3978346

FFASTFILL PLC

REPORT AND ACCOUNTS

For the year ended

31 March 2008

CONTENTS

DIRECTORS AND ADVISERS

EXECUTIVE DIRECTORS	T K Todd (Executive Chairman) N R Hartnell
NON-EXECUTIVE DIRECTORS	H N P McCorkell (Joint Deputy Chairman and Senior Independent Non-Executive Director) J E Oliff (Joint Deputy Chairman) D A Hurst-Brown
SECRETARY	P A Colcombe
REGISTERED OFFICE	1-3 Norton Folgate London E1 6DB
PRINCIPAL BANKERS	Royal Bank of Scotland PO Box 39 5th Floor, Abbey House 282 Farnborough Road Farnborough Hampshire GU14 7YU
NOMINATED ADVISERS AND BROKERS	KBC Peel Hunt Limited 111 Old Broad Street London EC2N 1PH
INDEPENDENT AUDITORS	Baker Tilly UK Audit LLP Chartered Accountants 2 Bloomsbury Street London WC1B 3ST
SOLICITORS	Field Fisher Waterhouse 35 Vine Street London EC3N 2AA
COMPANY REGISTERED NUMBER	3978346

Chairman's Statement

Introduction

I am delighted to report a strong set of financial results for the year ended 31 March 2008. Revenues have grown very strongly and our first year of profitability has contributed to a strong cash position at the year end.

In many ways, these results reflect the efforts that we have made over the past few years to build a robust, broadly spread business catering to the needs of some of the world's largest financial organisations. Although we remain mindful of the current market conditions, our future also looks bright thanks to our market positioning and good visibility of revenues.

Financial Review

Full year revenue grew 87% to £11.4 million (2007 £6.1 million). Application services revenue doubled to £8.4 million (2007 £4.0 million) and now accounts for 74% of our total revenue. Our PTP business, which was acquired during the year, contributed revenues of £3.5 million in the nine months since its acquisition.

The organic growth of the FFastFill business, excluding revenues resulting from the acquisition of EST, stood at 30%, increasing from £6.1 million in 2007 to £7.9 million in 2008. Our revenue growth has been achieved by increasing the average income per customer and increasing the number of global customers to 20 out of a total of 79 customers. A year ago, our top three customers accounted for 54% of our total revenues. This number has now been reduced to 31% reflecting the increasingly broad spread of our clients, especially since the acquisition of EST. The average income generated from our top 20 customers has grown to £0.438 million, a growth of 58%, demonstrating the successful outcome of our efforts to increase the numbers of services we are providing to our clients.

The order book for the next twelve months now stands at £11.5 million (2006/7 £6.7 million). Within this, our Application Services order book has grown by 57% to £8.3 million. (2007 £5.3million)

The increase in revenue and control of operating expenses led to an EBITDA of £1.5 million compared to just £6,000 in 2007. This cost control is demonstrated by the fact that our operating expenses, excluding those arising from the acquisition of EST, increased only marginally, by £345,000 to £5.1 million. Also included within our operating expenses were £210,000 of one time acquisition costs which have now been eliminated as a result of the completion of the integration of EST. Also the sterling cost of our Prague development team increased by £0.2 million as a result of the strengthening Czech Koruna against Sterling.

The PBT loss of £0.14 million (2007 loss £1.1 million) includes exceptional costs related to the acquisition of EST of £0.4 million. This was higher in the year than we expected as we completed the full integration earlier than planned. No exceptional costs with respect to the EST acquisition are expected in the new financial year.

The PAT of £0.9 million (2007 loss £1.1 million) includes £1.0 million of deferred tax asset which has been included in the income statement. We have taken the prudent view to only include a small portion of historic tax losses on the balance sheet at this time. The group has a further £18 million of tax losses that are still regarded as a contingent asset.

Cash inflow from operations was £2.1 million (2007 Cash outflow £0.4 million). This improvement was substantially due to the elimination of the EBITDA loss in the year and improvement in working capital management. Capital expenditure on fixed assets was £0.6 million (2007 £0.2 million), due to the increased number of customer signings during the financial year and the replacement of some core network equipment. In addition, the company invested £1.0 million (2007 £0.7 million) in product development.

Cash at 31 March 2008 was £2.4 million (2007 £1.0 million). The Board does not intend to pay a dividend at this stage.

Chairman's statement (continued)

Acquisition of Exchange Technology Pty Limited

Today's announcement of our acquisition of Exchange Technology ("ET") also adds another strategically important asset to our offering. ET has developed a good market position in the Asia Pacific region for the provision of middle office and trading software tools. As a result it now supports 16 customers including 12 global institutions, three of which are new customers for FFastFill. Over a period of time we are expecting to be able to leverage these relationships to sell additional FFastFill services in the region and to offer the Asia Pacific Clearing House connectivity to the group's other global customers.

In addition, historically we have managed our global service offering out of Chicago and London. The Exchange Technology acquisition means that we now have representation on the ground in the third major time zone of the Far East. As a result we will be able to support our clients during daylight hours, anywhere in the world once the operational support is transferred later in the year.

ET is expected in its year to 30 June 2008 to have revenues of £0.5 million and be broadly breakeven having spent significantly on new Asian exchange gateways in its 2007/8 financial year. Net assets on completion, while positive, are expected to be of a nominal value.

FFastFill Plc has agreed to purchase 100% of Exchange Technology Pty Limited, for $2.5 million AUD, equivalent to £1.0 million in cash and £0.24 million in shares at 7.125 pence per share.

Operational Review

Market environment:

The challenges of the financial market have been well publicised but it is pleasing to report that we have seen clear evidence of the robustness of our business model. This has resulted in continued high levels of growth for our business. We believe our resilience to general market turmoil is the result of a combination of factors:

- The recurring nature of our core services revenue
- The consequences of a high quality of service
- The breadth and strength of our customer relationships
- Our core customer base is in the Exchange Traded Derivatives (ETD) market where general market volatility is driving volumes
- The cost effectiveness of our service offering
- The breadth of our risk management offering

The key point is that, while we are not immune to general market conditions, we have built a business which significantly mitigates downside risk and we are seeing increasing opportunities as our customers see the benefits of the lower total cost of ownership of our offering and the breadth of our risk offering.

Chairman's statement (continued)

Strategy:

We now have three clear building blocks of our strategy:

Software as a Service (SaaS)
We have been at the forefront of the move to deliver software as a service in the futures trading sector. We continue to invest in this to further improve the quality and reliability of the service, thereby putting further distance between us and our competitors.

Straight Through Processing (STP)
The acquisition of EST in July last year added an important capability to our offering in the 'back office' or 'settlement' arena. We have also invested heavily in adding our middle office capability to our service offering. The first customer for this new offering will be live in June 2008. This together with the acquisition of ET in Australia will mean that we can support our global customers with a common clearing system across the world.
Our risk management offerings that result from our knowledge and software components across the STP landscape have put us in an ideal position to provide customers with a holistic view of their trading risk profile. This means that we can phase in this capability 'around' the customer's existing risk management approach thus lowering their deployment risk but increasing their operational risk controls.

Multi Asset Class Trading
Our primary service offerings continue to be in the ETD market, however we have also integrated other trading environments with customers to offer a single screen that allows trade execution across multiple asset classes. In addition we are launching our first Foreign Exchange trading service for a customer in June 2008.This is as well as the spread betting, CFD and Reuters CME FX services we have operated for several years for some customers.

2008 Operational Progress

Thanks to our focus around these three strategic cornerstones, we saw a number of important new client wins and contract extensions during the year. As a result, we increased our number of clients to 79 (from 44 at the end of last fiscal year) and are now selling to 20 global banks (18).

In June last year, we also announced the acquisition of Exchange Systems Technology Limited for £4.8 million alongside a placing to raise approximately £5.5 million. Our intention was to fulfill an important strategic requirement by combining FFastFill's front office capability with EST's back-office solutions. In this way we aimed to broaden our product offering and increase our sales opportunities, leading to accelerated growth. These objectives have been met with PTP showing annualised nine months revenues running at £4.8 million (2007 £3.2 million). In the year ended 31 March 2008 PTP made a PBT contribution of £0.250 million. The integration is now fully complete and we have already seen the benefits of cross sales opportunities within the joint customer base.

Staff

The Board would again like to thank the staff in Chicago, London and Prague for the commitment and efforts without which we could not have achieved these results. We are also very pleased with the support we have had from the staff who joined us as part of the EST acquisition and would like to welcome our new colleagues from Exchange Technology.

Outlook

The Board is very pleased with the progress over the last twelve months and believes that the combination of the Company's strong order-book, breadth of customer base and product offering will underpin further significant growth even during the current turbulence in the Financial Services market. The Company has a robust platform from which to carry out its three-pronged strategy and the Board has confidence that it can continue to deliver against these stated aims.

Keith Todd
Chairman & CEO
21 May 2008

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 March 2008.

Principal activities

The principal activity of the group is the provision of application services for use in the global financial markets.

Review of business and future developments

A review of the development of the business during the year is given in the Chairman's Statement on pages 3 to 5. This also includes reference to the group's future prospects.

Analysis of the result and position of the business using key performance indicators (including revenues, profitability and cash) is included in the Financial Review section of the Chairman's Statement.

Results for the year and dividends

The results for the year are disclosed in the consolidated income statement on page 17.

The directors have not recommended the payment of a dividend (2007: £ nil).

Directors and their interests

The directors who served during the period were as follows:

Executive directors
T K Todd
N R Hartnell

Non-Executive directors
H N P McCorkell
J E Oliff
D A Hurst-Brown

N R Hartnell and J E Oliff retire by rotation and, being eligible, offer themselves for re-election.

The interests of the directors who held office at 31 March 2008, together with that of persons connected with the directors, in the share capital of the company were as follows:

	Ordinary shares of £0.01 each	
	31 March 2008	**31 March 2007**
Executive directors		
T K Todd	12,683,332	12,683,332
N R Hartnell	1,510,000	1,510,000
Non-Executive directors		
D A Hurst-Brown	1,608,000	1,608,000
H N P McCorkell	152,420	152,420
J E Oliff	1,333,000	1,333,000

DIRECTORS' REPORT (continued)

Directors and their interests (continued)

At the year end the company had the following outstanding options and warrants issued to directors who were in office at 31 March 2008 through various share option and warrant schemes.

	Scheme status	Exercise price	Number of share options and warrants at 31 March 2008	at 31 March 2007	Exercise period
T K Todd	EMI	£0.07	2,666,666	2,666,666	26 September 2002 to 25 September 2012
	Unapproved	£0.07	8,808,073	8,808,073	26 September 2002 to 25 September 2012
N R Hartnell	EMI	£0.07	2,666,666	2,666,666	26 September 2002 to 25 September 2012
	Unapproved	£0.07	624,017	624,017	26 September 2002 to 25 September 2012
	Unapproved	£0.01	1,645,342	1,645,342	1 April 2004 to 31 March 2013
J E Oliff	Unapproved	£0.04	500,000	500,000	31 March 2003 to 30 March 2012
	Unapproved	£0.01	1,066,667	1,066,667	1 April 2004 to 31 March 2013
D A Hurst-Brown	Warrants	£0.07	150,000	150,000	17 June 2005 to 16 June 2013
	Warrants	£0.04	100,000	100,000	17 June 2005 to 16 June 2013
H N P McCorkell	Warrants	£0.07	150,000	150,000	14 May 2005 to 13 May 2013
	Warrants	£0.04	100,000	100,000	14 May 2005 to 13 May 2013

During the year the share price of FFastFill Plc ranged from 6.50p to 7.125p.

DIRECTORS' REPORT (continued)

Directors and their interests (continued)

Directors' emoluments

Details of directors' emoluments are as follows:-

	2008 £'000	2007 £'000
Executive directors		
T K Todd	92	6
N R Hartnell	74	6
Non-executive directors		
H L Hughes (resigned 30 September 2006)	-	3
D A Hurst-Brown	15	15
H N P McCorkell	15	15
J E Oliff	27	31
	223	76

During the year, the group did not pay any pension contributions on behalf of the directors.

The following directors waived the following salaries and fees:

	2008 £'000	2007 £'000
Executive directors		
T K Todd	33	119
N R Hartnell	26	94

DIRECTORS' REPORT (continued)

Substantial shareholdings
On 21 May 2008, the following holdings of 3% or more of the issued share capital of FFastFill plc were known to the Company:

Gartmore Investment Management	50,621,000	13.66%
Future Dynamics Limited	24,633,942	6.65%
M Underwood	24,000,000	6.48%
Artemis Investment Management	20,691,429	5.59%
Progressive Asset Management	20,567,857	5.55%
I Kergal	15,250,000	4.12%
Merrill Lynch	14,236,098	3.84%
T K Todd	12,683,332	3.42%
IS Partners Investment Solutions AG	11,725,000	3.16%

Employee involvement
The directors recognise the importance of employee involvement established by good communications and working relationships

Employee policies
The group is committed to the terms of the Codes of Practice for the elimination of all or any discrimination and to the promotion of equality of opportunities in employment. It is group policy to afford equal opportunities to all employees and job applicants. No employee or job applicant is less favourable treated than another on the grounds of their sex, sexual orientation, age, marital status, religion, race, nationality, ethnic or national origin, colour or disability and all appointments and promotions are determined solely by merit. Responsibility of monitoring the effective working of these policies is vested with the directors of FFastFill Plc.

Risks and uncertainties

Competition - FFastFill operates in a highly competitive global market place. Competition arises from major enterprise-scale competitors, specialist software companies and from the captive operations of the financial institutions themselves. FFastFill retains and develops its customer's business by building and maintaining excellent relationships with its clients, developing an in-depth understanding of their business requirements and then providing them with an incomparable quality of delivered service. The greatest risk associated with maintaining these relationships is as a result of a breakdown in the level of service; we mitigate this through the resilience of our infrastructure, the design of our software and our internal processes. The other risk arises from the continuous re-structuring of the financial services industry with the possible resultant loss of a customer. However, these changes can also result in greater opportunities arising in the new enlarged company. We have mitigated the risk further by extending our range of services to cover the whole of our customers trading cycle from execution, through order allocation and risk mitigation to clearing and settlement.

Revenue profile - FFastFill is one of very few software companies that offers its Software as a Service. Our business model supports this by only recognising revenue on a monthly basis as the service is used. Thus, over 85% of FFastFill's revenue is of a recurring nature compared with no more than a quarter for a more traditional software product company. As a result FFastFill's 12 month order backlog now stands at over £12 million. This revenue profile provides the company with a very stable business and excellent visibility of future trends allowing decisions on cost and investment to be taken with high levels of confidence. This type of business model provides a very solid base from which to both withstand and, potentially exploit any further instability in the financial services market.

DIRECTORS' REPORT (continued)

Group policy on payments to creditors
The group does not follow any code or standard on payment practice for its suppliers. The group applies a policy of agreeing payment terms with each of its main suppliers and aims to abide by those terms, subject to satisfactory performance by suppliers. The period of credit taken from suppliers as at 31 March 2008 was 62 days (2007: 68 days).

Directors' indemnities
The directors are granted an indemnity from the company to the extent permitted by law in respect of liabilities incurred as a result of their office.

Research and development

The group maintains a research and development centre (based in London and Prague) which has a staff of 60. In the opinion of the directors, continuity of investment in this area is essential for the maintenance of the group's market position and for future growth.

Financial instruments

A summary of the group's financial instruments and related disclosures are set out in notes 22 and 23 to the accounts.

Auditors
A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as the company's auditors will be put to the members at the Annual General Meeting.

Statement as to the disclosure of information to the auditors
The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

APPROVED BY THE BOARD OF DIRECTORS
AND SIGNED ON BEHALF OF THE BOARD

P A Colcombe
Secretary
21 May 2008

REPORT ON CORPORATE GOVERNANCE

Whilst the group is not required to comply with the provisions of the new Combined Code, it has chosen to make the following voluntary disclosures.

The directors are responsible for the group's system of corporate governance and the key components of this system. The company supports the Principles of Good Governance and the Code of Best Practice ("The new Combined Code", published in June 2006), and has applied the provisions of the Combined Code as far as appropriate for a group of this size.

The current policies and procedures adopted by the group are set out below.

Board of directors

The Board currently meets monthly. It leads and controls the company and group by taking responsibility for overall strategy, acquisition policy, approval of major capital expenditure projects and consideration of significant financial matters. It reviews the strategic direction of operations and annual budgets, monitors progress towards achievement of those budgets and longer term strategies.

The Board, chaired by Keith Todd, currently has three non-executive directors, who have between them considerable and varied experience in the business world and the City and the Board considers them to be an effective independent body. The non-executive directors are considered to be independent of management and free from any business or other relationships, which could materially affect their independent judgement. Their objective views and sound advice carry considerable weight in relation to all matters considered at Board meetings. Between formal meetings, the Executive Chairman, Keith Todd, remains in touch with the non-executive directors, consulting them on appropriate issues and updating them on the group's progress.

Prior to each Board meeting every member of the Board is supplied with a set of management accounts together with a summary of the key features of the group's performance overall. This includes an analysis of the results against the original budget for the year and the previous year's performance. The Board papers also include other documents, which relate to matters included in the agenda, in order to ensure that members of the Board are given the fullest opportunity for consideration of matters to be debated at meetings.

The Board has determined that it is appropriate for matters which would normally be delegated to a Nomination Committee to be referred to the full board. The Board, acting as a Nomination Committee, meets as required to carry out the selection process for new Board members and to propose any new appointments to the Board, whether executive or non-executive.

Remuneration committee

The Remuneration Committee comprises Nigel McCorkell and David Hurst-Brown each of whom is an independent non-executive director.

The principal duties of the Remuneration Committee are to consider all aspects of directors' remuneration, performance and employment. The Committee's policy is to establish remuneration packages, which enable the group to attract, retain and motivate directors with the skills and experience necessary to manage a business of this size.

Remuneration committee (continued)

No director has a contract with a notice period of more than one year. The Committee consults with the Executive Chairman about its proposals. Details of directors' remuneration are set out in the directors' report.

The Committee also considers grants of options under the company's share option schemes. The policy of the Committee is to grant share options to senior and other employees as part of a remuneration package to motivate them to contribute to the growth of the group over the medium to long term.

The Remuneration Committee meets when required and at least once per year. The Committee last met on 25 October 2007.

Audit committee

The Audit Committee comprises Nigel McCorkell and David Hurst-Brown, who are independent non-executive directors.

The Audit Committee meets at least twice a year. The Executive Chairman and engagement partner from the external auditors attend such meetings. The Committee reviews the accounts and monitors financial accounting procedures and policies, including statutory and regulatory compliance.

The Audit Committee's purposes are to ensure that the financial and accounting systems provide accurate and up-to-date information on the group's financial position to the Board, that the group's published accounts present a true and fair view and that a proper system of internal control is in operation.

The Audit Committee is satisfied that the group's appointed auditor Baker Tilly UK Audit LLP, and its associates, have been objective and independent of the company. Baker Tilly UK Audit LLP and its associates perform non-audit services for the group, but the Audit Committee is satisfied that their objectivity is not impaired by such work.

Internal control

The directors are responsible for the system of internal control. Although no system of internal control can provide absolute assurance of meeting internal control objectives, the group's systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately. The directors regularly review the company's internal control procedures.

The key procedures that have been established and which are designed to provide effective internal controls are:

Financial information

Detailed annual budgets are prepared in advance of each financial year. These are reviewed and agreed by the Board with subsequent actual monthly performance reported against these budgets, updated forecasts and prior year comparatives, as part of the management accounts.

Internal control (continued)

Operating unit financial controls
Key controls over major financial risks include reviews against budget and exception reporting and of monthly reporting to, and meetings with, the Board of Directors.

Computer systems

The group has established controls and procedures over the data held on the computer systems.

Going concern

As a result of winning a number of significant new customers during the year, the group's order book of recurring and run-rate revenue at the end of March 2008 was over £11.5 milllion. This has already increased further in the period since the end of the year and the group has a strong pipeline of further business from both current and new customers.

On this basis, the directors have prepared the accounts on the going concern basis. The accounts do not include any adjustments that would arise if this basis were inappropriate.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

UK Company law requires the directors to prepare group and company accounts for each financial year. Under that law the directors are required to prepare group accounts in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and have elected to prepare the company accounts in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The group accounts are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the group; the Companies Act 1985 provides in relation to such accounts that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The company accounts are required by law to give a true and fair view of the state of affairs of the company.

In preparing each of the group and company accounts, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. state whether they have been prepared in accordance with IFRSs adopted by the EU;

d. prepare the accounts on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FFASTFILL PLC

We have audited the group and parent company financial statements on pages 17 to 52. 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 auditors' 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 Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union ("EU") are set out in the Statement of Directors' Responsibilities.

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 whether the financial statements have been 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. The information given in the Directors' Report includes that specific information presented in the Financial Review section of the Chairman's Statement that is cross referenced from the Business Review section of the Directors' Report.

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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, Chairman's Statement and the Report on Corporate Governance. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 1985, of the state of the group's affairs as at 31 March 2008 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 March 2008;
- 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.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST
21 May 2008

CONSOLIDATED INCOME STATEMENT for the year ended 31 March 2008

Continuing operations:	Notes	2008 £'000	2007 £'000
Revenue		11,359	6,063
Operating expenses		(11,145)	(7,146)
Operating profit/(loss)		214	(1,083)
Exceptional item	10	(368)	-
Finance income	8	51	25
Finance costs	9	(34)	(39)
Loss before taxation	7	(137)	(1,097)
Tax	11	1,061	(10)
Profit/(loss) after taxation		924	(1,107)
Profit/(loss) attributable to equity holders of the company		924	(1,107)
Basic earnings/(loss) per share	21	0.26p	(0.46p)
Fully diluted earnings/(loss) per share	21	0.26p	(0.46p)

CONSOLIDATED BALANCE SHEET as at 31 March 2008

	Notes	2008 £'000	2007 £'000
ASSETS			
Non-current assets			
Goodwill	12	6,480	1,862
Intangible assets	13	2,595	1,367
Property, plant and equipment	14	785	985
Trade and other receivables	16	145	100
Deferred taxation	11	1,505	-
		11,510	4,314
Current assets			
Trade and other receivables	16	2,665	1,537
Cash and cash equivalents		2,424	1,016
		5,089	2,553
TOTAL ASSETS		16,599	6,867
LIABILITIES			
Current liabilities			
Trade and other payables	17	(6,122)	(2,856)
Current tax liabilities		-	(2)
Obligations under finance leases	18	(103)	(248)
		(6,225)	(3,106)
Net current liabilities		(1,136)	(553)
Total assets less current liabilities		10,374	3,761
Non-current liabilities			
Obligations under finance leases	18	-	(107)
NET ASSETS		10,374	3,654
EQUITY			
Share capital	19	3,705	2,897
Share premium account		31,093	26,561
Other reserve		715	235
Share-based payment reserve		114	35
Merger reserve		890	890
Currency translation reserve		(112)	(9)
Retained earnings		(26,031)	(26,955)
Equity attributable to the shareholders of the company		10,374	3,654

The accounts were approved and authorised for issue by the Board of Directors on 21 May 2008 and were signed on its behalf by:

Keith Todd
Director

COMPANY BALANCE SHEET as at 31 March 2008

	Notes	2008 £'000	2007 £'000
ASSETS			
Non-current assets			
Investments	15	7,657	2,107
Trade and other receivables		100	100
		7,757	2,207
Current assets			
Trade and other receivables	16	313	380
Cash and cash equivalents		1,712	791
		2,025	1,171
TOTAL ASSETS		9,782	3,378
LIABILITIES			
Current liabilities			
Trade and other payables	17	(4,964)	(1,591)
Net current liabilities		(2,939)	(420)
Total assets less current liabilities		4,818	1,787
Equity			
Share capital	18	3,705	2,897
Share premium account		31,093	26,561
Other reserves		715	235
Share-based payment reserve		114	35
Retained earnings		(30,809)	(27,941)
Equity attributable to the shareholders of the company		4,818	1,787

The accounts were approved and authorised for issue by the Board of Directors on 21 May 2008 and were signed on its behalf by:

Keith Todd
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium account £'000	Other reserves £'000	Share-based payment reserve £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
Balances at 1 April 2006	2,427	25,706	235	13	890	(11)	(25,848)	3,412
Exchange differences on translating foreign operations	-	-	-	-	-	2	-	2
Loss for the year	-	-	-	-	-	-	(1,107)	(1,107)
Total recognised income and expense	-	-	-	-	-	2	(1,107)	(1,105)
Share-based payment	-	-	-	22	-	-	-	22
Share issues	470	855	-	-	-	-	-	1,325
Balance at 31 March 2007	**2,897**	**26,561**	**235**	**35**	**890**	**(9)**	**(26,955)**	**3,654**
Exchange differences on translating foreign operations	-	-	-	-	-	(103)	-	(103)
Profit for the year	-	-	-	-	-	-	924	924
Total recognised income and expense	-	-	-	-	-	(103)	924	821
Share-based payment	-	-	-	79	-	-	-	79
Shares to be issued	-	-	480	-	-	-	-	480
Share issues	808	4,532	-	-	-	-	-	5,340
Balance at 31 March 2008	**3,705**	**31,093**	**715**	**114**	**890**	**(112)**	**(26,031)**	**10,374**

The movement in other reserves represents the shares of 6,857,143 which are to be issued on 2 May 2008, in connection with the acquisition of Exchange Systems Technology Limited (now known as FFastFill Post-trade Processing Limited).

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Other reserves	Share-based payment reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2006	2,427	25,706	235	13	(25,955)	2,426
Loss for the year	-	-	-	-	(1,986)	(1,986)
Share-based payment	-	-	-	22	-	22
Share issues	470	855	-	-	-	1,325
Balance at 31 March 2007	**2,897**	**26,561**	**235**	**35**	**(27,941)**	**1,787**
Loss for the year	-	-	-	-	(2,868)	(2,868)
Share-based payment	-	-	-	79	-	79
Shares to be issued	-	-	480	-	-	480
Share issues	808	4,532	-	-	-	5,340
Balance at 31 March 2008	**3,705**	**31,093**	**715**	**114**	**(30,809)**	**4,818**

The movement in other reserves represents the shares of 6,857,143 which are to be issued on 2 May 2008, in connection with the acquisition of Exchange Systems Technology Limited (now known as FFastFill Post-trade Processing Limited).

The company has taken advantage of s230 Companies Act 1985 in not publishing its own income statement. The loss for the year was £2,868,000 (2007: £1,986,000)

CASH FLOW STATEMENTS for the year ended 31 March 2008

	Notes	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Cash flows from operating activities					
Cash flows from operations	A	2,157	3,097	(372)	(245)
Interest received		51	42	25	38
Interest paid		(34)	-	(39)	-
Tax received/(paid)		61	-	(9)	-
Net cash flows from operating activities		2,235	3,139	(395)	(207)
Cash from investing activities					
Purchase of investments		-	(3,228)	-	(1,278)
Purchase of intangible assets		(983)	-	(664)	-
Purchase of property, plant and equipment		(602)	-	(245)	-
Acquisition of subsidiaries (net of cash)		(4,210)	(4,210)	-	-
Net cash flows used in investing activities		(5,795)	(7,438)	(909)	(1,278)
Cash flows from financing activities					
Net proceeds from issue of ordinary share capital		5,220	5,220	1,325	1,325
Finance lease principal payments		(252)	-	(235)	-
Net cash flows from financing activities		4,968	5,220	1,090	1,325
Net change in cash and cash equivalents		1,408	921	(214)	(160)
Cash and cash equivalents at beginning of year		1,016	791	1,230	951
Cash and cash equivalents at end of year		2,424	1,712	1,016	791

Cash and cash equivalents comprise cash on hand and deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NOTES TO THE CASH FLOW STATEMENTS for the year ended 31 March 2008

A. Reconciliation of net profit to net cash flows from operating activities

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Profit/(loss) after taxation	924	(2,868)	(1,107)	(1,986)
Finance income	(51)	(42)	(25)	(38)
Finance costs	34	-	39	-
Taxation	(1,061)	-	10	-
Depreciation	777	-	798	-
Amortisation of intangible assets	493	-	290	-
Share based payment	79	79	22	22
Foreign exchange translation differences	96	-	9	-
(Increase)/decrease in receivables	(480)	67	(626)	(336)
Increase in payables	1,346	2,633	218	817
Provision against investment in subsidiaries	-	3,228	-	1,276
Cash flows from operating activities	2,157	3,097	(372)	(245)

NOTES TO THE ACCOUNTS for the year ended 31 March 2008

1 **General information**

FFastFill Plc is incorporated and domiciled in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 2. The nature of the Group's operations and its principal activities are set out in the Directors' Report on page 6.

These accounts are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 2.

At the date of issue of this statement the following Standards and interpretations which have not been applied in these accounts were in issue but not yet effective:-

IFRS 2 (Amendments)	IFRS 2 Share-based Payment-Vesting Conditions and Cancellations
IFRS 3 (Revised)	Business Combinations
IFRS 8	Operating Segments
IAS 1 (Revised)	Presentation of Financial Statements
IAS 23 (Revised)	Borrowing Costs
IAS 27 (Revised)	Consolidated and Separate Financial Statements
IAS32 (Amendment)	Financial instruments: Presentation and disclosure
IFRIC 11	IFRS 2 – Group and Treasury Share Transactions
IFRIC 12	Service Concession Arrangements
IFRIC 13	Customer Loyalty Programmes
IFRIC – Int 14	IAS 19 – The Limited on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

The directors anticipate that the adoption of these Standards and Interpretations in future years will have no material impact on the accounts of the Group.

2 **Accounting policies**

Basis of preparation
The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), adopted by the European Union.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern
During the year the group made a profit of £0.924 million (2007: loss £1.1 million) and had net assets at 31 March 2008 of £10.4 million (2007: £3.7 million).

As a result of winning a number of significant new customers during the year, the group's order book of recurring and run-rate revenue at the end of March 2008 was over £11.5 million. This has already increased further in the period since the end of the year and the group has a strong pipeline of further business from both current and new customers.

On this basis, the directors have prepared the accounts on the going concern basis. The accounts do not include any adjustments that would arise if this basis were inappropriate.

NOTES TO THE ACCOUNTS for the year ended 31 March 2008

Accounting policies (continued)

Basis of consolidation
The consolidated accounts incorporate the accounts of the company and entities controlled by the company (its subsidiaries) made up to 31 March each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. Where necessary, adjustments are made to the accounts of subsidiaries to bring the accounting policies used into line with those by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations
The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business combinations* are recognised at their fair value at the acquisition date. The group has taken advantage of the transitional exemption in IFRS 3 from restating goodwill on acquisitions prior to 1 April 2005.

Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. The group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable amount of the cash generating unit is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating unit. The growth rates are based in industry growth forecasts. Changes in selling prices and direct costs are based in past practices and expectations of future changes in the market.

The group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows for the following five years based on an estimated growth rate which does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the cash generating unit is 8%.

Property, plant and equipment
Property, plant and equipment are recognised initially at cost. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used.

Computer hardware	-	33%
Computer software	-	33%
Office equipment	-	25%
Short leasehold improvements	-	33%

Accounting policies (continued)

Investments
Investments in subsidiaries are stated at cost less provision for impairment.

Internally generated intangible assets – software development expenditure
The group considers that the regulatory, technical and market uncertainties inherent in the development of new products and technologies means that the internal software development costs should not be capitalised as intangible assets until the commercial viability of a project is demonstrable and appropriate resources are in place to launch the product. Research and development expenditure prior to this point in time is expensed as incurred.

An intangible asset arising from development is only recognised if all of the following conditions are met:

- The intangible asset is considered to be technically feasible and the project to create it is sufficiently resourced to be capable of completion
- There is an intention to complete the asset and both the intention and ability to sell it.
- It is reasonably expected that the asset is likely to generate net future economic benefits
- Development costs in relation to the asset can be reliably measured

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. The expenditure capitalised includes the cost of materials and direct labour. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the products concerned.

The amortisation period for development costs incurred on the group's development is five years.

Impairment of assets
At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Accounting policies (continued)

Deferred taxation
Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Temporary differences are differences between the group's taxable profits and its results as stated in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recoverable against suitable taxable profits in the future. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

The company recognises deferred tax in respect of the profits of overseas subsidiaries except where the timing of the receipt of these profits is controlled by group and it is not probable that the profits will be distributed in the foreseeable future.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised as assets of the group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to the Income Statement on a straight-line basis over the term of the relevant lease.

Foreign currency translation
The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pound sterling, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the accounts of each company, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the date of transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated accounts, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Accounting policies (continued)

Foreign currency translation

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRSs as sterling denominated assets and liabilities.

Revenue

Revenue, which excludes value added tax, represents the value of goods and services supplied. Where income relates to future services or there are associated ongoing costs the income is spread over the life of the provision of the service. All other income is recognised on delivery.

Share-based payments

The group operates two share options schemes; the Enterprise Management Incentive Scheme and the 2003 Share Option Scheme (HM Revenue & Customs unapproved). The fair value of options is recognised as an employee benefit expense with a corresponding increase in reserves over the vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Share option and warrants granted prior to 7 November 2002 and unvested at the date of transition to IFRS have been excluded from the share-based payment calculation, as permitted by IFRS 2 *Share-based payment.*

Research and development tax credits

Research and development tax credits are recognised in the accounts when receipt is virtually certain.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of accounts in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The key source of estimation uncertainty at the balance sheet date derives from management assumptions in relation to the capitalisation and amortisation of internally generated software assets. The accounting policy in relation to this item is disclosed in note 2 above.

NOTES TO THE ACCOUNTS for the year ended 31 March 2008 (continued)

4 Segmental analysis

The group operates in one business (which is considered to be the primary analysis); that of the provision of application services for use in the global financial markets. The segmental analysis by region is presented below.

2008	Europe £'000	US £'000	Asia Pacific £'000	Group £'000
Revenue by origin	9,549	1,810	-	11,359
Revenue by destination	7,587	3,529	243	11,359
Depreciation and amortisation	1,085	185		1,270
Segment result: operating profit/(loss)	321	(156)	49	214
Exceptional items				(368)
Finance costs – net				17
Tax				1,061
Profit after tax				924
Capital expenditure on property, plant and equipment	510	113	-	623
Expenditure on intangible assets	963	-	-	963
Segment assets	5,204	815	-	6,019
Goodwill				6,480
Intangible assets				2,595
Deferred tax asset				1,505
Total assets				16,599
Segment liabilities	5,363	862	-	6,225

4 Segmental analysis (continued)

2007	Europe £'000	US £'000	Asia Pacific £'000	Group £'000
Revenue by origin	4,824	1,239	-	6,063
Revenue by destination	4,741	1,322	-	6,063
Depreciation and amortisation	625	173	-	798
Segment result: operating profit/(loss)	(824)	(232)	(27)	(1,083)
Finance costs – net				(14)
Tax				(10)
Loss after tax				(1,107)
Capital expenditure on property, Plant and equipment	137	108	-	245
Expenditure on intangible assets	664	-	-	664
Segment assets	2,942	696	-	3,638
Goodwill				1,862
Intangible assets				1,367
Total assets				6,867
Segment liabilities	2,176	928	-	3,104
Current tax liabilities				2
Total liabilities				3,106

5 Directors' emoluments

	2008 £'000	2007 £'000
Directors' remuneration	223	76

Emoluments disclosed above includes payments to the highest paid director of £92,000 (2007: £31,000). All of the above directors' remuneration is in respect of short-term benefits. No directors are accruing pension benefits from the group and no share options were granted in the year to directors.

For the purpose of IAS24 *Related party disclosures*, the key management are considered to be the directors.

6 Employee information

The average number of persons, including directors, employed by the group during the year was:

	2008	2007
	No.	No.
Software and services development and support	99	86
Customer project managers	13	8
Finance, administration and management	10	6
	122	100

As at 31 March 2008 staff numbers were 140 (2007: 96).

	2008 £'000	2007 £'000
Staff costs for the above persons were:		
Wages and salaries	4,861	3,187
Share-based payment charge	79	22
Social security costs	483	568
	5,423	3,777

Included in the above staff costs is £963,000 (2007: £664,000) in relation to development costs that were capitalised in accordance with IAS 38 *Intangible assets.*

7 Loss for the year

Loss for the year has been arrived at after charging:

	2008 £'000	2007 £'000
Net foreign exchange (gains)/losses	(103)	2
Depreciation of property, plant and equipment		
- owned	523	557
- leased	241	241
Amortisation of intangible assets	493	291
Staff costs	5,423	3,777
Auditors' remuneration for audit services	47	33
Operating leases - land and buildings	658	520
- equipment	2	63

Amounts payable to associates of Baker Tilly and Baker Tilly UK Audit LLP in respect of non-audit services were £27,000 (2007: £12,000). A more detailed analysis of auditors' remuneration is provided below:

NOTES TO THE ACCOUNTS for the year ended 31 March 2008 (continued)

7 **Loss for the year (continued)**

	2008 £'000	2007 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts		
Audit of the parent company and consolidated financial statements		
- Baker Tilly UK Audit LLP	12	-
- Baker Tilly	-	7
Audit of the company's subsidiaries pursuant to legislation		
- Baker Tilly UK Audit LLP	35	-
- Baker Tilly	-	26
Total audit fees	47	33
Fees payable to the company's auditors and associates for other services to the group		
Tax services	19	6
Other services	8	6
Total non-audit fees	27	12

8 **Finance income**

	2008 £'000	2007 £'000
Bank interest	51	25

9 Finance costs

	2008 £'000	2007 £'000
Bank interest	7	-
On finance leases	18	37
Other interest	9	2
	34	39

10 Exceptional item

The exceptional item relates to the reorganisation costs of integrating Exchange Systems Technology Limited (now known as FFastFill Post-trade Processing Limited) into FFastfill plc and its subsidaries.

11 Tax

	2008 £'000	2007 £'000
Current taxation		
Research and development tax credit	71	-
Overseas tax	(10)	(10)
Deferred taxation	1,000	-
	1,061	(10)

Factors affecting tax charge for the year:

	2008	2007
Profit/(loss) on ordinary activities before taxation	(137)	(1,097)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 – 30%)	(41)	(329)
Expenses not deductible for tax purposes	151	11
Losses not recognised for deferred tax purposes	635	322
Capital allowances not recognised for deferred tax purposes	17	-
Other temporary differences not recognised for tax purposes	6	-
Share based payments not recognised for deferred tax purposes	22	-
Deferred tax recognised in respect of trading losses arising in earlier years	(1,761)	-
Different UK tax rate applied for deferred tax purposes	(12)	(1)
Prior year income tax credit re researching and development	(71)	-
Foreign tax	9	7
Higher tax rate on overseas loses	(16)	-
Tax charge for the year	(1,061)	10

11 **Tax - continuing**

Factors that may affect future tax charges:
In accordance with the group accounting policy, research and development tax credits are recognised in the accounts when the receipt is virtually certain. The directors anticipate that a research and development tax credit claim will be submitted based on the accounts for the year ended 31 March 2008. The directors have considered forecasts for the foreseeable future in determining the recognised deferred tax asset. There are further tax losses of £18 million (2007: £21 million) which have not been recognised on the grounds of uncertainty over the timing of their recovery.

Deferred taxation	2008 £'000	2007 £'000
Profit and loss account	1,000	-
Recognised upon acquisition of subsidiary	505	-
At 31 March	1,505	-

12 **Goodwill – Group**

	2008 £'000	2007 £'000
At 1 April	1,862	1,862
Addition (see note 26)	4,618	-
At 31 March	6,480	1,862

Of the above goodwill, £4,618,000 is attributable to FFastFill Post-trade Processing Limited and £1,862,000 is attributable to FFastFill FD Limited.

13 **Intangible assets - Group**

	Computer Software £'000	Capitalised development £'000	Total £'000
Cost			
At 1 April 2006	172	1,203	1,375
Addition	20	664	684
At 31 March 2007	192	1,867	2,059
Acquisition	8	747	755
Addition	20	963	983
At 31 March 2008	220	3,577	3,797
Amortisation			
At 1 April 2006	169	230	399
Charge for the year	4	290	294
Exchange movement	(1)	-	(1)
At 31 March 2007	172	520	692
Charge for the year	13	493	506
Exchange movement	4	-	4
At 31 March 2008	189	1,013	1,202
Net book value			
At 31 March 2008	31	2,564	2,595
At 31 March 2007	20	1,347	1,367
At 31 March 2006	3	973	976

Amortisation is included in operating expenses in the income statement.

14 Property, plant and equipment – Group

	Computer hardware £'000	Office equipment £'000	Short leasehold improvements £'000	Total £'000
Cost				
At 1 April 2006	3,323	192	178	3,693
Additions	225	-	-	225
Exchange movement	38	(2)		36
At 31 March 2007	3,586	190	178	3,954
Additions	587	11	4	602
Acquisition	26	46	15	87
Exchange movement	(38)	(2)	-	(40)
At 31 March 2008	4,161	245	197	4,603
Depreciation				
At 1 April 2006	1,884	150	96	2,130
Charge for the year	733	17	44	794
Exchange movement	47	(2)	-	45
At 31 March 2007	2,664	165	140	2,969
Charge for the year	708	17	39	764
Exchange movement	64	16	5	85
At 31 March 2008	3,436	198	184	3,818
Net book value				
At 31 March 2008	725	47	13	785
At 31 March 2007	922	25	38	985
At 31 March 2006	1,439	42	82	1,563

Depreciation is included in operating expenses in the income statement. Included in computer hardware are assets acquired under finance lease agreement as follows:

	2008 £'000	2007 £'000
Cost	730	730
Accumulated depreciation	(578)	(337)
Net book value	152	393
Depreciation charge for the year	241	241

NOTES TO THE ACCOUNTS for the year ended 31 March 2008 (continued)

15 Investments - Company

	Subsidiary companies £'000
Cost	
At 1 April 2006	20,388
Additions	1,278
At 31 March 2007	21,666
Additions – purchase of subsidiary companies	5,550
- capital contribution to subsidiary company	3,228
At 31 March 2008	30,444
Provision	
At 1 April 2006	18,281
Increase in provision	1,278
At 31 March 2007	19,559
Increase in provision	3,228
At 31 March 2008	22,787
Net book value	7,657
At 31 March 2008	
At 31 March 2007	2,107
At 31 March 2006	2,107

At 31 March 2008, FFastFill Plc made capital contributions to eliminate the amounts due from FFastFill Europe Limited and FFastFill Inc. The company holds the following shareholdings in subsidiary undertakings:

Company	*% of equity owned*	*Country of incorporation*	*Activity*
FFastFill Europe Limited	100	Great Britain	Computer software
FFastFill UK Limited	100	Great Britain	IT services
FFastFill Inc	100	USA	Computer software
FFastFill FD Limited	100	Great Britain	Computer software
FFastFill Post-trade Processing Limited	100	Great Britain	IT Services
Future Dynamics Inc (1)	100	USA	Dormant
FFastTrade LLC (2)	80	USA	Dormant
FFastFill France SAS	100	France	Dormant
Spreadmania Limited	75	Great Britain	Dormant
FFastFill Australia Pty Ltd	100	Australia	Dormant
FFastFill Sam Group Limited (3)	100	Great Britain	Dormant
FFastFill Sam Systems Limited (4)	100	Great Britain	Dormant
FFastFill Sam Business Systems Limited (4)	100	Great Britain	Dormant
FFastFill Sam (Securities Operations) Limited (4)	100	Great Britain	Dormant

15 **Investments – Company (continued)**

(1) held via FFastFill FD Limited
(2) held via FFastFill Inc
(3) held via FFastFill Post-trade Processing Limited
(4) held via FFastFill Sam Group Limited

16 **Trade and other receivables**

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Non-current				
Other receivables	145	100	100	100
Current				
Trade receivables	1,991	252	1,050	-
Other receivables	53	2	60	7
Amounts owed by group undertakings	-	-	-	306
Prepayments and accrued income	621	59	427	67
	2,665	313	1,537	380

The average credit period taken on sales of goods and services is 47 days (2007: 41 days). Interest is charged on overdue balances. The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

17 **Trade and other payables:** amounts falling due within one year

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade payables	1,478	93	597	99
Amounts owed to group undertakings	-	4,723	-	1,357
Other taxation and social security	903	34	504	-
Deferred income	2,743	-	1,291	-
Accruals	689	55	407	135
Other payables	309	59	57	-
	6,122	4,964	2,856	1,591

Trade and other payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 62 days (2007: 68 days). The directors consider that the carrying amount of trade and other payables approximates to their fair value.

18 Obligations under finance leases

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts payable under finance leases				
Within one year	103	-	248	-
In the second to fifth years	-	-	107	-
	103	-	355	-
Included in current liabilities	103	-	248	-
Included in non-current liabilities	-	-	107	-
	103	-	355	-

The obligations under finance leases are secured on the related assets. The net book value of these assets as at 31 March 2008 was £152,000 (2007: £393,000)

19 Called up share capital

	2008 £'000	2007 £'000
Authorised		
750,000,000 ordinary shares of £0.01 each	7,500	7,500
Allotted, called up and fully paid		
At 1 April (289,666,645 ordinary shares of £0.01 each)	2,897	2,427
Shares issued in the year	808	470
At 31 March (370,470,013 ordinary shares of £0.01 each)	3,705	2,897

The following share issues were completed during the year:

28 June 2007	80,285,868 shares at 7p for cash
3 July 2007	17,500 shares at 5p for cash
4 July 2007	250,000 shares at 4p for cash
30 September 2007	250,000 shares at 4p for cash

These share issues relate to the exercise of employee share options and the funding of the acquisition of FFastFill Post-trade Processing Limited (formerly Exchange Systems Technology Limited).

NOTES TO THE ACCOUNTS for the year ended 31 March 2008 (continued)

19 **Called up share capital (continued)**

The following options to purchase 1p Ordinary shares in FFastFill Plc were granted, exercised, lapsed and outstanding during the year.

Exercise price in pence	At 1 April 2007	Granted in year	Exercised in year	Lapsed in year	At 31 March 2008	Dates from which exercisable	Expiry date
Enterprise Management Incentive Scheme							
£0.01	600,000	-	-	-	600,000	1 April 2004	31 March 2013
£0.04	2,165,000	-	-	-	2,165,000	31 March 2005 to 21 July 2009	31 July 2016
£0.04875	1,790,000	-	-	(180,000)	1,610,000	1 June 2006 to 30 September 2006	1 June 2016 to 30 September 2016
£0.05	560,000	-	(17,500)	-	542,500	1 April 2004 to 11 June 2006	1 April 2013 to 30 June 2013
£0.06	1,070,000	-	-	(300,000)	770,000	8 July 2008 to 3 April 2009	8 July 2015 to 3 April 2016
£0.07	11,140,762	240,000	-	(547,500)	10,833,262	26 September 2002 to 28 January 2008	25 September 2012 to 28 January 2008
£0.07250	-	2,024,500	-	(310,000)	1,714,500	4 June 2007	4 June 2017
£0.07750	-	4,600,000	-	(760,000)	3,840,000	2 July 2007	2 July 2017
£0.08375	-	2,167,500	-	-	2,167,500	25 June 2007	25 June 2017
Unapproved scheme							
£0.01	3,378,676	-	-	-	3,378,676	31 August 2000 to 1 April 2004	30 September 2005 to 31 March 2013
£0.04	1,080,000	-	(500,000)	-	580,000	10 October 2002 to 31 March 2003	30 September 2005 to 31 March 2012

NOTES TO THE ACCOUNTS for the year ended 31 March 2008 (continued)

19 **Called up share capital (continued)**

Exercise price in pence	At 1 April 2007	Granted in Year	Exercised in year	Lapsed in year	At 31 March 2008	Dates from which exercisable	Expiry date
£0.04875	270,000	-	-	-	270,000	1 June 2006	1 June 2009 to 1 June 2016
£0.05	165,000	-	-	(10,000)	155,000	11 June 2006	11 June 2013
£0.06	375,000	-	-	(50,000)	325,000	7 July 2008 to 15 December 2008	8 July 2015 to 15 December 2015
£0.07	11,199,782	-	-	(10,000)	11,189,782	26 September 2002 to 28 June 2006	25 September 2012 to 11 June 2013
£0.07250	-	2,380,000	-	-	2,380,000	4 June 2007	4 June 2016
£0.08375	-	480,000	-	-	480,000	25 June 2007	25 June 2017
Warrants							
£0.04	200,000	-	-	-	200,000	14 May 2005 to 17 June 2005	14 May 2013 to 16 June 2013
£.0.07	10,224,766	-	-	-	10,224,766	28 October 2002 to 17 June 2005	16 June 2013
£.0.10	200,000	-	-	(200,000)	-	27 June 2002	26 June 2007
£0.65	250,000	-	-	-	250,000	28 September 2000	7 September 2010
Total	**44,668,986**	**11,892,000**	**(517,500)**	**(2,367,500)**	**53,675,986**		

19 **Called up share capital (continued)**

Details of the share options outstanding during the year are as follows:-

	2008		2007	
	Number of share options	**Weighted average exercise price (in £)**	**Number of share options**	**Weighted average exercise price (in £)**
Outstanding as at 1 April 2007	44,668,986	£0.064	42,833,986	£0.066
Granted during the year	11,892,000	£0.0769	4,715,000	£0.05
Lapsed in year	(2,367,500)	£0.0721	(2,530,000)	£0.06
Exercised during the year	(517,500)	£0.04	(350,000)	£0.046
Outstanding as at 31 March 2008	53,675,986	£0.067	44,668,986	£0.064
Exercisable at the end of year	53,675,986	£0.067	44,668,986	£0.064

The total number of share options and warrants in issue at 21 May 2008 is 53,675,986.

The weighted average share price at the date of exercise of the options exercised during the period was £0.04. The options outstanding at 31 March 2008 had a weighted average exercise price of £0.067, and weighted average remaining contracted life of 2.1 years.

In the year ended 31 March 2008 options were granted on 4 June 2007, 20 June 2007, 25 June 2007, 2 July 2007 and 28 January 2008. The aggregate of the estimated fair values of the options granted on those dates is £193,000. In the year ended 31 March 2007 options were granted on 1 June 2006, 21 July 2006 and 30 September 2006. The aggregate of the estimated fair values of the options granted on those dates is £15,000

The total fair value that was charged to the income statement in relation to the share options was £22,000 (2007: £7,000), all of which related to equity settled share based payment transactions.

The fair value of the options has been calculated using the Black-Scholes Model. The model takes into account the following factors in determining the fair value of an option:

a) Share price and exercise price
Share prices are closing share process as at the date of grant. Exercise prices are listed in the above schedule.

b) Expected term of the options
It is assumed that the expected life of the options under consideration is 5 years.

c) Volatility
Volatility of the company's share price has been calculated as the annualised deviation of daily continuously compounded returns on the company stock, derived from the company's historical share process, adjusted for splits, over 3 years back from each date of grant.

19 **Called up share capital (continued)**

d) Risk-free interest rate
The risk-free rates of interest are assumed to be the yield to maturity on a UK Gilt Strip with the term to maturity equal to the expected life of the option. The inputs into the Black-Scholes model are as follows:-

	2008	2007
Weighted average exercise price	£0.0763	£0.064
Expected volatility	51.84%	59.29%
Expected life	5	10
Risk free rate	4%	4%
Expected dividend yield	-%	-%

20 **Operating lease commitments**

The Group had outstanding commitments for future minimum lease commitments under non-cancellable operating leases which fall due as follows:

	2008 £'000	2007 £'000
Land and buildings		
Leases which expire:		
Within one year	404	197
Between two and five years	804	22
Other		
Leases which expire:		
Within one year	-	2

21 **Basic earnings/(loss) per share and fully diluted earnings/(loss) per share**

Basic earnings/(loss) per share
Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders for each year amounting to £924,000 (2007: loss £1,107,000) for the year ended 31 March 2008 by 350,698,541 (2007: 241,022,630), being the weighted average number of ordinary shares in issue during each year.

Diluted earnings/(loss) per share share

The weighted average number of ordinary shares for calculating fully diluted loss per share is determined as follows:

	2008 No:	2007 No:
Weighted average number of ordinary shares	350,698,541	241,022,630
Share options	445,233	-
Fully diluted weighted number of ordinary shares	351,143,774	241,022,630

22 Financial instruments

The group's financial instruments comprise cash, finance leases and various items arising directly from its operations, such as trade receivables and trade payables. Details of finance lease obligations are disclosed in note 18. The main purpose of these financial instruments is to provide working capital for the group. The group's policy is to obtain the highest rate of return on its cash balances, subject to having sufficient resources to manage the business on a day to day basis and not exposing the group to unnecessary risk of default.

The group operates in a number of overseas markets, as disclosed in note 2. The directors minimise the group's foreign currency risk by retaining surplus cash in the functional currency of the entity.

The cash balances at the year end exposed to foreign currencies and interest rates were as follows:

		Variable rate interest £'000	Fixed rate interest £'000
31 March 2008			
Cash balances	- Sterling	960	900
	- US Dollar	329	-
	- Euros	1	-
	- Czech Koruna	234	-
		1,524	900

		Variable rate interest £'000	Fixed rate interest £'000
31 March 2007			
Cash balances	- Sterling	676	100
	- US Dollar	142	-
	- Euros	9	-
	- Czech Koruna	89	-
		916	100

The fixed interest rate on sterling cash balances was 4.25% (2007: 4.70%).

Further information on currency risk is set out in note 23F.

23 Financial risk management

A. Risk management policies

The group's finance function is responsible for procuring the group's capital resources and maintaining an efficient capital structure, together with managing the group's liquidity, foreign exchange and interest exposures.

All treasury operations are conducted within strict policies and guidelines that have been approved by the directors.

The group's portfolio of cash and cash equivalents is managed such there is no significant concentration of credit risk in any one bank or other financial institution. Management monitors closely the credit quality of the institutions with which it holds deposits.

B. Financial assets and liabilities

Financial assets and liabilities analysed by the categories defined in IAS 39 *Financial Instruments: recognition and measurement,* were as follows:

Group	Loans and receivables	Other financial liabilities at amortised cost	Total carrying value	Total fair values
	£'000	**£'000**	**£'000**	**£'000**
As at 31 March 2008				
Financial assets				
Trade receivables	1,991	-	1,991	1,991
Other receivables and accrued income	198	-	198	198
Cash and cash equivalents	2,424	-	2,424	2,424
Financial liabilities				
Trade and other payables	(6,122)		(6,122)	(6,122)
Amounts payable under finance leases	-	(103)	(103)	(103)
	(1,509)	(103)	(1,612)	(1,612)
As at 31 March 2007				
Financial assets				
Trade receivables	1,050	-	1,050	1,050
Other receivables and accrued income	160	-	160	160
Cash and cash equivalents	1,016	-	1,016	1,016
Financial liabilities				
Trade and other payables	(2,856)	-	(2,856)	(2,856)
Amount payable under finance leases	-	(355)	(355)	(355)
	2,226	(355)	1,871	1,871

23 Financial risk management (continued)

Company	Loans and receivables	Other financial liabilities at amortised cost	Total carrying value	Total fair values
	£'000	£'000	£'000	£'000
As at 31 March 2008				
Financial assets				
Trade receivables	252	-	252	252
Other receivables and accrued income	102	-	102	102
Cash and cash equivalents	1,712	-	1,712	1,712
Financial liabilities				
Trade and other payables	(4,964)	-	(4,964)	(4,964)
	(2,898)	-	(2,898)	(2,898)
As at 31 March 2007				
Financial assets				
Other receivables and accrued income	107	-	107	107
Cash and cash equivalents	1,712	-	1,712	1,712
Financial liabilities				
Trade and other payables	(1,591)	-	(1,591)	(1,591)
	228	-	228	228

Cash and cash equivalents attract floating interest rates. Their carrying amounts are considered to approximate to fair value.

Finance lease obligations attract fixed interest rates that are implicit in the lease rentals and their fair value has been assessed by reference to prevailing market interest rates.

23 Financial risk management (continued)

C. Credit risk

Credit risk is the risk that a counter party will default on its contractual obligiations resulting in financial loss to the group. Maximum credit risk at 31 March 2008 was as follows:

	2008 £'000	2007 £'000
Group		
Trade and other receivables	1,991	1,050
Cash and cash equivalents	2,424	1,016
	4,415	2,066

	2008 £'000	2007 £'000
Company		
Trade and other receivables	413	480
Cash and cash equivalents	1,712	791
	2,125	1,271

Before accepting a new customer, the group assesses each potential customer's credit quality and risk. Customer contracts are drafted to reduce any potential credit risk to the group. Where appropriate the customer's recent financial statements are reviewed.

Trade receivables are regularly reviewed for bad and doubtful debts. No debts have been written off during 2008 (2007: £nil).

£925,000 of trade receivables were past due for payment as at 31 March 2008, by five months or less, of which £533,000 was collected by 21 May 2008. The directors are confident as to the recoverability of the remaining balance and thus no impairment of the amount has been recognised in the financial statements at 31 March 2008

NOTES TO THE ACCOUNTS for the year ended 31 March 2008 (continued)

23 Financial risk management (continued)

D. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As at the year end, the group did not have any borrowing facilities.

Contractual cash flows relating to the group's financial liabilities are as follows:

	2008	
Group	**Within 1 year**	**Total**
	£'000	**£'000**
Trade and other payables	(1,478)	(1,478)
Finance lease obligations	(103)	(103)
	(1,581)	(1,581)

	2007		
Group	**Within 1 year**	**Between 1 and 2 years**	**Total**
	£'000	**£'000**	**£'000**
Trade and other payables	(597)	-	(597)
Finance lease obligations	(248)	(107)	(355)
	(845)	(107)	(952)

	2008
Company	**Within 1 year**
	£'000
Trade and other payables	4,964
	4,964

23 Financial risk management (continued)

Company	2007 Within 1 year £'000
Trade and other payables	1,591
	1,591

E. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. The group invests surplus cash at the best available rate at the date of transaction.

The interest rate profile of the group's financial assets and liabilities, was as follows:

	2008			
Group	Floating rate	Fixed Rate	Non-Interest bearing	Total
	£'000	£'000	£'000	£'000
Financial assets				
Trade and other receivables	-	-	1,991	1,991
Cash and cash equivalents	1,524	900	-	2,424
Financial liabilities				
Obligations under finance leases	-	(103)	-	(103)
	1,524	797	1,991	4,312

23 Financial risk management (continued)

Group	2007 Floating Charge	2007 Fixed Rate	2007 Non-Interest bearing	2007 Total
	£'000	£'000	£'000	£'000
Financial assets				
Trade and other receivables	-	-	1,050	1,050
Cash and cash equivalents	916	100	-	1,016
Financial liabilities				
Obligations under finance leases	-	(355)	-	(355)
	916	(255)	1,050	1,711

Company	2008 Floating Charge	2008 Fixed Rate	2008 Non-Interest bearing	2008 Total
	£'000	£'000	£'000	£'000
Financial assets				
Trade and other receivables	-	-	313	313
Cash and cash equivalents	812	900	-	1,712
	812	900	313	2,025

Company	2007 Floating Charge	2007 Fixed Rate	2007 Non-Interest bearing	2007 Total
	£'000	£'000	£'000	£'000
Financial assets				
Trade and other receivables	-	-	380	380
Cash and cash equivalents	691	100	-	691
	691	100	380	1,071

23 Financial risk management (continued)

F. Currency risk

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. Currency risk arises on financial assets and liabilities that are denominated in a currency other than the functional currency of the entity by which they are held. The group's exposure to currency risk was as follows:

	Net foreign currency financial assets/(liabilities) 2008			
Group	US dollar	Euro	Czech Koruna	Total
	£'000	£'000	£'000	£'000
Functional currency of entity				
Sterling	11	1	(20)	(8)
Group	2007			
Sterling	-	-	(62)	(62)

On the assumption that the change in exchange rates is applied to the risk exposures in existence at the balance sheet date, an increase/decrease of 10% in the value of the functional currencies of the entities concerned against the currencies in which the financial assets and liabilities are denominated would increase/decrease the group's profit by £1,000 (2007: £6,000)

	Net foreign currency financial assets 2008			
Company	US dollar	Euro	Czech Koruna	Total
	£'000	£'000	£'000	£'000
Functional currency of entity				
Sterling	11	1	-	12
Company	2007			
Sterling	-	-	-	-

On the assumption that the change in exchange rates is applied to the risk exposures in existence at the balance sheet date, an increase/decrease of 10% in the value of the functional currencies of the entities concerned against the currencies in which the financial assets and liabilities are denominated would increase/decrease the group's profit by £1,000 (2007: Nil)

24 **Post balance sheet event**

FFastFill Plc issued the second tranche on 2 May 2008 of consideration shares to the original shareholders of Exchange Systems Technology Limited (now renamed FFastFill Post-trade Processing Limited) in full in accordance with the acquisition agreement signed on 4 June 2007. These shares comprising 6,857,143 new ordinary shares of 1p each in FFastFill Plc have been issued as a result of there being no warranty claims by FFastFill under the terms of the Deed of Undertaking that related to the acquisition.

25 **Related party transactions**

For the purposes of IAS 24, key management are considered to be the directors. Details of directors' remuneration are set out on page 8, and in the directors' report.

26 **Acquisition**

On 2 July 2007 the company acquired the entire issued share capital of Exchange Systems Technology Limited (now renamed as FFastFill Post-trade Processing Limited) for a total consideration of £4.8m. The consideration consisted of £4.2 million payable in cash and £0.6 million payable in shares. The final tranche of the share consideration was paid on 2 May 2008 (see note 24) The aggregate result of that company for the period from completion on 2 July 2007 to 30 September 2007 was £3.542 million of turnover and £0.250 million of profit.

If the acquisition of Exchange Systems Technology Limited had been completed on the first day of the financial year of the group, revenue would have been £4.069 million and the loss attributable would have been £0.106 million.

The fair value of net assets required is based on the information available at the date at which these accounts have been prepared.

	Book value £'000	Accounting policy adjustments	Fair value £'000
Assets/(liabilities)			
Intangible assets	-	755	755
Property, plant and equipment	94	(7)	87
Trade and other receivables	693	-	693
Cash and cash equivalents	158	-	158
Deferred taxation	-	505	505
Trade and other payables	(1,142)	(706)	(1,848)
Net (liabilities)/assets acquired	(197)	547	350
Goodwill			4,618
Total cost of acquisition			4,968
Satisfied by:			
Cash			4,200
Shares – deferred			120
Shares – non-deferred			480
Acquisition costs			168
Total			4,968

The directors consider that the goodwill represents synergies and other benefits to the group which are expected to arise from the acquisition. These assets are not separately identifiable.