

FD International 3 Limited

Directors' report and financial statements

Year ended 31 December 2006

Registered number 04730634

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Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Director's report and the financial statements	2
Report of the independent auditors to the members of FD International 3 Limited	3
Profit and loss account	4
Balance sheet	5
Reconciliation of movements in shareholders' funds	6
Notes	7-10

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

Principal activities

The company is a holding company

Business review

The results for the year are disclosed on page 4. During the year the company received dividends from subsidiaries of £5,879,000

On 4 October 2006, the company's then ultimate holding company, FD International (Holdings) Ltd was acquired by FTI FD LLC, a company incorporated in the USA

Proposed dividend

An interim dividend of 27 pence per share was declared on 7 April 2006 and paid during the year, the directors do not recommend the payment of a final dividend (2005 nil)

Directors and directors' interests

The directors who held office during the year and subsequently were as follows

S Jawa	
J Singer	(resigned 30/09/06)
C Watson	
D Bannister	(appointed 4/10/06)
D Shaughnessy	(appointed 4/10/06)
J Dunn	(appointed 4/10/06)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. The interests of D Bannister, D Shaughnessy and J Dunn in the ultimate parent company FTI Consulting, Inc., are shown in the report and financial statements of that company. The interests of S Jawa and C Watson in the ultimate parent company FTI Consulting, Inc., are shown in the report and financial statements of FD International (Holdings) Ltd

Political and charitable contributions

The company made no political or charitable contributions during the year (2005 £nil)

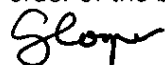
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 386 of the Companies Act 1985, the company is not required to re-appoint its auditors annually. Therefore, KPMG LLP will continue as auditors of the Company until further notice

By order of the board



Greg Cooper

Secretary

Holborn Gate
26 Southampton
Buildings
London
WC2A 1PB
8TH JUNE 2007

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Report of the independent auditors to the members of FD International 3 Limited

We have audited the financial statements of FD International 3 Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



KPMG LLP
Chartered Accountants
Registered Auditor

8 JUNE 2007

Profit and loss account

for the year ended 31 December 2006

	<i>Notes</i>	2006 £'000	2005 £'000
Income from shares in group undertakings		5,879	-
Profit on ordinary activities before taxation	2	5,879	-
Tax on profit on ordinary activities	3	-	-
Profit for the financial year		5,879	-

Results for the year arise from continuing operations

There is no difference between the profit shown above and that calculated under historical cost accounting

There were no other gains or losses recognised during the year

The notes on pages 7 to 10 form an integral part of these financial statements

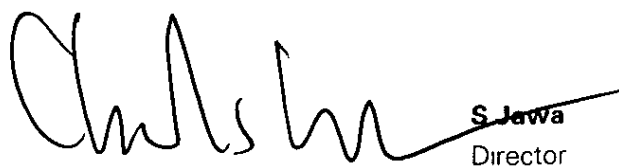
Balance sheet

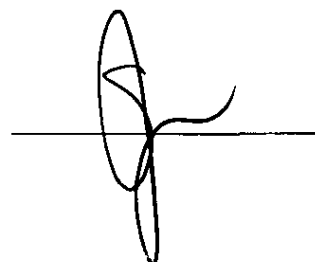
at 31 December 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Investments	5	21,576	21,576
Current assets			
Debtors	6	5,879	-
Creditors amounts falling due within one year	7	<u>(5,879)</u>	<u>-</u>
Net current assets		-	-
Net assets		<u>21,576</u>	<u>21,576</u>
Capital and reserves			
Called up share capital	8	2,158	2,158
Share premium account	9	19,418	19,418
Equity shareholders' funds		<u>21,576</u>	<u>21,576</u>

These financial statements were approved by the board of directors on 8th JUNE 2007 and were signed on its behalf by

C Watson
 Director


 S. Jawa
 Director



The notes on pages 7 to 10 form an integral part of these financial statements

Reconciliation of Movements in Shareholders' funds

at 31 December 2006

	<i>Notes</i>	2006 £'000	2005 £'000
Profit for the financial year	<i>2</i>	5,879	-
Dividends on shares classified in shareholders' funds	<i>4</i>	(5,879)	-
		<hr/>	<hr/>
Retained profit		-	-
		<hr/>	<hr/>
Net addition to shareholders funds		-	-
Opening shareholders' funds		21,576	21,576
		<hr/>	<hr/>
Closing shareholders' funds		21,576	21,576

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements, except as noted below

In these financial statements the following new standards have been adopted for the first time

- FRS 21 'Events after the balance sheet date',
- FRS 28 'Corresponding amounts'

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. There has been no impact on the results on the adoption of FRS 21. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of s228A of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary within the FTI Consulting, Inc. group, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Investments

Investments are stated at cost less any provision, if appropriate, for any impairment.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes (continued)

1 Accounting policies (continued)

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Profit on ordinary activities before tax

The company did not trade during the period. Consequently, the company did not have any employees during the current or prior year, and none of the directors received emoluments for their services to the company. Audit fees for the current and prior financial years are borne by another group company.

3 Taxation

	2006 £'000	2005 £'000
UK corporation tax at 30% (2005: 30%)	-	-
Reconciliation of the current company current tax to the United Kingdom Statutory rate		
	2006 £'000	2005 £'000
Profit on ordinary activities before tax	5,879	-
Tax charge on pre tax profit at 30%	1,764	-
Dividends received not taxable	(1,764)	-
Total current tax charge (see above)	-	-

4 Dividends

The aggregate amount of dividends comprises

	2006 £'000	2005 £'000
Interim dividends paid at 27 pence per share in respect of the current year	5,879	-
Aggregate amount of dividends paid in the financial year	5,879	-

The aggregate amount of dividends proposed and recognised as liabilities as at the year end is nil (2005: nil)

Notes (continued)

5 Fixed asset investments

	Shares in group undertakings	
	2006 £'000	2005 £'000
Cost and Net Book Value		
At beginning and end of year	<u>21,576</u>	<u>21,576</u>

The principal companies in which the company's interest at the year end is more than 20% are as follows

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held
FD International 4 Ltd	England and Wales	Holding company	Ordinary shares – 100%
Financial Dynamics (Holdings) Ltd	England and Wales	Holding company	Ordinary shares – 100%*
Financial Dynamics Ltd	England and Wales	Public relations	Ordinary shares – 100%*
85Four Ltd	England and Wales	Public relations	Ordinary shares – 100%*
Financial Dynamics Ireland Ltd	Republic of Ireland	Public relations	Ordinary shares – 100%*
FD US Communications, Inc	United States	Public relations	Ordinary shares – 100%*
Dittus Communications, Inc	United States	Public relations	Ordinary shares – 100%*
Financial Dynamics S A	France	Public relations	Ordinary shares – 100%*
FD Asia Ltd	Hong Kong	Public relations	Ordinary shares – 100%*
FD Russia Ltd	England and Wales	Public relations	Ordinary shares – 100%*^
LLM Communications Ltd	England and Wales	Public relations	Ordinary shares – 100%*
FD Dubai Ltd	England and Wales	Public relations	Ordinary shares – 100%*•
Beachhead Media & Investor Relations (Pty) Ltd	South Africa	Public relations	Ordinary shares – 74%*

Joint venture

A&B Financial Dynamics GmbH	Germany	Public relations	Ordinary shares – 50%*
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* Indirectly held

^ Country of operation is Russia

• Country of operation is United Arab Emirates

Notes (continued)

6 Debtors

	2006 £	2005 £
Amounts owed by fellow group undertakings	<u>5,879</u>	<u>-</u>

7 Creditors

	2006 £	2005 £
Amounts owed to fellow group undertakings	<u>5,879</u>	<u>-</u>

8 Called up share capital

	2006 £	2005 £
<i>Authorised, allotted, called up and fully paid</i>		
Equity 21,575,454 ordinary shares of 10p each	<u>2,157,545</u>	<u>2,157,545</u>

9 Share premium account

	2006 £'000	2005 £'000
Premium on shares issued	<u>19,418</u>	<u>19,418</u>

10 Immediate and ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a wholly owned subsidiary of FD International 2 Limited, a company incorporated in England and Wales

On 4 October 2006, the company's then ultimate holding company, FD International (Holdings) Ltd was acquired by FTI FD LLC, a company incorporated in the USA

The largest group in which the results of the company are consolidated is that headed by FTI Consulting, Inc., which is also the company's ultimate parent company. The consolidated accounts of this company may be obtained from the Secretary, 500 E Pratt Street, Suite 1400, Baltimore, MD21202, USA. No other group accounts include the results of the company.