achieving a university degree, all funded by FDM.
12 Responsible Consumption and Production: Ensure sustainable consumption and production patterns.	We are committed to reducing the impact of our operations on the environment by making our consumption of energy and materials as sustainable as we can.	In 2024, we took steps to reduce our energy consumption by downsizing one office and moving a second office to a more energy-efficient building. A third office moved to a smaller, more energy -efficient site in February 2025.
13 Climate Action: Take urgent action to combat climate change and its impact.	The Group is committed to reducing its Scope 1, 2 and 3 greenhouse gas emissions (see page 62).	We continue to liaise with our landlords to reduce our emissions from electricity consumption; and engage with our top suppliers to reduce our emissions from purchased goods and services.

People and communities

Our people

We know the positive impact that a diverse workforce has on our business and that the availability of Consultants from diverse backgrounds is important to our clients. Our purpose is to identify talented individuals to develop and forge long-term careers. We are proactive and enthusiastic promoters of diversity, social mobility and inclusion within our workplaces. FDM's inclusive Programmes aim to ensure that everyone is treated fairly and begins their professional life on an equal footing. Our assessment processes are designed to spot a range of qualities including candidates' potential.

Supporting social mobility

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

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

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

Engagement with schools

We aim to tackle inequality through partnering with schools in social mobility cold spots where there is higher dependence on the UK Government's pupil premium grant funding (which aims to improve educational outcomes for disadvantaged pupils in state-funded schools). By working with these schools we hope to encourage enthusiastic pupils from that group to pursue a career in tech.

The Apprenticeship Programme also provides an opportunity for us to engage with the early career year groups. Through targeted initiatives with women, we aim to dismantle some of the stereotypes that are preventing capable young women from pursuing an interest in tech.

Diversity, equity and inclusion

We value the fact that our colleagues come from a wide range of backgrounds, and we look to be representative of the communities and geographies in which we operate. We aim to measure our success in recruiting a diverse workforce of Consultants by carrying out analysis, and where we have sufficient data recorded by the FDM entity, subject to local national legislation, we publish our results.

We encourage applications from candidates with non-STEM (Science, technology, engineering, and mathematics) backgrounds. We use tools to assess behaviours and aptitudes of applicants, providing us with guidance as to whether candidates have the behaviours required for success on our Programmes.

We measure their aptitude in processing information, their ability to respond in a logical manner, and whether they have the required numerical literacy. The guidance provided by these assessments helps us in the final strength-based interview stage of our Consultant selection process.

The Board is committed to the promotion of diversity and inclusiveness of all kinds throughout the organisation. We monitor our demographic data regularly to help inform action plans and areas on which to focus, from attraction and recruitment to progression and retention. See pages 79 and 80 for disclosure on the diversity of the Board and Executive team and see page 80 for the Board Diversity Policy.

In Australia, FDM has signed the 20% Alternative Pathways Pledge, which commits organisations to ensuring that 20% of their entry-level digital hires come from alternative educational pathways. This initiative represents a collaborative effort between government, education providers, and the digital industry to address the anticipated shortfall of digital workers across New South Wales. The pledge is designed to enhance equity and diversity within the digital sector.

The following pages contain data on certain characteristics shared by our people. However, we understand that the reality is more complex, with intersectionality, overlap and differences within each group. We recognise that each employee has a unique identity, and that our people's experiences can be more nuanced than it is possible to express in a matrix of data. We celebrate these differences.

This year, we present; two metrics relating to social mobility for our UK employees; and ethnicity and disability metrics are for our global employees, excluding EMEA where data is not currently collected from employees. The average response rates of those who chose to disclose were: UK Consultants 85%; UK internal staff 90%; global Consultants 87%; and global internal staff 90%. By measuring specific characteristics across the employee groups we can assess how successful our policies are in increasing diversity.

Gender equality

We have been a signatory to the United Nations Women's Empowerment Principles ("UNWEP") since 2013 and have a strong tradition of recognising and celebrating the achievements of women in the IT industry. We aim to provide opportunities for candidates at all stages of their careers. We also leverage our social channels to share their success, shining a spotlight on our people.

See page 46 for details of our Senior Women Leadership Network.

#SheLivesTech: Inspiring the next generation of women in tech

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

People and communities continued

The table below shows the gender split at different levels within the Group as at 31 December 2024.

As at 31 December 2024	Number of males	Number of females
On the Board	5	4
Within senior management (Executive Team)	5	1
Within Senior Management Team team and their direct reports	21	20
All employees	2,410	1,344

Included in the above global statistics are the following legal gender metrics (as at 31 December 2024):

- **UK employees:** 34% female, 66% male

We recognise that the above gender information is binary and that our employees have their own gender identity. In 2024, our UK employees identify as follows:

- **UK Consultants:** 30% female; 67% male; below 1% identify as either non-binary or transgender or other; and 2% prefer not to say.
- **UK internal staff:** 46% female; 50% male; and 4% prefer not to say.

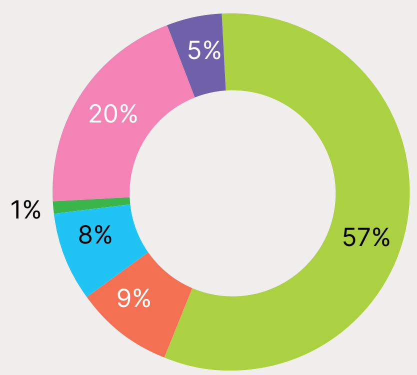
36% of our worldwide employees are female. Our UK mean gender pay gap reported in 2024 was -2.5% (2023: -7.6%), and our median gender pay gap for the same period was -5.1% (2023: -4.3%) meaning that our median female employee is paid more than our median male employee. Our Australia mean gender pay gap reported in 2024 was -1.5% (2023: was not calculated). These figures are significantly better than the respective national averages; for the UK, the average median pay gap reported for full-time employees was +7.0% (Office for National Statistics - Annual Survey of Hours and Earnings 2024). We monitor these results and keep our policies under review.

Employee social mobility metrics 2024 (UK only)

% of 2024 employees those that chose to disclose:

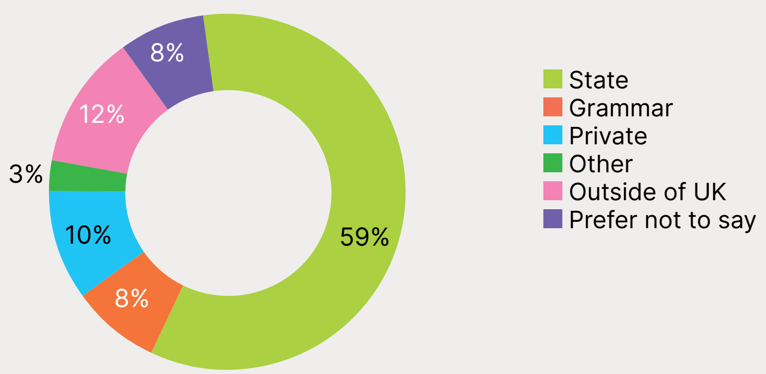
School type attended

UK Consultants 2024



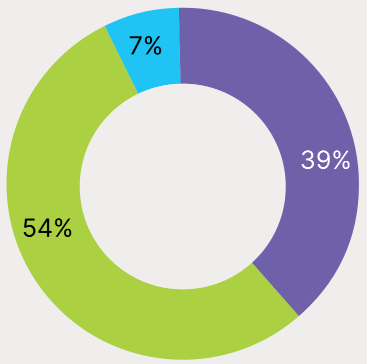
School type attended

UK internal staff 2024



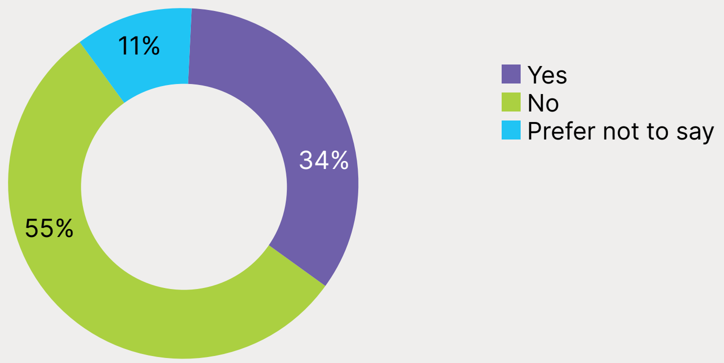
First in family to attend university

UK Consultants 2024



First in family to attend university

UK internal staff 2024



Employee ethnicity

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

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

	US Consultants	US Internal staff
American Indian/ Alaskan Native	0%	0%
Asian	26%	5%
Black or African American	16%	16%
Hispanic or Latino	12%	15%
Native Hawaiian or Other Pacific Island	0%	0%
Two or More Races	6%	7%
White	32%	56%
Other	0%	0%
Prefer not to say	8%	1%
Total	100%	100%

	Canada Consultants	Canada Internal staff
Black	5%	7%
East Asian	12%	8%
Indigenous/ Aboriginal	0%	0%
Latin/ Hispanic	2%	9%
Middle Eastern/ West Asian	4%	13%
South Asian	39%	16%
Two or more ethnicities	2%	2%
White	8%	37%
Other	20%	3%
Prefer not to say	8%	5%
Total	100%	100%

	Singapore Consultants	Singapore Internal staff
Chinese	73%	68%
Filipino	1%	0%
Indian	12%	12%
Malay	9%	4%
Black African	0%	4%
European	0%	8%
Singaporean Chinese	0%	4%
Other	5%	0%
Prefer not to say	0%	0%
Total	100%	100%

	China & Hong Kong Consultants	China & Hong Kong Internal staff
Black African	1%	4%
Chinese	73%	42%
East Asian	7%	8%
European	1%	4%
Filipino	1%	0%
Indian	4%	13%
Mixed	1%	8%
South Asian	4%	13%
Central Asian	3%	0%
Southeast Asian	3%	0%
Asian other	1%	0%
Indonesian	1%	0%
North American	0%	4%
Other	0%	0%
Prefer not to say	0%	4%
Total	100%	100%

	Australia Consultants	Australia Internal staff
Aboriginal	0%	1%
Asian other	2%	1%
Black African	1%	1%
Chinese	15%	6%
East Asian	17%	1%
European	14%	21%
Filipino	1%	3%
Indian	5%	4%
Indonesian	0%	1%
Malay	1%	0%
Middle Eastern	3%	3%
Mixed	3%	6%
North American	1%	0%
Singaporean Chinese	1%	0%
South American	1%	3%
South Asian	10%	4%
Southeast Asian	12%	12%
Other	3%	12%
Prefer not to say	10%	21%
Total	100%	100%

People and communities continued

Disability

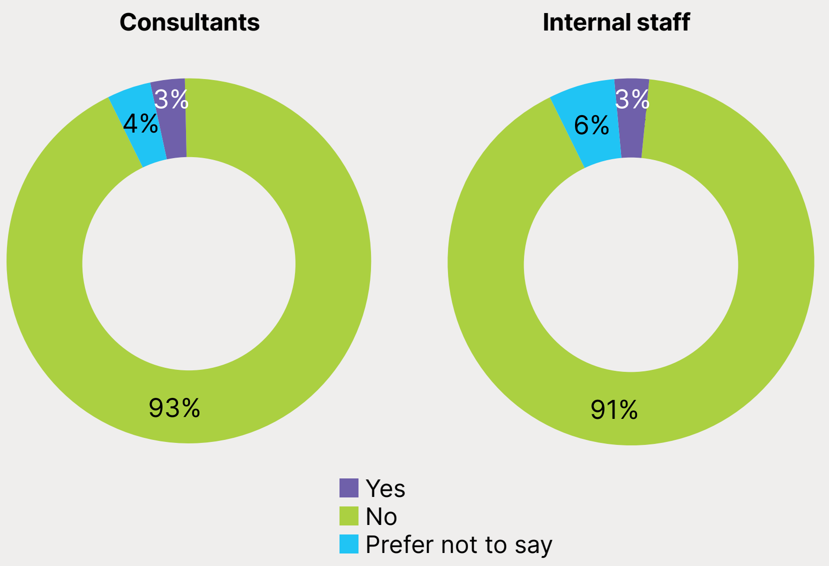
The Group gives full and fair consideration to the employment of disabled people. Throughout the recruitment and selection stages, we encourage candidates to disclose any reasonable adjustments they may require, to remove barriers and to ensure all candidates have the opportunity to be successful.

These adjustments may include, for example, providing additional equipment, adapting our telephone screening process or adjusting our assessment day interviews and tests to suit individual needs. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group can continue either in their current role or in a suitable alternative.

The Group endeavours to make any reasonable adjustments which may be required 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. The Group recognises and delivers training to managers working with employees who require an adjustment due to disability.

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

Global employees[1] who chose to disclose if they identify as having a disability:



1 Based upon responses from employees in the UK, North America and APAC regions. Data is not currently collected from employees in the EMEA region.

Programmes

In addition to our main Graduates Programme, we also deliver programmes for those returning to the workplace, ex-Forces personnel and apprentices as detailed below.

Returners

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

Our programme aims to provide participants from a diverse range of social, ethnic and educational backgrounds, and from a wide range of age groups, with intensive coaching to learn new skills and refresh existing knowledge. We provide support to help individuals to regain their confidence to return to their business careers. More than 500 careers have been relaunched since our Returners Programme began.

Apprenticeships

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

Apprenticeships: UK

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

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

63% of our current UK apprentices are from an ethnic minority background and 47% are the first in their family to go to university. The programme also aims to increase participation of women in technology and is partnering with all-female schools, such as Lillian Baylis (Vauxhall, London), Harris Academy (Bermondsey, London), Leeds City College and Outwood Grange Academy (Wakefield) to help students understand what a career in technology could look like and give them the confidence to apply. Participating universities are selected to ensure that the curriculum fits with employer needs and taking account of location to appeal to local students in inner-city areas from the right demographic.

Each apprentice receives an employer-appointed mentor and is given a minimum of one day per week of off-the-job training time for university study as well as exposure to specific employment experiences in order to cover the requirements of the degree curriculum.

Apprenticeships: Australia

In Australia, we continue to work with a leading professional services firm on its Technology Traineeship. This involves high school graduates from Sydney joining a three-year Technology Traineeship programme to launch their careers in technology as an alternative career pathway to university. Our Technology Traineeship programme offers each trainee a mixture of FDM's bespoke training, followed by rotations in key technology business units within a leading professional services firm. The apprentices work on real-life technology engagements, while gaining micro-credentials and New South Wales state-certified training qualifications. During the course of the Technology Traineeship, each trainee is supported by buddies and FDM's support network. Launched in 2022, the Technology Traineeship has proved to be successful; in 2024 we recruited a further eleven high school leavers.

People and communities continued

Ex-Forces

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

FDM's Ex-Forces Programme in the UK and USA is rank agnostic and provides coaching to ex-Forces personnel in relevant technical, business and commercial skills. We facilitate a smooth transition into the civilian workplace with a level of pastoral support. The Programme is run by ex-service personnel and employs ex-service people from all ranks across all three services. We have a specific leave-of-absence policy for reservists.

We are proud holders of the Gold Award from the UK Government's Defence Employer Recognition Scheme, acknowledging our strong commitment and drive in delivering our pledges under the Armed Forces Covenant, to which we are also a signatory.

In 2024, Rod Flavell (CEO) won the British Ex-Forces in Business Awards: Advocate of the Year (Individual). FDM is ranked in the Great British Employers of Veterans Top 50 List 2024. In the USA, we have again been ranked as one of the Military Times Best for Vets Employers in 2024. We have relaunched more than 1,000 careers since our Ex-Forces Programme began.

Employee development

Ongoing learning and development for our Consultants is supported through access to e-learning platforms such as LinkedIn Learning, Intuition Knowhow, Skillsoft and our own bespoke Skills Lab materials. Alongside coaching, mentors also help Consultants to identify development areas and skills gaps so they can signpost individuals to resources or opportunities.

Via the Skillsoft platform we provide our employees with a range of compliance-related topics, with each employee receiving modules when they start and annual refresher modules. Alongside our compliance training we provide an Inclusivity Awareness Programme, covering Diversity, Equity and Inclusion topics. Topics such as unconscious bias and disability awareness provide our employees with an inclusive mindset to apply to recruitment or to their day-to-day work.

Our Pods continue to be run globally and provide Consultants with hands-on, project-based experience of working in cross-functional groups using an Agile methodology. Pods produce Consultants who are able to get up to speed quickly and deliver what our clients need most effectively. With the support of the Skills Lab, we have provided training to internal staff in Scrum and Agile methodologies, while also providing workshops to Consultants in skills such as coaching, leadership and time management.

Accreditation

FDM is a member of TechSkills' Tech Industry Gold scheme. Our Consultant coaching is accredited to Gold Standard by TechSkills, the industry kitemark for tech-related education and training. At the end of 2024, the accredited courses being delivered across our UK Skills Lab included; Software Testing, Software Development and Technical Operations. In total, 190 Consultants completed accredited training in 2024 (2023: 325).

Leadership training: Future Leaders Development Programme

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

Leadership training: Senior Women Leadership Network

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

Consultant experience

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

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

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

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

FDM Alumni Network

We have a significant alumni population and, although we have always remained connected with our alumni, a newly formed project team, in collaboration with the Sales team, is focusing on this group by creating an FDM Alumni Network in order to increase engagement with those who have come through our various programmes over the years. By continuing to build and engage with our extensive alumni community, our aim is to develop and maintain an effective ecosystem to create learning and development, professional networking and increased career opportunities for our past, present and future Consultants. The network provides opportunities to connect its members to other alumni and to FDM's business via events, communication and initiatives. By connecting with our alumni, we will be able to create a pipeline of experienced talent for our clients and enhance opportunities for lead generation across the business.

People and communities continued

Employee engagement

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

EMPLOYEE NETWORKS

LEAD NETWORK

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

UNIQUE NETWORK

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

ELEVATE NETWORK

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

CARE NETWORK

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

PRIDE NETWORK

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

FAITH NETWORK

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

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

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

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

Wellbeing

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

Recognition

We believe it is important to recognise and reward the commitment and hard work of our colleagues. The FDM Champion initiative is our new monthly peer-to-peer recognition scheme, which celebrates the everyday achievements of colleagues and Consultants alike. We recognise and reward the commitment and contribution of employees who have completed five, ten, twenty, and even thirty years with FDM.

Our Buy As You Earn share plan is open to all employees, providing a longer-term incentive to enable participants to share in the success of our business and reap the rewards of their contribution to our shared goals. Participants in the plan have demonstrated their commitment to the business by setting aside a portion of their monthly salary to purchase shares in FDM. The shares purchased are matched with additional shares for those who hold their shares and remain in employment for the required period.

Partnerships

University Partners

Our Recruitment team participated in 389 university events (2023: 657). The number of recruitment events decreased as we scaled back on recruitment in 2024. We continue to maintain close relationships with our University Partners and held events that promote opportunities for wider student and university outreach. In January 2024, our UK University Partnerships team hosted our Annual University Partners event to more than 50 key partners.

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

University Partnership's 'Curriculum Projects' and 'Employability Programme'

In support of our UK University Partners, in 2024 we participated in six university curriculum and consultancy-based projects with over 500 student participants. We designed, delivered, and supported the students with project briefs that contributed towards their university grade and/ or experience. These projects gave students from all degree backgrounds the opportunity to gain commercial insight, experience working on live business challenges and the opportunity to build relationships with industry professionals, while developing their soft skills.

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

People and communities continued

Charity involvement

We work with numerous charitable partners and community groups through a combination of employee volunteering, donations, and employee time. We tailor our community activities to reflect the needs and interests of the local communities in which we operate. Internal staff fundraise and donate to foodbanks near to the centres in which they work.

Donation of IT equipment

During the year we donated IT equipment to a charity in the USA.

Walking With The Wounded

Spearheaded by the Ex-Forces team, our employees are involved with Walking With The Wounded, a UK charity that delivers employment, mental health care coordination and volunteering programmes in collaboration with the NHS to support those who served in the armed forces, and their families, who were wounded, whether mentally, socially or physically, in reintegrating back into society.

In 2024, FDM was a lead partner of Walking With The Wounded's Cumbrian Challenge, with numerous FDM UK teams participating in the hike and raising funds.

The Children's Book Project

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

Our clients and shareholders

We work closely with our clients through the process of interviewing and selecting our Consultants for deployment on client projects, which enhances our understanding of the skills and qualities they are looking for. Clients have attended virtual demonstrations and feedback sessions in the Skills Lab's Pods. This interaction helps to ensure that the Consultants we put forward are well matched to clients' requirements and project criteria, which ultimately makes for a successful deployment.

Our in-house investor relations function works with our external brokers and financial PR advisors to provide an overall programme of communication with shareholders and prospective investors, increasing the information available to them through our website and other channels.

People policies

Human resource policies and respect for human rights

We are committed to making FDM a great place for all our employees. Our policies on maternity, paternity, adoption, personal and special leave, and on sickness absence go beyond the minimum required by law. We are committed to fulfilling our obligations in accordance with the relevant legislation for applicants and existing employees who have disabilities. We give equal consideration to applicants with disabilities, and our staff who interview applicants receive training in disability awareness and unconscious bias in the recruitment process.

We have in place policies that prohibit discrimination and harassment in the workplace. We believe that our policies provide an effective framework to ensure that all our stakeholders and any other individuals with whom we interact in the course of our work are treated with respect and dignity, and in a way which accords with the Universal Declaration of Human Rights.

Anti-slavery and human trafficking policy

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of the business. We have considered the degree of risk that modern slavery could present within the organisation or in supply chains.

The nature of our business and the direct relationship we have with applicants to the training programmes means that the risk of modern slavery in our own organisation is low. We have reviewed supply chains and taken steps to address the potential risks of modern slavery and human trafficking.

The Group has in place an Anti-Slavery and Human Trafficking policy to assist in mitigating this risk, and maintains a process of due diligence on key suppliers to ensure that they meet our expectations in this area, enabling us to comply with our obligations under the Modern Slavery Act 2015. There is a pre-contract due diligence process, used with new suppliers to ensure that they confirm their commitment to comply with our policies and values, or that they have in place appropriate equivalent policies of their own. We have also developed a set of standard contractual clauses for inclusion in supplier contracts to reinforce this approach. The Group aims to promote a high level of understanding of the risks of modern slavery and familiarises all staff with these policies on induction. Additional training may be provided to key staff members where appropriate. The effectiveness of these steps is monitored annually by the Board.

Climate change

Implementation of the Task Force on Climate-related Financial Disclosures ("TCFD") framework

This report covers FDM's governance of climate change, its integration with overall risk management, strategy for managing climate-related issues and opportunities, and the metrics used to measure progress towards our targets. We conclude that the business strategy continues to be resilient against the risk level from climate change, which remains 'minor'.

In recognition of UK Listing Rule 6.6.6R(8), the following pages set out our climate-related financial disclosures consistent with the Recommendations and Recommended Disclosures as outlined in "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures", published in October 2021 by the Task Force on Climate-related Financial Disclosures ("TCFD"). These disclosures also meet the mandatory climate-related financial disclosures under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

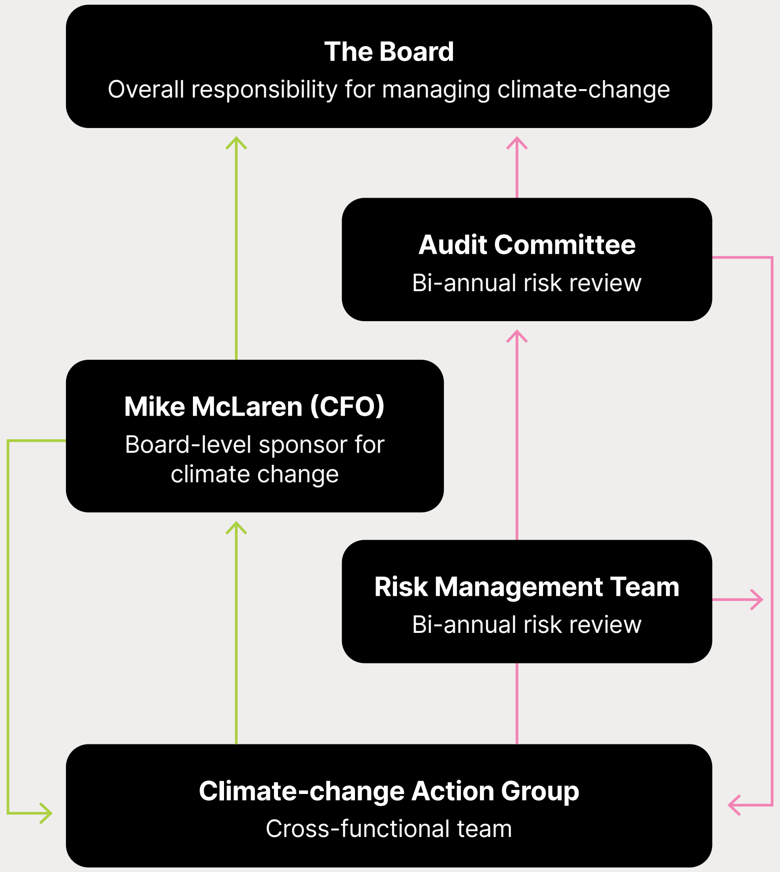
Recommendation	Recommended disclosures	Page reference
Governance Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities	52
	b) Describe management's role in assessing and managing climate-related risks and opportunities	52
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	53 to 56
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	53 to 54
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	53 to 54
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	54 to 55
	b) Describe the organisation's processes for managing climate-related risks	53
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	31
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	58
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks	57 to 59
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	60

Climate change continued

Governance

Board level

The Board has overall responsibility for climate change management, including oversight of climate-related risks and opportunities. The Board reviewed the Group's risks and opportunities from climate change in March and July, while it considered overall risk management across the Group. The Board is supported and informed on climate-related issues via two channels to ensure that any potential impacts of climate change are incorporated into the reviews of Group strategy, business plans and risk management. An operational and strategic channel reports into the Board via the Board sponsor for climate change, Mike McLaren (CFO). This occurs through the Climate-change Action Group which reports to the CFO periodically throughout the year. The risk channel monitors and informs the Board of climate-related risks through the Audit Committee, supported by the Risk Management Team.



Operational and strategic channel

Risk and reporting channel

Progress against climate targets is monitored and overseen by the Board, based on information (progress, KPIs and metrics) received from the Audit Committee. The Audit Committee meets twice a year to review all risks, referring key matters of risk to the Board, including climate-related issues. The level of climate-related expertise is considered to be sufficient given our assessment of climate-rated risk and opportunities and the likely impact on the Group's strategy. External advice is obtained where appropriate. In deciding new office locations, the Board has continued with its strategy of leasing new FDM centres in central urban areas with good public transport links, thereby mitigating the effects from employee commuting.

Management level

Mike McLaren (CFO) has executive-level responsibility for climate change, reporting to the Board. The management-level Climate-change Action Group ('CAG') is a cross-functional team that assesses and manages climate-related risks and opportunities and resulting strategic impact, reporting to Mike McLaren. As required, members of the CAG attend external briefings from sustainability experts on environmental matters and climate change. Combined with internal feedback and updates from the Risk Management Team, this allows the CAG to remain informed and up to date. The Risk Management Team meets regularly and reports formally to the Audit Committee twice a year (see pages 29 and 30).

For 2024, part of the Executive Directors' annual bonus was targeted to improve FDM's overall EcoVadis score. The metric has been applied under the Directors' Remuneration Policy and, together with the outcome, are set out on pages 108 and 109. This links the Group's environmental actions and performance with the Executive Directors' remuneration and acts as an incentive for the business to focus on the promotion of two pillars from the assessment; Environment; and Sustainable Procurement.

Risk management

FDM's climate-related risk management is integrated into the Group's overall risk management framework (see pages 29 and 30). All climate-related risks are assessed in the same manner as other Group risks, so that their relative significance can be assessed. The Group's Risk Register categorises all existing and emerging risks, including climate-related risks, with the Register covering the probability of the risk occurring and the degree of the potential impact. Potential risks are assessed whether they occur within the Group's own operations, or upstream and downstream of the Group and the timeframe in which they first occur. The following timeframes have been chosen:

- Short-term (0 to 3 years) aligns to the business planning cycle;
- Medium-term (4 to 6 years) aligns to near-term targets;
- Long-term (beyond 6 years) aligns to our net zero ambitions and encompasses long-term industry and policy trends. This timeframe also allows for climate-related risks and opportunities to manifest.

The CAG has assessed and updated the climate-related risks and opportunities relevant to FDM. These were initially identified with the help of an external sustainability consultancy firm. All risks are assessed on a 5×5 matrix assessing both impact and likelihood, which allows for the prioritisation of risks.

Risk impact (materiality) is defined by the following table, in respect of the year in which the event takes place:

Insignificant	Minor	Moderate	Major	Serious
Impact on profit before tax or lost opportunity of <£0.5m	Impact on profit before tax or lost opportunity of £0.5m – £2m	Impact on profit before tax or lost opportunity of £2m – £7.5m	Impact on profit before tax or lost opportunity of £7.5m – £30m	Impact on profit before tax or lost opportunity of >£30m

Risk likelihood is defined under five categories: Very unlikely, Unlikely, Possible, Likely, Almost certain.

Any mitigation factors for risks, including climate-related risks, are also included in the Group Risk Register and this combined exposure informs the decision for managing risks (e.g. further mitigation, accept, or control). Risks are subject to ongoing refinement and quantification over time, which assists with incorporating their management into the ongoing strategy, budgets and financial statements.

Strategy

As a service business, FDM Group's overall net climate risk, accounting for mitigation, has been assessed as minor. The combined gross risk, before mitigation and controls, has been assessed as moderate and, in isolation, the impact of most climate-related risks before mitigation is minor. Our main physical risk exposure is from riverine and coastal flood risk, over a timeframe out to 2050, however given that all of our locations are in large cities with modern flood defences, we consider this risk to be insignificant. Further mitigative actions to this risk include:

- All offices are leased, and most leases are short or medium term. In many locations we use flexible workspaces with even shorter lease commitments, and if appropriate, we will expand this approach, decreasing our asset risk exposure further.
- Insurance recovery in the event of natural disasters.
- Consultants work from client sites or at home and not from our centres.
- Established work-from-home procedures and an agile and flexible working model mean limited loss of business productivity in the event of travel-related or site-related disruption.
- High-rise office locations in central business districts.

Other physical climate-related risks (higher mean temperatures, rising sea levels, wildfires, severe weather including typhoons/ hurricanes) are not seen as having any material impact over the forecast period.

New sites in 2024 have been assessed for physical risks and the conclusion above remains unchanged.

Climate change continued

We have used scenario analysis to improve our understanding of the sensitivity of certain risks to different climate outcomes, which helps assess the resilience of our business to climate change. We have used the same three climate-related scenarios as last year, looking out over a timeframe to 2050:

- **Net Zero Emissions by 2050** (NZE)*: a normative scenario which sets out a narrow but achievable pathway for the global energy sector to achieve net zero CO_2 emissions by 2050. It does not rely on emissions reductions from outside the energy sector to achieve its goals. This meets the TCFD requirement of using a "below 2°C" scenario and is included as it informs the decarbonisation pathways used by the Science Based Targets initiative ("SBTi").
- **Stated Policies** (STEPS)*: the roll forward of already announced policy measures. This scenario outlines a combination of physical and transition risk impacts. This scenario is included as it represents a mid-way pathway with a trajectory implied by today's policy settings.
- **RCP 8.5****: where global temperatures rise between 4.1-4.8°C by 2100. This scenario is included for its extreme physical climate risks as the global response to mitigating climate change is limited.

* IEA (2022), World Energy Outlook 2023, IEA, Paris

** IPCC, 2014: Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change

Risks

Looking out over a timeframe to 2050, the three key climate-related risks identified are medium term risks:

Risk	1. Risk to FDM of not meeting its near-term greenhouse gas emission targets	2. Risk of failure to meet the expectations of clients and other stakeholders	3. Cost to FDM of carbon pricing in the value chain
Type	Transition (Market and reputation)	Transition (Market and reputation)	Transition (Current and emerging regulation)
Area	Own operations/ upstream	Own operations/ upstream	Own operations/ upstream
Primary potential financial impact	Lower profit margins through increased costs and lower revenue	Loss of revenue due to decreased client demand	Higher costs associated with energy and other inputs
Time horizon	Medium term	Medium term	Medium term
Gross likelihood	Possible	Possible	Likely
Gross impact	Moderate	Major	Minor
Net likelihood (with mitigation)	Possible	Unlikely	Possible
Net impact (with mitigation)	Minor	Minor	Insignificant
Location or service most impacted	Global	Global	Purchased goods and services
Metrics used to monitor risk	Scope 1, 2 and 3 greenhouse gas emissions	Scores from external sustainability ratings (including CDP and EcoVadis)	Scope 3 greenhouse gas emissions

1) Risk to FDM of not meeting its near-term greenhouse gas emission targets

FDM has clear targets associated with climate change. FDM's combined annual Scope 1, 2 and 3 greenhouse gas emissions remain low at below 1 tCO_2e per employee. At present the largest source of operational emissions for the Group is within Scope 3. There are aspects of the delivery against this plan that are reliant on third parties, and further action from third parties is required for FDM to meet its Scope 3 near-term targets. Its Scope 1 and 2 emissions remain low, and the business continues to negotiate with its landlords to move towards energy supply agreements that are fully renewable. The potential outcomes have been reflected in the choice of assigning a 'moderate' impact level to the risk before mitigation.

2) Risk of failure to meet the expectations of clients and other stakeholders

Some of FDM's largest clients require suppliers to maintain SBTi approved targets, have a net zero emissions plan in place, and submit climate change data to CDP and other similar ratings platforms. FDM Group communicates progress against its sustainability goals and its annual greenhouse gas emissions remain low at below 1 tCO_2e per employee. Failure to communicate progress effectively or meet stakeholder expectations may lead to reputational issues or lower revenue due to lost custom. We have categorised the net likelihood of this risk as 'unlikely', given the Group has near-term emissions targets approved by SBTi and meets all necessary expectations from external stakeholders in terms of reporting.

3) Cost to FDM of carbon pricing in the value chain

As FDM's emissions remain low, our analysis has shown the impact from carbon pricing to be mostly 'insignificant'. The scope of carbon pricing (applied directly or indirectly) is expected to expand over the medium term, and the price of carbon is expected to rise in the drive to make businesses more accountable for their energy use and carbon emissions. As part of our Carbon Reduction Plan, we use efficient data centres and have continued engagement with our top suppliers to reduce Scope 3 emissions from purchased goods and services.

Climate change continued

Opportunities

Looking out over a timeframe to 2050, three key climate-related opportunities have been identified across the medium and long term:

Opportunity	1. Opportunities in climate-related consulting	2. Energy savings	3. Increased competitive advantage in the market
Type	Products and services	Resource efficiency	Resource efficiency
Primary potential financial impact	Increased sales	Decreased costs	Decreased costs
Time horizon	Medium to long term	Medium term	Medium term
Likelihood	Possible to likely	Almost certain	Possible
Impact	Minor	Minor	Minor
Location or service most impacted	Global	New York, Singapore, Hong Kong	All services

1) Opportunities in climate-related consulting

Clients, especially within the Energy and Utilities sectors, will require Consultants to assist with accelerating their green transition. A secondary impact as a result may be an improved reputation with regards to this type of work, leading to further sales opportunities and enable FDM to expand its client base in the sector. This is an area that continues to be investigated, although the likely impact is minor in the medium term.

2) Energy savings

Decreasing energy consumption by reducing energy use and increasing efficiency may decrease costs and mitigate against the cost of future carbon pricing. This will have the emergent benefit of further mitigating the impact of Risk 1 outlined above. The business' strategy to reduce the footage of its offices is in response to the aim to reduce overall energy consumption. Engagement with landlords to introduce energy saving measures continues, and has already occurred in 2024 when we moved to a newer, more energy efficient office in Brighton.

3) Increased competitive advantage in the market

FDM's emissions remain low. We believe the Group is well-placed in the market in terms of its sustainability reporting. As clients become selective in their sustainability requirements, it could lead to more opportunities to capture market share against competitors. This will be achieved by continuing to support the Group's sustainability strategy and maintaining engagement with clients to understand their future expectations.

Metrics and targets

FDM is committed to net zero emissions across Scope 1, 2 and 3 greenhouse gas emissions by 2050. As an important step towards this goal, we have set near-term reduction targets which have been verified by SBTi. These are:

- Reduce absolute Scope 1 and 2 emissions by 50% by 2030 from a 2020 base year; and
- Reduce Scope 3 emissions by 62% per employee by 2030 from a 2020 base year.

We report our emissions and energy data on page 58, and our progress against these targets on page 60. The calculation of FDM's carbon footprint is in line with the principles and requirements of the Greenhouse Gas Protocol. We also monitor the amount and percentage of electricity consumed from renewable sources; this metric is included on page 58.

Although we acknowledge the recommendation to integrate an internal carbon price, Risk 2 highlights that it is currently not financially material and therefore deemed unnecessary.

Environmental performance

Operating in a sustainable manner

At FDM, we recognise the significance of climate change, and realise that our activities and operations have an associated environmental impact. As such, we take into consideration and aim to reduce the impact our business activities have on the environment and on climate change.

The risks from climate change on the Group are described on pages 53 to 55. This includes assessing the risks of the direct physical effects of climate change, the transition to a low carbon economy and how climate change might impact the Group's ability to continue its business activities.

We report our carbon and energy data following Streamlined Energy and Carbon Reporting ("SECR") requirements.

Carbon and energy data 2024

Directors' statement of SECR compliance

FDM Group continues to meet the greenhouse gas emissions reporting requirements of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have prepared this report in accordance with the requirements for quoted companies under these regulations.

We report the Group's carbon footprint from our global operations to include Scope 1, Scope 2 and Scope 3 emissions from the following categories:

Scope 3 emissions reported by category	
1	Purchased goods and services
2	Capital goods
3	Fuel- and energy-related activities
5	Waste generated in operations
6	Business travel
7	Employee commuting

There are 15 categories of Scope 3 emissions, however, the following Scope 3 categories are not applicable to FDM: Category 4 (Upstream transportation and distribution. Emissions from transport costs related to capital goods are captured under Scope 3 Category 2 Capital goods); Category 8 (Upstream leased assets); Category 9 (Downstream transportation and distribution); Category 10 (Processing of sold products); Category 11 (Use of sold products); Category 12 (End-of-life treatment of sold products); Category 13 (Downstream leased assets); Category 14 (Franchises); and Category 15 (Investments). FDM does not sell physical products to consumers, therefore, FDM has no downstream emissions associated to the use of a sold product.

We also include metrics related to our Group Carbon Reduction Plan, which is outlined on page 60.

Environmental performance continued

Emissions

	Emissions source	2022 tCO_2e	2023 tCO_2e	2024 tCO_2e
Scope 1	Natural gas	59	98	**103**
	Company cars	3	5	**6**
Total Scope 1		**62**	**103**	**109**
Scope 2	Electricity (Market based)[1]	112	109	**107**
Total Scope 2		**112**	**109**	**107**
Scope 3	Purchased goods and services	1,705	1,833	**1,331**
	Capital goods	96	172	**66**
	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	122	135	**146**
	Waste generated in operations	25	10	**7**
	Flights	521	540	**476**
	Other business travel	39	75	**72**
	Employee commuting	1,184	1,464	**1,352**
Total Scope 3		**3,692**	**4,229**	**3,450**
Total emissions (Scope 1, 2 and 3) (Market based)		**3,866**	**4,441**	**3,666**
Total emissions (Scope 1, 2 and 3) (Location based)		3,986	4,578	**3,786**
Average number of employees		6,685	6,482	**4,779**
Emissions (Scope 3 only) per employee (tCO_2e)		0.55	0.65	**0.72**
Emissions (Scope 1, 2 and 3) per employee (tCO_2e)		0.58	0.69	**0.77**
£ million of revenue		330.0	334.0	**257.7**
Emissions (Scope 1, 2 and 3) per £ million of revenue (tCO_2e)		11.7	13.3	**14.2**

1 Scope 2 location-based electricity emissions are: 2022: 232 tCO_2e; 2023: 246 tCO_2e; 2024: 227 tCO_2e.

Energy usage[2]

	2022 kWh	2023 kWh	2024 kWh
Total energy usage[2]	1,457,533	1,767,533	**1,565,124**
– from renewable sources	622,634	654,052	**600,420**
– from non-renewable sources	834,899	1,113,481	**964,704**

	2022		2023		2024	
	UK	Global (excluding UK)	UK	Global (excluding UK)	UK	Global (excluding UK)
Scope 1 and 2 emissions (tCO_2e) (Market-based)	59	115	98	114	**105**	**110**
Total energy usage[2] (kWh)						
– from renewable sources	622,634	–	642,835	11,217	**582,009**	**18,411**
– from non-renewable sources	346,610	488,289	624,625	488,856	**612,532**	**352,172**
	969,244	**488,289**	**1,267,460**	**500,073**	**1,194,541**	**370,583**

2 Energy reporting includes kWh associated with Scope 1 and Scope 2 emissions and fuel used in personal or hire cars on business use.

Electricity consumption	2022	2023	2024
% of electricity consumed from renewable sources	58%	64%	**68%**

Annual greenhouse gas emissions

Our total emissions per employee remain below 1 tCO_2e.

The Group's Scope 1 and Scope 2 emissions are minimal, and our total worldwide Scope 3 emissions remain low. In 2024, we conducted our second employee commuting survey which provided us with insight into our employees' travel patterns and enabled us to obtain data on the frequency and means of employees' travel.

Supplier specific data has been used to calculate emissions where the data was publicly available and reliable. In 2024, spend on specific suppliers was 32% of total purchased goods and services spend (2023: 34%), emissions from specific suppliers were 8% (2023: 16%).

In the year, our combined total Scope 1, Scope 2 and Scope 3 emissions decreased by 17% as the business scaled back its operations. Our total emissions per employee remain low at 0.77 tCO_2e. The average emissions per employee increased in the year by 12% due to the impact of the 17% drop in total emissions being offset by a 26% decrease in the average number of employees.

At year-end the Group had three company cars (2023: three), one of which is a self-charging electric hybrid. All three are pool cars available for business use only.

Environmental initiatives

We have expanded FDM's 'Supplier Checklist' to enquire and challenge our top suppliers' sustainability initiatives, including whether they have a published Net Zero target and whether it has been SBTi validated. Of the spend on our top 30 suppliers, 76% is with companies who have made public their Net Zero commitment. We continue to engage with our top suppliers with the aim to reduce their emissions, which will reduce our emissions from purchased goods and services.

We are reducing our energy consumption through:

- Undertaking direct actions and steps identified as part of FDM's UK ESOS Action Plan including the introduction of efficient lighting in our new Brighton office;
- We continue to virtualise our IT estate: Our energy requirement is lower because our cloud-based systems and data are hosted at efficient datacentres, run by Microsoft Azure, that flex capacity in line with our usage.

FDM's offices are leased. We remain in regular dialogue with our landlords regarding switching to electricity tariffs sourced from 100% renewables sources. In 2024, 68% of the Group's total electricity consumed was from 100% renewable sources (2023: 64%).

We have policies and facilities in place to reduce waste disposal and promote:

- recycling of paper, plastics and cans at our centres; ensuring that only the minimum goes to landfill; and
- the use of video conferencing technology and other collaborative tools to reduce the need for travel.

2024 emissions' methodology

As an IT-focused global professional services provider, we recognise the importance of quality data management. We have processes and controls in place to capture actual consumption where possible. In line with common practice, where the data is incomplete we model the consumption using estimates. We work with CEN-ESG, a leading provider of sustainability advisory services, to ensure that we continue to follow best practice in the assessment and reporting of our environmental performance. Our engagement with CEN-ESG enables us to provide transparency to stakeholders and to further identify opportunities to improve our environmental performance.

The Group has defined its organisational boundary using an operational control approach with no material omissions from within the organisational boundary of the Group. The methodology used to calculate the greenhouse gas emissions is in accordance with the principles and requirements of the following:

- **World Resources Institute (WRI) GHG Protocol:** A Corporate Accounting and Reporting Standard (revised version); and
- **DEFRA's Environmental Reporting Guidelines:** Including Streamlined Energy and Carbon Reporting requirements (March 2019).

Emissions have been calculated using the appropriate conversion factors such as the 2024 issue of the UK government's Greenhouse Gas Conversion Factors for Company Reporting and spend-based factors from Environmentally-Extended Input-Output ("EEIO") models.

Reported annual emissions information and annual energy usage is presented for the same period as the accounting period, being the twelve months ending 31 December.

Environmental performance continued

Group Carbon Reduction Plan and progress update

The Board approved the Group Carbon Reduction Plan in December 2021. FDM is fully committed to playing its part in addressing the climate crisis and has set ambitious near-term science-based targets in line with a 1.5°C limit to global warming, and to delivering net zero emissions across all Scopes by 2050.

In June 2022, the SBTi validated that FDM's near-term targets conform with the SBTi Criteria and Recommendations (version 4.2). FDM's progress against these targets is detailed below:

SBTi-validated target	Progress
To reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030 from a 2020 base year	2024 Scope 1 and 2 GHG emissions are 46% lower than in our 2020 base year. FDM is focused on working with its landlords to reduce further its Scope 2 emissions from purchased electricity by switching to tariffs that source 100% renewable electricity.
To reduce Scope 3 GHG emissions by 62% per employee by 2030 from a 2020 base year	Reducing our Scope 3 GHG emissions remains challenging: • The 2020 base year was not representative of our Scope 3 emissions for business travel and employee commuting because national lockdowns and restrictions on our travel patterns from the COVID-19 pandemic limited our employees' movements. • When we set our near-term target, we expected decarbonisation of the grid to lead to a significant year-on-year reduction in the conversion factors that we use in the calculation of emissions from our Purchased Goods and Services. The speed of reduction has been lower than we initially forecast. However, we continue to monitor our performance and the related underlying factors, taking action to reduce our emissions.

Outlined below are our ongoing actions planned to reduce our greenhouse gas emissions. We will continue to:

Engage with our supply chain

Engage with our top suppliers to report their emissions reduction goals and disclose annually reliable information on emissions performance and targets.

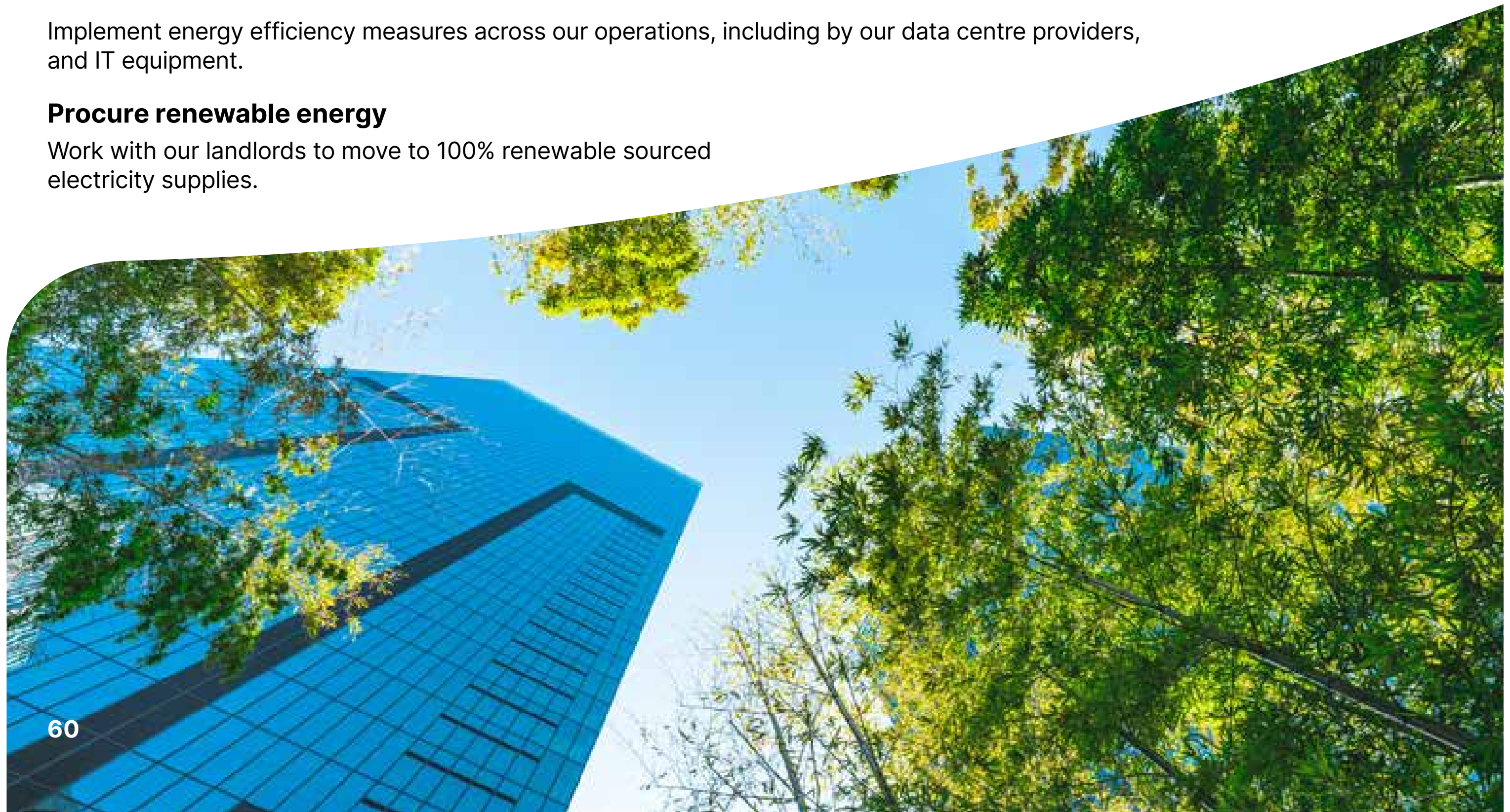
Improve energy efficiency

Conduct energy efficiency audits to identify opportunities for energy and cost savings. We are in dialogue with our landlords regarding the introduction of further energy-saving initiatives.

Implement energy efficiency measures across our operations, including by our data centre providers, and IT equipment.

Procure renewable energy

Work with our landlords to move to 100% renewable sourced electricity supplies.



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

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

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

Directors are briefed on these duties as part of their induction, and have access to professional advice on them, from the Company Secretary or, if they consider it necessary, from an external independent advisor. The Directors fulfil this duty partly by delegating responsibility for day-to-day decision-making to the Executive Team and other senior managers, under a robust governance structure which is described in further detail in our Corporate Governance Report, and by consulting on a regular basis with all its regular stakeholders as also outlined throughout this report and taking into account their feedback.

The Directors consider, both individually and together, that they have acted in accordance with their duties under s.172 of the Companies Act in the decisions taken during the year ended 31 December 2024 (see pages 71 and 72). There are examples throughout this Annual Report of how the Board takes into account the matters referred to above.

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

The table below sets out the matters which reflect decisions the Board has made in response to engagement with, or taking into consideration importance of particular matters to, different stakeholder groups. Further, the key focuses of the Board (as set out from page 74) also reflect the steps taken by the Directors to meet their obligations in accordance with s.172 of the Companies Act.

Relevant stakeholders	Decisions made and outcome
Employees, clients, shareholders	Following an extensive consultation with all stakeholder groups to understand their views of FDM's values, purpose, and position in the market, the Group launched its new brand in March 2024. Consultation included with Consultants and internal staff, clients and analysts (who have passed on their understanding of shareholder thinking). The project enhanced awareness of FDM's brand in the market and has focused the minds of staff and clients on the Group's values and aims.
Shareholders, employees	Increasing management focus on utilisation of staff and balancing supply of Consultant resource with current (and predicted) client demand. Optimising the Consultant bench to increase cost efficiency during a period of slower trading, and ensuring the right quality and blend of skills is available on the bench when demand increases again, while managing the phasing of investment cost in recruitment and coaching to minimise adverse impact on the Group's financial performance.
Shareholders, employees	The Board undertook a review of our central functions and implemented restructuring plans to right-size a number of key internal teams and bring the scope of their work in line with the current requirements of our Consultant cohort, the needs of our business and the trading environment in which we operate. This will deliver more agile and responsive teams, aligned with the needs of the business and will enhance the governance of internal projects to drive efficiency, quality, delivery and accountability.
Shareholders, clients	Cybersecurity is always an area of focus in our engagement with shareholders and clients. During the year the Board worked with external advisors on a simulated crisis management exercise to test readiness for the aftermath of a serious cybersecurity attack, and has engaged external specialists to provide a quarterly update directly to the Board on trends and current issues in information security.
Shareholders, employees, the environment	The Remuneration Committee has continued to set bonus metrics for Executive Directors based on factors relating to ESG, including measures designed to promote social mobility, sustainability initiatives, and drive the satisfaction of Consultants and internal employees. For more information see pages 108 and 109.
Shareholders, clients, the environment, suppliers	The business has made submissions to CDP (formerly Carbon Disclosure Project) and EcoVadis rating platforms to enhance investor and client understanding of the environmental and social impact of our business and how these aspects are governed. Increased engagement with EcoVadis enabled greater recognition of the steps we are taking in this area, achieving an improved score and helping us to identify areas to improve our sustainability in the coming year.
Employees, clients	In 2024, the Group launched its FDM Alumni Network, increasing engagement with the alumni population, maintaining a connection with them after they have entered the wider global workforce. This has enabled us to identify opportunities for business in new areas where those alumni now work. For more information see page 47.

Non-financial and Sustainability Information Statement

Compliance Statement

We comply with the requirements of sections 414CA and 414CB of the Companies Act (as amended by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022) with the table disclosed below and other disclosures throughout the Strategic Report. The information provided below is to help our stakeholders understand our position on key non-financial matters, specifically activity relating to:

a) climate-change related financial disclosures;

b) environmental matters (including the impact of the Company's business on the environment);

c) the Company's employees;

d) social matters;

e) respect for human rights; and anti-corruption and anti-bribery matters.

Reporting requirements	How we govern our approach	Outcomes and additional information	Page
Climate-change related disclosures	Task Force on Climate-related Financial Disclosures ('TCFD')	TCFD compliance statement	51
		Strategy	53
Environmental matters	Group Environmental Policy	Annual greenhouse gas emissions and energy usage	58
		Group Carbon Reduction Plan	60
Employees	Employee policies	Diversity, equity and inclusion	41
		Employee development	46
		Employee engagement	48 and 49
Social matters	Group Social Policy	Engagement with Universities	49
		Involvement with charities	50
Respect for human rights	Anti-Slavery and Human Trafficking policy	Anti-slavery and human trafficking	50
Anti-corruption and anti-bribery matters	Anti-bribery and Corruption policy	Anti-bribery and corruption	95

Additional information	Page
Non-financial key performance indicators	25
Description of the business model	18 to 19
Description and management of principal risks and impact of business activity	29 to 36

The Strategic Report was approved by the Board on 18 March 2025 and signed on its behalf by:

Rod Flavell
Chief Executive Officer
18 March 2025

Governance

Board of Directors

Committee Membership

R Remuneration Committee Member   A Audit Committee Member   N Nomination Committee Member   C Chair of Committee

David Lister

Non-Executive Chair of the Board

N

Date of Appointment

Chair of the Board March 2019

Non-Executive Director March 2016

Experience

David has over 40 years of experience in operations and technology roles across multiple industries for international businesses such as Diageo, GlaxoSmithKline, Boots, Reuters, Royal Bank of Scotland and National Grid. He also has experience in the professional services sector where he was a management consultant at PwC. Other former non-executive appointments include Interxion Holdings B.V., HSBC Bank plc, CIS General Insurance Limited and the Department for Work and Pensions.

External Appointments

HSBC Private Bank (UK) Limited (Non-Executive Chair, appointed December 2019)

Marks and Spencer Financial Services plc (Non-Executive Chair, appointed September 2020)

HSBC UK Bank plc (Non-Executive Director, appointed May 2019)

Nuffield Health (Member of the Board of Governors, appointed February 2014)

Rod Flavell

Chief Executive Officer

Date of Appointment

Founded FDM in 1990

Experience

Rod is the founder and Chief Executive Officer of FDM Group and has more than 40 years' experience in the technology sector. He has been instrumental in the development of the Group into an international, award-winning employer with a prestigious client base operating in multiple markets.

Rod is a strong advocate of improving diversity in the technology industry, as demonstrated by the Group's Women in Tech, Returners Programme, Ex-Forces and veteran career transition initiatives. In 2019, he was featured in the Management Today Agents of Change Power List for the second consecutive year. He was also featured in the Yahoo HERoes Top Advocate Executives of 2019 for his work promoting gender equality in the workplace.

External Appointments

Rod has no external appointments

Sheila Flavell CBE

Chief Operating Officer

Date of Appointment

Chief Operating Officer January 2008

Joined FDM 1998

Experience

Sheila has over 30 years of experience in both the public and private IT sectors. She spearheads FDM's global Women in Tech initiative and Returners Programme.

Sheila was awarded a CBE in the 2020 New Year Honours List for services to gender equality in IT, and graduate and returners' employment.

In 2023 Sheila was elected President of techUK, the trade association which brings together business, government and stakeholders to realise the potential of what digital technology can achieve. She has been invited to advise government committees on improving the digital skills shortage and gender pay gap in the UK. Her work has been acknowledged by numerous awards, including inclusion in Computer Weekly's 'Most Influential Women in UK Tech, Hall of Fame'. At the 2020 European Tech Women Awards, the Department of Trade and Industry recognised her outstanding achievements by conferring Sheila with a 'Career Recognition' award.

External Appointments

techUK Limited (President, originally appointed June 2016)

Andy Brown

Chief Commercial Officer

Date of Appointment

Chief Commercial Officer January 2008

Joined FDM 1994

Experience

Andy progressed through the Group's Sales team to become Global Sales Director in 2007 and, subsequently, Chief Commercial Officer.

Andy oversees the expansion of the Group with a focus on the sales and recruitment functions. Andy's strategic focus is around developing new service streams in line with client demands, as well as increasing the number of applicants to the Group's Graduate programme, which are both key areas to the success and growth of the Group. Andy also played a key role in the launch and success of the UK Ex-Forces Programme.

External Appointments

Andy has no external appointments

Mike McLaren

Chief Financial Officer

Date of Appointment

Chief Financial Officer April 2011

Joined FDM 2011

Experience

Mike is a Fellow of the Institute of Chartered Accountants in England and Wales.

Prior to joining FDM, Mike was Group Finance Director and Chief Operating Officer in a premium listed business in the software and services sector. In addition, Mike has been an Independent Non-Executive Chair and Non-Executive Director on the boards of a number of other companies. Overall, Mike has more than 30 years' experience of working within the technology sector in a range of senior financial, commercial and operational roles.

External Appointments

ActiveOps plc (Non-Executive Director, Chair of Audit Committee, appointed March 2021)

Board of Directors continued

Committee Membership

R Remuneration Committee Member A Audit Committee Member N Nomination Committee Member C Chair of Committee

Jacqueline de Rojas CBE

Non-Executive Director

N

Date of Appointment

Non-Executive Director 2019

Senior Independent Director May 2024

Experience

Jacqueline is a highly regarded leader in the UK technology field, with a strong reputation as a champion of women and minority voices. She sits on the board of technology trade association techUK where she has used her platform as President to shape policy over the last seven years to enable the technology industry to thrive. Her commitment to diversity and building tech skills in the sector is her driver for co-chairing the Governance Board of the Institute of Coding.

Prior to this, Jacqueline held senior executive roles at major tech companies including Sage Group, Citrix Systems, CA Technologies, Novell and McAfee International. She was previously a Non-Executive Director at AO World plc and Home Retail Group plc. In 2019, Jacqueline was awarded a CBE for Services to International Trade in Technology.

Jacqueline is the Board's designated Non-Executive Director for engagement with the Group's workforce, enabling employees to share ideas and concerns with senior management and the Board.

External Appointments

Rightmove plc (Senior Independent Director, appointed December 2016)

techUK Limited (Director, appointed July 2014)

Industrial and Financial Systems, IFS AB (Sweden) (Non-Executive Director, appointed May 2021)

Alan Kinnear

Non-Executive Director

R A

Date of Appointment

Non-Executive Director January 2020

Chair of the Audit Committee April 2020

Experience

Alan is a member of the Institute of Chartered Accountants of Scotland.

Alan was with 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. He was a member of PwC's South East regional board and a national leader for audit services in the private equity sector. He has significant skills and experience in financial reporting, regulation, corporate governance and risk management.

During the year following his retirement from PwC in 2015, Alan was a Non-Executive Director with CEGA Holdings Limited.

External Appointments

Alan has no external appointments

Rowena Murray

Non-Executive Director

R A N

Date of Appointment

Non-Executive Director August 2023

Chair of the Remuneration Committee May 2024

Experience

Rowena is highly regarded for her experience in investment banking and corporate broking, and her insight into the public markets. She has a strong reputation for helping businesses to implement their strategies effectively to generate growth and create value.

Rowena began her career in Sydney as a corporate lawyer at a leading Australian law firm. She moved to the UK in 2004 and joined Investec Bank plc ("Investec"). As a director in Investec's Investment Banking division, Rowena provided strategic advice to public and private companies and led corporate transactions across a variety of sectors, including business services and technology. In 2017 she moved to Tenzing Private Equity, an investor in high-growth UK and European SMEs, where she has been the appointed Non-Executive Director for various companies within the Tenzing portfolio.

External Appointments

Altum Group (Director, appointed October 2022)

Eikon Group (Director, appointed October 2019)

Michelle Senecal de Fonseca

Non-Executive Director

R A N

Date of Appointment

Non-Executive Director January 2016

Experience

Michelle is an experienced senior executive specialising in technology and international communications. She was formerly the Global Vice President for Global Strategic Alliance Partnerships and Regional VP for Sales and Services at Citrix Systems. Prior to Citrix, she was Global Director of Cloud and Hosting Services at Vodafone. Michelle has previously worked at the European Bank for Reconstruction and Development where she managed the Telecom, Media and Technology banking team. Michelle is a co-founder and board member of Women in Telecoms and Technology, a UK not-for-profit organisation. In 2020, Michelle joined the Strategic Advisory committee to TEDI-London, a new design-led engineering school in the UK.

External Appointments

Alphawave IP Group plc (Non-Executive Director, appointed May 2021)

Redcentric plc (Non-Executive Director, Chair of Remuneration Committee, appointed February 2024)

Women in Telecoms and Technology (WITT) Limited (Director, appointed May 2008)

Thunderbird School of Global Management (Director, appointed April 2009)

ASU Global Foundation UK Ltd (Director, appointed October 2021)

MOVE Capital (Investment Board member, appointed September 2017)

Michelle will retire from the Board with effect from 19 March 2025, having served just over nine years since her appointment in January 2016.

Corporate Governance Report

On behalf of the Board, I am pleased to introduce the Corporate Governance Report for the year ended 31 December 2024.

Chair's Governance Overview

This report aims to provide readers with an understanding of how the Board has monitored the Group's progress, and how we ensure that we make informed decisions for the long-term benefit of our shareholders and other key stakeholders. Although this report follows the principles of the 2018 Code, we have also considered the provisions of the new 2024 UK Corporate Governance Code. We have made some changes to our approach to reporting in this year's Annual Report by way of a first step to aligning with the themes of the new Code, and our internal teams have been working with our advisors to ensure that we are prepared for full alignment with its provisions when it comes into force on 1 January 2025 (and 1 January 2026 in relation to the new reporting requirements on material controls). Further information on the project to review our material controls can be found in the Audit Committee report on page 93. Given difficult market conditions, the Board recognises that a continued focus on high standards of governance and control is more important than ever. By continually evolving the robust governance framework summarised in this report, we can ensure that the Group is in the best position to deliver the Board's strategy. I hope you find this report informative.

David Lister
Chair of the Board

We take great care to ensure that the content of our Annual Report is fair, balanced and understandable. A review by the Audit Committee can be found on page 93 and a formal statement from the Directors is included on page 126.

Further information on the Board's primary areas of focus in 2024 is set out on page 75. The Board supported the executive team's ongoing focus on controlling cost and driving efficiency by ensuring that the size and capability of our back-office organisation remained aligned with the current needs of our business. By adjusting levels of recruitment and training, and careful management of our unallocated resource, we have aimed to ensure that we have appropriate levels of high-quality resource, with the optimal blend of skills, to give us a head start in meeting our clients' needs as market conditions, confidence and demand improve.

The Board remained focused on succession planning and the composition of the Board this year. On the recommendation of the Nomination Committee, the Board approved the appointment of Jacqueline de Rojas as Senior Independent Director, to succeed Peter Whiting when he stepped down from the Board at the end of our Annual General Meeting in May 2024. This appointment brought us fully in line with the diversity requirements of the FCA's UK Listing Rule 6.6.6(9). More information about the diversity of the Board and Executive Team can be found on pages 79 and 80. Both Michelle Senecal de Fonseca (Non-Executive Director) and I have now reached nine years' tenure on the Board. As announced on page 8, Bruce Lee will join the Board as a Non-Executive Director with effect from 19 March 2025. His understanding of the markets we operate in and the technologies which our Consultants are working with on a day-to-day basis will be invaluable to the Board, and we look forward to working with him. On the same date, Michelle Senecal de Fonseca will retire from the Board after having served just over nine years as a Non-Executive Director since her appointment.

As recommended by Provision 19 of the 2024 Code, having myself served just over nine years on the FDM Board, I have notified my fellow directors of my intention to retire from the Board this year, when a suitable replacement Chair can be identified. As I said on page 8 of this Annual Report, the Nomination Committee is undertaking a process to find a candidate to replace me as Chair, and a further announcement will be made on that in due course. Further information can be found in the Nomination Committee Report on pages 97 to 98.

The Board has also closely supported the evolution of our Skills Lab environment which started last year, and is now reaching fruition. Our focus has moved away from traditional training streams and pathways to our new Practice-oriented model, with experiential learning replacing lecture-style teaching, and independent learning modules being replaced by skills-based sprints, co-designed with clients to create an immersive project environment which reflects the real world of working with our clients. This is one of the most significant enhancements in our model to emerge for some years, enabling us to deliver a state-of-the-art Skills Lab, one of the four cornerstones of our strategy (see page 12).

The Board continues to focus on the Group's environmental and social initiatives, including our response to climate-related risks and opportunities, and our approach is outlined on page 52.

We have been ranked again this year in the top 75 employers in the 2024 Employer Index published by the Social Mobility Foundation. The Foundation uses the latest research and best practice to measure performance on eight areas of employer-led social mobility and, through the Index, recognises employers which are leaders in building inclusive cultures, and working to create more representative, innovative, and successful organisations.

Our aim is to continue improving our work in these areas over the coming year.

UK Corporate Governance Code 2018

As a listed company, we are expected to explain how FDM Group has applied the main principles of the 2018 Code issued by the Financial Reporting Council in July 2018.

The Board considers that FDM Group has complied with the 2018 Code during 2024.

Further information on the 2018 Code can be found at: **www.frc.org.uk**

The main principles of the 2018 Code are as follows:

- Board Leadership and Company Purpose
- Division of Responsibilities
- Composition, Succession and Evaluation
- Audit, Risk and Internal Control
- Remuneration

1. Board leadership and Company purpose

An overview of the Board's role

The Board is required to establish the Group's purpose and to define its strategy. FDM's purpose is to deliver client-led, sustainable, profitable growth on a consistent basis, through our well-established Consultant model, as set out in more detail on pages 18 to 19. The Board's view is that enabling the successful achievement of FDM's purpose will secure the long-term sustainable success of the Group for our staff, clients and other stakeholders, generating value for shareholders.

In support of this purpose, the Board has developed a strategy that will enable us to launch new careers for our Consultants around the world, while delivering high levels of client service. This aims to ensure that all the investments we make and activities we carry out can deliver quantifiable improvements to our business for our clients, staff and shareholders. Our Consultant model is constantly evolving, and in 2024 the Board has made significant changes to the operating model of our Skills Lab, and introduced the Practices methodology. You can read more about these changes, along with other information about our strategy and its four key objectives, including how each has been delivered during 2024, on pages 11 to 15 of the Strategic Report.

The Group has established a set of core values that reflect FDM's culture. Each of the Executive Board members aims to be a role model for these values, promoting them and FDM's culture. Our values and culture are central to the continued success of the Group and support the implementation of our strategy.

The Board is responsible for identifying the risks that may prevent the Group from meeting its strategic objectives, and for ensuring that appropriate procedures and controls are in place to manage or mitigate those risks, insofar as it is reasonably practicable to do so, to a level which is consistent with the Board's risk appetite. The Board is also responsible for monitoring the framework of internal controls and risk management processes, and for carrying out regular reviews of its effectiveness. During 2024 the Board has asked the Audit Committee to lead a project, supported by our Internal Audit function, to ensure that appropriate processes are in place to enable such reviews to cover all material controls, including financial, operational, reporting and compliance controls. This project will ensure that the Board is ready to meet the requirements set out in Provision 29 of the 2024 UK Corporate Governance Code (which will apply to the Group from 1 January 2026).

The Board has a remit to ensure that the Group has the necessary resources in place to achieve its strategic goals, both in terms of people, finance, and systems, and to monitor performance and measure progress towards those goals. It is the Board's duty to support and challenge the Executive Team to ensure that FDM's business and resources are managed in line with those strategic goals.

The Board meets regularly during the year to review operational and financial matters, develop and refine strategy, and monitor progress towards strategic objectives. When setting and monitoring the implementation of the Group's strategy, the Directors keep in mind their individual duty to act in the way that they consider, in good faith, will be most likely to promote the success of the Group for the benefit of its stakeholders as a whole, as set out in s.172 of the Companies Act.

Corporate Governance Report continued

Further details of the steps taken by the Board to meet the requirements of s.172 of the Companies Act are set out in our s.172 Statement which can be found on pages 61 and 62.

The Directors act with reasonable care, skill and diligence in their work, taking steps to ensure that they exercise independent judgement at all times and that processes are in place to enable robust decision-making, especially when there are more difficult decisions to be made. FDM's network of stakeholders includes its shareholders, clients, employees, and members of the communities in which we operate. The interests of these stakeholders are varied but interconnected, and we recognise our responsibilities to engage with them and to take their interests into account.

Additionally, in the event of any notable vote against a Board recommendation proposed at an AGM, FDM will carefully review the voting outcomes and will engage with shareholders to understand their reasons. We will then provide details of the actions taken in response in the next Annual Report.

The Board has responsibility for managing the Group's strategy on climate change, including oversight of climate-related risks and opportunities. The Board is supported and informed on these matters via two channels: an operational and strategic channel reporting through the Board sponsor for climate change (CFO), and a risk channel, which monitors climate-related risks through the Audit Committee with input from the Risk Management Team.

Further information on the Group's climate change governance can be found beginning on page 52. In line with UK Listing Rule 6.6.6R(11), the Group sets out its climate-related financial disclosures consistent with the Recommendations and Recommended disclosures of TCFD, including providing information on risks and opportunities arising from climate change and the transition to a low-carbon economy, and the use of scenario analysis to assist in understanding the impact of different potential climate outcomes on certain risks to the Group's business.

The Board's financial responsibilities include approving the interim, preliminary and annual financial statements, the annual budget and longer-term forecasts, significant contracts and capital investment. Each of these responsibilities underpins the principles of the 2018 Code.

The Board's other responsibilities include monitoring the impact of its decisions on our employees, promoting strong business relationships with clients, suppliers and others, and considering the impact of our operations on the wider community and the environment. The Board supports the Executive Team in ensuring that the Group's reputation for high standards of business conduct is maintained, and is mindful of the need to achieve a fair balance between the interests of different shareholders and other stakeholders

The Board and its Committees – a structure for robust governance

The Board understands that the opportunity to promote the long-term sustainable success of the Group is maximised by ensuring that the Board remains effective, has the right blend of skills, knowledge and experience, and retains the key elements of an entrepreneurial culture which is at the core of FDM.

As recommended by the 2018 Code, where appropriate, the Board delegates some of its responsibilities to the Audit Committee, Remuneration Committee and Nomination Committee ("the Committees"), which play a key role in supporting the Board's aims and the application of the principles of the 2018 Code. The terms of reference and composition of these Committees are reviewed annually and updated as appropriate. Although the Board retains overall responsibility, the establishment of Committees enables some aspects of the Board's work to be carried out at a more detailed level by Board members who have particular expertise, experience and interest, allowing deeper analysis and oversight of those areas. The Chairs of each Committee report to the Board on matters considered and decisions taken, and make recommendations on matters for which the Board reserves final approval. Minutes of all Committee meetings are made available to other Board members to be viewed at any time via the Board's secure online portal.

The Nomination Committee keeps under review the blend of skills, experience, independence and knowledge across the Board's members. It leads the process for new appointments to the Board, ensuring a fresh and entrepreneurial approach which enables strategic opportunities to be identified, analysed and effectively managed to ensure long-term sustainable success. More information about these areas is set out in the "Composition, succession and evaluation" section on page 79 and in the Nomination Committee Report on pages 96 to 99.

The Audit Committee monitors the application of the financial reporting, internal control, and risk management principles set out in the 2018 Code and ensures that the Group maintains an appropriate relationship with its auditors. More information about risk and internal controls can be found in the "Audit, risk and internal control" section on page 82 and in the Audit Committee Report beginning on page 85.

The Remuneration Committee is responsible for setting the Company's Remuneration Policy, determining each Executive Director's total individual remuneration package (including salary, benefits, bonus and pension entitlements, and participation in share and other incentive schemes) and setting the targets for performance-related pay. The Committee is also responsible for determining the remuneration of the next tier of senior management below Board level.

The Remuneration Committee's work supports the strategy set by the Board, by promoting the opportunity for long-term sustainable success, and by aligning executive and senior managers' remuneration to the achievement of the Group's purpose and promotion of its values, and to the successful delivery of long-term strategic goals. The Remuneration Report, beginning on page 100, contains more information on our application of these principles of the 2018 Code. The current Directors' Remuneration Policy was approved by shareholders at the AGM held on 14 May 2024.

Information about the membership of each Committee can be found in the relevant Committee's report.

The Board's agenda

The Board meets regularly throughout the year, following an agenda which is agreed in advance to reflect the normal cycle of our business through the year, enhanced where appropriate from time to time by presentations from senior managers in the business or external advisors. Although the setting of the agenda is led by the Chair of the Board in discussion with the Chief Executive and the Company Secretary, all Board members are welcome to put forward topics for discussion.

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 considered as and when required. In addition, potential topics are identified for management updates and other Board discussions.

Ahead of each Board meeting, all Board members are supplied with an agenda and a set of papers on particular strategic issues, as well as reports and management information on current trading, operational issues, compliance, risk, accounting and financial matters. This enables the Chair to ensure all Directors are properly briefed on the matters to be discussed. The Company Secretary ensures that the supporting papers are clear, accurate, timely and that they contain the level of detail necessary to enable the Board to discharge its duties effectively. The Board's forward agenda is coordinated with those of its Committees, and the Chairs of the Committees report on the activity of their Committees at Board meetings. The agenda is designed to provide an appropriate balance between strategic planning items and reports which enable the Board to monitor the management and performance of the Group, ensuring it operates within the appropriate risk appetite and the Board's strategy to deliver FDM's purpose.

The format of the Board Reports is reviewed regularly and updated as appropriate to highlight information or data which is especially pertinent to the Board's current areas of focus at any given time, and to ensure that the reports provide the required information in the most useful format to enable Board members to carry out their oversight role effectively.

At regular intervals throughout the year, senior managers from around the Group attend Board meetings to update the Board on progress being made and matters arising in their areas of operation. The Board aims to ensure that there is sufficient time for the Board to discuss significant matters or matters of a more discursive nature. To assist with this, the usual approach is to hold informal gatherings after certain scheduled Board meetings which allow the Directors greater time to discuss key topics with additional internal and external participants. This enables the Non-Executive Directors to explore business and operational issues in greater depth with the senior managers who have reported to the Board.

The Board has identified certain matters on which decisions are formally reserved for the Board's approval, a schedule of which is available on the Group's website **www.fdmgroup.com/investors/corporate-governance/**. They include the following:

- Approving financial results and other financial, corporate and governance matters;
- Approving material contracts;
- Approving material capital or operational 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 Group's annual budgets and three-year plans.

Board decisions are generally reached by consensus at Board meetings. However, should the situation arise, decisions may be taken by a majority of Board members. FDM's Articles of Association provide the Chair with a casting vote in the case of an equality of votes.

Details of the number of meetings of the Board and Committees (which only certain Directors are required to attend) and individual attendances by Directors are set out in the table below. The Board's policy is that meetings are held in person by preference, as discussions flow more naturally when taking place face to face in the same room. However, the increased availability of, and familiarity with, video conferencing technology over recent years enables a greater degree of flexibility for hybrid Board meetings when necessary, if any Director is unable to be present in person. The Company's Articles of Association allow meetings of the Board to be held validly in this manner.

Corporate Governance Report continued

	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
Number of meetings held in 2024	**8**	**4**	**4**	**3**
	Number of meetings at which present, as a proportion of maximum possible			
David Lister	8/8	n/a[1]	n/a[1]	3/3
Andy Brown	8/8	n/a[1]	n/a[1]	n/a[1]
Rod Flavell	8/8	n/a[1,2]	n/a[1]	n/a[1,3]
Sheila Flavell	8/8	n/a[1]	n/a[1]	n/a[1]
Mike McLaren	8/8	n/a[1,2]	n/a[1]	n/a[1]
Alan Kinnear	8/8	4/4	4/4	n/a[1]
Rowena Murray	8/8	4/4	4/4	2/2[5]
Jacqueline de Rojas	8/8	n/a[1]	n/a[1]	3/3
Michelle Senecal de Fonseca	8/8	4/4	4/4	3/3
Peter Whiting[4]	2/2	1/1	1/1	1/1

1 Not applicable, not a member of the Committee and not required to attend.
2 At the invitation of the Audit Committee (but not as members) Rod Flavell and Mike McLaren each attended four meetings of the Committee during the year.
3 At the invitation of the Nomination Committee (but not as a member) Rod Flavell attended one meeting of the Committee during the year.
4 Peter Whiting retired from the Board on 14 May 2024.
5 Rowena Murray joined the Nomination Committee on 1 September 2024.

Conflicts of interest

Procedures are in place for the disclosure by the Directors of any interest that conflicts, or may possibly conflict, with the Group's interests and for the appropriate authorisation to be sought if a potential conflict arises, in accordance with the Company's Articles of Association. An up-to-date schedule of the Directors' other Board appointments, related parties' interests and relevant shareholdings is included as an appendix to each set of Board papers to ensure full transparency of their respective relevant interests.

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

The key areas of focus by the Board in 2024

During the year there have been a number of areas where the Board has focused its governance to ensure the delivery of the Group's strategy:

- The Board has continued to apply focus to balancing the supply of Consultant resource with client demand, managing the Consultant bench to increase cost efficiency during a period of slower trading, and ensuring the right quality and blend of skills is available on the bench. A similar review of the efficiency of our central functions has taken place this year, with the implementation of restructuring plans to right-size a number of key internal teams and bring the scope of their work in line with the current requirements of our Consultant cohort, the needs of our business and trading environment in which we operate. These reviews are already producing significant benefits for stakeholders.
- The Board has provided support and guidance to senior management as our Skills Lab has undergone a major evolution in its operating model, moving away from traditional training streams and pathways to our new Practice-oriented methodology. Experiential learning has replaced lecture-style teaching, and independent learning modules are being replaced by skills-based sprints, co-designed with clients to create an immersive project environment which reflects as closely as possible the real world of working with our clients. This is one of the most significant enhancements in our model to emerge for some years, enabling us to deliver a state-of-the-art Skills Lab, one of the four cornerstones of our strategy. Further information on these changes can be found in the Strategic Report on pages 12 to 13.

Other areas of focus for the Board during the year are set out below.

Strategy	• Reviewed, challenged and approved the Group's budget for the 2024 financial year • Received regular updates on the evolution of the Group's training model and the associated changes required to support the Group's accreditation with TechSkills • Received regular updates on the Group's project to roll out the Practices methodology • Reviewed our panel of joint brokers and added Barclays Bank plc as an additional Joint Corporate Broker to the Group • Received strategic updates from the Group's Senior Management Teams
Operational	• Approved leases and fit-out arrangements for new premises for the Group's operations in Glasgow, Brighton and Leeds • Approved the arrangements with a new provider for the Group's corporate credit cards • Received business updates from the Group's Senior Management Teams • Reviewed information on recruitment, Consultant utilisation, levels of benched resource and blend of skills available to facilitate resource planning • Received progress reports from the Chief Operating Officer on the Group's rebranding project • Received a presentation from senior managers in the Sales Team on enhancements to the Group's CRM system and the evolution of sales processes • Approved the arrangements to establish a subsidiary of the Group in Malaysia • Received updates on a review of the Group's Information Security arrangements • Approved restructuring proposals to increase the efficiency of the Group's back-office functions, including making reductions in the size of internal teams to bring them in line with current lower levels of deployed Consultant headcount
Financial	• Reviewed monthly business performance against strategic goals • Reviewed trading updates • Reviewed and updated the Treasury policy and Treasury risk appetite statement • Reviewed and approved preliminary, full-year, and half-year results and associated statements (including those regarding risk, internal control, going concern/ viability and compliance with s.172 Companies Act 1986) • Reviewed, challenged and approved Group budget and reforecasts • Approved a final dividend in respect of the 2023 financial year • Approved an interim dividend in respect of the period ending 30 June 2024 • Reviewed the Board's dividend policy and considered alternative options for capital allocation
Risk	• Undertook bi-annual reviews of the Risk Register and risk management process, including reviews of the potential risks posed by climate change to the Group's business • Reviewed the Group's cybersecurity arrangements and controls, including participating in an exercise to simulate responses to a cyber event
Governance	• On the recommendation of the Nomination Committee, approved new appointments to the roles of Senior Independent Director and Chair of the Remuneration Committee • Received a presentation from the Group's Internal Auditors on the requirements in the new Corporate Governance Code 2024 relating to material controls management and reporting • Reviewed data on the Group's Scope 1, Scope 2 and full Scope 3 carbon emissions and received an update on progress against the Group's carbon reduction plan • Reviewed an analysis of the potential impact on the business of different climate scenarios, and considered the risks and opportunities arising for the Group's business from the transition to a low-carbon economy • Ran a simulated crisis management exercise • Carried out a review of the effectiveness of the Board and its Committees • Reviewed the Group's Gender Pay Gap data • Provided an update on Modern Slavery Act compliance • Approved updated terms of reference for the Board's Committees • Assessed and approved the viability statement • Conducted a going concern review • Received updates on proposed regulatory reforms to corporate governance and their potential impact on the Group
Employees	• Received updates on employee engagement

Corporate Governance Report continued

Engagement with stakeholders

The Board has identified the following key stakeholders: shareholders, clients, employees, prospective candidates, university partners, our local communities and the environment.

Engagement with shareholders

The Group has an internal investor relations function led by Mark Heather, the Company Secretary, who works with the Group's brokers and financial public relations advisors to operate a programme of regular engagement with current and prospective investors. We will continue to develop our investor relations activities, to include an expansion of the investor area of our website to provide additional information on our strategy, business model, competitive position, financial information and strategic progress.

To maintain dialogue with institutional shareholders, the Chief Executive Officer and Chief Financial Officer meet with major shareholders following interim and final results announcements and otherwise as appropriate. The Chief Executive Officer, Chief Financial Officer and Company Secretary also speak regularly with shareholders and potential investors to explain details of our business model, our Consultant recruitment, training and deployment programme, and our approach to other important aspects of our work such as sustainability, inclusion, diversity, social mobility and our plans for carbon reduction. The Chair of the Board and other Non-Executive Directors have made themselves available and met institutional investors on a number of occasions throughout the year.

We are always happy to host visits in person from current and prospective shareholders at our offices around the world, offering the opportunity for investors to tour our facilities and speak informally to members of our sales and recruitment teams, as well as coaches and trainees. Those investors who take advantage of these visits often tell us that they provide an ideal way to understand our business model, and we are glad to have the opportunity to demonstrate our purpose and the way in which our culture and values support this to drive our business towards our strategic objectives.

Other Executive and Non-Executive Directors engage with shareholders from time to time, in particular when there are matters of governance to be discussed or when feedback is sought on particular proposals.

The Company uses the AGM as an opportunity to communicate with its shareholders and welcomes their participation; shareholders who attend the AGM have the opportunity to ask questions and all Directors are expected to be available to take questions. In accordance with the 2018 Code, the Notice of AGM will be sent to shareholders at least 20 working days before the meeting and any other notice of general meeting will be sent to shareholders at least 14 days before each general meeting and will include details of the proposed resolutions and explanatory notes. It is proposed that the AGM will be held at 2.00pm on 20 May 2025.

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 withhold their vote on each resolution. As soon as practical after the conclusion of the AGM (or general meeting, as applicable), we will announce the proxy votes cast, including details of votes withheld, to the London Stock Exchange via its Regulatory News Service. We will also publish the information on our website.

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

Engagement with employees

The Executive Directors and Senior Management Team regularly spend time in each FDM centre and meet with employees at all levels of seniority. This enables them to promote FDM's culture and values throughout the organisation. The Group's internal communications team produces regular updates via email and posts on the Group's internal platform for knowledge-sharing, enhancing a sense of community, and delivering corporate communications. This enables the Group's culture to be spread from the Executive Team to all employees.

The management team meets with partners that promote the transition to the civilian work environment from the Armed Forces, and those returning to work after a career break. Sheila Flavell is President of techUK. In this role she engages extensively with the UK Government to assist them in developing policy to allow the technology industry to thrive. She has advised government committees on issues including bridging the digital skills gap and enhancing diversity in the workplace.

Jacqueline de Rojas is a member of the board of techUK. In her role as co-chair of the Governance Board at the Institute of Coding, she promotes lifelong learning through industry collaboration to address the growing skills gap in technology and to encourage widening participation and pathways to digital skills through diversity and inclusion programmes.

Key managers in our People Team work closely with the Board and its Committees to assist them in assessing and monitoring the culture of FDM to ensure that policy and behaviour are aligned with the Group's purpose and strategy. We carry out regular surveys of our Consultants and internal staff to gather their views on a range of matters. Our new Consultant Experience programme is driving more frequent engagement with our Consultants.

The priorities identified from our engagement with employees have directly influenced a number of areas considered by the Board this year, including:

- The Group has refreshed its branding to reflect our culture and values, the culmination of a project which began in 2023, involving close engagement with employees (and other stakeholder groups) to understand their views of FDM's values, purpose, and position in the market.
- The Group has continued to build on the work of its Consultant Success and Consultant Experience teams, and has enhanced its programme of engagement with Alumni of FDM's programmes.

Further information about our employee engagement can be found in our Sustainability Report from pages 48 to 49.

The results of our programmes will continue to inform our engagement with staff. This will assist us in promoting a diverse, inclusive and fulfilling culture in which our people can thrive, optimising our Consultants' experience during their time with us, and ensuring that our employees promote and embody our values and our unique service offering.

In accordance with Provision 5 of the 2018 Code, Jacqueline de Rojas is the nominated Non-Executive Director to engage with the workforce to ensure that the voices of our employees are heard at Board level.

Engagement with clients

Together with members of the Sales team, members of the Executive Team meet on a regular basis with clients in our different territories to discuss their requirements. The senior members of our Sales team maintain close long-term relationships with senior executives in our client organisations to ensure we are able to anticipate our clients' needs. We regularly update the structure and content of our training programme to reflect commercial and technological changes in the sectors in which our clients work. In 2024, our Skills Lab model has undergone a more significant evolution, to ensure that it prepares our Consultants as well as possible for real-life environments in which they can expect to be working when placed with our Clients, and the incorporation of the new Practices methodology. Further information on these developments can be found on pages 12 to 15.

Engagement with University Partners

We have continued to engage with our University Partners, see page 49 for more details.

Environmental responsibility

The Group's Climate Change Action Group has met regularly to identify opportunities to reduce the Group's carbon footprint and promote their implementation. The Group monitors greenhouse gas emissions against the targets set by the business and reports to the Board on the emerging trends. The Group is engaging with FDM's key suppliers to reduce the Scope 3 emissions from our purchased goods and services and has worked with landlords of our premises to increase the use of energy from renewable sources.

During the year the business made its annual climate change submission to CDP. CDP is a global environmental disclosure and ratings platform which is recognised as one of the leaders in the market and is used by many of our clients and shareholders to help them make decisions about supply chains and investments. CDP enables our shareholders and clients to obtain an independently-validated view of FDM's efforts to measure and manage our risks and opportunities on climate change. The Group also made a new submission to EcoVadis, a sustainability ratings platform used by our clients to understand our practices for ensuring that we operate a sustainable business. Further information on the steps we are taking can be found on page 52.

2. Division of responsibilities

Chair of the Board, Chief Executive and Senior Independent Director

The roles of the Chair and Chief Executive, as well as those of the Senior Independent Director, and the division of responsibilities between them are clearly defined and agreed by the Board. As Chair, David Lister leads the Board and is responsible for ensuring that it performs its role effectively. The Chair aims to ensure that Board meetings are collaborative and provide an opportunity for all Directors to express their views, to contribute and add value to the Board's work. David Lister was appointed as Chair on 5 March 2016 and on appointment was independent when assessed against the circumstances set out in Provision 10 of the 2018 Code. As stated on page 9, David Lister plans to step down as Chair of the Board later in 2025, after having completed nine years' tenure, when the Nomination Committee has completed its process to identify his successor as Chair.

As Chief Executive, Rod Flavell's main responsibility is to manage the Group's business and to lead the Executive Team in the implementation of the strategies that are adopted by the Board. The Executive Directors under the leadership of the Chief Executive are responsible for managing the day-to-day activities of the Group, communicating the Group's objectives to the wider management team and ensuring that the necessary resources are available to enable those objectives to be achieved. The Executive Team has formal meetings at least monthly, and meets more informally at other times between those meetings.

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 or group of individuals dominates the Board's decision-making. This oversight is further strengthened by the formal reservation of certain matters for the Board's approval, as referred to on page 73. The Directors' powers are set out in the Company's Articles of Association.

Corporate Governance Report continued

Jacqueline De Rojas is the Group's Senior Independent Director. In performing this role, Jacqueline acts as a sounding board to provide support to the Chair and the Non-Executive Directors. She also provides shareholders with a point of contact with whom they can meet if they have any concerns which might not be addressed through normal channels, for example with the Chair or Executive Directors, and ensures that meetings with the Non-Executive Directors are held at least once per annum (or more regularly if circumstances so require) to evaluate the Chair's performance. The Senior Independent Director serves as an important intermediary role in FDM's governance process. In carrying out this role, Jacqueline de Rojas ensures that she maintains a thorough understanding of the views of the Company's shareholders.

Support available to the Board

All Board Directors have access to the Company Secretary, who advises them on Board and governance matters. Members of the Audit Committee regularly receive external training covering updates in corporate governance and corporate reporting. The Remuneration Committee Chair and the Company Secretary also received external updates on developments during the year in governance and trends in shareholder expectations and good practice relating to executive remuneration.

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. As stated previously, the Chair and the Company Secretary work to ensure that comprehensive information is provided well in advance of Board meetings to give Directors the time and materials they need to contribute to an effective and efficient Board.

Role of the Non-Executive Directors

The Group's Non-Executive Directors have a broad and complementary mix of business skills, knowledge and experience acquired across diverse business sectors and territories. This allows them to provide strong, independent, external perspectives to Board discussions, which complement the skills and experience of the Executive Directors, facilitating a diversity of views aired at Board meetings. This diversity of skills, expertise and backgrounds enables the Non-Executive Directors to offer specialist advice where appropriate, enables robust and constructive debate and improves the quality of the decision-making process. 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 constructively challenge and help develop proposals on strategy and ensure that financial controls are rigorous and that the Group is operating within the governance and risk framework approved by the Board. The Chair works to ensure a culture of open and transparent debate in Board meetings. Non-Executive Directors are appointed for an initial minimum period of three years and are subject to annual re-election at the Company's AGM. Their appointments then continue until terminated by either the Director or the Company giving notice to terminate. Their appointments as Directors would end if they were not re-elected by the shareholders at the Company's AGM. 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.

The Board regularly reviews the independence of each of the Non-Executive Directors. When determining whether a Non-Executive Director is independent, the Board considers each individual against the criteria set out in the 2018 Code and also considers how they conduct themselves in Board meetings, including how they exercise judgement and independent thinking. Taking these factors into account, the Board considers that all the Non-Executive Directors are independent when assessed against the criteria specified in Provision 10 of the 2018 Code.

As announced on page 9:

- Michelle Senecal de Fonseca will retire from the Board on 19 March 2025 having served for more than nine years since her appointment in 2016; and
- Bruce Lee will join the Board as a Non-Executive Director on the same date.

Board commitment

When making new appointments, the Board considers other demands on Directors' time to ensure that they are able to devote sufficient time and focus to their role at FDM. New external appointments may not be undertaken without the prior approval of the Board, and where any significant new appointments are approved by the Board, we intend to explain in the subsequent Annual Report the Board's rationale in giving that approval. For Executive Directors we recognise that external board exposure can be useful as part of their development as Directors, but we will not normally permit them to take on more than one external non-executive directorship of a publicly listed company (or another equivalent significant appointment). Sheila Flavell is President of techUK. Mike McLaren is a non-executive director and chair of the audit committee on the board of ActiveOps plc. No other Executive Director currently has an external commitment.

Non-Executive Directors are expected to commit at least 24 days per annum to FDM and in practice may commit considerably more time than this. The Board keeps this under regular review.

The current key external commitments of the Directors are included within their biographies on pages 66 to 69.

The Board has reviewed the time commitments of its Directors to ensure that they remain able to devote the appropriate amount of time and focus to their work at FDM.

In approving any external appointments, the Board considers the size and complexity of the relevant businesses, the work involved in the roles, and the overall time commitments involved. The Board also recognises that there is a benefit to FDM from enabling its Directors to gain experience from operating on different boards, and to have a rounded exposure to a range of businesses and markets. During the year:

- Michelle Senecal de Fonseca was appointed as a non-executive director of Redcentric Plc and GB Group Plc; and
- Jacqueline de Rojas was appointed as Chair of the Bletchley Park Trust.

The Board approved the acceptance of these appointments having considered the matters referred to above and concluded that these additional roles would not have any negative impact upon the ability of each of these directors to carry out their responsibilities as a Non-Executive Director of the Company.

The Board considers that throughout the year all FDM's Directors (including the Chair) have been, and will continue to be, able to devote sufficient time and focus to their respective roles at FDM.

Details of the remuneration received by each of the Executive Directors for the year ended 31 December 2024 are shown in the single figure table presented on page 107 of the Remuneration Report.

3. Composition, succession and evaluation

Composition of the Board

The Board currently comprises four Executive Directors and five Non-Executive Directors (including the Non-Executive Chair). Further biographical details about each Director, including information on their prior experience, are set out on pages 66 to 69.

As required by Provision 11 of the 2018 Code, at least half the Board (excluding the Chair) is made up of independent Non-Executive Directors.

Disclosure on the diversity of the Board and Executive team

As required by UK Listing Rule 6.6.6(9), (10) and (11), the following tables set out details of the diversity of the individuals on the Board and the Executive Management Team at 31 December 2024.

There are nine Directors of the Board and six members of the Executive Management Team (including four Executive Directors and the Company Secretary).

The data in the tables below was reported directly by the relevant individuals via their secure profiles on the Group's HR Information System, which requests them to record gender identity and ethnicity.

The diversity targets set by the FCA in UK Listing Rule 6.6.6(9) are:

FCA Diversity Target	Target met by FDM as at 31 December 2024?
At least 40% of the individuals on the Board of Directors are women	Met
At least one of the senior positions (Chair, CEO, SID, CFO) on the Board of Directors is held by a woman	Met
At least one individual on the Board of Directors is from a minority ethnic background	Met

Corporate Governance Report continued

Further details required by the FCA's diversity disclosure requirements are set out below.

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in executive management	% of executive management
Men	5	55.6%	3	5	83.3%
Women	4	44.4%	1	1	16.7%
Not specified/ prefer not to say	–	0%	–	–	0%

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in executive management	% of executive management
White British or other White (including minority-white groups)	8	88.9%	3	6	100%
Mixed/ Multiple Ethnic Groups	1	11.1%	1	–	0%
Asian/ Asian British	–	0%	–	–	0%
Black/ African/ Caribbean/ Black British	–	0%	–	–	0%
Other ethnic group, including Arab	–	0%	–	–	0%
Not specified/ prefer not to say	–	0%	–	–	0%

Board Diversity policy

The Board is committed to the promotion of diversity and inclusiveness of all kinds throughout the organisation. In 2024, we reported a UK median gender pay-gap of -5.1% (2023: -4.3%), and our UK mean gender pay-gap was -2.5% (2023: -7.6%).

We believe that by making the most of our differences of approach, and using the collective experiences, backgrounds, skillsets and knowledge of our talented and diverse employees, we will drive innovation and success and achieve more for our stakeholders. This applies equally to our Board and its Committees. The composition of our Board and its Committees is vital to their effectiveness and that, in turn, enhances good governance. Diversity at Board level enables our employees who are from traditionally under-represented groups to aspire to senior management positions. This strengthens diversity and inclusion throughout our workforce, and directly supports our strategic aim to attract, train and develop high-calibre Consultants by making FDM attractive to the widest possible group of people as a place for them to launch their careers in technology.

The Board's primary obligation is to make appointments based on objective criteria to ensure that the best individuals are appointed for every role. Within this context, the Board is committed to a policy of promoting a rounded Board and Committees which reflect a diversity of all relevant personal attributes, including skills, experience, educational and professional background, gender, race and age. In support of this policy, the Board intends:

- to consider all aspects of diversity including gender and ethnicity when reviewing the composition and balance of the Board as part of the Board's annual effectiveness evaluation;
- to ensure that the succession planning and talent management programme includes initiatives to develop the pipeline of talent, to encourage and monitor the development of a diverse range of internal high-calibre employees and to promote diversity in appointments to the Senior Management Team who will in turn aspire to a Board position;
- wherever possible to engage executive search firms who have signed up to the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice;
- to require executive search firms to identify and present an appropriately diverse range of candidates for each vacancy;
- to develop further the level, frequency and quality of interaction between Board members (including Non-Executive Directors in particular) and those aspiring senior managers to enable them to gain more exposure to, and understanding of, the Board's work; and
- to review this policy and report on progress on an annual basis.

The application of this policy during the year was a contributing factor in an increase in the percentage of female members of the Board, from 40.0% to 44.4%. Similarly, the percentage of female members of the Audit Committee and the Remuneration Committee each increased from 25.0% to 33.3% in each case.

Appointments to the Board, succession planning and talent management

Peter Whiting stepped down from the Board following the Annual General Meeting held on 14 May 2024, at which point Jacqueline de Rojas was appointed as Senior Independent Director and Rowena Murray was appointed Chair of the Remuneration Committee. There have been no other changes to the Board during the financial year.

When making new appointments, the Board operates a formal and transparent procedure for the appointment of new Directors, the primary responsibility for which is delegated to the Nomination Committee. There is more information about this procedure and the way the Nomination Committee applies it on page 97. The appointment and removal of the Company Secretary is a matter reserved for the decision of the Board.

The Board recognises its responsibility for succession planning and regularly considers the balance of skills, experience and knowledge of the Board, to ensure it remains appropriate to the business and that the Board is best placed to achieve the Group's strategic objectives. The Group's People Team has in place a Talent Management and Succession Planning programme with the following key elements:

- building effective succession by proactively managing risk and distributing key knowledge and skills more widely;
- ensuring a well-prepared pipeline of talent in advance of requirements arising, based on merit and objective criteria, identifying and resolving any gaps in the pipeline; and
- focusing on the skills and diversity of representation which the business needs to ensure sustained future growth.

The programme is designed to promote sustainable organisational performance through smooth succession and to provide investors with assurance that there is stability of talent within the FDM Group. By further developing diversity in our organisation, we ensure we can draw from a range of experiences, backgrounds and approaches which should help us to avoid "groupthink" and maximise our ability to recognise potential opportunities and threats. The programme also provides our senior managers clarity with regard to career paths, which will enable increased engagement and improved retention of key talent. The Nomination Committee will continue to monitor progress of the programme in the coming year.

Board induction and development

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

Elements of the programme include:

- briefings from senior management 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;
- meetings with employees at different FDM centres;
- provision of a legal and regulatory memorandum and briefing on the duties of directors of listed companies;
- details of the Group's corporate structure, Board and Committee structures and arrangements and key policies and procedures; and
- the latest statutory financial reports and management accounts.

The Chair, in conjunction with the Company Secretary, ensures that Directors are provided with updates on changes to 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 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 updates the Board as appropriate on developments in corporate governance and any relevant legal or regulatory changes. In this way, each Director keeps their skills and knowledge current so that they remain competent at fulfilling their role, both on the Board and on any Committee of which they are a member. Specific training and development needs of individual Directors are explored as part of Board evaluations (and may be requested by individual Directors directly) and are addressed by the provision of in-house training or external courses, as appropriate. Non-Executive Directors also experience development in the course of the outside roles they may hold, which contributes to their knowledge and experience in performing their work at FDM.

Corporate Governance Report continued

Evaluation of the Board and its Committees

In accordance with current best practice and the 2018 Code, the Board undertakes a rigorous and formal annual evaluation of its performance and effectiveness and that of each Director and its Committees. The process is led by the Nomination Committee, and it is the Board's policy to invite external advisors to assist with that evaluation every three years.

Given that a number of important changes to the composition of the Board are taking place in the first half of 2025, the Board decided not to engage an external provider to facilitate the 2024 Board effectiveness review, but rather to defer the externally-facilitated review until after those changes have taken place. Accordingly, our evaluation of the Board and its Committee in respect of 2024 was conducted internally. An externally facilitated evaluation was last carried out in 2021. Further information about this year's Board evaluation can be found in the Nomination Committee Report on pages 98 and 99. Overall, the evaluation concluded that the Board and its Committees functioned well, and the Board will be implementing some actions to enhance its effectiveness over the coming year.

The Non-Executive Directors met without the Chair to evaluate David Lister's performance as Chair and concluded that he had operated effectively in the role.

Re-election of Directors at the 2025 AGM

The Company's Articles of Association require that existing Directors offer themselves for re-election at intervals of no more than three years. At the 2025 AGM, in compliance with Provision 18 of the 2018 Code, all Directors (including Bruce Lee who has been appointed to the Board with effect from 19 March 2025) will retire and offer themselves for re-election, other than Michelle Senecal de Fonseca who will be retiring from the Board on 19 March 2025 after having served as a Non-Executive Director for more than 9 years.

In determining whether a Director should be proposed for re-election at the 2025 AGM, the Board took into account the Nomination Committee's advice based on the results of a review of each Director's contribution to the Board's effectiveness, which formed part of the 2024 Board evaluation. This review confirmed that all Directors continue to be effective and demonstrate commitment to their roles and so the Committee recommended their reappointment.

4. Audit, risk and internal control

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 Board has ensured that processes are in place to achieve this and more information on the processes can be found in the Audit Committee Report on page 93. A statement of the Directors' responsibilities in relation to the financial statements is set out on page 126.

Independence of internal and external audit functions

The Board has in place processes which are managed on its behalf by the Audit Committee, and which are intended to ensure that the services provided by the internal and external auditors remain independent and effective. Further information on these processes is set out in the Audit Committee Report on pages 93 and 94.

Risk management and internal control

The Board is ultimately responsible for maintaining sound risk management and internal control systems and for reviewing their effectiveness on a regular basis. These 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 factors such as unforeseeable events, human fallibility or fraud.

The Board has established a continuous process for identifying and managing the significant risks faced by the Group (in accordance with the Financial Reporting Council's 'Guidance on Risk Management Internal Control and Related Financial and Business Reporting' (September 2014)). This process has been in place for the year under review and up to the date of approval of the Annual Report. The Group's principal risks are recorded in a Group Risk Register which is updated twice a year by the management team and reviewed by the Executive Team. After each update it is reviewed by the Audit Committee and then submitted to the Board for approval. The Board's view of the Group's key risks and how the Group seeks to manage those risks is set out on 29 to 36.

The Group has in place internal control and risk management systems around financial reporting which are reviewed regularly by management and the Committee. The Group's accounting function is centralised and financial information is held on a central accounting system from which internal management reporting, budgeting and external reporting is collated.

The Board monitors the effectiveness of the Group's internal controls by receiving regular updates from the Audit Committee on the work of the Internal and External Auditors, and is provided with updates on progress with commercial IT systems implementations and on any material matters arising from routine internal compliance reviews.

The Group's risk management team has commenced work during the year with our advisors to ensure that we are prepared to meet the new requirements on material controls in the 2024 Code when it comes into force on 1 January 2026. Further information on the project to review our material controls can be found in the Audit Committee Report on page 93.

An outsourced Internal Audit function is in place for the Group and the scope of work undertaken during 2024 was carried out in accordance with the annual Internal Audit Plan which was discussed and approved in advance by the Audit Committee. A more detailed overview of the areas of focus and programme of work undertaken by the Internal Audit team in the year appears on pages 93 to 94.

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;
- 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 prior year and operational issues in the business;
- Operational and financial controls and procedures are in place including authorisation and approval policies for financial expenditure; authorisation and approval policies for contracts and agreements; signing authorities; IT application controls; and appropriate segregation of duties and reviews by management. Further, there are additional procedures in place to address other risks to the business, including a code of conduct and covering ethics and conflicts of interest, an Anti-Fraud policy, an Anti-Slavery and Human Trafficking policy, an Anti-Bribery and Corruption policy, policies covering Environmental, Social and Governance matters, a Vetting policy and a Procurement Policy;
- Financial controls are documented in a detailed Risk Controls Matrix ("RCM"). The RCM is reviewed and tested on a continuing basis by the Finance Team and a sample of controls from the RCM are subject to testing on an annual basis by the Internal Auditors;
- The Group's finance function is centralised;
- There are appropriate protocols in place to control access to IT systems;
- The Group has implemented a portal to deliver training to all employees on key regulatory and compliance matters such as Health and Safety, Workplace Harassment and Information Security and the General Data Protection Regulation. Successful completion of the training is monitored, and employees' understanding can be refreshed as appropriate;
- An outsourced Internal Audit function is in place, working for and reporting back to the Audit Committee;
- A formal budgeting process occurs annually. The budgets and forecasts are reviewed, approved and monitored by the Board; and
- Regular meetings occur between the Executive Board and Senior Management Team.

5. Remuneration

The Remuneration Committee is focused on ensuring that remuneration policies and practices for Executive Directors and other senior managers support the Group's strategy and promote long-term sustainable success. Targets and metrics for bonuses and long-term incentives are reviewed annually by the Committee to ensure that they incentivise the behaviours which are necessary to deliver the Group's strategy and promote long-term sustainable success. The primary aim of the strategy established by the Board is to deliver the Group's purpose (which is described in further detail on page 6). Setting executive remuneration in a way which promotes the delivery of that strategy ensures that remuneration is aligned to the Group's purpose and values.

The Board delegates responsibility for developing policy on executive and senior managers' remuneration to the Remuneration Committee to ensure that the development of the policy is formal and transparent. The Committee regularly seeks independent advice from its external remuneration advisors and keeps itself informed about market trends in executive remuneration and on remuneration-related areas which are important to the Group's shareholders. The Committee consults with key shareholders prior to making significant changes in the Remuneration Policy.

The Directors' Remuneration Policy contains detailed and transparent information about the rationale behind its key provisions to enable shareholders to understand the link between the policy and delivery of the Group's long-term strategy. Each member of the Remuneration Committee exercises independent judgement and discretion when authorising remuneration outcomes, in line with the policy.

Corporate Governance Report continued

The Board as a whole takes responsibility for approving the remuneration of Non-Executive Directors.

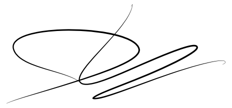
The Directors' Remuneration Report provides more detailed information about the work of the Remuneration Committee and details of the remuneration of each Director.

Updated UK Corporate Governance Code published in January 2024

Following the publication in January 2024 of the new 2024 Code, the Board requested the Audit Committee to lead a review of the changes set out in the 2024 Code to identify any areas where the Group's procedures may need to be updated to ensure compliance with these provisions. The most significant change in the 2024 Code is in the updated provisions relating to assessment and reporting on the effectiveness of material controls. The Group is well prepared to meet the recommendations of the 2024 Code. Further information on this project can be found in the Audit Committee Report on page 93.

The new UK Government confirmed in July 2024 that it proposes to establish a new regulator, ARGA, to replace the current FRC, and this transition is expected to result in a wider regulatory remit. The Government has also indicated that it plans to enhance powers for investigating and sanctioning company directors for severe mismanagement, and to establish a new regime for the oversight of auditors. The timescale for any such plans, however, remains uncertain. The Board will therefore keep all these matters under review to ensure that it operates best practice wherever appropriate.

The Corporate Governance Report was approved by the Board on 18 March 2025 and signed on its behalf by:



David Lister
Chair of the Board
18 March 2025

Audit Committee Report

On behalf of the Board, I am pleased to introduce the Audit Committee Report for the year ended 31 December 2024.

Chair's introduction

This report has been prepared in accordance with the 2018 Code and the Minimum Standard for Audit Committees and the External Audit (published by the FRC in May 2023) (the "Minimum Standard"). It provides insight into the activities the Committee has undertaken during the year.

The Committee continues to have a key governance role for the Group and oversees, on behalf of the Board and shareholders, important matters relating to financial reporting, risk management, the assurance framework and internal controls. We reviewed our terms of reference during the year to ensure that they remain aligned with the requirements of the 2018 Code and the Minimum Standard. No substantive updates were required at that stage. The 2024 Code includes an important update to the provisions on internal controls and the Committee is leading a project on behalf of the Board to identify any areas where the Group's procedures may need to be updated to ensure compliance with these new provisions. Further information can be found on page 93. The Committee also notes that the new UK Government has indicated that it may proceed with some of the other proposals on audit and corporate governance, which had been made by the previous Government, but which had been dropped in 2023. The Committee will therefore keep all these matters under review as further details of these proposals emerge.

Alan Kinnear
Audit Committee Chair

The 2024 financial year continued to be dominated by macroeconomic and geopolitical instability arising from high inflation, poor global growth rates, and increases in interest rates, along with continuing major conflicts in Ukraine and Gaza. These factors have caused economic uncertainties to persist in many territories, leading to a lack of market confidence and, consequently, difficult trading conditions in all parts of our business (as reported on page 10).

Economists predict that the risk of recession occurring in some territories is likely to remain heightened throughout 2025. The Committee's role in careful monitoring of the financial performance of, and outlook for, the Group therefore remains as important as ever. During the year we obtained assurance from management and the Internal Audit function that the Group's key financial controls continued to operate as designed. The Committee also applied scrutiny to management's stress testing of the financial and business models. The Executive Team's focus on a strong balance sheet and prudent cash buffer have continued to provide assurance to the Board that the business is in a solid position to continue as a going concern despite these macroeconomic challenges. The Committee was also able to support the Board in its assessment of the viability of the Company over the longer term.

In 2024, the Internal Audit Plan included reviews of Financial Controls, Readiness for the UK Corporate Governance Reform, Business Continuity Planning and Contract Governance.

In November, the members of the Audit Committee visited FDM's Finance Team at our office in Brighton. We received comprehensive updates and assurance from our experienced finance management team on the following areas: preparation and review of the annual budget and regular reforecasts; financial controls including testing of the Risk Controls Matrix ("RCM"); controls covering the reporting of non-financial information; and finance-related systems and the status of ongoing automation projects. We also received an update from our in-house Legal Team as to how they contribute to the management of risk within the business.

Audit Committee Report continued

Effective risk management is critical to the delivery of the Group's strategic objectives. The Board establishes the nature and extent of the risks it is prepared to take in order to achieve its strategic aims, and is responsible for ensuring that the Group's internal control and risk management systems operate effectively across our business. The Board has delegated to the Audit Committee responsibility for oversight of the measures we have in place. Having carried out a review of the Group's analysis of its risks during the year, the Committee's overall conclusion is that the process continues to operate effectively across the Group. The Committee is reassured that our approach to reviewing potential risks, which includes discussions with a wider range of employees within the organisation, has shown that risk management is increasingly embedded in the culture of our business. The process is designed to provide us with earlier visibility of emerging risks, and has been successful in increasing the breadth of information available to us to update our assessment of risk. We keep the process and risk-management culture under review to identify any areas where further improvements can be achieved. Further information about the principal risks to our business is set out on pages 30 to 36.

This year's analysis of the Group's risks is running in parallel with our project to prepare for the new requirements on the monitoring and reporting of material controls, which are incorporated into the 2024 Code.

The risk of cyberattacks and the threats to data security are ever increasing and the Committee continues to receive regular updates from our IT Security team. An independent review of our Information Security systems and processes has found that we have reasonable technical and organisational measures in place. The business is now in the process of implementing a number of recommendations for further enhancement. The Committee also received progress reports on the Group's key IT development and implementation projects, and on a project to test the effectiveness of our business continuity plans.

The Committee continues to provide appropriate challenge to the decisions and approach taken by the management team in relation to the content and disclosures within the Group financial reports and challenges management to explain the rationale and basis for key judgements and estimates before accepting them. The Committee aims to ensure that the information provided about the key judgements and estimates made is clear and helpful, and assists investors in reaching a fair assessment of FDM's financial position. This year the Committee also assisted management in formulating their approach to the reporting of our exceptional item.

The Committee has also focused on ensuring that disclosures are fair, balanced and understandable. The key management judgement areas and significant financial reporting items in respect of the financial year are disclosed in this report on pages 91 and 92.

Role of the Committee

The Committee is appointed by, and reports to, the Board. The Committee's terms of reference were reviewed during the year to ensure that they continue to reflect the Committee's approach, the requirements of the 2018 Code and the Minimum Standard. Minor updates were made to reflect the new provisions on material controls in the 2024 Code. The terms of reference are available in the Corporate Governance section of the Group's website at **www.fdmgroup.com**.

The key responsibilities of the Committee are to:

- Monitor the application of financial and non-financial reporting and internal control principles set out in the 2018 Code (and, from 1 January 2025, in the 2024 Code), and to maintain an appropriate relationship with the Company's auditors;
- Monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, including any significant financial reporting judgements contained in them;
- Provide advice to the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- Review the Company's internal control and risk management systems;
- Agree the scope of work for the Internal Auditors and review their reports and findings;
- Monitor and review the effectiveness of the Company's Internal Audit function;
- Review the arrangements by which the Company's staff may raise concerns in confidence about possible improprieties in matters of financial reporting or other matters, and ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action;
- Monitor the effectiveness of key policies and procedures of the business which have a role in governance, compliance and the management of risk, for example the Whistleblowing policy, Anti-Bribery policy, Environmental and Social policies, and Fraud policy;
- Ensure compliance with laws, regulations, ethical and other issues;
- Make recommendations to the Board, and for approval by shareholders, on the appointment, reappointment and removal of the external auditors;
- Agree the scope of the external audit and review the reports and findings of the external auditors;
- Monitor the external auditors' independence and objectivity and the effectiveness of the external audit process;
- Oversee the engagement of the external auditors to supply non-audit services; and
- Manage the external audit tender process.

Priorities

In addition to the business-as-usual work during the year, the Committee set itself some key priorities for 2024, progress against which is outlined below:

2024 priorities	Progress
Review the findings and recommendations of each of the Internal Audit reviews carried out during the year, in accordance with the 2024 Internal Audit Plan.	The Committee received reports from the Internal Auditors on two Internal Audit reviews which had been commenced in 2023, and two Internal Audit reviews carried out in 2024. The Committee reviewed the findings of the reviews and the plans which have been put in place to implement improvements to address them. Further information on Internal Audit work during the year is on pages 93 and 94.
Carry out an assessment of the risk of fraud in the Group.	Building on the work done by the Internal Auditors, who carried out their own detailed review of the risk of fraud in the Group during 2023, as part of their Internal Audit plan for that year, in December 2024 management updated its assessment of this risk, and produced a paper which the Committee reviewed. The Committee also reviewed and re-approved the Group's Fraud policy. As in previous years, the external auditors are required to apply 'The International Standard on Auditing (UK) 240 (Revised May 2022)'. This sets out the external auditors' responsibility for obtaining reasonable assurance that the financial statements taken as a whole, are free from material misstatement, whether caused by fraud or error. Management has provided the external auditors with its assessment of fraud risk.
Review the Group's cybersecurity arrangements, together with the findings of the simulated cyber crisis-management exercise to be conducted by the Board during the year.	During the year, the Committee received updates from the Information Security team on their work. As part of a wider review and reorganisation of the Group IT function, management engaged an independent external consultancy with expertise in information security risk management and compliance, to carry out an in-depth review of the Group's information security systems and processes. The Committee has been encouraged by the findings of that review which noted that the Group's technical security systems were sufficiently robust, and the processes were well designed, to provide appropriate protection to a business of FDM's size and complexity. Following that review, the external consultants made some recommendations for further enhancements to systems and processes which the business will consider for implementation. During the year the Board also conducted a simulated cyber crisis-management exercise to test the Group's readiness to manage the potential aftermath in the event of a successful future cyberattack. The Committee continues to monitor closely the management of these issues.
Monitor the impact of current macroeconomic pressures on the Group's business.	The Committee invited the CEO and CFO to attend its meetings regularly during 2024 to enable close monitoring of the impact of these factors on the Group's trading and financial position. Management has continued to take a prudent financial approach, maintaining a robust balance sheet and strong cash management to maximise resilience. Careful adjustment of recruitment, training, and staffing levels to align with the current market conditions has been at the forefront of management's focus, to ensure the business weathers the current market conditions and has the right levels of resource when demand increases.

Audit Committee Report continued

2024 priorities	Progress
Assess the requirements of the 2024 Code which are relevant to the Committee's work, continue to monitor any further proposals made by the UK Government to enhance the UK's audit and corporate governance framework, and implement any resulting changes in approach, policies, procedures and reporting.	After reviewing the provisions of the 2024 Code, the Committee concluded that the primary area of change for the Group in the 2024 Code is the introduction of Provision 29, which requires the Board to "monitor the company's risk management and internal control framework and, at least annually, carry out a review of its effectiveness. The monitoring and review should cover all material controls, including financial, operational, reporting and compliance controls." This requirement will be effective from the period commencing 1st January 2026. The Group's risk team is currently working with our Internal Auditors to build a material controls framework which will satisfy the requirements of Provision 29. The framework will be fully operational by 31 December 2025.
Climate change risk and environmental sustainability, and our reporting on it.	The Committee has continued its focus on our approach to SECR, the matters forming part of our disclosures under the TCFD framework, and the new requirements of IFRS S1 and IFRS S2. Our TCFD disclosure this year includes analysis of risks and opportunities arising from climate change, and a climate change scenario analysis. We are fully compliant with the TCFD recommendations and our disclosure can be found on page 51. The Committee has previously considered the requirements of the EU Corporate Sustainability Reporting Directive (CSRD). We are satisfied that the size of our operations in Europe is currently below the threshold which would bring FDM into the scope of these regulations, but we will keep the situation under review. FDM has continued working with its external sustainability consultancy to continue analysing its carbon emissions, which we measure half-yearly, enabling us to see more clearly the trends in our progress against our carbon reduction targets from the 2020 baseline. The Committee continues to monitor the quality of the Group's reporting on these matters.
Review the Group's financial controls framework.	The Internal Audit team carried out its annual review of financial controls during the year and reported that the controls tested were operating satisfactorily. Management has adopted recommendations for minor improvements and clarification of the documentary descriptions of certain of our controls and processes.

In addition to continuing to focus on a number of the issues referred to above, in the coming year the Committee intends to focus on the following:

- The Group's financial controls framework
- A review of the levels of IT and Data Security risk, infrastructure and support, following the reorganisation of our IT department. In particular, the Committee will be undertaking enquiries to ensure that: all key reporting lines are appropriate and support good oversight and control; the group has no critical skills shortages; and the group's key IT processes and controls are properly documented and understood across the organisation.
- The findings and recommendations of each of the Internal Audit reviews carried out during the year in accordance with the 2025 Internal Audit Plan, and the remaining two reviews performed under the 2024 Internal Audit Plan.
- The findings and action plan developed from the cyber-focused crisis management simulation conducted by management in late 2024.
- A further assessment of the risk of fraud in the Group.
- Continuing to be kept informed of IT systems developments and projects during the year.
- Continuing our work on the new requirements of the 2024 Code relating to material controls, to ensure that our control frameworks will have been designed, reviewed by the Internal Auditors (as part of their Internal Audit Plan for the year), tested, and fully operational by the end of the year. The Committee will be closely involved in assessing progress and ensuring the Group's financial reporting processes and controls remain robust during a period of continued macroeconomic pressure.

Composition of the Committee

During the year, the members of the Committee were Alan Kinnear (Chair of the Committee), Michelle Senecal de Fonseca, Rowena Murray, and Peter Whiting (who stepped down from the Committee and the Board on 14 May 2024).

The Board is satisfied that Alan Kinnear, a chartered accountant with significant financial and audit experience in a public company environment, has the recent and relevant financial and accounting experience required by the 2018 Code. Michelle Senecal de Fonseca and Rowena Murray also have experience in financial and reporting matters through their other business experience and current external roles. The Committee as a whole has a sufficiently wide range of business experience and expertise, including significant experience and competence in the sector within which FDM operates, such that the Committee is in a position to fulfil its role effectively.

In compliance with the 2018 Code, the Committee membership is limited to independent Non-Executive Directors of the Company.

Members' experience is documented in their biographies included on pages 66 to 69.

The Chair of the Committee is available for discussions with shareholders on matters relating to governance and the work of the Committee and supported the Chair of the Board in a discussion with one shareholder during the year.

The Committee's agenda

The Committee has a broad agenda of business which focuses on the Group's risk assurance, internal controls and audit processes through a series of scheduled meetings during the year. The agenda follows an annual plan which is set in advance in discussion with senior management, the financial reporting team, the external auditors, and the Internal Audit function. The annual plan incorporates items driven primarily by the financial calendar of the Group but also includes work on the Internal Audit programme and regulatory developments, and is adapted through the year to address any other relevant matters which may require the Committee's attention.

The Committee acts autonomously and sets its own agenda in addition to routine matters and those suggested by the Board. In setting the agenda, the Committee keeps in mind the regulatory framework, the 2018 Code (and, currently, preparation for the 2024 Code) and the FRC's Guidance on Audit Committees.

The Committee met four times during the financial year with all members in attendance. During the year, the Chief Executive Officer, Chief Financial Officer, Group Operations Director, Group Financial Controller, Head of Commercial Finance, Head of Information Security and Commercial Systems Manager attended certain meetings at the invitation of the Committee to ensure that the Committee remained fully informed of events and developments within the business. Presentations were received on legal, regulatory and operational matters, IT security and business continuity, and systems projects, contributing to the Committee's role in monitoring the management of risk.

The Group's external auditors, PwC, attended all of the Committee meetings during 2024.

The Internal Auditors, KPMG LLP ("KPMG"), an independent accounting firm, also attended all of the Committee meetings during the year to discuss plans for their programme of work and to present their findings. KPMG attend for the full duration of each meeting (except when the Committee discussed their effectiveness), as the Committee believes that the effectiveness of the Internal Audit function is enhanced by an understanding of other matters covered at the meetings, and of the external audit work being carried out by PwC. KPMG and PwC have direct access to the Committee Chair.

On a number of occasions after the formal meetings during the year, PwC and KPMG had the opportunity to hold an informal discussion with the Committee members without any of the executive management team being present. The Committee Chair also met with PwC and KPMG on several occasions outside of the Committee.

In addition to the meetings of the Committee, the Committee Chair and other Committee members met with other members of the Finance team, senior management, and regional operating management during the year. This included a visit by the members of the Committee to the Group's office in Brighton to meet with senior members of the Finance and Legal teams. This enabled them to discuss in further detail, outside the formal setting of a Committee meeting, the Finance and Legal teams' work in the following areas:

- preparation of the budget and reforecast
- material controls and the requirements of the 2024 Code
- commercial projects and internal systems
- contract risk and findings arising from the Internal Auditors' review of Contract Governance.

Audit Committee Report continued

Activity

Principal activities during the year

The following principal activities have been carried out by the Committee during the financial year:

March 2024

- Reviewed the draft Internal Audit Plan for 2024, making some adjustments to reflect the Committee's updated priorities
- Received reports from KPMG covering the following:
  - A Follow-up Review to assess actions taken to address findings across three Internal Audit reviews conducted in 2022; and
  - A review of Data Flow Architecture for teams, entities and systems in FDM's business.
- Received a presentation from PwC on their audit of the financial statements for the year ended 31 December 2023, and reviewed the Auditors' Report to the Audit Committee
- Reviewed the latest updates to the Group Risk Register
- Reviewed and recommended to the Board the approval of the Preliminary Announcement and the 2023 Annual Report. This work included: ensuring that the report is fair, balanced and understandable; reviewing the significant judgements and estimates applied in the Annual Report; reviewing disclosures and the summary of material accounting policies; considering the appropriateness of the going concern statement and the viability statement; reviewing the Directors' statement about the performance of their statutory duties under s.172 of the Companies Act; and approving the statement of principal risks to the business as set out in the Annual Report
- Approved the Committee's agenda for the remainder of 2024

May 2024

- Approved the updated 2024 Internal Audit Plan
- Received an update from KPMG on the proposed terms of reference for the Internal Audit review of Financial Controls to be carried out during the year
- Received an update on information security and business continuity matters from the Chief Information Officer and Group Operations Director
- Considered the development of a policy to govern internal use of AI tools in the Group
- Received an update on the reporting, accounting and regulatory changes applicable to the Group
- Reviewed the Audit Committee's Terms of Reference and identified areas for updating
- Reviewed and approved the Group's Audit & Assurance Policy
- Reviewed the effectiveness of the external auditors
- Considered the effectiveness of the Internal Audit function

July 2024

- Received a report from KPMG on their review of Financial Controls
- Received a report on the review of, and updates to, the Group Risk Register
- Reviewed PwC's report to the Committee (interim review for the six months to 30 June 2024)
- Reviewed the Interim Report, including the going concern statement, the statement of principal risks and uncertainties, and other key disclosures, and recommended its approval to the Board
- Received an update from the Group Financial Controller and the Company Secretary on the 2024 Code and the requirement for a statement on the effectiveness of material controls
- Reviewed and approved the letter of engagement for the external auditors and their proposed fees for the interim review and the full year audit for the 2024 financial year

December 2024

- Reviewed and approved PwC's plan for the audit of the 2024 financial results
- Received a report from the Internal Auditors on their review of Contract Governance, together with a progress report on the other Internal Audit reviews currently underway
- Considered potential areas to be reviewed as part of the 2025 Internal Audit Plan
- Received an update on reporting, accounting and corporate governance changes and the processes and key themes for inclusion in the Annual Report 2024
- Reviewed steps taken by the Directors during the year to comply with s.172 of the Companies Act 2006, and matters proposed for disclosure in the s.172 Statement to be included in the Annual Report 2024
- Received a progress report on the implementation of the key IT systems projects and the management of risks within those projects
- Reviewed and approved the Group's Whistleblowing policy, Anti-Bribery & Corruption policy, Environmental and Sustainability policy, Social policy, and Fraud policy
- Reviewed a paper from management assessing fraud risk in the business
- Considered the latest regulatory changes relevant to the Audit Committee's work
- Carried out a review of the Committee's effectiveness
- Introduced to Gareth Murfitt, who will be the new external audit partner in respect of the 2025 financial year (appointed following a selection process described on page 94)

In addition to the work outlined above, as a standing item on the agenda of every meeting, the Committee reviews the level of fees incurred with PwC on non-audit work to ensure compliance with the Group's policy on non-audit fees. During 2024, the only non-audit work performed by PwC has been their review and report on the Group's half-year financial statements.

Application of the Group's Accounting Policies

A summary of the Group's Accounting Policies is set out in note 3 to the Consolidated Financial Statements (which begins on page 142 of this Annual Report). The Audit Committee received a paper from the Finance team on the application of the Group's accounting policies and considers that the Consolidated Financial Statements have been prepared in accordance with the Accounting Policies and that the Accounting Policies applied are appropriate for the Group.

Significant financial reporting items

The Committee scrutinises matters it considers important by virtue of their potential impact on the Group's results or the degree of estimation or judgement involved in their application to the Consolidated Financial Statements. To this end, the Committee receives regular reports from the Chief Financial Officer and the Group's external auditors, PwC. During the year the Committee challenged management in respect of their underlying rationale and basis for key judgements and estimates before accepting them, and assisted management in formulating the reporting and disclosure of the exceptional administrative expenses (see page 28). The Committee has considered the estimate identified in note 4 to the Consolidated Financial Statements, having received drafts of the Annual Report and Accounts in sufficient time ahead of signature to enable a thorough review, and allow for the opportunity to challenge and discuss the Report's content.

Audit Committee Report continued

The main areas of focus are set out below:

Area of focus	Steps taken to address each area
Revenue The Group's Revenue is recognised based on contracted rates for each Consultant being applied to timesheets submitted by Consultants and authorised by the Group's clients. Revenue in respect of timesheets which have not yet been received is accrued at a percentage of the estimated contract value where timesheets have not been received at the cut-off date. Volume rebates are accrued in the period in which the revenue is recognised, with the value of the rebate offset against revenue. The rebates are calculated with regard to specific threshold levels of revenue recognised for certain clients in a contractual period. To the extent the volume rebates are material, amounts are disclosed, along with any significant judgements made in their estimation.	The Group's automated time recording system enables invoices to be automatically generated from timesheets submitted on the system. Processes are in place, including automated reminders being sent from the timesheet system, to ensure the number of late timesheets is minimised. 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 complied with, and that estimates remain appropriate. The Committee discussed with management and the auditors the basis of the calculations supporting the volume discount accrual and the disclosures contained in the Annual Report. The value of volume rebates at 31 December 2024 is disclosed on page 162.
Exceptional cost During the year the business incurred exceptional costs arising from right-sizing the business during a difficult trading environment. Further information can be found at note 7 to the Consolidated Financial Statements.	The Committee discussed the approach with management to gain assurance that the relevant costs satisfied the requirements for being treated as exceptional costs, in that they were material and one-off in nature. The Committee concluded that the presentation and disclosure of these costs as exceptional costs was appropriate.
Share-based payments In prior years, the Company has granted awards under the FDM Performance Share Plan. Awards were granted in 2024. Accounting for the awards which are outstanding from prior years involves estimates relating to the number of shares which will vest.	The Share-based payment charge, including any changes to the estimates relating to the number of shares that will vest, is reported monthly to the full Board, via the Board Pack. The Committee is also separately informed of the key assumptions and estimates applied in calculating the share-based payment charge at the year end. The Committee is satisfied that the assumptions and estimates applied are appropriate.
Going concern and viability The Committee has considered the going concern basis assumed within the financial statements and viability period. The underlying assumptions, the reasonableness of those assumptions and the headroom available were considered as part of the Committee's review. The review also considered the impact of a range of sensitivities on the key assumptions.	The Committee received and reviewed a paper prepared by the Finance team supporting the adoption of the going concern basis and the appropriateness of the viability period. The Committee is satisfied with the judgements in these areas, including that the risk of climate change to the business is low. The Committee challenged management's going concern analysis and was satisfied that the adoption of the going concern basis was appropriate and, further, that there were no indicators of impairment. This work enabled the Committee to conclude on the adoption of the going concern basis. The Committee also reviewed and concurred with the reasonableness of the viability period included within the viability statement on page 37.
Climate risk and reporting To be consistent with the TCFD's recommendations, FDM is required to: • Demonstrate that climate change is incorporated into FDM's risk management processes and business strategy • Consider the risks and opportunities arising from climate change, in line with the categories outlined in the TCFD guidance.	FDM has worked with external sustainability advisors to identify opportunities for the Group to work towards TCFD best practice. Based upon their recommendations, management has established a Climate-change Action Group with formal governance structures and internal reporting processes. With the external advisors, management has considered all risk and opportunity categories outlined in the TCFD guidance. Further information can be found on page 51. The Audit Committee considers that the likely impacts from climate change are not material enough to require revisions to the Group's current capital expenditure plans or meaningful for additional strategic consideration. FDM's risk management framework channels climate risk information from the bi-annual risk reviews to the Audit Committee and on to the Board.

Fair, balanced and understandable

As requested by the Board, the Committee has considered whether, in its opinion, the Annual Report and Accounts 2024 is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. In forming its opinion, the Committee considered the information it had received and the discussions that have taken place with senior managers in the business.

All members of the Committee received a full draft of the Annual Report and Accounts two weeks prior to the meeting at which it was required to provide its final opinion. The Committee reviewed the report to ensure that: it provided a balanced reflection of the Group's performance; the presentation of adjusted measurements was relevant and understandable; all material matters were considered; and there was internal consistency and there were linkages throughout, including the presentation of the estimates and significant risks.

The Committee concluded that the Annual Report and Accounts 2024, taken as a whole, was fair, balanced, and understandable, and considers that it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Committee made a recommendation to the Board to this effect. The Directors' statement of responsibilities on a fair, balanced and understandable Annual Report is given on page 126.

Internal control and risk management

The Committee is responsible for monitoring and reviewing the effectiveness of the Group's internal control and risk management systems. This is achieved by the presentation and review of management reports relating to internal control and risk management systems as well as reports from Internal Audit throughout the year. Through monitoring the effectiveness of its internal controls and risk management, the Committee maintains a sound understanding of the Group's trading performance, its key judgemental areas and management's decision-making processes.

The key elements of the Group's internal control framework and procedures are set out on pages 82 and 83.

The Committee notes that the introduction of Provision 29 in the 2024 Code requires the Board to "monitor the company's risk management and internal control framework and, at least annually, carry out a review of its effectiveness. The monitoring and review should cover all material controls, including financial, operational, reporting and compliance controls." This requirement will be effective for the Group from the financial year commencing 1 January 2026. As stated above, the Group's risk team is currently working with our Internal Auditors to build a material controls framework which will satisfy the requirements of Provision 29, with a view to it being fully operational by 31 December 2025.

Internal audit

The Committee oversees and monitors the work of the Internal Audit function, which is wholly outsourced to KPMG. The Committee considers that it remains appropriate to outsource the Internal Audit function for the following reasons: (i) outsourcing ensures the process is independent; and (ii) it guarantees that specialist input is available when required, taking into account the international nature of FDM's business and the need for technical specialism, particularly when reviewing non-financial areas of the business.

The Internal Audit Plan for 2024 was reviewed by the Audit Committee in March 2024 and approved in May 2024. The Plan is risk-based, prioritising reviews of the areas which are identified as principal risks in the Group Risk Register, and covering all key financial, operational, and regulatory parts of the business. Specifically, in 2024, the Committee received reports on reviews of the following areas:

- Follow-Up Review, to assess the actions that were taken by FDM to address the high, medium and low rated findings across three Internal Audit reviews conducted in 2022. The Internal Audit reviews included within the scope of this follow-up review were: (i) Working Hours Review 2022; (ii) Social Media Review 2022; and (iii) Follow Up Review 2022;
- Data Flow Architecture Review, to analyse the data interfaces operating between teams, entities, and systems in three areas: Human Resources (HR) and Payroll, Customer, and Supplier. The Internal Auditors assessed the design of these interfaces and tested key internal controls focusing on data integrity and consistency risk, tracing the flow of data across the three process areas;
- Financial Controls; and
- Contract Governance Review, to consider: (i) the processes and controls governing the approval of standard and non-standard contracts with FDM's clients; (ii) the processes and controls that determine how the resourcing requirements of new contracts are met (including the level of automation used); and (iii) the design and operating effectiveness of controls over income accruals and aged debt in respect of client contracts.

The findings from the reviews were presented to the Audit Committee during the period. The Group's financial controls were found to be operating satisfactorily, and no serious weaknesses were identified by the Internal Audit reviews in any of the other areas.

The Committee and the Internal Auditors have worked to ensure that the Internal Audit Plan for 2025 was approved by the end of 2024.

Audit Committee Report continued

During the year the Internal Auditors also commenced reviews of the following areas, and will report to the Audit Committee on their findings in the first quarter of 2025:

- Business Continuity Planning and Crisis Management; and
- UK Corporate Governance Code Readiness (Phase 1), a risk-driven advisory review to support the Group's readiness for the 2024 Code, which will focus on FDM's material non-financial controls.

The effectiveness of the Internal Audit function's work is monitored on an ongoing basis using a number of inputs, including the reports received, the Audit Committee's engagement with the Group Financial Controller who is the Group's primary point of contact with the Internal Auditors, and an assessment during the year of the Internal Auditors' performance against the KPIs identified in the Internal Audit Plan. The Audit Committee considers that the Internal Audit process is an effective tool in the overall context of the Group's risk management systems.

The Audit Committee Chair also met with the Internal Audit team in advance of every meeting without management present.

External auditors

PwC is the Group's current external auditors, having first been appointed in 2013, and re-appointed in 2022 following a competitive tender process to appoint external auditors beginning with the audit in respect of the financial year ending 31 December 2023.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 ("CMA Order")

The Company confirms that it has complied with the provisions of the CMA Order for the 2024 financial year. In 2022 the Group carried out a competitive tender process which resulted in the re-appointment of PwC as external auditors beginning with the audit in respect of the financial year ending 31 December 2023. In accordance with the CMA Order, the Company is required to put the external audit contract out to tender not later than 2033.

Auditors' independence and objectivity

Both the Committee and the Board keep the external auditors' independence under review. Since July 2016, the Committee has been monitoring the fees paid to the external auditors for non-audit work at each Committee meeting. Any non-audit work which will result in fees exceeding £5,000 must be approved in advance by the Committee Chair. More substantial work involving fees exceeding £50,000 requires the approval of the Committee as a whole.

The Group receives a formal statement of independence and objectivity from PwC each year, and confirmation that PwC's partners and staff have complied with UK regulatory and professional requirements, including the Ethical Standard 2019 issued by the Financial Reporting Council. The Committee also obtains quotes in a competitive tender for all non-audit work performed, other than for the auditors' review of the half-year results.

Fees for non-audit work carried out by PwC as a percentage of audit fees for the year ended 31 December 2024 were 21% (2023: 22%) and related solely to PwC's review of our Interim Report. See note 8 to the Consolidated Financial Statements.

External audit partners are rotated every five years. The external audit partner in respect of the 2024 financial year has been Katharine Finn, who has now completed five years in the role, and this will therefore be her final audit for FDM. Katharine Finn will therefore step down as audit partner for FDM Group on completion of the 2024 audit and the Committee would like to thank her for her input and support in their work over the last five years. Following a selection process carried out between PwC and the Audit Committee, Gareth Murfitt will take over as external audit partner in respect of the 2025 financial year.

Effectiveness of external auditors

During the year, the Committee reviewed the effectiveness of the external auditors, using a questionnaire which was completed by key members of the Finance team and each member of the Committee. The questionnaire asked individuals to rate the performance of the PwC audit team in the following areas: knowledge and expertise; independence and objectivity; effectiveness of the planning process; ability to firmly challenge management; and quality of audit deliverables. The feedback from the questionnaire was then used as the basis for a more wide-ranging discussion at the meeting held in May 2024 (at which PwC were not present). The Committee reviewed the external auditors' discussions with, and reports to, the Committee over the year to examine the degree of objectivity exercised by the external auditors, the robustness of their challenge to management, their views on controls around the Group and their testing of areas which involved the exercise of judgement by the management team. Based on the feedback and their further discussions, the Committee concluded that:

- the overall audit approach, materiality threshold and areas of audit focus were appropriate to the business;
- the auditors had displayed the necessary level of challenge and objectivity to demonstrate an appropriate level of independence;
- There was a robust risk assessment which reflected the inherent risks in the business and demonstrated a good understanding of FDM's business; and
- the audit team possessed the necessary quality, expertise, and experience to provide an independent and objective audit, and the audit was well project-managed.

The findings were fed back to PwC by the Chair of the Committee.

The Committee has also reviewed PwC's UK Transparency Report 2024, and has discussed with the external auditors the FRC's most recent Audit Quality Inspection and Supervision Report relating to PwC.

Whistleblowing policy

The Group has in place a whistleblowing policy which 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 2024 and is satisfied that they remain appropriate with the key aspects of the review discussed at the next meeting of the full Board.

The Committee was satisfied that any concerns raised under the policy during the year were investigated and followed up appropriately.

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, and training is provided to all current employees and new starters to ensure that they understand the Group's policy and the importance of compliance. The Committee reviewed the effectiveness of the policy in December 2024 and concluded that it remains an effective tool for managing the anti-bribery and corruption risks faced by the Group.

Fraud policy

The Group is committed to acting with integrity and honesty and takes all reasonable steps to mitigate the risk of fraud arising within the organisation. The reputation of FDM's business is based on the trust which our clients, shareholders, employees, and other stakeholders have in the integrity of our business.

During 2024 the Committee reviewed and re-approved the Group Fraud policy which outlines the steps which the Group takes to reduce the opportunity for fraud by implementing and maintaining appropriate technical and organisational security measures and controls, and by such other methods as considered necessary.
The Group's policy is to take prompt action in the case of any suspected fraudulent activity from any source.

Audit Committee effectiveness

An evaluation of the effectiveness of the Committee in discharging its duties was conducted internally during 2024. The evaluation process was facilitated by the Company Secretary and was based on the completion of questionnaires (which included questions to be scored and free text questions) by members of the Committee. The questionnaire was designed to address the key elements of Audit Committee effectiveness identified in the 2018 Code, the FRC's Guidance on Board Effectiveness published in July 2020, and the FRC's Guidance on Audit Committees published in April 2016. The results, once summarised by the Company Secretary, were then discussed with the Committee Chair, and tabled at a meeting of the Committee for discussion. The Committee regularly reviews its terms of reference and updates them as necessary to reflect current best practice and to ensure that its approach remains in line with those terms of reference and the Financial Reporting Council's Guidance for Audit Committees.

The effectiveness of the Audit Committee was also reviewed as part of the main Board Effectiveness Evaluation which was facilitated internally this year. Further information on that review can be found on pages 98 and 99.

Following these reviews, the Committee is satisfied that it continues to be effective in discharging its duties.

Alan Kinnear
Audit Committee Chair
18 March 2025

Nomination Committee Report

Chair's introduction

On behalf of the Nomination Committee I am pleased to present our report for the year ended 31 December 2024.

This report provides information on how the Committee has carried out its responsibilities during the year.

The primary role of the Nomination Committee is to lead the process for appointments to the Board, to monitor its composition, diversity and performance, and to plan for orderly succession to the Board and the Group's Senior Management Team.

Peter Whiting, our Senior Independent Director and Chair of the Remuneration Committee, stepped down from the Board during the year, having served on the Board since FDM's IPO in June 2014. On behalf of the Board, I would like to thank Peter for his valuable contribution to the Board's work during that time.

David Lister
Chair of the Nomination Committee

This report contains more information about the changes to Board roles which followed his departure, as well as some further changes to the composition of the Board which we expect to take place during 2025.

The Board undertook a review of its effectiveness during 2024 and concluded that it continues to operate effectively. Of course, there are areas where can enhance our effectiveness further and we will ensure that we address the key themes arising from that review during the coming year.

Committee composition

The Committee is appointed by, and reports to, the Board. Its members during the year were as follows:

- David Lister (Committee Chair)
- Peter Whiting (resigned with effect from 14 May 2024)
- Michelle Senecal de Fonseca
- Jacqueline de Rojas
- Rowena Murray (appointed to the Committee on 25 June 2024)

In line with provision 17 of the 2018 Code, a majority of members of the Nomination Committee are independent Non-Executive Directors.

Role and responsibilities of the Nomination Committee

The role and responsibilities of the Committee are 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 structure, size and composition of the Board and its Committees including its balance of skills, knowledge, experience and diversity, and make recommendations to the Board with regard to any changes;
- Lead the process for identifying candidates to fill Board vacancies as and when they arise, and make recommendations to the Board on new appointments, the membership of Board Committees, and on suitable candidates for the role of Senior Independent Directors;
- Consider succession planning for Directors and other senior executives taking into account the challenges and opportunities facing the Company, and the skills and experience needed on the Board now and in the future;
- Keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring that FDM can continue to compete effectively in the marketplace;
- Review the results of the Board performance evaluation process which impact on Board composition; and
- Ensure that Non-Executive Directors are allocating sufficient time to their work at FDM to allow them to fulfil their duties, and review their independence.

Committee meetings

- The Committee met three times during the year, as well as conducting other discussions outside formal meetings in relation to Board Changes expected in 2025 (see below). All members of the Committee attended all meetings that they were eligible to join. In addition, at the invitation of the Committee, Rod Flavell attended all three meetings of the Committee during the year. Committee meetings generally take place before a Board meeting, and the Chair of the Committee provides an update on the Committee's activities to the subsequent Board meeting.

Board changes in 2024

- As we announced in last year's Annual Report, Peter Whiting (Senior Independent Director and Chair of the Remuneration Committee) stepped down from the Board on 14 May 2024.
- As we reported at the time, the Committee's intention was that:
  - Rowena Murray would step into the role of Chair of the Remuneration Committee at the time of Peter's departure; and
  - Jacqueline de Rojas would become the Senior Independent Director.
- In line with that intention, during the first quarter of the year the Committee reviewed again the qualities, experience, skills and personal attributes required for these roles. Following that review, the Committee recommended to the Board that Jacqueline de Rojas be appointed as Senior Independent Director and Rowena Murray be appointed as Chair of the Remuneration Committee. The Board approved both appointments, which took effect on 14 May 2024.
- The Committee subsequently considered its composition, with a view to the changes to the composition of the Board which were due to take place in 2025 (see Succession planning and Board changes in 2025 below). The Committee's view was that it would be helpful to appoint Rowena Murray as an additional member of the Committee, to assist with the additional workload that planning these changes would entail. The Committee made a recommendation which was approved by the Board, following which Rowena Murray was appointed as a member of the Committee on 25 June 2024.

Succession planning and Board changes in 2025

- The most important ongoing responsibility of the Committee is to oversee the Company's succession plans for members of the Board and the Senior Management Team over the short, medium and longer term, to ensure that the Board maintains the appropriate balance of skills and experience to carry out its work in the most effective way. In particular, when the opportunity arises for refreshment of the Board, the Board is mindful of the need to ensure that its membership is diverse. The Board currently meets the diversity targets set by the FCA in UK Listing Rule 6.6.6(9), and details of the Board's diversity policy are set out on page 80.
- The Board's primary aim is to make appointments based on objective criteria that ensure that the best individuals are appointed to each Board role. We believe that a Board made up of individuals with a diverse range of personal attributes, including skills, experience, educational and professional background, gender, race and age, will contribute to diversity in the Board's thinking and approach and, in turn, will enhance the quality of decision-making.
- The Committee's work is driven primarily by an intention to ensure that the Board incorporates a wide range of experience and the necessary skills, enabling it to support as effectively as possible the Group's plans for growth. As the opportunity arises we will also keep in mind the Board's emphatic view that a diverse Board is an effective Board. By making the most of the Directors' differences of approach, and using the collective experiences, backgrounds, skillsets and knowledge of our talented and diverse employees, we will be able to drive innovation, growth and success and achieve more for our stakeholders. Details of the tenure of our Directors can be found in the Board of Directors section of this report on pages 66 to 69.

Nomination Committee Report continued

Succession planning and Board changes in 2025 continued

- During the year the Committee began planning for changes to the composition of the Board which would be taking place in 2025, noting that the 2018 Code recommends that Non-Executive Directors who have served on the Board for more than nine years from the date of their first appointment should no longer be considered independent. The Committee noted that Michelle Senecal de Fonseca (Non-Executive Director) and David Lister (Non-Executive Chair of the Board) would reach the ninth anniversary of their appointments to the Board in January 2025 and March 2025 respectively. In recognition of Provision 17 of the 2018 Code, the Committee's view was that David Lister should not chair the discussions of the Committee in relation to the appointment of his successor as Chair of the Board, and so Jacqueline de Rojas, as Senior Independent Director and a member of the Committee, was appointed as acting Chair of the Committee solely for the purposes of those discussions.
- The Committee considered carefully the qualities, experience, skills and personal attributes required for the two new appointments. Through their own networks of contacts, and partly as a result of the search undertaken prior to the appointment of Rowena Murray to the Board in 2023, Board members were aware of a number of potential candidates for these roles. Given the specific combination of qualities which the Board was looking for, the Committee decided that incurring the significant cost of engaging an external search agency for the roles would not provide value for money and was unnecessary. The Committee therefore approached a number of potential candidates to gauge their interest in joining the Board in these roles, and identified a shortlist of those who were currently available.
- Subsequently, a formal process was conducted involving interviews of the candidates with all members of the Board. The process was not concluded during the 2024 reporting year but continued into 2025, and the Committee will report further on this process next year in the 2025 annual report. However, as announced on page 9, Bruce Lee will be appointed to the Board as an Independent Non-Executive Director with effect from 19 March 2025. Michelle Senecal de Fonseca will retire from the Board on the same date, having served on the Board for more than nine years since her appointment.
- As at the date of this Annual Report, the Committee is in the process of searching for a new Chair of the Board to replace David Lister. The Company will make a further announcement to shareholders when the Board has reached a final decision.
- FDM operates a Group-wide formal mentoring programme. In recent years, this has been expanded to involve the Non-Executive Directors providing mentoring to a selection of senior managers from across our territories. The programme has been successful and has been highly valued by those who have taken part. We intend to expand this senior management mentoring programme in the coming year, as well as relaunching the formal mentoring programme which is in place across the rest of the Group. The Committee will continue to monitor the progress of these projects carefully during 2024 and will review the strengths identified in the talent pipeline and actions needed to close any gaps. The Committee will focus closely on the data arising from the programme which will help to assess diversity in the Group, career progression and attrition.

2024 Board effectiveness review

Our view is that the Board evaluation is a valuable process that provides a regular mechanism by which the Board can challenge itself to identify any areas where its performance can be improved to enhance the effective and efficient conduct of Board business, for the benefit of FDM and all its stakeholders. The 2018 Code requires that the evaluation of the Board should regularly be facilitated by an external provider, and our last external evaluation was carried out by Caroline Lien of Lien Consulting Limited in 2021.

Given that a number of important changes to the composition of the Board will take place in the first half of 2025, the Committee decided not to engage an external provider to facilitate the 2024 Board effectiveness review, but rather to defer the externally-facilitated review until after those changes have taken place. Accordingly, our evaluation of the Board and its Committee in respect of 2024 was conducted internally. The evaluation of the main Board was facilitated by the Chair of the Board with support from the Company Secretary and was based on a set of formal questions designed to assess the performance of the Board, including the Chair and individual Directors, against the priorities identified during last year's evaluation, and a selection of other areas of particular priority to the Board. The questions were provided to all Board members in advance and then formed the basis of a formal but open and wide-ranging round-table discussion.

The results of the evaluation discussions were collated and reviewed by the Chair and the Company Secretary and an action plan was subsequently presented to the Board with which to address areas where it was considered that the Board's effectiveness could be improved, as well as recognising the strengths of the Board. The review found that some good progress had been made against the areas which last year's evaluation had identified for further work. A summary of the key action points arising from the 2024 evaluation is as follows:

- The Board intends to allow time for additional focus on medium- to long-term strategic factors, such as key technological developments of interest or concern to our clients, trends in working practices and in using technology to optimise efficiency, and enhancements to the Group's business model.
- The Board will consider how its approach to considering emerging risks can be enhanced, potentially using external input to help the Board to understand the areas which are of concern to other organisations and to give the Board confidence that the risks and opportunities emerging from, for example, new technologies (such as Artificial Intelligence) are fully accounted for in the Board's strategic plans.
- The Board will aim to provide more opportunities for senior managers to attend Board meetings to provide an update on key issues arising with their departments, their successes, and any challenges they are facing. As well as helping the Board to gain a better understanding of progress in the business at a more detailed level, these discussions provide members of the Senior Management Teams with the opportunity to gain experience of presenting to the Board and to understand the Board's work which, in turn, is good for the development of talent and for succession planning generally within the business.

The Board intends to review progress against the action plan on an ongoing basis through 2025.

Each of the Board's principal Committees evaluated its own effectiveness using a similar process, either by the completion of questionnaires (using both scoring and free-text questions) by Committee members, or the circulation of a list of key questions and topics used as the basis of a formal discussion, according to the preference of each Committee Chair. The results of each Committee's evaluation were then presented to the Board.

Jacqueline de Rojas, as the Senior Independent Director, led a review of the Chair of the Board's performance in discussion with the other Non-Executive Directors.

Independence and effectiveness

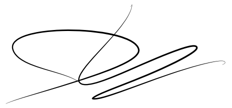
As recommended by the 2018 Code, all the current Directors will be standing for re-election at the AGM in 2025, including Bruce Lee, who will be joining the Board as an Independent Non-Executive Director with effect from 19 March 2025. Having reviewed the independence and contribution of the Directors, the Committee confirms that the performance of each of the Directors continues to be effective and each demonstrates commitment to their roles, including independence of judgement, commitment of time for the Board and, where relevant, Committee meetings and their other duties. Accordingly, the Committee has recommended to the Board that all current Directors of the Company be proposed for re-election at the forthcoming AGM.

Diversity, equity and inclusion

FDM Group recognises the importance of diversity both on the Board and across all levels of the Group. The Group is a strong advocate of a diverse workforce and has in place a wide range of initiatives to promote diversity across its operations, and to ensure that talented and hard-working individuals are developed and supported, regardless of their background, gender, age, ethnicity, disability, sexuality and religious belief.

Following the retirement of Michelle Senecal de Fonseca from the Board on 19 March and the appointment of Bruce Lee on the same date, the percentage of female Board members will fall from 44.4% to 30.0%.

One of the senior Board positions is held by a woman and one Board member is from a minority ethnic background. Data on these targets in the form required by the Listing Rules can be found in the Corporate Governance Report on pages 79 and 80.



David Lister
Chair of the Nomination Committee
18 March 2025

Remuneration Report

Remuneration at a glance

Our Remuneration Policy (summarised later in this Report) is designed to be clear and simple and to promote actions and behaviours that lead to the delivery of the Group's strategic objectives.

Remuneration Policy summary and 2025 implementation

Total remuneration

Fixed pay
Base salary, Benefits, Retirement benefits, All-employee BAYE plan

Variable pay
Annual bonus with deferral, Long-term incentive

Component	Key features
Base salary	Reflects individual's role and experience. No change to Executive Directors' salaries in 2024 which remained: CEO £527,500; other Executive Directors £360,810. No changes will be made to the salary levels for 2025.
Benefits	Benefits provided currently include car allowances and private health insurance and participation in the Buy As You Earn plan, which is open to all employees.
Retirement benefits	Defined contribution pension (or cash allowance) at levels not exceeding that available to the majority of the workforce. 2024 and 2025 contribution rate 4%.
Annual bonus	Up to 120% of salary, with up to 50% earned for on-target performance. Approximately 16% is deferred into shares for two years. The financial performance measures and weightings for 2025 will be the same as for 2024. The non-financial performance measures for 2025 have been adjusted this year as described on page 103.
Performance Share plan ("PSP")	Subject to EPS performance assessed over a three year period with 25% vesting at threshold. A two year holding period applies. 2025 grants: Each Executive Director will receive an award over the same number of shares, with a value not exceeding 100% of the lowest Executive Director salary. Performance conditions will be based on FDM's earnings per share assessed over a three-year period commencing with 2025.

Reward linked to performance

Annual bonus for 2024

Measure (% of salary)	Weighting (% of salary)	Actual performance	Bonus (% of maximum)
Adjusted PBT	40%	£34.0m	50%
Consultant revenue	40%	£257.7m	0%
Employee engagement and satisfaction	10% for each measure	Performance assessed by reference to the achievements in the year relative to the measures, as described later in this report	25%
Client diversification			100%
Social mobility			0%
Sustainability			70%

Long-term incentive awards vesting in respect of 2024

Measure	Threshold (25% of max)	Stretch target (100% of max)	Actual performance	Vesting outcome
Adjusted EPS in 2024	38.5 pence	41.7 pence	23.0 pence	0%

Long-term incentive awards granted in 2024

Measure (% of salary)	Shares under award	Value of award (% of salary)	Threshold (25% of max)	Stretch target (100% of max)
Adjusted EPS in 2026	75,000	£300,000 (CEO: 57%; other Executive Directors: 83%)	21.6 pence	27 pence

Wider stakeholder considerations

When taking decisions in relation to the Executive Directors' remuneration, we always have regard to the remuneration arrangements for the wider workforce.

Targeted salary increases

Salary increases from 1 April 2024 were targeted at strategically key employees, with an average increase of 12%.

60%

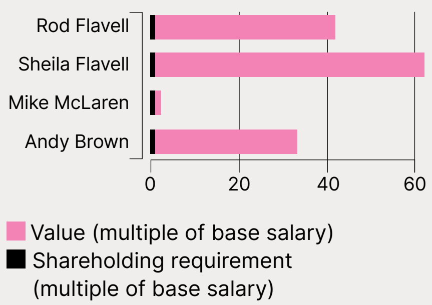
Proportion of internal employees participating in the annual bonus award

13%

Proportion of internal employees granted performance or restricted share awards

Significant share ownership

Our Executive Directors have significant shareholdings reflecting the Company's historic culture of share ownership and entrepreneurialism.



Statement from the Chair of the Remuneration Committee

On behalf of the Board, I am pleased to present our Remuneration Report for the year ended 31 December 2024. This is the first report since my appointment as Chair of the Remuneration Committee in May 2024 and I would like to thank Peter Whiting for his work with the Committee developing remuneration policies which have worked well for the business over the last ten years.

In addition to the "Remuneration at a glance" summary on the preceding page and this statement, this report contains two further sections: the Annual Report on Remuneration which sets out the remuneration earned by Directors in 2024, followed by an extract from the Directors' Remuneration Policy approved by shareholders at the 2024 AGM.


Rowena Murray
Chair of the Remuneration Committee

Our performance in 2024 and variable pay outturns

Elsewhere in this Annual Report the Board reports on the progress which the Group has made during 2024. The executive team has taken some difficult decisions to ensure that the business continues to be resilient in the face of very challenging market conditions. This has included continuing to adjust recruitment, training, Consultant resource, and internal staffing levels to align with these market conditions, while maintaining investment in the business to support future growth. The business has succeeded in bringing new clients onboard in a range of sectors, as well as maintaining a focus on re-engaging with clients who have been dormant for some years. The new Master Services Agreements which have resulted from these efforts provide a foundation for potential significant growth over the coming years. Notwithstanding the difficult trading environment, the Group did not lose sight of its social and environmental agenda. The continued development of our accreditation programmes and certifications will help to ensure that Consultants have the best possible preparation for their careers in technology, bringing job-ready skills which are most valued by employers.

This performance is reflected in the annual bonus outturn for 2024. Bonus metrics for the Executive Directors are aligned to the culture of the Group and are based on both financial and non-financial performance, with these arrangements then cascaded down to managers throughout the organisation. The Committee has encouraged further progress with the Group's social and environmental agenda this year, which is reflected in the social mobility, employee satisfaction and sustainability targets which now form part of the significant non-financial element of the Executive Directors' bonus opportunity. The Group has made encouraging advances in some of these areas. In previous years the Sustainability element of the Executive Directors' bonus has been based on a target to reduce greenhouse gases emissions. While this remains important to FDM Group, our overall emissions are already extremely low. When setting the annual bonus targets for 2024, the Committee therefore decided to broaden the sustainability metric, and to link it to the Group's score on the external independent EcoVadis ratings platform.

Remuneration Report continued

The EcoVadis assessment provides a globally-trusted rating which helps companies to understand their performance across four pillars which are key to sustainability: Environment; Labour and Human Rights; Ethics; and Sustainable Procurement. Many of our largest clients refer to EcoVadis ratings when making decisions to onboard new suppliers. The rating therefore has the potential to influence our growth strategy and is a good way to improve and track sustainability performance over time. Having made this adjustment to the Sustainability metric in 2024, the Committee has also decided (for the reasons explained later in this report) to move away from a bonus metric based on the promotion of social mobility in 2025, recognising that social mobility is already a natural part of the business model. The Committee has replaced the social mobility metric with another metric which is aligned with the Company's key strategic priorities for 2025, thereby retaining four non-financial metrics. The details of that metric will be finalised shortly after the finalisation of this report and will be disclosed in the 2025 Directors' Remuneration Report. Further information can be found on page 103.

A summary of the performance outturn in respect of the annual bonus is included in the "Remuneration at a glance" section of this report, with more detailed information set out later in this report. Each Executive Director earned a bonus of 39.5% of salary (32.9% of the maximum). The Committee considers that the outturn is reflective of the overall performance of the Group in the year and is appropriate. The bonus will be paid part in cash and part in shares deferred for two years.

PSP awards granted in 2022 were subject to a performance condition based on adjusted EPS performance in 2024. Although the business has been resilient to the impact of the difficult economic backdrop, the overall headwinds in the market have been sufficiently strong across the last two years that the threshold level of performance was not achieved and the awards have lapsed. Further information is given later in this report.

Long-term incentives granted in 2024

Long-term incentive awards granted in 2024

Measure	Shares under award	Value of award (% of salary)	Threshold (25% of max)	Stretch Target (100% of max)
Adjusted EPS in 2026	75,000	£300,000 (CEO: 57%; other Executive Directors: 83%)	21.6 pence	27.0 pence

The PSP awards granted to Executive Directors in 2024 are summarised in the "Remuneration at a glance" section of this report, with details of the performance measures set out later in this report. We granted the awards following the announcement of the half year results, in which we confirmed that the softer trading conditions which we had previously reported persisted. The Committee was comfortable that the targets set (21.6 pence adjusted EPS for threshold (25%) vesting and 27.0 pence adjusted EPS for maximum vesting) are appropriately stretching in the context of the overall environment at the time of grant, external forecasts, and having regard to the cost-cutting measures implemented during the year. In line with our usual approach, the vesting of each award is also subject to the Remuneration Committee being satisfied that the vesting level reflects overall financial performance.

For our below-board long-term incentive participants, and as referred to in last year's report, we granted awards in the form of restricted stock awards, recognising that these colleagues do not have the same visibility of the EPS measure applied to PSP awards and feel less able to influence it. The awards are subject to a financial underpin based on the average number of Consultants placed with clients, measured across the final financial year of the assessment period, reflecting one of our key strategic KPIs, with quantum and vesting timelines selected to ensure that they retain key talent below board.

Executive Directors' salaries and Non-Executive Directors' fees

In last year's report, we explained that we intended to review the Executive Directors' salaries in 2024. No increase was made and the salaries are as set out in the "Remuneration at a glance" summary. The Committee has reviewed the Executive Directors' salaries, and the fee for the Chair of the Board, in the early part of 2025, and has concluded that they are currently at an appropriate level. Accordingly, no changes will be made to the Executive salary levels or the Chair of the Board's fee for 2025.

There was similarly no change to the Non-Executive Directors' fees in 2024, which remained at the April 2023 levels.

Director	Fee
Chair of the Board	£184,625
Non-Executive Director basic fee	£60,000
Audit or Remuneration Committee Chair fee	£13,000
Senior Independent Director fee	£13,000
Fee for holding the position of designated Non-Executive Director for engagement with the workforce	£7,000

The Board has carried out a review in relation to the Non-Executive Directors' fees, and has also concluded that they remain at an appropriate level. No changes will therefore be made to the Non-Executive Directors' fees for 2025.

Variable pay in 2025

The maximum bonus will remain 120% of salary. The Committee has reflected on the use of a social mobility measure. FDM is a proactive and enthusiastic promoter of social mobility and the consequent diversity of our Consultants is recognised and valued by our clients. However, recognising that social mobility is a natural part of FDM's business model and that it is difficult to identify a suitable metric to measure and drive the promotion of social mobility, the Committee has decided to remove Social Mobility as a bonus metric in 2025. The Committee has replaced this metric with an additional metric which is aligned with the Company's key strategic priorities for 2025. The details of that metric will be finalised shortly after the finalisation of this report and will be disclosed in the 2025 Directors' Remuneration Report.

The performance measures and weightings for 2025 will therefore be as follows:

- Adjusted profit before tax: up to 40% of salary
- Consultant revenue: up to 40% of salary
- Employee engagement and satisfaction: up to 10% of salary
- Client diversification: up to 10% of salary
- EcoVadis rating: up to 10% of salary
- A new metric aligned with the Group's key strategic priorities, the details of which will be disclosed in the 2025 Directors' Remuneration Report: up to 10% of salary

The targets are commercially sensitive and further information will be disclosed in the 2025 Directors' Remuneration Report.

PSP awards to be granted to the Executive Directors will be subject to performance conditions based on FDM's earnings per share assessed over a three-year performance period commencing with 2025. Details of the performance conditions and targets will be announced when the awards are granted, in addition to being included in the 2025 Directors' Remuneration Report.

In line with FDM's usual practice, it is proposed that each Executive Director will receive an award over the same number of shares. The number of shares will have a value not exceeding 100% of the lowest Executive Director's annual salary. Performance conditions will be based on FDM's earnings per share assessed over a three-year period commencing with 2025.

In line with the approach adopted in 2024, other participants in the long-term incentive arrangement will be granted restricted stock awards, with vesting subject to the satisfaction of one or more underpins.

The Committee and the Board remain committed to a responsible approach to executive pay, and believe the Policy operated as intended during 2024. I and the other members of the Committee appreciated the strong support shown by shareholders at the AGM, with over 96% of votes cast in favour of both the new Policy and the 2023 Directors' Remuneration Report. We recognise the importance of engagement with shareholders in relation to executive remuneration and I will be pleased to answer any questions you may have on our approach, including at the 2025 AGM where we will be available to discuss this report with shareholders. We hope that we continue to receive your support at the AGM.

Rowena Murray
Chair of the Remuneration Committee
18 March 2025

Remuneration Report continued

Alignment of the Directors' Remuneration Policy with the Corporate Governance Code

Clarity: remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce **Simplicity:** remuneration structures should avoid complexity and their rationale and operation should be easy to understand	Our remuneration arrangements are clear and simple, and we fully disclose performance outturns and associated vestings in the Directors' Remuneration Report. We follow a standard UK listed company approach to Directors' remuneration with established incentive schemes that operate on a clear and consistent basis. We operate our share plans on a wide basis to broaden the scope and benefits of employee share ownership, which is fundamental to the Group's culture.
Risk: remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated	Malus and clawback provisions apply to all Executive Director variable remuneration and reflect the Code. The Committee has discretion to override formulaic vesting outturns in order that any risks associated with targets can be mitigated. Bonus deferral, the holding period for PSP awards and the in-employment and post-employment shareholding requirements mean that Executive Directors' interests are further aligned with the longer-term interests of shareholders.
Predictability: the range of possible values of rewards to individual Directors and other limits or discretions should be identified and explained	Variable remuneration opportunities are clearly expressed as a percentage of base salary. When approval was sought for the Directors' Remuneration Policy, the 2023 Directors' Remuneration Report clearly set out illustrations of the amounts that could be earned under the Policy by the Executive Directors in 2024. Discretions reserved to the Committee are set out in the Directors' Remuneration Policy.
Proportionality: the link between individual awards, the delivery of strategy and the long-term performance of the Group should be clear. Outcomes should not reward poor performance	Variable remuneration for Executive Directors is subject to the achievement of performance targets. The Committee has discretion to override formulaic outturns to ensure that poor performance is not rewarded, and delivery of a significant proportion of the variable remuneration in shares means that the overall reward is strongly aligned with the interests of shareholders. The application of strategic measures to part of the annual bonus means that overall reward is linked to the delivery of key strategic measures, in addition to financial performance.
Alignment to culture: incentive schemes should drive behaviours consistent with the Group's purpose, values and strategy	A high proportion of the workforce participates in an annual bonus award. The Committee aims to choose bonus metrics for the Executive Directors which are capable of being cascaded down to managers throughout the organisation. Employee share ownership is fundamental to the Group's culture and this is reflected in the level of direct share ownership and the broad extension of our Performance Share Plan and Buy As You Earn plan through the Group's workforce. Some senior managers are required to defer a portion of their bonuses into shares, further aligning their interests with the longer-term interests of shareholders.

Stakeholder engagement

The Committee recognises the importance of engagement with our stakeholders in relation to executive remuneration.

We have an established investor relations function, the work of which is discussed in the Corporate Governance Report. Additional engagement takes place with investors during years when a new remuneration policy is to be put to shareholders for approval, or when the Committee is seeking feedback on any other more significant matters concerning executive remuneration. In early 2024 the Committee engaged with major shareholders to explain the proposed approach to the new remuneration policy submitted for shareholder approval at the AGM held in May 2024, and confirmed that the Committee would be pleased to answer any questions they may have had. In addition to this, executive remuneration is always a topic available for discussion in any of the meetings forming part of our more general programme of shareholder engagement. Feedback from investors is taken into account in finalising our approach to executive remuneration.

As in previous years, the Committee did not formally consult with employees in relation to executive remuneration and executive remuneration was not raised as a priority by employees with whom the Board engaged throughout the year (including in the employee engagement sessions carried out by Jacqueline de Rojas, the Non-Executive Director with responsibility for ensuring that the voices of our employees are heard at Board level). However, as noted above, elements of the Executive Directors' bonus metrics are being cascaded down to managers in the organisation, and bonus deferral is in place for a number of senior managers. Members of the Committee, as well as Executive Directors and the Company Secretary, engage with the relevant managers to explain the rationale for this approach, how Executive Director remuneration and wider workforce remuneration are aligned in this regard, and how these arrangements align remuneration with the interests of shareholders and the overall strategy.

Remuneration Report continued

Annual Report on Remuneration

Audited Section

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

- Single figure table
- Annual bonus for 2024
- Strategic measures
- Long-term incentives vesting in respect of 2024
- Payments to former Directors
- Payments for loss of office
- Directors' shareholdings and share interests
- Performance Share Plan awards and deferred bonus shares awarded in 2024

Single figure table

The table below details the total remuneration receivable by each Director for the financial years ended 31 December 2024 and 31 December 2023. Where necessary, further explanation of the values provided is included in the notes to the table or the additional information that follows it.

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

Salary and fees	The total salaries and fees paid in respect of the year.
Benefits	The value of benefits received in the year, comprising private medical insurance and car allowance and, in the case of Mike McLaren the value of Matching Shares awarded under the Buy As You Earn plan.
Annual bonus	The value of the bonuses earned in respect of the year.
Long-term incentives	The value of the Executive Directors' long-term incentives vesting by reference to performance in the relevant year.
Pension	The cash value of a salary supplement paid to the Executive Director in lieu of company pension contributions to the Company's defined contribution scheme. No Director participates in a defined benefit pension arrangement in respect of their service with FDM.

Single figure table continued

		Salary and fees £000	Benefits £000	Annual bonus £000	Long-term incentives £000	Pension £000	Total £000	Total fixed £000	Total variable £000
Executive Directors									
Rod Flavell	**2024**	**527.5**	**20.0**	**208.4**	**–**	**18.2**	**774.1**	**565.7**	**208.4**
	2023	520.6	19.7	143.2	–	18.0	701.5	558.3	143.2
Sheila Flavell	**2024**	**360.8**	**14.2**	**142.5**	**–**	**12.4**	**529.9**	**387.4**	**142.5**
	2023	356.1	13.9	97.9	–	12.3	480.2	382.3	97.9
Mike McLaren	**2024**	**360.8**	**15.5**	**142.5**	**–**	**12.4**	**531.2**	**388.7**	**142.5**
	2023	356.1	14.8	97.9	–	12.3	481.1	383.2	97.9
Andy Brown	**2024**	**360.8**	**14.1**	**142.5**	**–**	**12.4**	**529.8**	**387.3**	**142.5**
	2023	356.1	13.9	97.9	–	12.3	480.2	382.3	97.9
Non-Executive Directors									
David Lister	**2024**	**184.6**	**–**	**–**	**–**	**–**	**184.6**	**184.6**	**–**
	2023	182.2	–	–	–	–	182.2	182.2	–
Peter Whiting[1]	**2024**	**31.8**	**–**	**–**	**–**	**–**	**31.8**	**31.8**	**–**
	2023	85.0	–	–	–	–	85.0	85.0	–
Alan Kinnear	**2024**	**73.0**	**–**	**–**	**–**	**–**	**73.0**	**73.0**	**–**
	2023	72.1	–	–	–	–	72.1	72.1	–
Michelle Senecal de Fonseca	**2024**	**60.0**	**–**	**–**	**–**	**–**	**60.0**	**60.0**	**–**
	2023	59.3	–	–	–	–	59.3	59.3	–
Jacqueline de Rojas	**2024**	**75.2**	**–**	**–**	**–**	**–**	**75.2**	**75.2**	**–**
	2023	65.7	–	–	–	–	65.7	65.7	–
Rowena Murray[2]	**2024**	**68.2**	**–**	**–**	**–**	**–**	**68.2**	**68.2**	**–**
	2023	25.0	–	–	–	–	25.0	25.0	–

1 Peter Whiting retired from the Board on 14 May 2024.
2 Rowena Murray was appointed as a Non-Executive Director of the Company on 1 August 2023.

Remuneration Report continued

Annual bonus for 2024

As described in the Committee Chair's statement on page 102, each Executive Director earned a bonus of 39.5% of salary for 2024, out of a maximum of 120% of salary. Details of the performance against the applicable targets is set out below.

While the Remuneration Policy permits a payment of 20% of the maximum payable upon achieving a threshold level of performance, the Committee decided not to set such a target for any element of the available bonus.

	Weighting	Threshold (20% of maximum payable)	Base target (50% of maximum payable)	Stretch target (100% of maximum payable)	Actual performance	Bonus earned (percentage of maximum payable)
Adjusted profit before tax	33.33% (40% of salary)	n/a	£34.0m	£36.8m	£34.0m	50%
Consultant revenue	33.33% (40% of salary)	n/a	£259.0m	£284.9m	£257.7m	0%
Employee engagement and satisfaction	8.33% (10% of salary)	Performance for these elements was assessed by reference to the achievements delivered in the year relative to the measures, as described below.				25%
Client base diversification	8.33% (10% of salary)					100%
Social mobility	8.33% (10% of salary)					0%
Sustainability	8.33% (10% of salary)					70%

Strategic measures

The achievements in respect of the strategic measures are described below.

Strategic measure	Achievements
Employee engagement and satisfaction	Achievement in respect of this measure was based on responses to survey questions asked of internal staff and Consultants about recommending FDM as a place to work and providing opportunities for learning and career development. Each of the four results accounted for 2.5% of the 10% weighting achievable for this measure. The targets for each question were based on an average of the scores achieved across the responses in the survey. The target level for the average scores was achieved for one of the four questions; a more granular description of the outturn is not given as the Committee considers the details to be commercially sensitive. This resulted in a bonus achievement of 2.5% of salary (25% of the maximum bonus available for this metric).
Client base diversification	Achievement in respect of this measure was based on the number of new clients with whom Consultants were placed in sectors outside the Group's core financial services client base, with both a base target and a stretch target set. The target numbers and sector details are not disclosed as they are commercially sensitive and would give competitors insight into our strategy and plans. The number of new clients outside the financial services sector equalled the stretch target; a more granular description of the outturn is not given as the Committee considers the details to be commercially sensitive. The bonus achievement for the client-base diversification metric was therefore 10% of salary (100% of the maximum bonus available for this metric).

Strategic measure	Achievements
Social mobility	Achievement in respect of this measure was based on the Group's ranking in the Social Mobility Foundation's Employer Index for 2024. The Index is a leading authority on employer-led social mobility, measuring employers' performance on eight areas through which companies can make a positive impact on social mobility, and ranking the top 75. The target was to achieve a ranking: • in the top 40 (base target); or • in the top 20 (stretch target). The Group achieved a ranking of 41 in the Index, which was below the base target. No bonus was therefore payable in respect of this metric.
Sustainability	Achievement in respect of this measure was based on the Group's score awarded in 2024 by the EcoVadis sustainability rating platform. EcoVadis provides an independent rating across four pillars: Environment; Labour and Human Rights; Ethics; and Sustainable Procurement, enabling FDM Group to report on performance to current and potential clients, and to improve and track sustainability performance over time. The target was to achieve a rating of: • 46 (base target); or • 56 or higher (stretch target). The Group achieved a rating of 50, which was between the base and stretch targets. The bonus achievement for the Sustainability metric was therefore 7% of salary (70% of the maximum bonus available for this metric).

Accordingly, each Executive Director earned a bonus equal to 39.5% of their salary in respect of 2024, which will be paid in cash and deferred shares as set out below.

Executive Director	Bonus earned	Bonus paid in cash	Bonus to be deferred into shares
Rod Flavell	£208,362	£173,635	£34,727
Sheila Flavell	£142,520	£118,767	£23,753
Andy Brown	£142,520	£118,767	£23,753
Mike McLaren	£142,520	£118,767	£23,753

The deferred shares will ordinarily only be released after two years. They are not subject to any further performance condition. They may be subject to clawback in the event of fraud, dishonesty leading to a material misstatement of financial results, serious reputational damage, or material corporate failure or cessation of employment due to summary dismissal or resignation to join or establish a competing business.

Remuneration Report continued

Long-term incentive awards vesting in respect of 2024

Each Executive Director (namely Rod Flavell, Sheila Flavell, Andy Brown, Mike McLaren) was granted an award under the Company's Performance Share Plan on 22 March 2022 over 30,000 shares. Each award was subject to a performance condition based on the adjusted EPS in the final financial year of the performance period (2024) in accordance with the following table.

Adjusted EPS[1] in 2024	Percentage of the award that will vest	Performance outcome (2024 adjusted EPS)	Vesting outcome
38.5 pence	25%		
Greater than 38.5 pence but less than 41.7 pence	Determined on a straight-line basis between 25% and 100%	23.0 pence	0%
41.7 pence or more	100%		

1 The Committee has discretion to assess the performance outcome based on adjusted EPS (as defined in note 13 in the Consolidated Financial Statements).

Payment to former Directors

During the year, no payments were made to any former Director of the Company.

Payment for loss of office

During the year, no payments were made in respect of loss of office (no director having left the Board during the year other than Peter Whiting on his retirement).

Directors' shareholding and share interests

The Company's formal shareholding guideline for Executive Directors is that each Executive Director should hold shares with a value equal to at least 200% of salary. The current Executive Directors have shareholdings with values significantly in excess of this guideline, reflecting the Company's historic culture of share ownership and entrepreneurialism.

The interests as at 31 December 2024 (or, if earlier, the date of retirement from the Board) were as follows:

	Ordinary shares as at 31 December 2024 (or, if earlier, the date of retirement from the Board) Number[1]	Ordinary shares value as at 31 December2024 (or, if earlier, the date of retirement from the Board) £000[2]	Value (multiple of base salary[3])
Executive Directors			
Rod Flavell	7,358,291	23,179	43.9
Sheila Flavell	7,350,960	23,156	64.2
Mike McLaren	497,980	1,569	4.3
Andy Brown	4,039,700	12,725	35.3
Non-Executive Directors			
David Lister	–	–	–
Peter Whiting[3]	10,453[4]	42	0.5
Michelle Senecal de Fonseca	5,459	17	0.3
Alan Kinnear	–	–	–
Jacqueline de Rojas	–	–	–
Rowena Murray	–	–	–

1 Including the interests of persons closely associated with the Director, other than in the case of Rod Flavell and Sheila Flavell whose interests are reported separately, interests in shares acquired pursuant to bonus deferral arrangements, and the net of assumed tax number of shares subject to any PSP awards which are in a holding period. Further information in relation to the bonus deferral shares and PSP award shares is set out in the separate tables below.

2 Calculated based on the closing share price of £3.15 on 31 December 2024 (or, in the case of Peter Whiting, the closing share price of £4.00 on 14 May 2024 being the date on which he retired from the Board).

3 Calculated on base salary and fees as at 31 December 2024 (or, in the case of Peter Whiting, as at 14 May 2024 being the date on which he retired from the Board).

4 The number of shares is stated as at 14 May 2024, being the date on which Peter Whiting retired from the Board.

Since 31 December 2024 the holdings of Rod Flavell, Sheila Flavell and Mike McLaren in the share capital of the Company have increased as a result of their participation in the BAYE Plan, as set out in the table below. There have been no other changes in the directors' holdings between 31 December 2024 and the date the financial statements were approved.

Executive Director	BAYE Purchased Shares acquired in January 2025	BAYE Purchased Shares acquired in February 2025	BAYE Purchased Shares acquired in March 2025
Rod Flavell	338	425	451
Sheila Flavell	338	425	451
Mike McLaren	169	212	225

Each Executive Director is the beneficial owner of shares acquired as part of the bonus deferral arrangements, as set out in the following table:

Executive Director	Number of shares subject to bonus deferral arrangements at 1 January 2024	Number of shares subject to bonus deferral arrangements acquired in 2024	Number of shares for which the deferral period ended during 2024	Number of shares subject to bonus deferral arrangements at 31 December 2024
Rod Flavell	11,239	2,867	4,555	9,551
Sheila Flavell	8,093	2,035	3,294	6,834
Mike McLaren	7,833	1,961	3,226	6,568
Andy Brown	7,918	1,961	3,294	6,585

Each Executive Director also holds awards under the Company's PSP as set out below. Each Executive Director holds the same awards.

Date of award	Number at 1 January 2024	Granted in 2024	Lapsed in 2024	Exercised in 2024	Number at 31 December 2024	Status
30 December 2020	29,000	–	–	–	29,000	Vested[1]
21 April 2021	30,000	–	30,000	–	–	Lapsed[2]
22 March 2022	30,000	–	–	–	30,000	Lapsed[2]
11 September 2024	–	75,000	–	–	75,000	Unvested and subject to performance condition[4]

1 The awards granted in 2020 vested on 14 March 2023 as described in the 2022 Directors' Remuneration Report and are subject to a two-year holding period post vesting before the vested shares can be acquired.

2 The awards granted in 2021 lapsed on 19 March 2024 as described in the 2023 Directors' Remuneration Report.

3 The awards granted in March 2022 lapsed on 18 March 2025 as described earlier in this Directors' Remuneration Report.

4 The awards granted in September 2024 are subject to a performance condition based wholly on the adjusted EPS at the end of a three-year performance period (2024–2026), details of which are set out below.

Performance Share Plan awards granted in 2024

Each Executive Director was granted an award under the Company's PSP on 11 September 2024 as set out below:

Award	Number of shares	Exercise price per share	Face value of award
PSP award	75,000	£0.01	£300,000

The face value of the award is calculated by multiplying the number of shares subject to the PSP award (75,000) by £4.00, being the average share price over the three business days preceding the grant of the awards. The awards are subject to a two-year post-vesting holding period. Each award was granted in the form of an option with a per share exercise price of £0.01. When the awards were made, the Committee had regard to the share price at the date of grant when finalising the number of shares under award. The Committee considered that awards at the level of 75,000 shares (with a face value of £300,000) were appropriate having regard to the modest level of grant compared to the Policy (57% of salary for Rod Flavell and 83% of salary for the other Executive Directors, compared to a Policy maximum of 150% of salary) and recognising that no awards were made in 2023.

Remuneration Report continued

The awards will vest based on adjusted1 EPS in the final financial year of the three-year performance period ending 31 December 2026, in line with the following schedule:

Adjusted[1] EPS in the final financial year of the performance period	Percentage of the award that will vest
21.6 pence	25%
Greater than 21.6 pence but less than 27.0 pence	Determined on a straight-line basis between 25% and 100%
27.0 pence or more than 27.0 pence	100%

1 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 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 the calculated levels do not reflect the performance of the Company.

Approach to Directors' remuneration for 2025

Base salary and fees

The Executive Directors' salaries have been reviewed by the Committee, having regard to the size and complexity of the Group's business and the competitive positioning of the salaries for each role.

The Board Chair's fee and the fees of the Non-Executive Directors have been reviewed (by the Committee, in the case of the Board Chair, and by the Board, in the case of the Non-Executive Directors). No changes will be made to the salary levels for or fees for 2025.

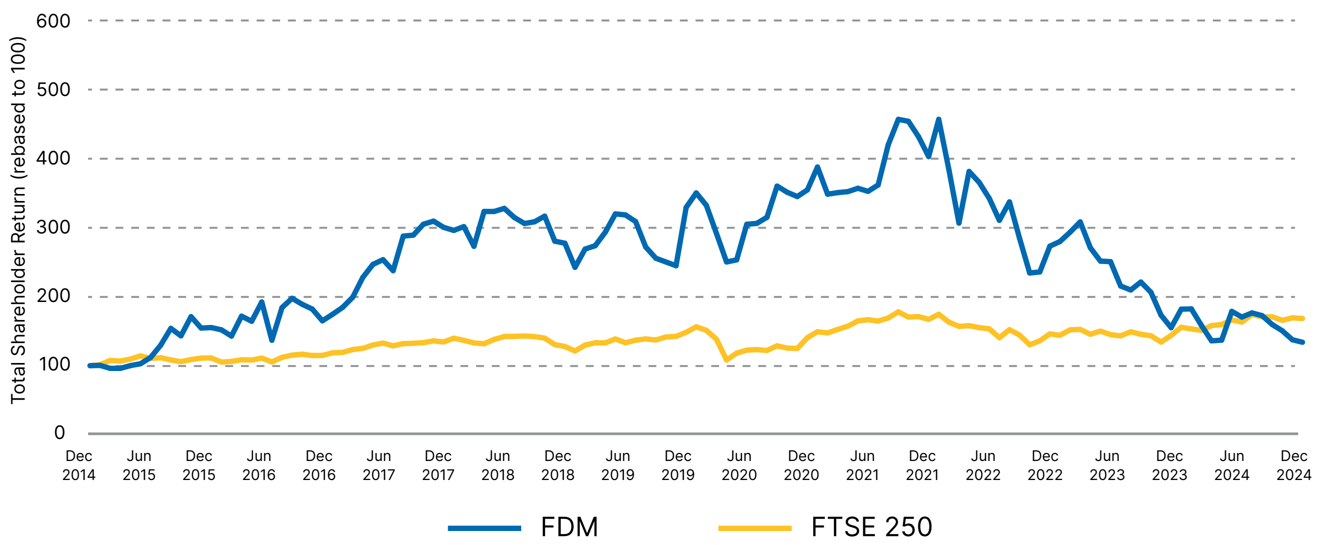
Annual bonus and long-term incentives for 2025

The maximum annual bonus opportunity for all Executive Directors for 2025 is 120% of salary, as set out in the statement from the Chair of the Committee on page 103. Information in relation to the performance measures, weightings and approach to deferral is also set out in that statement.

The Committee proposes to grant awards under the PSP in respect of 2025, as discussed in the statement from the Committee Chair.

Performance graph and historical Chief Executive Officer remuneration outcomes

The graph below shows the Company's Total Shareholder Return ("TSR") performance over the period of ten years ending with 2024, compared to the FTSE 250 Index. The FTSE 250 Index was chosen as the Company was a constituent of that index during the majority of the 10-year period.



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 ten years.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total remuneration (£000)	668.1	764.5	1,134.1	995.0	802.0	750.5	982.5	1,294.9	701.5	**774.1**
Annual bonus as a % of maximum opportunity	82%	100%	80%	58%	50%	65%	94%	88%	22.9%	**32.9%**
Long-term incentives as a % of maximum opportunity	n/a	n/a	100%	100%	100%	0%	0%	100%	0%	**0%**

Change in Directors' remuneration in relation to the wider workforce

The table below shows the percentage change in each Director's salary/ fees, benefits and annual bonus between consecutive financial years since 2019. The applicable regulations require us to show the average change in the same elements of remuneration for the employees of FDM Group (Holdings) plc on a full-time equivalent ("FTE") basis. FDM Group (Holdings) plc has no employees other than the Directors. Accordingly, in order to provide a meaningful comparison, we have shown the change based on a wider workforce comparator group which, consistent with previous years, includes all UK employees other than Consultants. Notes in relation to changes for previous years can be found in the Remuneration Report for the year in question.

For the wider workforce in 2023-2024:

- The increase of 4.1% in salary/ fees primarily reflects the fact that a salary increase was awarded to that group on 1 April 2023. The higher salary applied for only nine months in 2023 and for the full twelve months in 2024.
- The increase of 85.8% in taxable benefits reflects a higher-than-normal number of employees being rewarded for reaching the 10-year anniversary of their employment with FDM.

The 2023–2024 increase in remuneration for the following Non-Executive Directors reflects their increased responsibilities from May 2024; Jacqueline de Rojas became Senior Independent Director and Rowena Murray became Chair of the Remuneration Committee.

		Wider workforce	Rod Flavell	Sheila Flavell	Mike McLaren	Andy Brown	David Lister	Peter Whiting[1]	Alan Kinnear	Michelle Senecal de Fonseca	Jacqueline de Rojas	Rowena Murray[2]
Salary/ fees	2023 – 2024	4.1%	1.3%	1.3%	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	14.5%	13.7%
	2022 – 2023	9.6%	6.2%	5.0%	5.4%	5.0%	4.8%	4.6%	4.6%	5.0%	6.8%	n/a
	2021 – 2022	11.5%	9.8%	5.1%	6.9%	5.1%	2.2%	5.9%	5.7%	5.0%	7.0%	n/a
	2020 – 2021	9.0%	10.3%	7.4%	9.4%	7.4%	0%	9.7%	15.0%	7.6%	15.0%	n/a
	2019 – 2020	7.5%	0%	0%	0%	0%	14.2%	0%	n/a	0%	0%	n/a
Annual bonus	2023 – 2024	-6.8%	45.5%	45.6%	45.6%	45.6%	n/a	n/a	n/a	n/a	n/a	n/a
	2022 – 2023	-33.1%	-72.4%	-72.7%	-72.6%	-72.7%	n/a	n/a	n/a	n/a	n/a	n/a
	2021 – 2022	4.2%	3.5%	-1.0%	0.7%	-1.0%	n/a	n/a	n/a	n/a	n/a	n/a
	2020 – 2021	57.8%	59.2%	55.0%	57.8%	55.0%	n/a	n/a	n/a	n/a	n/a	n/a
	2019 – 2020	-6.8%	56.6%	56.6%	56.6%	56.6%	n/a	n/a	n/a	n/a	n/a	n/a
Taxable benefits	2023 – 2024	85.8%	1.5%	2.2%	4.7%	1.4%	n/a	n/a	n/a	n/a	n/a	n/a
	2022 – 2023	-28.3%	0.5%	1.5%	0.7%	0.7%	n/a	n/a	n/a	n/a	n/a	n/a
	2021 – 2022	12.1%	0.0%	1.5%	-0.7%	1.5%	n/a	n/a	n/a	n/a	n/a	n/a
	2020 – 2021	-6.8%	-4.4%	0.0%	-1.3%	-0.7%	n/a	n/a	n/a	n/a	n/a	n/a
	2019 – 2020	3.5%	-0.5%	-1.5%	-1.3%	-2.1%	n/a	n/a	n/a	n/a	n/a	n/a

1 Peter Whiting retired from the Board on 14 May 2024. In order to provide a meaningful comparison, his remuneration for 2024 has been annualised.
2 Rowena Murray was appointed to the Board with effect from 1 August 2023. In order to provide a meaningful comparison, her remuneration for 2023 has been annualised.

Remuneration Report continued

CEO pay ratio

The following table sets out the ratio of the CEO's total remuneration in respect of the 2024 financial year (taken from the single figure table on page 107) to the 25th percentile, 50th percentile (i.e. the median) and the 75th percentile FTE of the Company's UK employees. In line with the applicable regulations, the corresponding ratios for each year since 2018 are also included. For consistency with the "change in CEO remuneration in relation to the wider workforce" disclosure, the table below also provides the same ratio in respect of the Company's UK FTE employees excluding Consultants. This reflects the fact that Consultants' remuneration is not subject to the same annual review process as the rest of the UK workforce.

		25th percentile pay ratio		Median pay ratio		75th percentile pay ratio	
Year	Method	Including Consultants	Excluding Consultants	Including Consultants	Excluding Consultants	Including Consultants	Excluding Consultants
2018	Option A	43:1	36:1	40:1	23:1	31:1	14:1
2019	Option A	32:1	27:1	29:1	19:1	21:1	13:1
2020	Option A	28:1	29:1	22:1	19:1	17:1	14:1
2021	Option A	42:1	35:1	34:1	23:1	25:1	17:1
2022	Option A	54:1	46:1	49:1	33:1	34:1	20:1
2023	Option A	27:1	24:1	25:1	17:1	18:1	12:1
2024	**Option A**	**29:1**	**26:1**	**22:1**	**19:1**	**18:1**	**13:1**

The Company adopted "Option A" in the regulations for the purposes of calculating the pay ratios as it considers this to be the most accurate method. Remuneration for other employees for the purposes of the calculations was as at 31 December in each year. In calculating the ratio for all UK employees in the above table, the Company has determined the total FTE remuneration for all its UK employees for the financial year and has then ranked those employees based on their total FTE remuneration from low to high. The employees whose remuneration places them at the 25th, 50th (median) and 75th percentile points in this ranking have then been identified. Consultants were then excluded, and the process was repeated to calculate the ratio for all UK employees excluding Consultants.

In line with the applicable regulations, we have set out below for the same employee percentiles (and for the CEO) their total remuneration for each relevant year and the salary component of that remuneration.

		25th percentile employee total remuneration (salary component of total remuneration)		Median employee total remuneration (salary component of total remuneration)		75th percentile employee total remuneration (salary component of total remuneration)	
Year	CEO total remuneration (salary component of total remuneration)	Including Consultants	Excluding Consultants	Including Consultants	Excluding Consultants	Including Consultants	Excluding Consultants
2018	£995,000 (£395,100)	£23,015 (£19,500)	£27,627 (£25,838)	£24,722 (£19,500)	£43,596 (£41,349)	£32,157 (£23,902)	£72,100 (£48,500)
2019	£801,968 (£404,250)	£24,911 (£20,000)	£29,682 (£24,982)	£27,339 (£20,000)	£42,150 (£36,000)	£37,305 (£20,000)	£63,498 (£55,000)
2020	£750,509 (£404,250)	£27,210 (£24,750)	£26,037 (£25,638)	£34,775 (£20,000)	£39,089 (£25,000)	£44,483 (£20,000)	£53,280 (£49,115)
2021	£982,538 (£446,062)	£23,607 (£20,000)	£28,100 (£25,500)	£28,765 (£20,000)	£42,970 (£35,870)	£39,779 (£20,000)	£57,500 (£50,000)
2022	£1,294,894 (£490,000)	£23,902 (£23,417)	£28,173 (£26,173)	£26,626 (£25,636)	£39,643 (£31,333)	£37,641 (£26,250)	£63,448 (£48,006)
2023	£701,525 (£520,625)	£25,886 (£25,886)	£29,000 (£29,000)	£28,585 (£28,585)	£42,200 (£40,000)	£39,538 (£39,538)	£60,374 (£31,000)
2024	**£774,054 (£527,500)**	**£27,113 (£27,113)**	**£30,880 (£25,458)**	**£35,745 (£35,000)**	**£42,289 (£40,000)**	**£44,934 (£33,948)**	**£60,403 (£49,350)**

A significant proportion of the Executive Directors' remuneration is performance-related. The ratios will therefore vary depending upon the extent to which performance conditions are satisfied and the Executive Directors' performance-related remuneration is earned. The Committee considers that the median ratio for 2024 is consistent with the pay, reward and progression policies for employees as a whole.

Spend on pay

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

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000	Percentage change
Total dividends paid	**31,677**	39,320	-19%
Overall expenditure on pay to employees	**207,781**	252,389	-18%

Shareholder approval of our Directors' Remuneration Policy and Directors' Remuneration Report

The Company's Directors' Remuneration Policy and the Company's 2023 Directors' Remuneration Report were approved at the AGM held on 14 May 2024. The results of the votes are set out below:

Resolution	Votes for	% of votes for	Votes against	% of votes against	Votes withheld
Approve the Directors' Remuneration Policy	94,914,220	96.81%	3,123,822	3.19%	621
Approve the Directors' Remuneration Report	94,534,632	96.43%	3,496,834	3.57%	7,197

Membership of and Advisors to the Remuneration Committee

During the financial year the Committee's membership was Peter Whiting, Michelle Senecal de Fonseca, Alan Kinnear and Rowena Murray. Peter Whiting was Chair of the Committee until his retirement from the Board on 14 May 2024 at which point the position of Chair of the Committee was taken up by Rowena Murray.

During the financial year, the Committee received independent advice from Deloitte LLP ("Deloitte"), which was appointed by the Committee, in relation to the Committee's consideration of matters relating to Directors' remuneration. Deloitte was appointed in 2014 following a formal tender process. Fees for advice provided to the Remuneration Committee during the year were £12,900. Fees were charged on a time and disbursements basis.

Deloitte is a member of the Remuneration Consultants Group and voluntarily operates under its code of conduct in its dealings with the Remuneration Committee.

Deloitte also provides advice to the Group on the operation of its employee share plans and employee benefit trust. The Committee took this work into account as part of its ongoing review of the appointment of Deloitte and, due to the nature and extent of the work performed, concluded that it did not impair Deloitte's ability to advise the Committee objectively and free from influence. Accordingly, it is the view of the Committee that the advice it receives from Deloitte is objective and independent.

The Board Chair, Chief Executive Officer and other members of the executive management attend the Committee by invitation to provide input, but no Executive Director or other member of management is present when his or her own remuneration is discussed. Details of individual attendances by Directors at the Remuneration Committee meetings during 2024 are set out on page 74 in the Corporate Governance Report.

Remuneration Report continued

Directors' Remuneration Policy

The Company's Directors' Remuneration Policy was approved by shareholders at the AGM held on 14 May 2024. Since we are not seeking approval for a revised policy at the 2025 AGM, we have set out below just the "policy tables", but with certain date-specific references updated. The full policy as approved at the 2024 AGM is available on the Company's website at **https://www.fdmgroup.com/wp-content/uploads/2024/05/FDM-Remuneration-Policy-2024.pdf**.

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.	While there is no maximum salary level, salary increases will normally be within or below the range of increases awarded to the wider workforce in percentage of salary terms. Higher salary increases may be awarded in appropriate circumstances including but not limited to: • 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); 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.
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.	While 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 a defined contribution pension plan. Executive Directors may take a taxable cash supplement instead of some or all contributions to a pension plan.	Company pension contribution (or cash allowance equivalent) not exceeding the contribution available to the majority of the workforce, as determined by the Committee (currently 4% in the UK).	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 achieving 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 including in circumstances where any formulaic outcome does not reflect the Committee's assessment of overall performance or is not considered appropriate in the context of circumstances that were unexpected or unforeseen at the start of the relevant year. Ordinarily, up to 33% of the bonus earned will be deferred into an award of shares, which shall be released following the end of a two-year deferral period. The Committee may require or permit the deferral of higher levels of bonus. The Committee may pay the whole of any bonus earned in cash where the deferred amount would otherwise be below £10,000. Deferred bonus awards may take the form of a nil or nominal cost option to acquire the relevant shares following release, or as a requirement to invest the after-tax portion of the bonus into shares which must be retained until release. The Committee may award additional shares in respect of deferred amounts to reflect dividends that would have been paid on the deferred award shares over the period to their release; these dividend equivalents may assume the reinvestment of dividends into Company shares on such basis as the Committee determines. **Recovery** Recovery provisions apply as summarised below the table.	Maximum annual bonus opportunity for Executive Directors is 150% of base salary.	Performance measures and targets are set annually reflecting the Group's strategy and aligned with key financial, strategic and/ or individual targets For financial measures, subject to the Committee's discretion to override formulaic outturns, 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. There is ordinarily straight-line vesting between each of the points. For non-financial measures, a vesting schedule may apply on a similar basis to that described above for financial measures. Alternatively, the pay-out will be determined by the Committee between 0% and 100% based on its assessment of the extent to which the measure has been achieved. At least 50% 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. Any balance of the bonus may be assessed against non-financial strategic measures and/ or individual performance.
Buy As You Earn ("BAYE") Plan			
To create staff alignment with the Group and encourage share ownership.	Participants may acquire up to £12,000 of shares in respect of a year from their after-tax remuneration ("Purchased Shares"). Provided the Purchased Shares are retained in the plan and subject, ordinarily, to continued employment, additional "Matching Shares" are awarded on the basis of a 1 for 3 match following the end of each of the first, third and fifth years following the year in respect of which the purchased shares were acquired. For example, if 900 shares are purchased by a participant in respect of 2025, they will receive an additional 300 Matching Shares following the end of each of 2026, 2028 and 2030 (giving a total of 900 Matching Shares against the 900 shares purchased in 2025). **Recovery** Recovery provisions apply to Matching Shares as summarised below the table.	Maximum value of Purchased Shares that may be acquired in respect of any year is £12,000. The maximum ratio of Matching Shares to Purchased Shares is as described in the "Operation" column.	Not subject to performance measures, in line with typical market practice.

Remuneration Report continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Performance Share Plan ("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.	Awards under the PSP will typically be granted as a conditional award or the grant of a nil or nominal cost option, in either case vesting subject to the achievement of specified performance conditions, over a period of at least three years. The Committee has discretion to adjust the formulaic vesting outturn including in circumstances where the formulaic outcome does not reflect the Committee's assessment of overall performance, or is not considered appropriate in the context of circumstances that were unexpected or unforeseen at the date of grant. Awards are granted subject to a holding period of two years beginning on the vesting date either on the basis that they will not ordinarily be released (so that the participant is entitled to acquire the shares) until the end of that period or on the basis that the participant is entitled to acquire shares following the assessment of the applicable performance condition but that (other than as regards sales to cover tax liabilities) the award is not released (so that the participant is able to dispose of those shares) until the end of the holding period. Awards under the PSP may include the right to receive additional shares to reflect dividends paid over the vesting period and/ or the holding period; these dividend equivalents may assume the reinvestment of dividends into Company shares on such basis as the Committee determines. The Committee may at its discretion structure awards as Approved Performance Share Plan ("APSP") awards comprising both a tax-favoured option with a per share exercise price equal to the market value of a share when the option is granted and a PSP award. APSP awards enable an Executive Director and the Company to benefit from 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 either: (1) 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; or (2) a tax favoured option, PSP award over a reduced number of shares and separate PSP award which is to fund the exercise price of the tax-favoured option. The provisions of this policy will apply to a tax-favoured option with any amendments necessary to take account of the applicable legislation. Other than to enable the grant of APSP awards, the Company will not grant market value options to Executive Directors. **Recovery** Recovery provisions apply as summarised below the table.	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 150% of salary. The Committee has discretion to 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 as described in the "Operation" column. Reflecting the interaction between the tax-favoured option and the PSP award, the shares subject to the tax-favoured option are not taken into account when assessing these limits in order to avoid double counting.	Performance will be assessed against challenging performance targets. Performance will be based typically on financial measures including, but not limited to, EPS. Awards 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. Subject to the Committee's discretion to override formulaic outturns, for threshold performance up to 25% of the award will vest, rising to 100% of the award vesting for maximum performance, typically with straight-line vesting in between. Below threshold performance, the award will not vest.

Information supporting the policy table

Explanation of performance measures chosen

Performance measures for the annual bonus and PSP awards which reflect the Group'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 50% 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. Strategic measures will be aligned to the Group's strategy in order that Executive Directors are appropriately rewarded for taking decisions which reflect the overall direction of the Group.

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 EPS performance 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 Company's share plans

The PSP, BAYE and any deferred bonus plan will be operated by the Committee in accordance with their 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. All discretions available under the rules of any share plan will be available under this policy, except where expressly limited under this policy.

At the discretion of the Committee, awards under the PSP, BAYE and any deferred bonus plan may be settled, in whole or in part, in cash (or granted as a cash award over a notional number of shares). However, the Committee would only settle or grant an Executive Director's award in cash where the particular circumstances made that appropriate – for example in the event of a regulatory restriction on the delivery of shares, or in respect of the tax arising on the vesting or release of the award.

Shareholding guidelines

To align the interests of Executive Directors with those of shareholders, the Committee has adopted shareholding guidelines which apply in employment and after cessation of employment. The Committee retains discretion to disapply or vary these provisions in exceptional circumstances.

In employment

Executive Directors are required to retain half of any shares acquired under the PSP and any deferred bonus award (after sales to cover tax) until such time as their holding has a value equal to 200% of salary.

Shares subject to PSP awards which have vested but not been released, shares subject to released PSP awards which have not been exercised, and shares subject to deferred bonus awards count towards the guideline on a net of assumed tax basis.

After cessation of employment

Shares are subject to this requirement only if they are acquired from share plan awards (PSP, BAYE Matching Shares and deferred bonuses) granted after 1 January 2020. The Executive Director must retain: (a) until the audit sign-off of the financial statements for the year in which they leave the business, such of those shares as are subject to this requirement as have a value equal to the in-employment guideline; and (b) until the audit sign-off of the financial statements for the following year, such of those shares as have a value equal to 50% of the in-employment guideline, or in either case and if fewer, all of those shares. The vesting of relevant share awards granted from 1 January 2020 onwards will be conditional upon the Executive Director agreeing to the shares being held in a nominee arrangement to enable the effective monitoring and implementation of this policy.

Remuneration Report continued

Recovery

Annual bonus

For up to three years following the payment of the non-deferred part of an annual bonus award, the Committee may require the repayment of some or the entire cash award paid (or may cancel or reduce any deferred share award or require the forfeiture of shares acquired pursuant to a deferred share award) in the event of fraud, dishonesty leading to a material misstatement of financial results, serious reputational damage, or material corporate failure.

PSP and BAYE

At the discretion of the Committee, unvested PSP awards and unvested BAYE matching awards may be reduced, cancelled or have further conditions imposed in certain circumstances including (but not limited to):

- A material misstatement of the Group's audited financial results;
- A material failure of risk management by the Company or any subsidiary company within the Group;
- A material miscalculation of any performance measure;
- Serious reputational damage; or
- Material corporate failure.

For up to three years following the vesting of an award, the Committee may require the repayment (which may be affected by the cancellation or forfeiture of a vested but unreleased PSP award) of some or the entire award in the event of fraud, dishonesty leading to a material misstatement of financial results, serious reputational damage, or material corporate failure.

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 Chair is paid a basic Chair fee which also covers the role of Chair of the Nomination Committee (for which no additional fee is paid, assuming that the two roles are held by the same individual).	Non-Executive Directors may be eligible to be reimbursed travel and subsistence costs incurred in the performance of their duties and to receive other benefits relevant to the performance of their roles (and any tax thereon).
	Non-Executive Directors receive a basic fee and additional fees for chairing of any Board committees, holding the position of Senior Independent Director, holding the position of Non-Executive Director designated for engagement with the workforce, or for other responsibilities or time commitments. The Chair's fee is determined by the Committee and the fees of the other Non-Executive Directors are determined by the Board.	The Non-Executive Directors do not participate in the Company's annual bonus, share plans or pension schemes or other benefit in kind arrangements.
	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 set by the Company's Articles of Association from time to time.	

Service contracts

FDM's policy is that Executive Directors' service agreements should have a notice period of up to twelve months, and each Executive Director has a service contract which may be terminated by the Company or Director by giving twelve months' notice. 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	Notice period
Rod Flavell	16 June 2014	12 months
Sheila Flavell	16 June 2014	12 months
Mike McLaren	16 June 2014	12 months
Andy Brown	16 June 2014	12 months
Michelle Senecal de Fonseca	15 January 2016	3 months
David Lister	9 March 2016	3 months
Jacqueline de Rojas	1 October 2019	3 months
Alan Kinnear	1 January 2020	3 months
Rowena Murray	1 August 2023	3 months

Approval

This Report was approved by the Board on 18 March 2025 and signed on its behalf by:

Rowena Murray
Chair of the Remuneration Committee
18 March 2025

Directors' Report

The Directors present the Directors' Report and audited Consolidated Financial Statements of FDM Group (Holdings) plc, registered number 07078823, for the year ended 31 December 2024

Principal activities, business review and future developments

The Group is a global professional services provider with a focus on Information Technology. The Group's principal business activities involve recruiting, training and deploying its own permanent IT and business Consultants to clients, either on site or remotely. The Strategic Report on pages 2 to 63 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 £20.5 million (2023: £40.8 million). Results for the year are set out in the Consolidated Income Statement on page 137.

The Directors propose a final dividend of 12.5 pence per share for the year to 31 December 2024. Subject to shareholder approval, this dividend will be paid on 27 June 2025 to shareholders on the register on 6 June 2025. An interim dividend of 10.0 pence per share was declared by the Directors on 30 July 2024 and was paid on 1 November 2024 to shareholders on the register on 11 October 2024.

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:

David Lister	Non-Executive Chair
Roderick Flavell	Chief Executive Officer
Sheila Flavell	Chief Operating Officer
Michael McLaren	Chief Financial Officer
Andrew Brown	Chief Commercial Officer
Peter Whiting	Non-Executive Director (resigned 14 May 2024)
Michelle Senecal de Fonseca	Non-Executive Director
Jacqueline de Rojas	Non-Executive Director
Alan Kinnear	Non-Executive Director
Rowena Pinder[1]	Non-Executive Director

1 Known professionally as Rowena Murray, and referred to by that name elsewhere in this report.

The biographies of the currently serving Directors are provided on pages 66 to 69.

Director share interests

Details of the interests of Directors in the shares of the Company are provided on page 110.

Director long-term incentive schemes

For the purposes of the Listing Authority's UK Listing Rule section 6.6.1 R, details of the Group's long-term incentive schemes are disclosed in the Remuneration Report starting on page 100. All other information required to be disclosed by UK Listing Rule section 6.6.1 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. 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 29 to the Consolidated Financial Statements. The principal risks that the Group faces are set out on pages 32 to 36 of the Strategic Report.

Controls in place over consolidation of financial results

The Group's Consolidated Financial Statements are prepared by the Group's Finance team. The team is based in one central location, where all the individual entity general ledgers are also maintained. The consolidation process involves preparation and separate reviews of the results by qualified and experienced finance staff.

Corporate governance

For details of the Corporate Governance Report see page 70. The Sustainability Report, on pages 38 to 63, includes information about the Group's employment policies and greenhouse gas emissions. The Sustainability Report also includes information on the steps taken by the Group to ensure that slavery and human trafficking are not taking place within the Group's business, in line with the Modern Slavery Act 2015.

Branch outside the UK

The Group has one overseas branch, in Spain.

Substantial shareholders

As at 31 December 2024 and as at 14 March 2025, the Company had been advised, in accordance with the Disclosure Guidance 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 2024		As at 14 March 2025	
Substantial shareholder	**Direct/ indirect interest**	**Number of shares**	**% of issued share capital**	**Number of shares**	**% of issued share capital**
Rod Flavell	Direct	7,342,921	6.7%	7,344,135	6.7%
Sheila Flavell	Direct	7,335,590	6.7%	7,336,804	6.7%
abrdn Standard Life Investments	Indirect	7,312,140	6.7%	7,312,140	6.7%
Kayne Anderson Rudnick Investment Management, LLC	Direct	6,699,185	6.1%	6,602,110	6.0%
Aegon Ltd	Indirect	5,688,180	5.2%	4,416,706	4.0%
Invesco Ltd	Indirect	5,497,082	5.0%	1,067,957	1.0%
Artemis Investment Management LLP	Indirect	5,491,747	5.0%	5,491,747	5.0%
Majedie Asset Management	Indirect	5,435,803	5.0%	5,435,803	5.0%
Ameriprise Financial, Inc. and its group	Direct and indirect	5,314,856	4.8%	5,314,856	4.8%
BlackRock, Inc.	Indirect	5,210,213	4.7%	5,210,213	4.7%
Baillie Gifford & Co	Indirect	5,157,882	4.7%	5,157,882	4.7%
Andy Brown	Direct	4,024,330	3.7%	4,024,330	3.7%
Artisan Partners Limited Partnership	Indirect	0	0%	5,718,004	5.2%
Perpetual Limited	Indirect	0	0%	5,499,995	5.0%

Directors' Report continued

Political donations

The Group made no political donations in the year (2023: £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 positive operating cash flow and liquidity position, together with its distinctive business model and infrastructure, enable 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.

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

UK Streamlined Energy and Carbon Reporting ("SECR")

In accordance with SECR requirements, a summary of UK and worldwide energy consumption and emissions for 2022, 2023 and 2024 is presented on page 58 (the reporting period mirrors the accounting period, being the year ended 31 December). Details of the Group's compliance with legislation relating to greenhouse gas emissions reporting are set out on page 51 and in the Sustainability Report.

Articles of Association

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

Employee engagement

Information about how the Directors have engaged with employees and have regard to their interests is detailed on page 76.

We use a number of methods to consult our employees regularly so that their views can be taken into account in making decisions that are likely to affect their interests, and we encourage our staff to become involved in FDM Group's performance through our discretionary Performance Share Plan and our all-employee Buy As You Earn share plan. We have also appointed a Non-Executive Director with responsibility for engaging with matters which are important to our employees and ensuring that their voices are heard at Board level. Further information on these initiatives to engage with our employees is set out on page 49 of the Sustainability Report.

Engagement with other stakeholders

Information on the Directors' engagement with other stakeholders can be found on pages 76 and 77.

Employee information

Information on the Group's employee policies is included on page 40 to 44 in the Sustainability Report. Information on the Group's policies in respect of persons that become disabled during their employment, and the training, career development and promotion of disabled persons, is set out on page 44 in the Sustainability Report.

Capital structure

The Group's capital structure is detailed in note 23 to the Consolidated Financial Statements. During 2024 the number of ordinary shares in issue increased from 109,611,852 at 1 January 2024 to 109,706,702 at 31 December 2024.

Investment in own shares

During the AGM held on 14 May 2024, the shareholders approved that up to 10% of the Company's shares could be purchased by the Company and held as own shares, renewing the authority agreed on 16 May 2023. The authority expires at the conclusion of the Company's next Annual General Meeting after the passing of this resolution or, if earlier, 13 August 2025.

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.

Change of control and other arrangements

The Group has agreements in place with certain of its banking clients that give those clients the right to terminate the contract on a change of control in the event of a successful takeover bid for 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.

Each participant who holds shares in the Group's BAYE share plan is entitled, as beneficial owner of those shares, to request that the administrator of the BAYE (as nominee in respect of those shares) exercises the voting rights attaching to those shares in the manner directed by the participant.

Post balance sheet events

There are no post balance sheet events.

Related party transactions

The Group's related party transactions are detailed in note 28 to the Consolidated Financial Statements

Independent auditors

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

Directors' Report continued

Statement of Directors' responsibilities in respect of the financial statements

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

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

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

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

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

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.

Directors' confirmations

The Directors consider that the FDM Group (Holdings) plc Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in Directors' Report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and 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 18 March 2025 and signed on its behalf by:

Rod Flavell
Chief Executive Officer
18 March 2025

Mike McLaren
Chief Financial Officer
18 March 2025

Financial Statements

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

Report on the audit of the financial statements

Opinion

In our opinion:

- FDM Group (Holdings) plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2024 (the "Annual Report"), which comprise: the Consolidated Statement of Financial Position and the Parent Company Statement of Financial Position as at 31 December 2024; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the Parent Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 8, we have provided no non-audit services to the parent company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The group financial statements are a consolidation of 20 reporting units
- We performed a full scope audit of the UK, whilst auditing specific significant line items in the US, Canadian and Australian reporting units
- Taken together, the components over which audit work was performed accounted for 76% of the Group's revenue and 79% of the Group's absolute profit before tax. Our scoping provided sufficient coverage over each significant financial statement line item of the Group financial statements and, provided us with the evidence we needed for our opinion on the Group financial statements taken as a whole.

Key audit matters

- Share option plan expenses (group and parent).

Overview continued

Materiality

- Overall group materiality: £2,150,000 (2023: £2,750,000) based on approximately 5% of a three-year average of the Group's profit before tax.
- Overall parent company materiality: £440,000 (2023: £550,000) based on approximately 1% of total assets.
- Performance materiality: £1,600,000 (2023: £2,050,000) (group) and £330,000 (2023: £410,000) (parent company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Share option plan expenses (group and parent)	
Refer to notes 3.3 (n), 4, and 26 to the Financial statements for the directors' disclosures of the related accounting policies, judgements and estimates, and page 91 ('Significant financial reporting items') within the Audit Committee Report. During 2015, the group implemented a share option plan for management and senior employees. We focussed on this area because the assumptions used in calculating the charge/ (credit) recognised in the income statement are judgemental and complex, including an estimate of the future 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 and average deployed consultant headcount in future periods (refer to pages 102 and 103 ('Annual Report on Remuneration') for details on the share option plan).	We gained an understanding from management of the key assumptions underpinning the share option valuation model. We evaluated the assumptions made by management for forecast growth in adjusted earnings per share, and average deployed consultant headcount by comparing these to recent historical performance, and reviewing forecasts approved by the Board of Directors. We found these assumptions to be materially appropriate. We evaluated management's assumption for the number of leavers from the scheme by comparing it to historical leavers from the scheme and found it to be appropriate. We concluded that stress testing these assumptions did not have a material impact on the income statement charge and that the level of estimation uncertainty within these assumptions does not give rise to a significant risk of a material change to the carrying value of assets and liabilities within the next year. In addition: • 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, and noted no material exceptions in our testing. We also considered the disclosures made in note 26 to the financial statements and determined that they are consistent with the requirements of relevant accounting standards. Based on the results of our work we found that the share option payment charge/ (credit) falls within a reasonable range of estimates.

Independent auditors' report to the members of FDM Group (Holdings) plc 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 structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

The group is structured by country, with significant reporting units in the UK, USA, and Canada, and further smaller reporting units in countries across Europe, Asia, Oceania and South Africa. The group financial statements are a consolidation of 20 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 a full scope audit of the UK, whilst auditing specific significant line items in the US, Canada and Australia reporting units was required.

As a result, audit procedures were conducted on reporting units representing 76% of revenue and 79% of absolute profit before tax.

In addition, we performed a full scope audit of the FDM Group (Holdings) plc entity.

The impact of climate risk on our audit

The impact of climate change has been an area of focus for the group, as further explained in the Strategic Report. The group is mindful of its impact on the environment and focussed on ways to reduce climate related impacts as they continue to work through their "Carbon reduction plan". The group is committed to carbon emissions targets consistent with reductions required to keep global warming down to 1.5°C, and has set out their progress against these targets within the Strategic Report. As part of our audit we have made enquiries of management to understand the process they have adopted to assess the extent of the potential impact of climate change risk on the group's financial statements. Management consider that the impact of climate change does not give rise to a material financial statement impact.

We have used our knowledge of the group to evaluate the group's risk assessment process in respect of climate change. We assessed there was no significant impact to our audit nor our Key Audit Matters. We discussed with management and the Audit Committee that the estimated financial reporting impacts of climate change will need to be frequently reassessed, as well as the ways in which disclosures in respect of climate change should evolve as the group continues to develop its response to the impact of these risks. We also considered the consistency of the disclosures in relation to climate change made in the other information within the Annual Report with both the financial statements and the knowledge we obtained from our audit.

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 in aggregate on the financial statements as a whole.

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

	Financial statements – group	Financial statements – parent company
Overall materiality	£2,150,000 (2023: £2,750,000).	£440,000 (2023: £550,000).
How we determined it	Approximately 5% of a three-year average of the Group's profit before tax	Approximately 1% of total assets
Rationale for benchmark applied	Based on the benchmarks used in the annual report, profit before tax is the primary measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark. In 2024 we have assessed materiality based on a three year average given market conditions have driven a significant decrease in headcount and profitability without any fundamental changes in the balance sheet or operating model.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £1,800,000 and £2,000,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £1,600,000 (2023: £2,050,000) for the group financial statements and £330,000 (2023: £410,000) for the parent company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £107,500 (group audit) (2023: £139,000) and £22,000 (parent company audit) (2023: £27,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- agreeing the underlying cash flow projections to board approved forecasts, assessing how these forecasts are compiled, and assessing the accuracy of management's forecasts;
- evaluating the key assumptions applied within management's forecasts;
- considering liquidity and available financial resources;
- assessing whether the stress testing performed by management appropriately considered the principal risks facing the business; and
- evaluating the feasibility of management's mitigating actions in the stress testing scenarios.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

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

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and parent company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and parent company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the parent company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and parent company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and parent company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and parent company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.
- We have nothing to report in respect of our responsibility to report when the directors' statement relating to the parent company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

- As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to local employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, tax regulation and the Listing rules. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, internal audit and the company's legal advisors, including consideration of known or suspected instances of non-compliance with laws and regulation, and fraud;
- Review of any employment disputes or litigation to ensure there were no broader non-compliance issues with employment laws and regulations;
- Review of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Review of internal audit reports in so far that they related to the financial statements;
- Perform unpredictable audit procedures relating to our fraud risk; and
- Evaluating and testing journal entries which may be indicative of fraud, for example journal entries posted with unusual account combinations.

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

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements and the part of the 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.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the directors on 25 March 2013 to audit the financial statements for the year ended 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement is 12 years, covering the years ended 31 December 2013 to 31 December 2024.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

KE Finn

Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 March 2025

Consolidated Income Statement

for the year ended 31 December 2024

	Note	2024 £000	2023 £000
Revenue	6	**257,704**	333,975
Cost of sales		**(142,754)**	(177,449)
Gross profit		**114,950**	156,526
Administrative expenses		**(87,511)**	(101,500)
which includes:			
Exceptional items		**(4,894)**	–
Operating profit	8	**27,439**	55,026
Finance income	11	**1,927**	1,396
Finance expense	11	**(1,304)**	(796)
Net finance income		**623**	600
Profit before income tax		**28,062**	55,626
Taxation	12	**(7,555)**	(14,861)
Profit for the year		**20,507**	40,765

Earnings per ordinary share		2024 pence	2023 pence
Basic	13	**18.8**	37.3
Diluted	13	**18.7**	37.2

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

The notes on pages 142 to 169 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	2024 £000	2023 £000
Profit for the year	**20,507**	40,765
Other comprehensive income/ (expense)		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on retranslation of foreign operations (net of tax)	**494**	(1,329)
Total other comprehensive income/ (expense)	**494**	(1,329)
Total comprehensive income for the year	**21,001**	39,436

The notes on pages 142 to 169 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position

as at 31 December 2024

	Note	2024 £000	2023 £000
Non-current assets			
Right-of-use assets	14	**19,614**	18,215
Property, plant and equipment	15	**1,974**	2,616
Intangible assets	16	**19,464**	19,571
Deferred income tax assets	18	**481**	552
		41,533	40,954
Current assets			
Trade and other receivables	19	**28,532**	32,613
Income tax receivables		**797**	3,384
Cash and cash equivalents	20	**40,588**	47,226
		69,917	83,223
Total assets		**111,450**	124,177
Current liabilities			
Trade and other payables	21	**20,734**	25,638
Lease liabilities	14	**4,586**	4,512
Current income tax liabilities		**1,010**	1,428
		26,330	31,578
Non-current liabilities			
Lease liabilities	14	**17,122**	15,669
Provisions	22	**658**	228
Deferred income tax liability	18	**–**	31
		17,780	15,928
Total liabilities		**44,110**	47,506
Net assets		**67,340**	76,671
Equity attributable to owners of the parent			
Share capital	23	**1,097**	1,096
Share premium		**9,705**	9,705
All Other reserves	25	**2,525**	1,567
Retained earnings		**54,013**	64,303
Total equity		**67,340**	76,671

The notes on pages 142 to 169 are an integral part of these Consolidated Financial Statements.

The financial statements on pages 137 to 169 were approved by the Board of Directors on 18 March 2025 and were signed on its behalf by:

Rod Flavell
Chief Executive Officer
18 March 2025

Mike McLaren
Chief Financial Officer
18 March 2025

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Group profit before tax for the year		**28,062**	55,626
Adjustments for:			
Depreciation and amortisation	8	**5,405**	5,742
(Profit)/ loss on disposal of non-current assets		**(167)**	155
Finance income	11	**(1,927)**	(1,396)
Finance expense	11	**1,304**	796
Share-based payment charge/ (credit) (including associated social security costs)	26	**1,202**	(5,340)
Decrease in trade and other receivables		**3,864**	11,386
Decrease in trade and other payables		**(4,635)**	(5,470)
Cash flows generated from operations		**33,108**	61,499
Interest received		**1,927**	1,396
Income tax paid		**(5,796)**	(12,741)
Net cash inflow from operating activities		**29,239**	50,154
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(335)**	(651)
Net cash used in investing activities		**(335)**	(651)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**1**	4
Proceeds from sale of shares from EBT		**299**	468
Principal elements of lease payments	14	**(3,676)**	(4,807)
Interest elements of lease payments	14	**(1,225)**	(718)
Proceeds from sale of own shares		**–**	16
Payment for shares bought back		**–**	(2,525)
Finance costs paid		**(57)**	(72)
Dividends paid	24	**(31,677)**	(39,320)
Net cash used in financing activities		**(36,335)**	(46,954)
Exchange gains/ (losses) on cash and cash equivalents		**793**	(846)
Net (decrease)/ increase in cash and cash equivalents		**(6,638)**	1,703
Cash and cash equivalents at beginning of year		**47,226**	45,523
Cash and cash equivalents at end of year	20	**40,588**	47,226

The notes on pages 142 to 169 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital £000	Share premium £000	All Other reserves (Note 25) £000	Retained earnings £000	Total equity £000
Balance at 1 January 2024	**1,096**	**9,705**	**1,567**	**64,303**	**76,671**
Profit for the year	**–**	**–**	**–**	**20,507**	**20,507**
Other comprehensive income for the year	**–**	**–**	**494**	**–**	**494**
Total comprehensive income for the year	**–**	**–**	**494**	**20,507**	**21,001**
Share-based payments (note 26)	**–**	**–**	**1,108**	**–**	**1,108**
Transfer to retained earnings	**–**	**–**	**(1,260)**	**1,260**	**–**
Own shares sold	**–**	**–**	**616**	**(317)**	**299**
Recharge of net settled share options	**–**	**–**	**–**	**(63)**	**(63)**
Dividends (note 24)	**–**	**–**	**–**	**(31,677)**	**(31,677)**
Issue of new shares (note 23)	**1**	**–**	**–**	**–**	**1**
Total transactions with owners, recognised directly in equity	**1**	**–**	**464**	**(30,797)**	**(30,332)**
Balance at 31 December 2024	**1,097**	**9,705**	**2,525**	**54,013**	**67,340**

	Share capital £000	Share premium £000	All Other reserves (Note 25) £000	Retained earnings £000	Total equity £000
Balance at 1 January 2023	1,092	9,705	13,525	58,881	83,203
Profit for the year	–	–	–	40,765	40,765
Other comprehensive expense for the year	–	–	(1,329)	–	(1,329)
Total comprehensive income for the year	–	–	(1,329)	40,765	39,436
Share-based payments (note 26)	–	–	(4,434)	–	(4,434)
Transfer to retained earnings	–	–	(4,673)	4,673	–
Own shares sold	–	–	1,003	(496)	507
Own shares purchased	–	–	(2,525)	–	(2,525)
Recharge of net settled share options	–	–	–	(200)	(200)
Dividends (note 24)	–	–	–	(39,320)	(39,320)
Issue of new shares (note 23)	4	–	–	–	4
Total transactions with owners, recognised directly in equity	4	–	(10,629)	(35,343)	(45,968)
Balance at 31 December 2023	1,096	9,705	1,567	64,303	76,671

The notes on pages 142 to 169 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 IT, specialising in the recruitment, development and deployment of its own permanent Consultants.

The Company is limited by shares, incorporated and domiciled in the UK and registered as a public limited company in England and Wales with a 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 4 to the Parent Company Financial Statements.

The Consolidated Financial Statements present the results for the year ended 31 December 2024. The Consolidated Financial Statements were approved by Rod Flavell and Mike McLaren on behalf of the Board of Directors on 18 March 2025.

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, our assessment of the impact of climate change, 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, enable the Group to manage its business risks. The Group's forecasts and projections show that it will continue to operate with adequate cash resources.

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

3 Accounting policies

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

3.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

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.

3.2 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Group and its subsidiaries for the year ending 31 December 2024.

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 4 to the Parent Company Financial Statements. There are no minority interests in the subsidiaries of the Company.

3.3 Summary of material accounting policy information applied

a) Revenue recognition

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

Rendering of services

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

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

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

b) 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). Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

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 and goodwill 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.

c) Exceptional items

The separate reporting of exceptional items helps to provide a better understanding of the Group's underlying business performance. The Group exercises judgement in assessing whether items should be classified as exceptional items. Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide a better understanding of the financial performance of the Group. They are items of expense or income that are material and one-off in nature and are shown separately due to the significance of their nature or amount.

Notes to the Consolidated Financial Statements continued

3 Accounting policies continued

3.3 Summary of material accounting policy information applied continued

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.

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; and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

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:

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) Intangible assets

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

Software and software licences

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

Goodwill

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses, and is revalued based on the prevailing foreign exchange rates at the end of the reporting period. For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units.

Goodwill is reviewed at least annually or more regularly 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.

g) Trade receivables

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

When a trade 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.

h) 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.

i) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

j) Financial instruments

Non-derivative financial instruments

The Group's non-derivative financial instruments comprise trade receivables, trade payables, and cash and cash equivalents.

The Group does not have any debt.

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.

l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate. Provisions are measured at management's best estimate of the expenditure required to settle the Group's liability. These estimates are reviewed each year and updated as necessary. In each circumstance either adequate provisions are established or appropriate disclosures are made in accordance with the provisions of IAS 37.

Provisions for legal claims

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

Provisions for dilapidations

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

Notes to the Consolidated Financial Statements continued

3 Accounting policies continued

3.3 Summary of material accounting policy information applied continued

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. The share premium reflects the extra paid for new shares above their nominal value.

Other reserves represent the cost of equity on settled share-based payments until such share options are exercised or lapse. Own shares reserve represents those Company shares held by the Trustee of the FDM Group Employee Benefit Trust and are a deduction from shareholders' funds (see note 27).

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The capital redemption reserve arose from the purchase by the Company in 2015 of 5,200,392 deferred shares, which had a nominal value of £0.01 each.

n) Share-based payments

Employees 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 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 between the beginning and end of that period and is recognised in employee benefits expense. The equity-settled transactions are fair valued at the grant date and the expense recognised over the duration of the vesting period.

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.

Included within the results for the year ending 31 December 2024 is a charge relating to a portion of the Directors' bonus earned during 2024, the balance will be settled via issue of shares equal to the amount which would have been payable to them.

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 period in which they are approved such that the Company is obligated to pay the dividend.

q) Employee Benefit Trust

FDM Group (Holdings) plc has an established Employee Benefit Trust ("EBT") to which it is the sponsoring entity. Notwithstanding the legal duties of the Trustee, the Company considers that it has "de facto" control. The EBT is included in the Parent Company Financial Statements and the Consolidated Financial Statements.

No gain or loss is recognised in profit or loss or other comprehensive income on the purchase, sale or cancellation of the Company's own equity held by the EBT. For further information, see note 27.

r) Leases

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

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

The liabilities are measured at the present value of the remaining lease payments, discounted using the lessee company's estimated incremental borrowing rate at the date of lease inception. Lease payments are presented as cash flows from financing activities, split between principal and interest elements, on the Statement of Cash Flows.

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

s) Government grants

Government grants are recognised at fair value when there is reasonable assurance that conditions attached to the grant will be complied with and the grant will be received. Income is offset against the expenses the grant is intended to support. The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

4 Other accounting estimate

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

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

Share-based payment charge

A share-based payment charge is recognised in respect of share awards 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. In estimating the number of shares likely to vest, the Directors have based their assessment of the adjusted EPS growth in the forecasts contained within the Group's three-year plan, adjusted for the impact of potential scenarios that could potentially impact EPS growth. The charge is calculated based on the fair value on the grant date using the Black-Scholes model and is expensed over the vesting period. The key assumptions in respect of the share-based payment charges are set out in note 26. The credit recognised in 2023 was a result of a change in the vesting assumptions of the adjusted earnings per share performance, with the outstanding awards now expected not to vest. This, combined with that there were no new options awarded in 2023, decreased the level of uncertainty over the accounting estimate that was present at prior year ends.

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

Notes to the Consolidated Financial Statements continued

5 New standards and interpretations

The International Accounting Standards Board ("IASB") and IFRS IC have issued the following new standards and amendments which were effective during the year and were adopted by the Group in preparing the financial statements.

The adoption of these amendments has not had a material impact on the Group's financial statements in the year:

Effective in 2024	Effective for accounting periods beginning on or after	Endorsed by the UK Endorsement Board (UKEB)
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024	Yes
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024	Yes
Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024	Yes

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2024, and were not adopted in the Group's financial statements for the year and are not expected to have a material impact on the Group when adopted:

Effective after 31 December 2024	Effective for accounting periods beginning on or after	Endorsed by the UK Endorsement Board (UKEB)
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025	Yes
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026	No
IFRS 18, 'Presentation and Disclosure in Financial Statements'	1 January 2027	No

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'.

As of 31 December 2024, the Board of Directors consider that the Group is organised on a worldwide basis into four core geographical operating segments:

1. UK;
2. North America;
3. Europe, Middle East and Africa, excluding UK ("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 a global professional services provider with a focus on IT.

For the year ended 31 December 2024

	UK £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	103,985	92,188	21,923	39,608	257,704
Depreciation and amortisation	2,135	1,356	368	1,546	5,405
Exceptional administrative expenses	3,636	780	86	392	4,894
Segment operating profit	14,512	10,666	1,186	1,075	27,439
Finance income[1]	1,842	280	15	6	2,143
Finance costs[1]	(897)	(149)	(51)	(423)	(1,520)
Profit before income tax	15,457	10,797	1,150	658	28,062
As at 31 December 2024					
Total assets	68,210	18,936	9,599	14,705	111,450
Total liabilities	(12,325)	(7,461)	(7,177)	(17,147)	(44,110)

1 Finance income and finance costs include intercompany interest which is eliminated upon consolidation.

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

	UK £000	North America £000	EMEA £000	APAC £000	Total £000
31 December 2024	34,108	1,896	579	4,469	41,052

The following foreign entities, which are 100% owned subsidiaries, are material by their size at 31 December 2024:

Entity name	FDM Group Inc.	FDM Group Canada Inc.	FDM Group Australia Pty Ltd
Country of registration	USA £000	Canada £000	Australia £000
Revenue	48,317	43,871	15,976
Non-current assets (excluding deferred tax)	1,041	855	3,245

Notes to the Consolidated Financial Statements continued

6 Segmental reporting continued

For the year ended 31 December 2023

	UK £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	127,770	130,167	24,093	51,945	333,975
Depreciation and amortisation	2,420	1,324	362	1,636	5,742
Segment operating profit	28,608	21,641	2,398	2,379	55,026
Finance income[1]	1,334	260	24	11	1,629
Finance costs[1]	(401)	(55)	(61)	(512)	(1,029)
Profit before income tax	29,541	21,846	2,361	1,878	55,626
As at 31 December 2023					
Total assets	71,625	21,147	13,766	17,639	124,177
Total liabilities	(11,093)	(8,629)	(5,479)	(22,305)	(47,506)

1 Finance income and finance costs include intercompany interest which is eliminated upon consolidation.

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

	UK £000	North America £000	EMEA £000	APAC £000	Total £000
31 December 2023	32,358	1,409	911	5,724	40,402

The following foreign entities, which are 100% owned subsidiaries, are material by their size at 31 December 2023:

Entity name	FDM Group Inc.	FDM Group Canada Inc.	FDM Group Australia Pty Ltd
Country of registration	USA £000	Canada £000	Australia £000
Revenue	71,884	58,283	21,665
Non-current assets (excluding deferred tax)	1,185	224	4,377

Information about major clients

Client A represents 10% or more of the Group's 2024 and 2023 revenues. Revenue from client A is attributed to North America.

	2024 £000	2023 £000
Revenue from client A	**38,234**	48,960

7 Exceptional administrative expenses

During the year, the Group incurred exceptional costs of £4.9 million (2023: £nil) as we better aligned our internal staff and undeployed Consultants with market demand.

8 Operating profit

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

	2024 £000	2023 £000
Net foreign exchange differences	**369**	174
Loss on disposal of property, plant and equipment	**3**	148
Profit on disposal of right-of-use assets	**(170)**	–
Depreciation of right-of-use assets	**4,547**	4,279
Depreciation of property, plant and equipment and amortisation of software and software licences	**858**	1,463
Expense relating to short-term leases	**49**	600

Auditors' remuneration

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

	2024 £000	2023 £000
Fees payable to the Group's auditors for the audit of the Parent Company and Consolidated Financial Statements	**285**	273
Fees payable to the Group's auditors for other services:		
– Audit-related assurance services- Interim review	**60**	59
	345	332

9 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:

	2024 Number	2023 Number
Consultants	**4,153**	5,687
Administration	**626**	795
	4,779	6,482

The aggregate payroll costs of these persons were as follows:

	2024 £000	2023 £000
Wages and salaries	**182,867**	227,644
Social security costs	**17,752**	22,166
Other pension costs	**6,099**	8,028
Share-based payments	**1,063**	(5,449)
	207,781	252,389

Notes to the Consolidated Financial Statements continued

9 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 2024 were £445,000 (2023: £594,000). There were no prepaid contributions at the end of the financial year (2023: £nil).

10 Directors' remuneration

Details of the Directors' (who also represent the key management personnel of the Group) remuneration in respect of the year ended 31 December 2024 and 2023 is set out below:

	2024 £000	2023 £000
Short-term employee benefits	**2,802**	2,577
Post-employment benefits	**55**	55
Share-based payments	**71**	(755)
	2,928	1,877

Included within Short-term employee benefits in 2024 is £106,000 relating to annual bonus which was deferred into shares for two years (2023: £73,000). There are no 'Other long-term benefits' or 'Termination benefits' made in the year (2023: £nil). For further information on this and Directors' remuneration, see the audited sections of the Remuneration Report as defined on page 106.

11 Finance income and expense

	2024 £000	2023 £000
Bank interest	**1,927**	1,396
Finance income	**1,927**	1,396

	2024 £000	2023 £000
Interest on lease liabilities	**(1,225)**	(718)
Interest on unwinding of provision for dilapidations	**(30)**	(7)
Finance fees and charges	**(49)**	(71)
Finance expense	**(1,304)**	(796)

12 Taxation

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

	2024 £000	2023 £000
Current income tax:		
Current income tax charge	**8,254**	13,352
Adjustments in respect of prior periods	**(731)**	(249)
Total current income tax	**7,523**	13,103
Deferred tax:		
Relating to origination and reversal of temporary differences (note 18)	**32**	1,758
Total deferred tax	**32**	1,758
Total tax expense reported in the income statement	**7,555**	14,861

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

	2024 £000	2023 £000
Profit before income tax	**28,062**	55,626
Profit before income tax multiplied by UK standard rate of corporation tax of 25% (2023: 23.5%)	**7,016**	13,072
Effect of different tax rates on overseas earnings	**403**	1,562
Effect of expenses not deductible for tax purposes	**287**	99
Adjustments in respect of prior periods	**(731)**	(249)
Effect of unused tax losses not recognised for deferred tax assets	**580**	377
Total tax charge	**7,555**	14,861

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.

On 19 July 2023, the UK Endorsement Board endorsed the amendments introducing a global minimum effective tax rate of 15%. On 15 December 2023, the Organisation for Economic Co-Operation and Development (OECD) unveiled further Administrative Guidance related to Pillar 2. We will continue to monitor, but do not expect to be impacted by Pillar 2 requirements as the Group does not currently meet the Euro 750 million consolidated revenue threshold.

Notes to the Consolidated Financial Statements continued

13 Earnings per ordinary share

Basic earnings per share are 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.

		2024	2023
Profit for the year	£000	**20,507**	40,765
Average number of ordinary shares in issue (thousands)		**109,224**	109,151
Basic earnings per share	Pence	**18.8**	37.3

Adjusted basic earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the Parent Company, excluding, (i) Performance Share Plan expenses (including social security costs and associated deferred tax) and (ii) exceptional costs relating to terminating the employment of internal staff and undeployed Consultants (including associated tax) by the weighted average number of ordinary shares in issue during the period.

		2024	2023
Profit for the year (basic earnings)	£000	**20,507**	40,765
Share-based payment expense/ (credit) (including social security costs) (note 26)	£000	**1,063**	(5,449)
Tax effect of share-based payment expense/ (credit)	£000	**(210)**	563
Exceptional costs (see note 7)	£000	**4,894**	–
Tax effect of exceptional costs	£000	**(1,164)**	–
Adjusted profit for the year	£000	**25,090**	35,879
Average number of ordinary shares in issue (thousands)		**109,224**	109,151
Adjusted basic earnings per share	Pence	**23.0**	32.9

Diluted earnings per share

Diluted earnings per share are 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.

		2024	2023
Profit for the year (basic earnings)	£000	**20,507**	40,765
Average number of ordinary shares in issue (thousands)		**109,224**	109,151
Adjustment for share options (thousands)		**401**	329
Diluted number of ordinary shares in issue (thousands)		**109,625**	109,480
Diluted earnings per share	Pence	**18.7**	37.2

14 Right-of-use assets and lease liabilities

i) Right-of-use assets

Properties	2024 £000	2023 £000
Cost		
At 1 January	**36,645**	37,211
Additions	**6,622**	12,784
Disposals	**(5,606)**	(12,456)
Effect of movements in foreign exchange	**(609)**	(894)
At 31 December	**37,052**	36,645
Accumulated depreciation		
At 1 January	**18,430**	27,138
Depreciation charge for the year	**4,547**	4,279
Disposals	**(5,190)**	(12,450)
Effect of movements in foreign exchange	**(349)**	(537)
At 31 December	**17,438**	18,430
Net book value at 31 December	**19,614**	18,215

ii) Lease liabilities

	2024 £000	2023 £000
Current lease liabilities	**4,586**	4,512
Non-current lease liabilities	**17,122**	15,669
	21,708	20,181

Movement in lease liabilities in the year	2024 £000	2023 £000
At 1 January	**20,181**	12,893
Additions	**6,182**	12,563
Interest expense	**1,225**	718
Cash payments	**(4,901)**	(5,525)
Termination of leases	**(586)**	(6)
Effect of movements in foreign exchange	**(393)**	(462)
At 31 December	**21,708**	20,181

Notes to the Consolidated Financial Statements continued

14 Right-of-use assets and lease liabilities continued

ii) Lease liabilities continued

Contractual maturities of lease liabilities:	At net present value		Not discounted	
	2024 £000	2023 £000	2024 £000	2023 £000
Less than one year	**4,586**	4,512	**4,746**	4,637
Between 1 and 2 years	**3,827**	3,599	**4,278**	3,929
Between 2 and 5 years	**8,041**	7,421	**9,946**	9,090
Over 5 years	**5,254**	4,649	**8,535**	7,814
Total lease liabilities	**21,708**	20,181	**27,505**	25,470

The total cash outflow for leases was £4,950,000 (2023: £6,125,000), which includes short-term lease payments of £49,000 (2023: £600,000). Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. All extension and termination options held are exercisable only by the Group and not by the respective lessor. Where there is reasonable certainty that an option to extend a lease will be exercised, lease liabilities have been recognised accordingly. During 2024, we exited two leases early (2023: one lease). The impact of lease terminations was a reduction in lease liabilities of £586,000 (2023: £6,000) and the disposal of the right-of-use assets, by net book value, was £416,000 (2023: £6,000).

iii) Amounts recognised in the Income Statement

The Income Statement shows the following amounts relating to leases:

	2024 £000	2023 £000
Depreciation of right-of-use assets – properties	**4,547**	4,279
Profit on disposal of right-of-use assets	**(170)**	–
Interest expense (included in finance cost)	**1,225**	718
Expense relating to short-term leases	**49**	600

15 Property, plant and equipment

2024	Leasehold improvements £000	Fixtures and fittings £000	Plant and equipment £000	Total £000
Cost				
At 1 January 2024	**6,279**	**1,195**	**3,624**	**11,098**
Additions	**281**	**28**	**26**	**335**
Disposals	**–**	**–**	**(453)**	**(453)**
Effect of movements in foreign exchange	**(260)**	**(25)**	**(53)**	**(338)**
At 31 December 2024	**6,300**	**1,198**	**3,144**	**10,642**
Accumulated depreciation				
At 1 January 2024	**4,741**	**1,061**	**2,680**	**8,482**
Depreciation charge for the year	**371**	**47**	**440**	**858**
Disposals	**–**	**–**	**(450)**	**(450)**
Effect of movements in foreign exchange	**(159)**	**(23)**	**(40)**	**(222)**
At 31 December 2024	**4,953**	**1,085**	**2,630**	**8,668**
Net book value at 31 December 2024	**1,347**	**113**	**514**	**1,974**

2023	Leasehold improvements £000	Fixtures and fittings £000	Plant and equipment £000	Total £000
Cost				
At 1 January 2023	8,583	1,640	4,372	14,595
Additions	356	162	133	651
Disposals	(2,463)	(575)	(794)	(3,832)
Effect of movements in foreign exchange	(197)	(32)	(87)	(316)
At 31 December 2023	6,279	1,195	3,624	11,098
Accumulated depreciation				
At 1 January 2023	6,395	1,614	2,920	10,929
Depreciation charge for the year	802	54	607	1,463
Disposals	(2,331)	(575)	(778)	(3,684)
Effect of movements in foreign exchange	(125)	(32)	(69)	(226)
At 31 December 2023	4,741	1,061	2,680	8,482
Net book value at 31 December 2023	1,538	134	944	2,616

Notes to the Consolidated Financial Statements continued

16 Intangible assets

2024	Goodwill £000
Cost	
At 1 January 2024	**19,571**
Effect of movements in foreign exchange	**(107)**
At 31 December 2024	**19,464**
Accumulated amortisation	
At 1 January 2024	**–**
Disposals	**–**
At 31 December 2024	**–**
Net book value at 31 December 2024	**19,464**

2023	Software and software licences £000	Goodwill £000	Total £000
Cost			
At 1 January 2023	707	19,729	20,436
Disposals	(707)	–	(707)
Effect of movements in foreign exchange	–	(158)	(158)
At 31 December 2023	–	19,571	19,571
Accumulated amortisation			
At 1 January 2023	707	–	707
Disposals	(707)	–	(707)
At 31 December 2023	–	–	–
Net book value at 31 December 2023	–	19,571	19,571

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 £000	North America £000	EMEA £000	APAC £000	Total £000
Cost and NBV at 31 December 2024	**14,843**	**1,778**	**2,843**	**–**	**19,464**
Cost and NBV at 31 December 2023	14,843	1,750	2,978	–	19,571

17 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, which has been calculated using cash flow projections from financial budgets and forecasts approved by the Board covering a two-year period from the date of the relevant impairment review. In setting those budgets and forecasts the Board also considered the risks to the business. The key assumptions in the projections relate to revenue forecasts and operating profit margins in each of the operating CGUs. The values applied to these key assumptions are based on past experience together with management's future expectations about business performance. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The growth rate used to extrapolate the cash flows beyond the two-year forecast period was 2% up to a period of 15 years in total.

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

	2024 %	2023 %
UK	**13.93**	11.55
North America	**21.62**	20.05
EMEA	**9.03**	11.08

The review found that the present value of future cash flows was significantly higher than the value of goodwill. 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.

18 Deferred income tax assets and liabilities

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2024 £000	2023 £000
Non-current asset:		
Non-current temporary differences	**481**	552
Deferred tax asset	**481**	552

	2024 £000	2023 £000
Non-current liability:		
Non-current temporary differences	**–**	31
Deferred tax liability	**–**	31

Notes to the Consolidated Financial Statements continued

18 Deferred income tax assets and liabilities continued

The Directors consider the deferred tax asset is recoverable within two to five years. Deferred tax assets have been recognised in respect of timing differences associated with share-based payment expenses where it is considered probable that these assets will be recovered.

Movement in deferred tax asset during 2024:

	1 January 2024 £000	Recognised in income statement £000	Deferred tax liability £000	Recognised in other reserves £000	Exchange difference £000	31 December 2024 £000
Share-based payments	**360**	**7**	**–**	**3**	**–**	**370**
Right-of-use assets	**14**	**(11)**	**–**	**–**	**–**	**3**
Property, plant and equipment	**75**	**35**	**(31)**	**–**	**(11)**	**68**
Other	**103**	**(63)**	**–**	**–**	**–**	**40**
	552	**(32)**	**(31)**	**3**	**(11)**	**481**

Movement in deferred tax liability during 2024:

	1 January 2024 £000	Transfer to deferred tax asset £000	31 December 2024 £000
Property, plant and equipment	**(31)**	**31**	**–**

Movement in deferred tax asset during 2023:

	1 January 2023 £000	Recognised in income statement £000	Recognised in other reserves £000	Transferred to retained earnings £000	Exchange difference £000	31 December 2023 £000
Share-based payments	1,971	(1,578)	–	(4)	(29)	360
Right-of-use assets	129	(112)	–	–	(3)	14
Property, plant and equipment	(29)	75	31	–	(2)	75
Other	245	(143)	–	–	1	103
	2,316	(1,758)	31	(4)	(33)	552

Movement in deferred tax liability during 2023:

	1 January 2023 £000	Recognised in income statement £000	31 December 2023 £000
Property, plant and equipment	–	**(31)**	**(31)**

The Group has unused tax losses for which no deferred tax asset has been recognised totalling £9,971,000 (2023: £7,456,000) with a potential tax benefit of £3,054,000 (2023: £2,261,000), no asset has been recognised as the losses have been generated in regions where the Group does not expect to generate profits in the short term. The losses can be carried forward indefinitely.

19 Trade and other receivables

Due to their short-term nature, the Directors consider that the carrying amount of trade receivables approximates to their transaction price. The standard credit terms are 30 days.

	2024 £000	2023 £000
Trade receivables	**22,297**	24,944
Prepayments and accrued income	**5,105**	6,717
Other receivables	**1,130**	952
	28,532	32,613

Included within prepayments and accrued income is £1,528,000 of accrued income (2023: £2,340,000).

The expected loss rate and the aged gross trade receivables and aged loss allowance as at 31 December are as follows:

31 December 2024	Expected loss rate	Gross trade receivable £000	Loss allowance £000
Not overdue	**2%**	**20,002**	**(448)**
Not more than three months past due	**2%**	**2,780**	**(62)**
More than three months but not more than six months past due	**3%**	**26**	**(1)**
		22,808	**(511)**

31 December 2023	Expected loss rate	Gross trade receivable £000	Loss allowance £000
Not overdue	2%	21,873	(443)
Not more than three months past due	2%	3,562	(72)
More than three months but not more than six months past due	2%	25	(1)
		25,460	(516)

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

	2024 £000	2023 £000
At 1 January	**(516)**	(498)
Increase in allowance	**–**	(18)
Unused amount reversed	**5**	–
At 31 December	**(511)**	(516)

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

Notes to the Consolidated Financial Statements continued

20 Cash and cash equivalents

	2024 £000	2023 £000
Cash at bank and in hand	**40,588**	47,226

The Group has issued a guarantee in favour of the Swiss Office of Labour and Economy for CHF150,000.

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

Cash at bank by credit rating	2024 £000	2023 £000
A	**40,563**	47,202
BB	**–**	24
B	**25**	–
	40,588	47,226

21 Trade and other payables

Due to their short-term nature, the Directors consider that the carrying amount of trade payables approximates to their fair value.

	2024 £000	2023 £000
Trade payables	**1,782**	1,435
Other payables	**1,773**	2,147
Other taxes and social security	**4,798**	7,031
Accruals	**12,381**	15,025
	20,734	25,638

Included within accruals are volume rebates of £2,126,000 (2023: £2,336,000) and payroll accruals of £3,013,000 (2023: £3,182,000). No significant judgements were made in the estimation of the volume rebate accrual or payroll accruals. Any volume rebates, where the rebate period is non-coterminous with the financial period, are accrued based on forecast revenue for the remainder of the rebate period. No individual client rebates were material in value in 2024 or 2023.

22 Provisions

Non-current	2024 £000	2023 £000
Dilapidation provision		
At 1 January	**228**	–
Additional provision recognised	**404**	221
Interest expense due to unwinding of discount	**30**	7
Effect of movements in foreign exchange	**(4)**	–
At 31 December	**658**	228

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

23 Share capital

Authorised, called-up, allotted and fully-paid share capital

	2024 Number of shares	2024 £000	2023 Number of shares	2023 £000
Ordinary shares of £0.01 each				
At 1 January	**109,611,852**	**1,096**	109,191,669	1,092
Issued in year	**94,850**	**1**	420,183	4
At 31 December	**109,706,702**	**1,097**	109,611,852	1,096

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.

24 Dividends

	2024 £000	2023 £000
Dividends paid		
Paid to shareholders	**31,677**	39,320

2024

An interim dividend of 10.0 pence per ordinary share was declared by the Directors on 30 July 2024 and was paid on 1 November 2024 to holders on the register on 11 October 2024; the amount paid was £10,928,000.

The Board is proposing a final dividend of 12.5 pence per share in respect of the year to 31 December 2024, for approval by shareholders at the AGM on 20 May 2025; the amount payable will be £13,667,000. Subject to shareholder approval the dividend will be paid on 27 June 2025 to shareholders on the register on 6 June 2025.

This brings the Company's total dividend for the year to 22.5 pence per share (2023: 36.0 pence per share).

The Board continues to operate its 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.

2023

An interim dividend of 17.0 pence per ordinary share was declared by the Directors on 25 July 2023 and was paid on 13 October 2023 to holders on the register on 22 September 2023; the amount paid was £18,539,000.

The Board paid a final dividend of 19.0 pence per share on 28 June 2024, to shareholders on the register on 7 June 2024; the amount paid was £20,749,000.

Notes to the Consolidated Financial Statements continued

25 All Other reserves

	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Total of All Other reserves £000
Balance at 1 January 2024	**52**	**(3,016)**	**1,062**	**3,469**	**1,567**
Other comprehensive expense for the year	**–**	**–**	**494**	**–**	**494**
Total comprehensive expense for the year	**–**	**–**	**494**	**–**	**494**
Share-based payments (note 26)	**–**	**–**	**–**	**1,108**	**1,108**
Transfer to retained earnings	**–**	**–**	**–**	**(1,260)**	**(1,260)**
Own shares sold	**–**	**616**	**–**	**–**	**616**
Total transactions with owners, recognised directly in equity	**–**	**616**	**–**	**(152)**	**464**
Balance at 31 December 2024	**52**	**(2,400)**	**1,556**	**3,317**	**2,525**

	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Total of All Other reserves £000
Balance at 1 January 2023	52	(1,494)	2,391	12,576	13,525
Other comprehensive income for the year	–	–	(1,329)	–	(1,329)
Total comprehensive income for the year	–	–	(1,329)	–	(1,329)
Share-based payments (note 26)	–	–	–	(4,434)	(4,434)
Transfer to retained earnings	–	–	–	(4,673)	(4,673)
Own shares sold	–	1,003	–	–	1,003
Own shares purchased	–	(2,525)	–	–	(2,525)
Total transactions with owners, recognised directly in equity	–	(1,522)	–	(9,107)	(10,629)
Balance at 31 December 2023	52	(3,016)	1,062	3,469	1,567

26 Share-based payments

Recognised in Income Statement	2024 £000	2023 £000
Expense/ (credit) arising from equity-settled share-based payment transaction	**1,009**	(4,748)
Social security accrued thereon	**54**	(701)
	1,063	(5,449)
Expenses arising from bonus deferred as shares	**106**	109
Expense/ (credit) arising from equity-settled share-based payment transaction	**1,169**	(5,340)

Recognised in Equity	2024 £000	2023 £000
Expense/ (credit) arising from equity-settled share-based payment transaction	**1,116**	(4,639)
Deferred tax recognised in other reserves arising from equity-settled share-based payment transaction (note 18)	**3**	(4)
Transfer to retained earnings – Recharge	**(1,172)**	(4,661)
Transfer to retained earnings – Lapsed options	**(88)**	(12)
Currency difference on retranslation	**(11)**	209
	(152)	(9,107)

The credit arising from equity-settled share-based payment transactions in 2023 reflects the latest assessment of the forecast adjusted EPS. During the period 94,850 options were exercised, the share options exercised were satisfied via issue of shares, with 94,850 shares issued. A transfer of £1,172,000 was made from 'Other reserves' to 'Retained earnings' in respect of the exercise of share options during the period (2023: transfer of £4,661,000).

As disclosed in the Directors' Remuneration Report, in September 2024 the Company granted; 300,000 nominal cost options over ordinary shares in the Company under the PSP to the Directors, subject to the achievement of a three-year performance condition relating to earnings per share; 342,668 Restricted Stock Options subject to the achievement of a two-year performance condition; and 342,668 Restricted Stock Options subject to the achievement of a three-year performance condition.

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

	2024		2023	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at 1 January	**1,822,540**	**4p**	2,395,160	6p
Granted during the year	**985,376**	**1p**	–	n/a
Forfeited during the year	**(120,875)**	**17p**	(140,865)	1p
Exercised during the year	**(94,850)**	**1p**	(421,954)	4p
Lapsed during the year	**(707,625)**	**1p**	(9,801)	640p
Outstanding at 31 December	**1,884,566**	**3p**	1,822,540	4p
Exercisable at the end of the year	**92,315**	**44p**	170,290	34p
Weighted average remaining contractual life (years)	**8.32**	**n/a**	7.49	n/a

The weighted average share price at the date of exercise of options exercised during the year ended 31 December 2024 was 406 pence (2023: 656 pence).

Notes to the Consolidated Financial Statements continued

26 Share-based payments continued

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

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

The expected volatility applied in the Black-Scholes models reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Buy As You Earn

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

27 Investment in own shares

During the AGM held on 14 May 2024, the shareholders approved that up to a maximum of 10% of the Company's shares could be purchased by the Company and held as own shares, renewing the authority agreed on 16 May 2023. The authority expires at the conclusion of the Company's next Annual General Meeting after the passing of this resolution or, if earlier, at 23:59 on 13 August 2025.

Established in 2018, the FDM Group Employee Benefit Trust was used to purchase shares sold by option holders upon exercise of options under the FDM Performance Share Plan and sell shares to the members of the FDM Group Buy As You Earn Plan. The Group accounts for the Company's shares held by the Trustee of the FDM Group Employee Benefit Trust as a deduction from shareholders' funds.

The administrative costs of running the Trust have been consolidated in the results of FDM Group (Holdings) plc.

	2024	2023
Number of shares in the Company owned by the EBT	**391,341**	536,914
Nominal value of shares held	**£3,913**	£5,369
Cost price of shares held	**£2,400,387**	£3,015,942
Prevailing valuation per share	**£3.15**	£4.585
Total market value of shares	**£1,232,724**	£2,461,751
Minimum number of shares in the Company owned by EBT during the year	**391,341**	129,084
Maximum number of shares in the Company owned by EBT during the year	**491,996**	565,571

28 Related parties

During 2024, seven family members of Directors were employed by the Group (2023: eight family members), each at market rate on an arm's length basis. The total remuneration relating to these staff in aggregate was £977,000, comprising salary and bonus of £902,000 and share-based payment expense of £75,000 (2023: eight individuals, aggregate remuneration of £251,000 comprising salary and bonus of £1,028,000 and share-based payment credit of £777,000).

For information on Directors' remuneration see note 10 and the audited sections of the Remuneration Report as defined on page 106.

The full registered addresses of all subsidiaries of the Parent Company are disclosed on page 175.

29 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 while 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 clients in the normal course of business and the amount that appears in the Consolidated Statement of Financial Position is net of an allowance for expected credit losses of £511,000 (2023: £516,000).

All material trade receivable balances relate to sales transactions with the Group's blue-chip client base. At the reporting date, although the Group had significant balances with key clients, 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 clients and managing existing clients. For new clients we obtain and review credit ratings and set credit limits based upon our past experience. £463,000 of trade receivables at 31 December 2024 (2023: £531,000) is owed from new clients (less than six months).

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 is limited as the Group had no debt 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 debt from third parties at the year end and therefore liquidity risk is not considered a significant risk at this time due to the Group's cash balances.

Notes to the Consolidated Financial Statements continued

29 Financial risk management continued

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor market, creditor, client 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.

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. There are no assets or liabilities measured at fair value through profit and loss, no derivatives used for hedging, or other financial liabilities at amortised cost.

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, Hong Kong Dollar and Euro. The Group has both cash inflows and outflows in these currencies that create a natural hedge.

Cash and cash equivalents

The Group's cash and cash equivalents are denominated in the following currencies:

	2024 £000	2023 £000
Pounds Sterling	**26,198**	27,550
Singapore Dollar	**3,102**	1,463
US Dollar	**2,800**	3,035
Euro	**2,648**	6,987
Hong Kong Dollar	**1,461**	693
South African Rand	**1,039**	688
Canadian Dollar	**1,002**	1,752
Polish Zloty	**773**	1,198
Australian Dollar	**719**	1,467
Chinese Renminbi	**606**	2,132
Swiss Franc	**228**	239
New Zealand Dollar	**12**	22
	40,588	47,226

Trade receivables

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

	2024 £000	2023 £000
Pounds Sterling	**10,498**	11,103
US Dollar	**3,254**	5,412
Canadian Dollar	**2,854**	2,029
Euro	**2,720**	2,019
Hong Kong Dollar	**1,229**	1,421
Singapore Dollar	**928**	1,111
Australian Dollar	**903**	1,485
Polish Zloty	**229**	440
Chinese Renminbi	**97**	256
Swiss Franc	**75**	112
South African Rand	**21**	72
	22,808	25,460

Trade and other payables

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

	2024 £000	2023 £000
Pounds Sterling	**11,475**	12,576
Euro	**2,616**	2,311
Canadian Dollar	**2,376**	4,565
US Dollar	**1,701**	1,938
Australian Dollar	**1,174**	2,062
Singapore Dollar	**511**	625
Hong Kong Dollar	**390**	627
Polish Zloty	**258**	451
Swiss Franc	**94**	50
Chinese Renminbi	**82**	134
South African Rand	**38**	52
New Zealand Dollar	**19**	34
	20,734	25,425

Parent Company Statement of Financial Position

as at 31 December 2024

	Note	2024 £000	2023 £000
Fixed assets			
Investments	4	**3,314**	3,469
		3,314	3,469
Current assets			
Trade and other receivables	5	**41,410**	52,273
Cash and cash equivalents	6	**12**	201
Creditors: amounts falling due within one year			
Trade and other payables	7	**(200)**	(367)
Net assets		**44,536**	55,576
Equity			
Called up share capital	8	**1,097**	1,096
Share premium account		**9,705**	9,705
Capital redemption reserve		**52**	52
Own shares reserve	9	**(2,400)**	(3,016)
Other reserves		**3,314**	3,469
Retained earnings		**32,768**	44,270
Total equity		**44,536**	55,576

The Parent Company made a profit for the year of £19,384,000 (2023: profit of £31,295,000). 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 172 to 178 are an integral part of the Parent Company Financial Statements (Registered Company 07078823).

These financial statements on pages 170 to 178 were approved by the Board of Directors on 18 March 2025 and were signed on its behalf by:

Rod Flavell
Chief Executive Officer
18 March 2025

Mike McLaren
Chief Financial Officer
18 March 2025

Parent Company Statement of Changes in Equity

for the year ended 31 December 2024

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Own shares reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2024	**1,096**	**9,705**	**52**	**(3,016)**	**3,469**	**44,270**	**55,576**
Profit for the year	–	–	–	–	–	**19,384**	**19,384**
Total comprehensive income for the year	–	–	–	–	–	**19,384**	**19,384**
Share-based payments (note 4)	–	–	–	–	**1,016**	–	**1,016**
Issue of new shares (note 8)	**1**	–	–	–	–	–	**1**
Transfer to retained earnings (note 4)	–	–	–	–	**(1,171)**	**1,171**	–
Own shares purchased/ sold	–	–	–	**616**	–	**(317)**	**299**
Recharge of net settled share options	–	–	–	–	–	**(63)**	**(63)**
Dividends paid (note 11)	–	–	–	–	–	**(31,677)**	**(31,677)**
Total transaction with owners, recognised directly in equity	**1**	–	–	**616**	**(155)**	**(30,886)**	**(30,424)**
Balance at 31 December 2024	**1,097**	**9,705**	**52**	**(2,400)**	**3,314**	**32,768**	**44,536**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Own shares reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2023	1,092	9,705	52	(1,494)	12,572	48,331	70,258
Profit for the year	–	–	–	–	–	31,295	31,295
Total comprehensive income for the year	–	–	–	–	–	31,295	31,295
Share-based payments (note 4)	–	–	–	–	(4,442)	–	(4,442)
Issue of new shares (note 8)	4	–	–	–	–	–	4
Transfer to retained earnings (note 4)	–	–	–	–	(4,661)	4,661	–
Recharge of net settled share options	–	–	–	–	–	(201)	(201)
Own shares purchased/ sold	–	–	–	(1,522)	–	(496)	(2,018)
Dividends paid (note 11)	–	–	–	–	–	(39,320)	(39,320)
Total transaction with owners, recognised directly in equity	4	–	–	(1,522)	(9,103)	(35,356)	(45,977)
Balance at 31 December 2023	1,096	9,705	52	(3,016)	3,469	44,270	55,576

The notes on pages 172 to 178 are an integral part of the Parent Company Financial Statements.

Notes to the Parent Company Financial Statements

1 General information

The Company is limited by shares, incorporated and domiciled in the UK and registered as a public limited company in England and Wales with a 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.

2 Going concern

The Directors have a reasonable expectation that with the continued support of its Subsidiaries, the Company will have adequate resources to continue in operational existence as a holding company for at least twelve months. Accordingly, the Directors continue to adopt the going concern basis for preparing the financial statements.

3 Accounting policies

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 'Reduced disclosure framework' (FRS 101) and the requirements of the Companies Act 2006 as applicable to companies using FRS101.

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 £19,384,000 (2023: profit of £31,295,000).

The financial information has been prepared on a historical cost basis and is presented in Pounds Sterling and all values are rounded to the nearest thousand (£000), except where otherwise indicated.

The following exemptions available under FRS 101 have been applied:

- The following paragraphs of IAS 1 'Presentation of financial statements'
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38 B–D (additional comparative information);
  - 40 A–D (requirements for a third statement of financial position);
  - 111 (cash flow statement information); and
  - 134–136 (Capital management disclosures)
- IAS 7 'Statement of cashflows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;

As permitted by section 408(3) of the Companies Act 2006, the income statement of the Company is not presented in this Annual Report.

These separate financial statements are not intended to give a true and fair view of the profit or loss or cash flows of the Company. The Company has not published its individual cash flow statement as its liquidity, solvency and financial adaptability are dependent on the Group rather than its own cash flows.

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 the adoption of FRS 101 as outlined above and that the Company has no policy in respect of consolidation. Investments in subsidiaries are carried at historical cost, share options transactions flow through parent company investments as required under IFRS 2.

Details of the Company's other accounting estimate, being the share-based payments, is consistent with the disclosure in note 4 to the Consolidated Financial Statements on page 147.

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

4 Investments

	2024 £000	2023 £000
At 1 January	**3,469**	12,572
Additions	**1,016**	–
Disposals	–	(4,442)
Recharge of IFRS 2 investment	**(1,171)**	(4,661)
At 31 December	**3,314**	3,469

The investments balance represents costs associated with the investment in subsidiary undertakings and with the PSP.

Share-based payment

The Group operates an equity-settled share-based payment plan for the employees of subsidiaries using the Company's equity instruments. The fair value of the compensation given in respect of the share-based payment plan is recognised as a capital contribution to the Company's subsidiaries over the vesting period. The capital contribution is reduced by any payments received from subsidiaries in respect of these share-based payments. The Company currently uses a number of equity-settled share plans to grant options and shares to the Directors and employees of its subsidiaries. At 31 December 2024, the Company had 1,884,566 share options outstanding (2023: 1,821,290 shares outstanding).

During the year ended 31 December 2024, the increase in total capital contribution arising from share-based payments was £1,016,000 (2023: reduction in capital contribution of £4,442,000), the reduction in the prior year, presented as a disposal, arises due to reassessment of the estimated performance outcome. Payments of £1,171,000 (2023: £4,661,000) received from subsidiaries shown as a transfer to Retained earnings from the Other reserves. Full details of share-based payments and share plans are disclosed in note 26 to the Consolidated Financial Statements.

Investment in subsidiary undertakings

The total cost of investments in subsidiaries, is £2 (2023: £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.

Notes to the Parent Company Financial Statements continued

4 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	United Kingdom	Ordinary	Direct	100%
FDM Group Limited	United Kingdom	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 Luxembourg S.A.	Luxembourg	Ordinary	Indirect	100%
FDM South Africa Proprietary Limited	South Africa	Ordinary	Indirect	100%
FDM Singapore Consulting PTE Limited	Singapore	Ordinary	Indirect	100%
FDM Technology (Shanghai) Co., Ltd.	China	Ordinary	Indirect	100%
FDM Group HK Limited	Hong Kong	Ordinary	Indirect	100%
FDM Group Australia Pty Ltd	Australia	Ordinary	Indirect	100%
FDM Group Austria GmbH	Austria	Ordinary	Indirect	100%
FDM Group B.V.	The Netherlands	Ordinary	Indirect	100%
FDM Grupa Polska sp. z.o.o.	Poland	Ordinary	Indirect	100%
FDM Group New Zealand Limited	New Zealand	Ordinary	Indirect	100%
FDM Malaysia Consulting SDN. BHD.	Malaysia	Ordinary	Indirect	100%

FDM Malaysia Consulting SDN. BHD. was incorporated in 2024 (2023: no subsidiary companies incorporated).

The registered address for each subsidiary of the Company as at 31 December 2024 is listed below. The principal place of business of each company is considered the same as the registered office.

UK registered subsidiaries exempt from Audit

For the year ended 31 December 2024, FDM Group Limited (company registration number 02542980) and Astra 5.0 Limited (company registration number 06936835) will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006. The Company will guarantee the debts and liabilities of the above UK subsidiary undertakings at the balance sheet date in accordance with Section 479C of the Companies Act 2006. The Company has assessed the probability of loss under the guarantee as remote.

Company	Registered address
Astra 5.0 Limited	3rd Floor, Cottons Centre, Cottons Lane, London SE1 2QG, UK
FDM Group Limited	3rd Floor, Cottons Centre, Cottons Lane, London SE1 2QG, UK
FDM Astra Ireland Limited	3 Dublin Landings, North Wall Quay, Dublin 1, D01C4E0, Ireland
FDM Group, Inc.	105 and 105F, 34th Floor, 199 Water Street, New York, NY, 10038, USA
FDM Group Canada Inc.	1 Place Ville Marie, 37th Floor, Montreal, QC H3B 3P4, Canada
FDM Group NV	Rue Medori 99, B–1020 Brussels, Belgium
FDM Group GmbH	6th Floor, Mainzer Landstrasse 41, 60329, Frankfurt am Main, Germany
FDM Switzerland GmbH	Lavaterstrasse 40, Zurich, CH 8002, Switzerland
FDM Luxembourg S.A.	Office No. 17, 12c Rue Guillaume Kroll, L–1882, Luxembourg
FDM South Africa Proprietary Limited	9 Kinross Street, Germiston South, 1401 South Africa
FDM Singapore Consulting PTE Limited	77 Robinson Road, #13–00 Robinson 77, Singapore 068896
FDM Technology (Shanghai) Co., Ltd.	C31, 22/F Jing'an Kerry Centre Office Tower 3, 1228 Middle Yan An Road, Jing An, Shanghai, 200040, China
FDM Group HK Limited	6/F, The Annex, Central Plaza, 18 Harbour Road, Hong Kong
FDM Group Australia Pty Ltd	Level 21, Tower Three, International Towers, 300 Barangaroo Avenue, Sydney, 2000, NSW, Australia
FDM Group Austria GmbH	Handelskai 92/Gate 2/7A, 1200 Wien, Austria
FDM Group B.V.	Westerdoksdijk 423, 1013 BX, Amsterdam, Nederland
FDM Grupa Polska sp. z.o.o.	ul. Grzybowska nr 2 lok. 29, Warsaw, 00–131, Poland
FDM Group New Zealand Limited	Level 5, 79 Queen Street, Auckland 1010, New Zealand
FDM Malaysia Consulting SDN. BHD.	Unit C–12–4, Level 12, Block C Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia

5 Trade and other receivables

	2024 £000	2023 £000
Amounts owed by subsidiary undertakings	**41,369**	52,266
Other receivables	**33**	–
Prepayments and accrued income	**8**	7
	41,410	52,273

All trade and other receivables are receivable in Pounds Sterling and are fully performing. The amounts owed by subsidiary undertakings are unsecured, non-interest bearing and repayable on demand. There is a regular flow of funds between FDM Group (Holdings) plc and FDM Group Limited, primarily to facilitate the payment of dividends by FDM Group (Holdings) plc to its shareholders.

Notes to the Parent Company Financial Statements continued

6 Cash and cash equivalents

	2024 £000	2023 £000
Cash at bank and in hand	**12**	201

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

7 Trade and other payables

	2024 £000	2023 £000
Trade payables	**12**	22
Other payables	**6**	4
Accruals	**157**	108
Current tax liability	**25**	233
	200	367

8 Called up share capital

Authorised, called-up, allotted and fully-paid share capital

	2024 Number of shares	2024 £000	2023 Number of shares	2023 £000
Ordinary shares of £0.01 each				
At 1 January	**109,611,852**	**1,096**	109,191,669	1,092
Issued in year	**94,850**	**1**	420,183	4
At 31 December	**109,706,702**	**1,097**	109,611,852	1,096

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.

9 Own shares reserve

During the AGM held on 14 May 2024, the shareholders approved that up to a maximum of 10% of the Company's shares could be purchased by the Company and held as own shares, renewing the authority agreed on 16 May 2023. The authority expires at the conclusion of the Company's next Annual General Meeting after the passing of this resolution or, if earlier, at 23:59 on 13 August 2025.

Established in 2018, the FDM Group Employee Benefit Trust was used to purchase shares sold by option holders upon exercise of options under the FDM Performance Share Plan and sell shares to the members of the FDM Group Buy As You Earn Plan. The Group accounts for the Company's shares held by the Trustee of the FDM Group Employee Benefit Trust as a deduction from shareholders' funds.

The administrative costs of running the Trust have been consolidated in the results of FDM Group (Holdings) plc.

	31 December 2024	31 December 2023
Number of shares in the Company owned by the EBT	**391,341**	536,914
Nominal value of shares held	**£3,913**	£5,369
Cost price of shares held	**£2,400,387**	£3,015,942
Prevailing valuation per share	**£3.15**	£4.585
Total market value of shares	**£1,232,724**	£2,461,751
Minimum number of shares in the Company owned by EBT during the year	**391,341**	129,084
Maximum number of shares in the Company owned by EBT during the year	**491,996**	565,571

10 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 167 to 169.

Notes to the Parent Company Financial Statements continued

11 Dividends

	2024 £000	2023 £000
Dividends received		
Received from subsidiaries	**20,000**	32,000
Dividends paid		
Paid to shareholders	**31,677**	39,320

2024

An interim dividend of 10.0 pence per ordinary share was declared by the Directors on 30 July 2024 and was paid on 1 November 2024 to holders on the register on 11 October 2024; the amount paid was £10,928,000.

The Board is proposing a final dividend of 12.5 pence per share in respect of the year to 31 December 2024, for approval by shareholders at the AGM to be held on 20 May 2025; the amount payable will be £13,667,000. Subject to shareholder approval the dividend will be paid on 27 June 2025 to shareholders on the register on 6 June 2025.

This brings the Company's total dividend for the year to 22.5 pence per share (2023: 36.0 pence per share).

The Board continues to operate its 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.

2023

An interim dividend of 17.0 pence per ordinary share was declared by the Directors on 25 July 2023 and was paid on 13 October 2023 to holders on the register on 22 September 2023; the amount paid was £18,539,000.

The Board paid a final dividend of 19.0 pence per share on 28 June 2024 to shareholders on record on 7 June 2024; the amount paid was £20,749,000.

12 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 10 to the Consolidated Financial Statements on page 152.

13 Auditors' remuneration

Auditors' remuneration of £10,000 was charged in relation to 2024 (2023: £10,000), the fees were paid by FDM Group Limited in both the current and prior year and no recharge was made to the Company.

14 Employees

The Company had no employees during the current or prior year.

Shareholder Information

Directors	David Lister	Non-Executive Chair
	Rod Flavell	Chief Executive Officer
	Sheila Flavell	Chief Operating Officer
	Mike McLaren	Chief Financial Officer
	Andy Brown	Chief Commercial Officer
	Michelle Senecal de Fonseca	Non-Executive Director
	Jacqueline de Rojas	Non-Executive Director
	Alan Kinnear	Non-Executive Director
	Rowena Murray	Non-Executive Director
Company Secretary	Mark Heather	
Registered office	3rd Floor Cottons Centre Cottons Lane London SE1 2QG	
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH	
Bankers	HSBC Bank plc 8 Canada Square London E14 5HQ	
Registrars	MUFG Corporate Markets (formerly named Link Group) Central Square 29 Wellington Street Leeds LS1 4DL	
Stockbrokers (joint)	Investec Bank plc 30 Gresham Street London EC2V 7QP	HSBC Bank plc 8 Canada Square London E14 5HQ
	Shore Capital Cassini House St James's Street London SW1A 1LD	Barclays 1 Churchill Place Canary Wharf London E14 5HP

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