

Company registration number: 3978346

FFASTFILL PLC
REPORT AND ACCOUNTS

For the year ended

31 March 2009

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DIRECTORS AND ADVISERS

EXECUTIVE DIRECTORS	T K Todd (Executive Chairman) H J Purdey (Chief Executive Officer, appointed 1 April 2009)
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 N R Hartnell
SECRETARY	P A Colcombe
REGISTERED OFFICE	1-3 Norton Folgate London E1 6DB
PRINCIPAL BANKERS	Royal Bank of Scotland PO Box 39 5 th 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 AUDITOR	Baker Tilly UK Audit LLP Registered Auditor 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 pleased to be able to report a robust performance for the year ended 31 March 2009, achieved in spite of a very difficult market environment. We have recently reached the end of what I have termed our 'development phase', where we established our SaaS and STP credentials and laid the foundation for our multi-asset trading technologies. We are now prioritising attention on exploiting these assets and to deploying our resources in a way that will further strengthen our sales pipeline and profitability.

Market

The last twelve months has seen stability and confidence in very short supply within the financial services industry, which has led in some cases to some of our large customers deferring or delaying their business strategies and associated purchasing decisions.

However, this turbulence has also led to opportunities for our company and we are seeing early signs of the emergence of more boutique trading operations moving out from the big banks. US regulators are also leading a push for the industry to switch from "Over-The-Counter" ("OTC") to centrally cleared trading. If the regulators are successful in achieving this change, this will create a fundamental shift in the shape of the financial services industry and lead to an increase in the volume of exchange cleared and exchange traded securities. We are also seeing an emergence in demand for multi-asset trading solutions as traders and brokers look to differentiate their offerings and improve profitability: all of which fits well with our strategy.

Financial Overview

We achieved record full year revenue of £14.4m (FY 07/08: £11.4m), a growth of 27% during the year. Organic growth at 18.8%, while strong compared to our competitors, was lower than the previous year's organic growth of 30% due to the turbulent market conditions that resulted in some delay in contract signings. However, several of these delayed contracts have now been signed and will contribute to income in the current financial year. SaaS revenue was up by 42% during the period to £9.1m (FY 07/08: £6.4m) and now accounts for 63.6% of our total revenue.

EBITDA for the period was up 13% at £1.7m (FY 07/08: £1.5m) and we delivered an operating profit of £0.3m (FY 07/08: £0.2m).

The full benefits of the £1.5m per annum cost reduction programme that we announced in March will be realised in the second half of this financial year. The savings will offset some cost increases necessary to support our Asia Pacific expansion as well as improve underlying profitability.

The order book for the next twelve months now stands at £14.2m (FY 07/08: £11.5m), representing a growth of 23% over the prior year. This order book figure includes a purely SaaS order book of £10.3m (FY07/08: £7.3m), itself an improvement of 41% over the previous financial year. Cash at the year end stood at £2.2m (FY 07/08: £2.4m).

Asia Pacific Expansion

During the year we embarked on our Asia Pacific expansion strategy. As part of this strategy, in July 2008 we acquired Exchange Technology Pty Limited in Australia, bringing us an experienced middle office development team, regional exchange connectivity and 12 customers in the region. In November, we announced a Placing to raise approximately £1.0m to fund the next stage of our plans in the region.

We have also invested in our technology infrastructure in the region and plan to establish a Singapore business development base in August. Securing the global middle office business in February of a Tier 1 financial institution in this region was also a significant milestone in our efforts to expand into Asia Pacific and an endorsement of our middle office strategy.

Chairman's Statement (continued)

Management Team Changes

I was delighted to announce the appointment of Hamish Purdey as Chief Executive Officer in April 2009 and to welcome him to the Board of Directors. Hamish has worked at FFastFill for the past eight years in various roles in the UK, US and Asia and has now assumed full responsibility for the day-to-day running of the Group. At the same time, we announced that Nigel Hartnell would become a Non-Executive Director and that Dr John Elmore would retire from his role as Chief Technology Officer. I would like to express my sincere thanks to them both for the enormous contribution they have made to the Group over the years in their executive roles.

Our People

I would like to take this opportunity to thank our staff for their commitment and dedication during the year. Without them, FFastFill could not have achieved the financial performance it has during the year. We have a highly committed and motivated team around the globe, all of whom share a single-minded determination to achieve success for the Company.

Distributable Reserves


It is the Board's intention, at the Annual General Meeting to be held in July, to seek Shareholder approval for the cancellation of the Company's Share Premium Account. The effect of this cancellation, were it to be approved, would be to create distributable reserves in the Company which would give it the flexibility to pay dividends or to purchase its own shares in the market to be held in treasury or cancelled, should this be considered to be in the best interests of the Company and its shareholders.

Strategy and Outlook

We have spent the last six years building a business which is capable of delivering long term shareholder value. These characteristics are very much in evidence today in our business model, especially in relation to our SaaS strategy, which provides a solid stream of recurring revenue, a highly scalable business and a model which can generate higher margins over the longer term. The model is now further strengthened by the breadth of our offering, both in terms of the multiple asset class functionality that we are able to offer and our ability to provide solutions from the back to the front office. Having a modern flexible technology platform in the current climate is critical in terms of maintaining and winning customers.

In the coming year we will begin to gradually shift our attention and our resources away from technology development to further strengthen and develop our sales pipeline. We will also continue our investment, building our infrastructure in Asia and continuing to develop business for ourselves in that region. The resilience of our platform and our technology offering will remain important, and we will focus on further developing our global middle office software offering through a convergence of ET Seals and FFastFill's existing SaaS offering and also on developing a global multi-asset SaaS platform for the back office.

The Board believes the business has never been as strong competitively as it is today. As we said at the time of our interim results in November, the pace of growth in our sector and our markets remains difficult to predict in the short term as the consequences of the financial crisis unwind. However, in spite of this recent market turbulence, the Board remains confident that the medium and long term fundamentals of our target markets are strong and that our company is well placed to continue to grow its market share.


Keith Todd
Executive Chairman

Chief Executive Officer's Review

Introduction

I am delighted to present this, my first statement as FFastFill Chief Executive Officer. 2008/09 has been a milestone year in the development of our company and I am energised by the task ahead as we drive forward from what we have termed our 'development phase' into a phase that will see us exploit our assets in order to maximise our growth and profitability.

Contract Wins during the Year

During the financial year, FFastFill continued to win a series of new client mandates and renew existing business. This was largely due to the success and leverage of the SaaS model and was in spite of the tough economic circumstances. We have also invested heavily in the development of the platform and now offer a true front through middle to back office trading platform, which facilitates improved risk management and lower technology costs.

Wins in the year in the front office business included converting MF Global FX technology to our 21st century New Generation (NG) platform, also signing Mint Equities, Mizuho, ICAP and re-signing Futures Betting after their acquisition by London Capital Group. The middle office saw Skandinaviska Enskilda Banken AB ("SEB") implement our SaaS solution as well as conversions from the previous software platform, Viewpoint. The Eclipse suite of products in the back office continues to thrive. Renewal licences during the period include Banca IMI and AMT Futures. We were also successful during the year in winning and implementing NYSE Euronext Liffe's eFills system within our data centres.

Offerings – Developing our End-to-End offer

The product offerings from front through middle and back continue to progress in terms of functionality and scalability. The combination of the NG platform and the Eclipse back office platform lays a solid groundwork for future growth using best of breed technology in both areas to deliver customer requirements.

Front Office

In the front office, we continue to lead as a SaaS-delivered, readily deployable multi asset class trading and order management system. The addition of FX and cash bonds to the platform, as well as the continued development of futures trading functionality and scalability have further strengthened the SaaS platform. We continue to lead in London Metals Exchange ("LME") exchange connectivity with one third of Category 1 & 2 members using our services. The significant functional requirements of the users of the LME raise the barrier to entry for new vendors. In addition, we have enhanced NG to run as a truly global SaaS system raising the prospect of local execution with centralised order book and risk management for global firms.

Middle Office

The development of the SEALS NG platform through FY 08/9 and into FY 09/10 is an important development of the period. The Company is very well placed to compete for and win business in the global middle office market; a position further enhanced by the 'go live' during summer 2008 of the NG-based platform derived from the previous Viewpoint software and the integration of the Exchange Technology acquisition. The SEALS workflow interface will be released during July 2009 and the Asian gateways will follow.

Back Office

The back office has continued to grow in terms of market coverage and functionality. The year has seen significant development in additional asset classes including spread betting, Credit Default Swaps ("CDS") and in the emerging power/freight exchanges IDEX, IMAREX and Nordpool. Enhanced regulatory reporting requirements were also key deliverables during the period. The migration of Eclipse to Linux also represents a key milestone for the year.

Chief Executive Officer's Review (continued)

Risk

The integration of our RiskPro offerings with front, middle and back office platforms offering real time P&L and intraday SPAN margin calculations has been a significant development during the year. Being able to take trade information in real or near real time from either the front, middle or back office and then perform risk management calculations on this data is a unique selling point for our RiskPro system. Eclipse Risk was released as a component piece of this and is providing the final piece of the front through back integration.

Partnerships

FFastFill has worked hard during 2008/09 on strengthening the partnerships we have with our key suppliers. We have achieved and maintained Microsoft Gold Partnership during the year. Our front and middle office technology is based on the Microsoft suite of operating system and database technologies and we are very pleased with the scaling and the capacity we are achieving especially after the implementation of Windows 64 bit technology. We also continue to work with Citrix on our SaaS deployment technologies and are expanding our relationship with Object Trading Pty Ltd in the provision of data and trade execution connectivity in the Asia Pacific region.

We have also reconfirmed our Oracle Partner status and are working with Oracle to continue to leverage that relationship. During the year we have moved the back office platform to Oracle on Intel based Linux and this has provided increased levels of scalability and cost efficiency for FFastFill and improved service delivery for our customers.

During the period we have also worked closely with Progress Apama to ensure best of breed algorithmic functionality. This year we have extended our relationship with Progress Apama to host their technology and to offer it to customers on a SaaS-delivered basis.

Service and Quality

We have continued to innovate in our service management methodologies and technologies. One of the core benefits of the SaaS model is that we have been able to build a management and monitoring infrastructure which allows us to monitor the service delivery from the network all the way into the application. This allows us to be significantly more responsive and to proactively diagnose issues as and when they arise. We leverage the Microsoft suite of monitoring tools and are migrating to the SCOM platform during 2009.

We continue to succeed in providing cost efficient solutions to customers, maximising return from our data centre investments. We have also refined our analysis of the use of power within our data centres, and the use of blades and 64 bit Windows has ensured we can achieve more with the power we have today. In addition, we now understand down to the level of specific processes which services are consuming the most power and this will be crucial to the continued cost-effectiveness of FFastFill's services in the future.

The infrastructure platform is delivering millisecond sensitive trading and risk management as well as heavy duty computing power to the overnight processes in the back office. We are continually optimising the way in which services are delivered and testing and re-testing the resilience and failover capabilities within the solution. The addition of the Asian infrastructure, due to go live in Q2 2009, will further extend the global service platform.

Internal Process

Alongside customer infrastructure we have invested in internal processes during the year. We have implemented an integrated financial and customer management system as well as moved to a VOIP enabled phone network. Both will contribute to the enhanced productivity of staff and increased efficiency.

Chief Executive Officer's Review (continued)

Operational Priorities

Priorities for FY 09/10 include the continued integration of the SEALS middle office functionality within the NG architecture as well as final deployment of the remainder of the Asian solution alongside continued efficiency and optimisation of the service delivery platform. We will also be focused on developing a back office global multi-asset SaaS platform.

I look forward with energy to the year ahead and to continuing to drive this business forward as we enter a new phase in our market place.

Hamish Purdey
Chief Executive Officer



Financial Review

Full year revenue grew 27% to £14.4m (FY 07/08: £11.4m) including SaaS revenues of £9.1m (FY 07/08: £6.4m), a rise of 42%.

The pro-forma organic growth of the FFastFill business, excluding the effect of acquisitions, was 18.8%. Whilst strong compared to our competitors, this figure was lower than the previous year's organic growth of 30% due to the turbulent market conditions that resulted in some delay in contract signings. Several of these contracts have now been signed and will contribute to revenue in the current financial year. This year's double-digit revenue growth has been achieved by increasing the average income generated from our top 20 customers to £0.561m (FY 07/08: £0.438m), a growth of 28%, reflecting our efforts to increase the numbers of services we are providing to our clients and winning new business.

The order book for the next twelve months now stands at £14.2m (FY 07/08: £11.5m). Within this, our SaaS order book has grown by 41% to £10.3m. (FY 07/08: £7.3m).

The increase in revenue and improvement in total gross margin, offset by operating cost increases related to our investment in expansion, led to an EBITDA of £1.7m compared to £1.5m in FY 07/08. Operating profit of £0.3m (FY 07/08: £0.2m) was achieved during the year.

In April we announced some cost reduction measures that resulted from the end of what we termed our 'development phase' and the advances that have been made in software and operational processes over the past few years have delivered productivity gains. These savings have been achieved chiefly through some staff reductions and through the consolidation of office buildings and data centre operations. The savings are expected to total approximately £1.5m per annum when fully delivered and it is expected that the full benefits will be realised in the second half of this current financial year. The savings will offset some cost increases necessary to support our Asia Pacific expansion as well as improve underlying profitability. As mentioned in our Trading Update of 2 March 2009, included in the FY 08/09 accounts is an exceptional item of £0.6m to facilitate these cost reductions.

In the period, the group's total operating expenses grew by £3.0m from £11.1m in 2008 to £14.1m. This increase was due to:

- ◆ Cost of Sales (£0.3m)
Primarily through the increase in revenue, third party license fees have increased by £0.3m.
- ◆ Operating Expenses increased £2.5m to £9.5m (FY 07/08: £7.0m):
 - The effect of acquisitions (£1.2m)
Exchange Systems Technologies Limited (now known as FFastFill Post-trade Processing, or "PTP") was only included in the accounts for FY 08/09 for nine months starting from 1 July 2007). Exchange Technology Pty Limited was included in the accounts for FY 08/09 from 1 July 2008.
 - Investment in growth (£0.4m)
This includes the implementation of improved communication links to some exchanges and linking our US and UK data centres with two transatlantic links. This will improve customers' trading experience and as a result help accelerate future growth. We have also increased our Asia Pacific sales coverage and software test facilities.
 - Czech exchange rate (£0.2m)
A significant part of our development team is based in Prague and the exchange rate £: CZ Koruna has moved on average between the periods by 18% (FY 07/08: 38

Koruna per £ / FY 08/09: 31 Koruna per £). This has increased the operating expense charge to the income statement by £0.16m.

- Other overhead expenses (£0.4m)

Third party costs increased by £0.4m in the period. This includes London infrastructure cost increases of £0.3m owing to London data centre cost increases.

Our previous contracts had protected us through the last financial year from the substantial rise in London costs.

- Plc cost increase (£0.3m)

Executive directors' salaries had been waived in the first half year. These are now being paid in line with executive directors' contracts. In addition there was an increased group accrual during the period for share-based payments and additional investment in investor relations activity.

Amortization and depreciation at £1.4m for the period (FY 07/08: £1.3m) represents an increase of £0.1m on the prior year.

Overall the Company reported a Loss before Tax of £0.4m for the period (FY 07/08: Loss before Tax £0.1m) includes exceptional costs related to the cost reduction programme of £0.64m.

The Company reported a Loss after Tax for the period of £0.4m (FY 07/08: Profit after Tax £0.92m). In FY 07/08 we had the benefit of including £1.0m of deferred tax asset which has been included in the income statement. In addition the Company has a further £20.0m (FY 07/08: £18.0m) of tax losses that are still regarded as a contingent asset.

Cash inflow from operations was £0.9m (FY 07/08: cash inflow £2.2m). A customer payment of £0.7m was received on the 1 April 2009 and was not included within the cash inflow for the year ended 31 March 2009. This, and some changes to customer payment cycles, accounted substantially for the decrease in cash inflow from operations when compared to last year.

Capital expenditure on tangible fixed assets was £0.5m (FY 07/08: £0.6m), namely for equipment required for customer signings during the financial year and the replacement of some core infrastructure equipment. In addition, the Company invested £1.7m (FY 07/08: £1.0m) in product development in the Trade Execution Services, PTP and middle office areas.

During the year we embarked on our Asia Pacific expansion strategy and as part of our strategy in July we acquired Exchange Technology Pty Limited in Australia, bringing us an experienced middle office development team, regional exchange connectivity and 12 customers in the region for £1.2m. This was followed in November, with the announcement of a Placing to raise approximately £1.0m to fund our plans in this region in particular to support our infrastructure role out. Cash at 31 March 2009 was £2.2m (FY 07/08: £2.4m).

The Board does not intend to pay a dividend. However it is the Board's intention, at the Annual General Meeting to be held in July, to seek Shareholder approval for the cancellation of the Company's Share Premium Account. The effect of this cancellation, were it to be approved, would be to create distributable reserves in the Company which would give it the flexibility to pay dividends or to purchase its own shares in the market to be held in treasury or cancelled, should this be considered to be in the best interests of the Company and its shareholders.

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 March 2009.

Principal activities

The principal activity of the group is the provision of software as a service software 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 Chief Executive Officer's Review on pages 5 to 7, the Chairman's Statement on pages 3 to 4 and the Finance Review on pages 8 to 9. 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.

The group's order book of recurring and run rate revenue at the end of March 2009 was £14.2 million (2008: £11.5 million).

Results for the year and dividends

The results for the year are disclosed in the consolidated income statement on page 21.

The directors have not recommended the payment of a dividend (2008: £ nil).

Directors and their interests

The directors who served during the period were as follows:

Executive directors

T K Todd

N R Hartnell

H J Purdey (appointed 1 April 2009)

Non-Executive directors

H N P McCorkell

J E Oliff

D A Hurst-Brown

H N P McCorkell and T K Todd retire by rotation and, being eligible, offer themselves for re-election.

N R Hartnell became a non-executive director with effect from 1 April 2009.

H J Purdey was appointed Chief Executive Officer with effect from 1 April 2009.

DIRECTORS' REPORT (continued)

The interests of the directors who held office at 31 March 2009, 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 2009	31 March 2008
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

At the year end the company had the following outstanding options and warrants issued to directors who were in office at 31 March 2009 through various share option and warrant schemes:

Number of share options and warrants					
	Scheme status	Exercise price	at 31 March 2009	at 31 March 2008	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 4.50p to 7.63p.

DIRECTORS' REPORT (continued)

Directors and their interests (continued)

Directors' emoluments

Details of directors' emoluments are as follows:-

	2009 £'000	2008 £'000
Executive directors		
T K Todd	125	92
N R Hartnell	175	74
Executive directors		
D A Hurst-Brown	20	15
H N P McCorkell	20	15
J E Oliff	32	27
	<hr/>	<hr/>
	372	223
	<hr/>	<hr/>

The group did not pay any pension contributions on behalf of the directors, nor any bonuses or benefits in kind.

N R Hartnell became a non-executive director with effect from 1 April 2009, following termination of his executive responsibilities. In view of this change of status, he will receive £75,000, in lieu of notice. This amount is included in the table above.

The following directors waived salaries and fees:

	2009 £'000	2008 £'000
Executive directors		
T K Todd	-	33
N R Hartnell	-	26

DIRECTORS' REPORT (continued)

Substantial shareholdings

On 27 May 2009, the following holdings of 3% or more of the issued share capital of FFastFill plc were known to the Company:

Gartmore Investment Management	19.74%
ISIS EP LLP	7.81%
Black Rock Investment Management	6.91%
Artemis Investment Management	5.22%
Progressive Asset Management	5.19%
Mr M Underwood	4.79%
Mr I R Kergal	3.84%
Mr T K Todd	3.19%

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 favourably 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 for 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 customers' 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. 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.

DIRECTORS' REPORT (continued)

Revenue profile

FFastFill is one of a 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 90% 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 £14.2 million. This revenue profile provides the group 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.

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 2009 was 58 days (2008: 62 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 an integrated global research and development team (based in London, Sydney and Prague) which has a staff of 71. 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 to the accounts.

Auditor

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

Statement as to the disclosure of information to the auditor

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 auditor is 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 auditor.

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



P A Colcombe
Secretary
27 May 2009

REPORT ON CORPORATE GOVERNANCE

Whilst the group is not required to comply with the provisions of the Combined Code on Corporate Governance ('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 "The new Combined Code", 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 (four, effective 1 April 2009), 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, other than holdings of shares, share options and warrants. 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 to consider 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 a 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.

REPORT ON CORPORATE GOVERNANCE (continued)

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 10 June 2008.

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 auditor attend such meetings. The Committee reviews the published 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 group. 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.

REPORT ON CORPORATE GOVERNANCE (continued)

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 2009 was over £14.2 million (2008: £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.

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 as adopted by the EU ("IFRS") and have elected to prepare the company accounts in accordance with IFRS.

The group accounts are required by law and IFRS 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;
- 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 corporate and 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 AUDITOR'S REPORT TO THE MEMBERS OF FFASTFILL PLC

We have audited the group and parent company financial statements on pages 21 to 61. 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 Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union ("IFRS") 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 that is cross referenced from the Review of business and future developments 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, Chief Executive Officer's Report, Financial Review 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.

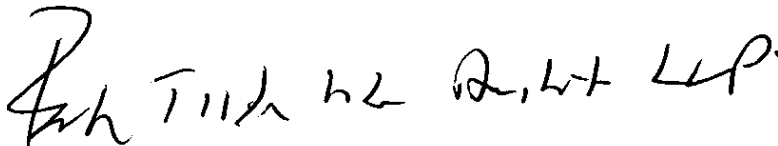
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FFASTFILL PLC
(continued)

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 March 2009 and of its loss 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 2009;
- 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

Registered Auditor

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST

27 May 2009

CONSOLIDATED INCOME STATEMENT for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Continuing operations:			
Revenue		14,384	11,359
Operating expenses	7	(14,125)	(11,145)
Operating profit		259	214
Exceptional items	11	(643)	(368)
Finance income	9	33	51
Finance costs	10	(90)	(34)
Loss before taxation	8	(441)	(137)
Tax	12	34	1,061
(Loss)/profit after taxation	8	(407)	924
(Loss)/profit attributable to equity holders of the company		(407)	924
Basic (loss)/earnings per share	23	(0.11p)	0.26p
Fully diluted (loss)/earnings per share	23	(0.11p)	0.26p

CONSOLIDATED BALANCE SHEET as at 31 March 2009

	Notes	2009 £'000	2008 £'000
ASSETS			
Non-current assets			
Goodwill	13	7,633	6,480
Intangible assets	14	3,567	2,595
Property, plant and equipment	15	750	785
Trade and other receivables	17	145	145
Deferred taxation	12	1,494	1,505
		<u>13,589</u>	<u>11,510</u>
Current assets			
Trade and other receivables	17	4,182	2,665
Cash and cash equivalents		<u>2,159</u>	<u>2,424</u>
		6,341	5,089
TOTAL ASSETS		19,930	16,599
LIABILITIES			
Current liabilities			
Trade and other payables	18	(7,476)	(6,122)
Borrowings	19	(500)	-
Obligations under finance leases	20	-	(103)
		<u>(7,976)</u>	<u>(6,225)</u>
Current assets less current liabilities		(1,635)	(1,136)
Total assets less current liabilities		11,954	10,374
Non-current liabilities			
Trade and other payables	18	(367)	-
Borrowings	19	(125)	-
		<u>(492)</u>	<u>-</u>
NET ASSETS		11,462	10,374
EQUITY			
Share capital	21	3,965	3,705
Share premium account		32,544	31,093
Other reserve		235	715
Share-based payment reserve		226	114
Merger reserve		890	890
Currency translation reserve		40	(112)
Retained earnings		<u>(26,438)</u>	<u>(26,031)</u>
Capital and reserves attributable to the equity shareholders of the company		11,462	10,374

The accounts were approved and authorised for issue by the Board of Directors on 27 May 2009 and were signed on its behalf by:

Keith Todd
Director

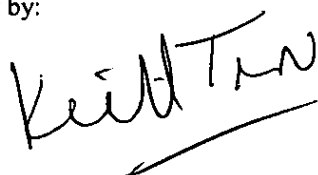


COMPANY BALANCE SHEET as at 31 March 2009

	Notes	2009 £'000	2008 £'000
ASSETS			
Non-current assets			
Investments	16	7,657	7,657
Trade and other receivables	17	2,177	100
		<hr/>	<hr/>
		9,834	7,757
Current assets			
Trade and other receivables	17	77	313
Cash and cash equivalents		1,639	1,712
		<hr/>	<hr/>
		1,716	2,025
TOTAL ASSETS		11,550	9,782
LIABILITIES			
Current liabilities			
Trade and other payables	18	(4,875)	(4,964)
Borrowings	19	(500)	-
		<hr/>	<hr/>
		(5,375)	(4,964)
Current assets less current liabilities		<hr/>	<hr/>
		(3,659)	(2,939)
Total assets less current liabilities		<hr/>	<hr/>
		6,175	4,818
Non-current liabilities			
Borrowings	19	(125)	-
		<hr/>	<hr/>
		6,050	4,818
EQUITY			
Share capital	21	3,965	3,705
Share premium account		32,544	31,093
Other reserves		235	715
Share-based payment reserve		226	114
Retained earnings		(30,920)	(30,809)
		<hr/>	<hr/>
Capital and reserves attributable to the equity shareholders of the company		<hr/>	<hr/>
		6,050	4,818

The accounts were approved and authorised for issue by the Board of Directors on 27 May 2009 and were signed on its behalf by:

Keith Todd
Director



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – attributable to the shareholders of the company

	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 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
Deferred shares issued	-	-	480	-	-	-	-	480
Share-based payment	-	-	-	79	-	-	-	79
Share issues	808	4,532	-	-	-	-	-	5,340
Balance at 31 March 2008	3,705	31,093	715	114	890	(112)	(26,031)	10,374
Exchange differences on translating foreign operations	-	-	-	-	-	152	-	152
Loss for the year	-	-	-	-	-	-	(407)	(407)
Total recognised income and expense	-	-	-	-	-	152	(407)	(255)
Share-based payment	-	-	-	112	-	-	-	112
Deferred shares issued	-	-	(480)	-	-	-	-	(480)
Share issues	260	1,451	-	-	-	-	-	1,711
Balance at 31 March 2009	3,965	32,544	235	226	890	40	(26,438)	11,462

COMPANY STATEMENT OF CHANGES IN EQUITY – attributable to the shareholders of the company

	Share capital £'000	Share premium account £'000	Other reserves £'000	Share- based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2007	2,897	26,561	235	35	(27,941)	1,787
Loss for the year	-	-	-	-	(2,868)	(2,868)
Total recognised income and expense	-	-	-	-	(2,868)	(2,868)
Shares to be issued	-	-	480	-	-	480
Share-based payment	-	-	-	79	-	79
Share issues	808	4,532	-	-	-	5,340
Balance at 31 March 2008	3,705	31,093	715	114	(30,809)	4,818
Loss for the year	-	-	-	-	(111)	(111)
Total recognised income and expense	-	-	-	-	(111)	(111)
Shares to be issued	-	-	(480)	-	-	(480)
Share-based payment	-	-	-	112	-	112
Share issues	260	1,451	-	-	-	1,711
Balance at 31 March 2009	3,965	32,544	235	226	(30,920)	6,050

The company has taken advantage of s230 Companies Act 1985 in not publishing its own income statement. The loss for the year was £111,000 (2008: Loss £2,868,000)

CASH FLOW STATEMENTS for the year ended 31 March 2009

	Notes	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Cash flows from operating activities					
Cash flows from operations	A	926	(1,929)	2,132	3,096
Interest received		33	26	51	42
Interest paid		(90)	(37)	(34)	-
Tax received		45	-	61	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash flows from/(used in) operating activities		914	(1,940)	2,210	3,138
		<hr/>	<hr/>	<hr/>	<hr/>
Cash from investing activities					
Purchase of investments		-	-	-	(3,228)
Purchase of intangible assets		(1,752)	-	(983)	-
Purchase of property, plant and equipment		(502)	-	(602)	-
Acquisition of subsidiaries (net of cash acquired)		(826)	-	(4,210)	(4,210)
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash flows used in investing activities		(3,080)	-	(5,795)	(7,438)
		<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from financing activities					
Net proceeds from issue of ordinary share capital		1,231	1,231	5,220	5,220
Advance of borrowings		750	750	-	-
Repayment of borrowings		(125)	(125)	-	-
Finance lease principal payments		(103)	-	(252)	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash flows from financing activities		1,753	1,856	4,968	5,220
		<hr/>	<hr/>	<hr/>	<hr/>
Net change in cash and cash equivalents		(413)	(84)	1,383	920
		<hr/>	<hr/>	<hr/>	<hr/>
Exchange rate movement		148	11	25	1
		<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at beginning of year		2,424	1,712	1,016	791
		<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of year		2,159	1,639	2,424	1,712
		<hr/>	<hr/>	<hr/>	<hr/>

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 2009

A. Reconciliation of profit/(loss) after taxation to net cash flows from operating activities

	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
(Loss)/profit after taxation	(407)	(111)	924	(2,868)
Finance income	(33)	(26)	(51)	(42)
Finance costs	90	37	34	-
Taxation	(34)	-	(1,061)	-
Depreciation	607	-	777	-
Amortisation of intangible assets	834	-	493	-
Share based payment	112	29	79	79
Foreign exchange translation differences	(63)	-	71	(1)
(Increase)/decrease in receivables	(1,393)	(1,841)	(480)	67
Increase/(decrease) in payables	1,213	(17)	1,346	2,633
Provision against investment in subsidiaries	-	-	-	3,228
Cash flows from operating activities	926	(1,929)	2,132	3,096

NOTES TO THE ACCOUNTS for the year ended 31 March 2009

1 General information

FFastFill Plc is incorporated and domiciled in the United Kingdom under the Companies Act 1985 and is listed on the AIM market. 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 10.

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

IFRS 1	Revised IFRS 1 First-time adoption of IFRS
IFRS 2	Share based payments – Amendment, vesting conditions and cancellations
IFRS 3	Business Combinations – Comprehensive revision on applying the acquisition method
IFRS 7	Financial Instruments: Disclosures – Amendment; Reclassification of Financial Assets
IFRS 8	Operating segments
IAS 1	Presentation of Financial Statements – comprehensive revision including requiring a statement of comprehensive income
IAS 23	Borrowing costs – Comprehensive revision to prohibit immediate expensing
IAS 27	Consolidated and Separate Financial Statements – Amendments arising from IFRS 3
IAS 27	Consolidated and Separate Financial Statements – Amendment, cost of an investment in a subsidiary, jointly controlled entity or associate
IAS 28	Investment in Associates – Consequential amendments arising from IFRS 3
IAS 39	Financial Instruments: Recognition and Measurement – Amendment; Reclassification of Financial Assets
IAS 39	Financial Instruments: Recognition and Measurement – Amendment; Eligible hedged items

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, adopted by the European Union ("IFRS").

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 loss of £0.407 million (2008: profit of £0.924 million) and had net assets at 31 March 2009 of £11.5 million (2008: £10.4 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 2009 was over £14.2 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 2009

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, with the exception of the original business combination involving FFastFill Plc and FFastFill Europe Limited which was accounted for using the pooling of interests 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.

Goodwill is allocated to cash generating units, that are expected to benefit from the business combination in which the goodwill arose, for the purpose of impairment testing.

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 forecast 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 on industry growth forecasts. Changes in selling prices and direct costs are based on 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 2.5%.

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%
Office equipment	-	25%
Short leasehold improvements	-	33%

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

Accounting policies (continued)

Investments

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

Internally generated intangible assets – software development expenditure

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use
- Management intends to complete the software product and use or sell it
- There is an ability to use or sell the software product
- It can be demonstrated how the software product will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available
- The expenditure attributable to the software product during its development 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. Research expenditure is expensed as incurred.

Developed software 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.

Purchased computer software is capitalised and amortised over three years.

Impairment of assets (excluding goodwill)

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 not 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.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

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 substantively 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.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

Accounting policies (continued)

Foreign currency translation (continued)

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, except 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 revenue 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 when receipt is virtually certain.

Exceptional items

Items that are material in size, unusual and non-recurring in nature are presented as exceptional items in the income statement. The directors are of opinion that the separate recording of non-recurring costs provides helpful information about the group's underlying performance.

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 sources of estimation uncertainty at the balance sheet date derives from management assumptions in relation to the capitalisation and amortisation of internally generated software assets, revenue recognition, goodwill impairment reviews and share-based payments. The accounting policies in relation to these items are disclosed in note 2 above.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

4 Segmental analysis

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

	Europe	US	Asia Pacific	Group
2009	£'000	£'000	£'000	£'000
Revenue by origin	11,143	2,702	539	14,384
Revenue by destination	10,594	2,702	1,088	14,384
Depreciation and amortisation	1,325	95	21	1,441
Segment result: operating profit/(loss)	513	(303)	49	<u>259</u>
Exceptional items	(613)	(30)	-	(643)
Finance costs – net				(57)
Tax				<u>34</u>
Loss after tax				<u>(407)</u>
Capital expenditure on property, plant and equipment	486	23	11	520
Expenditure on intangible assets	1,572	-	184	1,756
Segment assets	5,219	464	1,553	7,236
Goodwill	7,633	-	-	7,633
Intangible assets	3,333	-	234	3,567
Deferred tax asset				1,494
Total assets				<u>19,930</u>
Segment liabilities				<u>8,468</u>
Total liabilities				<u>8,468</u>

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

4 Segmental analysis (continued)

	Europe	US	Asia Pacific	Group
2008	£'000	£'000	£'000	£'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	-	-	6,480
Intangible assets	2,595	-	-	2,595
Deferred tax asset				1,505
Total assets			-	16,599
Segment liabilities				6,225
Total liabilities				6,225

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

5 Directors' emoluments

	2009	2008
	£'000	£'000
Salaries	372	223
Social security costs	40	25
	<hr/>	<hr/>
	412	248
	<hr/>	<hr/>

Emoluments disclosed above includes payments to the highest paid director of £175,000 (2008: £92,000). 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 to, or exercised by the directors in the year. For the purpose of IAS24 *Related party disclosures*, the key management are considered to be the directors.

6 Employee information

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

	2009	2008
	No.	No.
Software and services development and support	121	99
Customer project managers	18	13
Finance, administration and management	8	10
	<hr/>	<hr/>
	147	122
	<hr/>	<hr/>

As at 31 March 2009 staff numbers were 139 (2008: 140).

	2009	2008
	£'000	£'000
Staff costs for the above persons were:		
Wages and salaries	7,000	4,861
Social security costs	768	483
Share-based payment charge	112	79
	<hr/>	<hr/>
	7,880	5,423
	<hr/>	<hr/>

Included in the above staff costs is £1,691,000 (2008: £963,000) in relation to development costs that were capitalised in accordance with IAS 38 *Intangible assets*.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

7 Operating expenses

	2009	2008
	£'000	£'000
Staff costs	6,189	4,460
Depreciation and amortisation	1,441	1,257
Property	581	466
Other operating expenses	5,914	4,962
	<hr/>	<hr/>
	14,125	11,145
	<hr/>	<hr/>

8 Loss for the year

Loss for the year has been arrived at after charging:

	2009	2008
	£'000	£'000
Net foreign exchange losses/(gains)	74	(103)
Depreciation of property, plant and equipment		
- owned	607	523
- leased	-	241
Amortisation of intangible assets	834	506
Staff costs	6,189	4,460
Auditor's remuneration for audit services	52	47
Research and development costs	2,453	2,214
Operating leases – land and buildings	1,200	658
- equipment	2	2
	<hr/>	<hr/>

Amounts payable to associates of Baker Tilly and Baker Tilly UK Audit LLP in respect of non-audit services were £51,000 (2008: £27,000). A more detailed analysis of auditor's remuneration is provided below:

Fees payable to Baker Tilly UK Audit LLP and associates in respect of both audit and non audit services:

	2009	2008
	£'000	£'000
Audit services		
- statutory audit of parent and consolidated accounts	12	12
- audit of subsidiaries, pursuant to legislation, by Baker Tilly UK Audit LLP and its associates	40	35
Other services relating to taxation	48	19
Other services	3	8
	<hr/>	<hr/>
	103	74
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

9 Finance income

	2009	2008
	£'000	£'000
Bank interest	33	51
	<hr/>	<hr/>

10 Finance costs

	2009	2008
	£'000	£'000
Bank interest	8	7
On finance leases	2	18
Loan interest	37	-
Other interest	43	9
	<hr/>	<hr/>
	90	34
	<hr/>	<hr/>

11 Exceptional items

As FFastFill reaches the end of this development phase, the advances that have been made in software and operational processes over the past few years are resulting in new productivity gains which have facilitated several cost reduction opportunities. As a result of this FFastFill has been able to effect various cost saving measures through some staff reductions and building and data centre consolidation. Included in the 2009 accounts is a exceptional item of £0.6 million to facilitate these reductions.

The exceptional item in 2008 relates to the reorganisation costs of integrating Exchange Systems Technology Limited (now known as FFastFill Post-trade Processing Limited) into FFastfill plc and its subsidiary companies.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

12 Tax

	2009	2008
	£'000	£'000
Current taxation		
Research and development tax credit	(59)	(71)
Overseas tax	14	10
Deferred taxation	11	(1,000)
	<hr/>	<hr/>
Tax credit	(34)	(1,061)
	<hr/>	<hr/>
Factors affecting tax credit for the year:		
Loss before taxation	(441)	(137)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 – 30%)	(124)	(41)
Expenses not deductible for tax purposes	30	151
Losses not recognised for deferred tax purposes	260	635
Capital allowances not recognised for deferred tax purposes	(43)	17
Other temporary differences not recognised for tax purposes	(91)	6
Share based payments not recognised for deferred tax purposes	28	22
Deferred tax recognised in respect of trading losses arising in earlier years	-	(1,761)
Different UK tax rate applied for deferred tax purposes	(46)	(12)
Prior year income tax credit re researching and development	(59)	(71)
Foreign tax	11	9
Higher tax rate on overseas losses	-	(16)
	<hr/>	<hr/>
Tax credit for the year	(34)	(1,061)
	<hr/>	<hr/>

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 2009. The directors have considered forecasts for the foreseeable future in determining the recognised deferred tax asset. There are further tax losses of £20 million (2008: £18 million) which have not been recognised on the grounds of uncertainty over the timing of their recovery. All amounts are expected to reverse after more than one year.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

12 Tax – (continued)

	2009	2008
	£'000	£'000
Deferred taxation		
At 1 April	1,505	-
Profit and loss account	(11)	1,000
Recognised upon acquisition of subsidiary	-	505
	<hr/>	<hr/>
At 31 March	1,494	1,505
	<hr/>	<hr/>

The deferred tax asset is all in respect of unrelieved tax losses

13 Goodwill – Group

	2009	2008
	£'000	£'000
Cost		
At 1 April	6,480	1,862
Addition (see note 27)	1,153	4,618
	<hr/>	<hr/>
At 31 March	7,633	6,480
	<hr/>	<hr/>

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

- The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill may have been impaired
- The recoverable amounts of the CGUs are determined from the 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 allocated 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 CGUs. The rate used to discount the forecast cash flows is 2.5%. The growth rates are based on industry growth forecasts. Changes in revenues and direct costs are based on past practice and expectations of future changes in the market.
- The group prepares cash flow forecasts derived from the most recent financial budgets approved by the board for the next financial year and extrapolates cash flows for the following four years based on estimated growth rate.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

14 Intangible assets - Group

	Computer Software £'000	Capitalised development £'000	Total £'000
Cost			
At 1 April 2007	192	1,867	2,059
Acquisition	8	747	755
Addition	20	963	983
	<hr/>	<hr/>	<hr/>
At 31 March 2008	220	3,577	3,797
Acquisition	-	50	50
Addition	61	1,691	1,752
Exchange movement	4	-	4
	<hr/>	<hr/>	<hr/>
At 31 March 2009	285	5,318	5,603
Amortisation			
At 1 April 2007	172	520	692
Charge for the year	13	493	506
Exchange movement	4	-	4
	<hr/>	<hr/>	<hr/>
At 31 March 2008	189	1,013	1,202
Charge for the year	23	811	834
	<hr/>	<hr/>	<hr/>
At 31 March 2009	212	1,824	2,036
Net book value			
At 31 March 2009	<u>73</u>	<u>3,494</u>	<u>3,567</u>
At 31 March 2008	<u>31</u>	<u>2,564</u>	<u>2,595</u>
At 31 March 2007	<u>20</u>	<u>1,347</u>	<u>1,367</u>

Amortisation is included in operating expenses in the income statement.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

15 Property, plant and equipment – Group

	Computer hardware	Office equipment	Short leasehold improvements	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 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
Additions	512	7	1	520
Acquisition	31	2	-	33
Exchange movement	54	1	-	55
At 31 March 2009	4,758	255	198	5,211
Depreciation				
At 1 April 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
Charge for the year	573	26	8	607
Exchange movement	33	3	-	36
At 31 March 2009	4,042	227	192	4,461
Net book value				
At 31 March 2009	716	28	6	750
At 31 March 2008	725	47	13	785
At 31 March 2007	922	25	38	985

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

	2009 £'000	2008 £'000
Cost	-	730
Accumulated depreciation	-	(578)
Net book value	-	152
Depreciation charge for the year	-	241

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

16 Investments - Company

	Subsidiary companies £'000
Cost	
At 1 April 2007	21,666
Additions – purchase of subsidiary companies	5,550
– capital contribution to subsidiary company	3,228
	<hr/>
At 31 March 2008	30,444
Additions – capital contribution to subsidiary company	612
	<hr/>
At 31 March 2009	31,056
	<hr/>
Provision	
At 1 April 2007	19,559
Increase in provision	3,228
	<hr/>
At 31 March 2008	22,787
Increase in provision	612
	<hr/>
At 31 March 2009	23,399
	<hr/>
Net book value	7,657
At 31 March 2009	<hr/>
At 31 March 2008	7,657
	<hr/>
At 31 March 2007	2,107
	<hr/>

At 31 March 2009, FFastFill Plc made a capital contribution to eliminate the amounts due from FFastFill Inc. The company holds the following shareholdings in subsidiary undertakings:

<i>Company</i>	<i>% of equity owned</i>	<i>Country of incorporation</i>	<i>Activity</i>
FFastFill Europe Limited	100	Great Britain	IT services
FFastFill UK Limited	100	Great Britain	IT services
FFastFill Post-trade Processing Limited	100	Great Britain	IT services
Exchange Technology Pty Limited (1)	100	Australia	IT Services
FFastFill Australia Pty Ltd	100	Australia	IT Services
FFastFill Inc	100	USA	IT Services
FFastFill France SAS	100	France	Dormant
FFastFill FD Limited	100	Great Britain	Dormant
Future Dynamics Inc (2)	100	USA	Dormant
Spreadmania Limited	75	Great Britain	Dormant
FFastFill Sam Group Limited (3)	100	Great Britain	Dormant
FFastFill Sam Business Systems Limited (4)	100	Great Britain	Dormant
FFastFill Sam (Securities Operations) Limited (4)	100	Great Britain	Dormant

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

16 Investments – Company (continued)

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

17 Trade and other receivables

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
<u>Non-current</u>				
Other receivables	145	100	145	100
Amounts owed by group undertakings	-	2,077	-	-
	<hr/> 145	<hr/> 2,177	<hr/> 145	<hr/> 100
<u>Current</u>				
Trade receivables	2,860	-	1,991	252
Other receivables	146	9	53	2
Prepayments and accrued income	1,176	68	621	59
	<hr/> 4,182	<hr/> 77	<hr/> 2,665	<hr/> 313

The average credit period taken on sales of goods and services is 52 days (2008: 47 days). Interest is charged on overdue balances. The directors consider that the carrying amount of trade and other receivables approximates to their fair value. The movement in the bad debt provision for the year was £12,000 (2008: £nil).

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

18 Trade and other payables: amounts falling due within one year

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
<u>Non-current</u>				
Deferred revenue	367	-	-	-
<u>Current</u>				
Trade payables	1,420	157	1,478	93
Amounts owed to group undertakings	-	4,464	-	4,723
Other taxation and social security	1,142	-	903	34
Deferred income	3,550	-	2,743	-
Accruals	1,107	196	689	55
Other payables	257	58	309	59
	7,476	4,875	6,122	4,964

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 58 days (2008: 62 days). The directors consider that the carrying amount of trade and other payables approximates to their fair value.

19 Borrowings

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank loan repayable:				
Within one year	500	500	-	-
In the second to fifth years	125	125	-	-
	625	625	-	-
Included in current liabilities	500	500	-	-
Included in non-current liabilities	125	125	-	-
	625	625	-	-

Interest is charged at LIBOR, plus 2.25% and the borrowings are secured over the assets of the whole of the group.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

20 Obligations under finance leases

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts payable under finance leases				
Within one year	-	-	103	-
	<hr/>	<hr/>	<hr/>	<hr/>
Included in current liabilities	-	-	103	-
	<hr/>	<hr/>	<hr/>	<hr/>

The obligations under finance leases are secured on the related assets. The net book value of these assets as at 31 March 2009 was £nil (2008: £152,000)

21 Called up share capital	2009 £'000	2008 £'000
Authorised		
750,000,000 ordinary shares of £0.01 each	7,500	7,500
	<hr/>	<hr/>
Allotted, called up and fully paid		
At 1 April (370,470,013 ordinary shares of £0.01 each)	3,705	2,897
Shares issued in the year	260	808
	<hr/>	<hr/>
At 31 March (396,464,787 ordinary shares of £0.01 each)	3,965	3,705
	<hr/>	<hr/>

The following share issues were completed during the year:

31 March 2008

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

31 March 2009

4 June 2008	6,856,914 shares at 7p for cash
30 June 2008	265,000 shares at 5p for cash
2 July 2008	3,418,245 shares at 7p for cash
30 November 2008	15,384,615 shares at 6.5p for cash
31 December 2008	70,000 shares at 5p for cash

These share issues relate to the exercise of employee share options, placement to raise funds for the Asia Pacific strategy and the funding of the acquisition of FFastFill Post-trade Processing Limited (formerly Exchange Systems Technology Limited) and Exchange Technology Pty Limited.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

21 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 2008	Granted in year	Exercised in year	Lapsed in year	At 31 March 2009	Dates from which exercisable	Expiry date
Enterprise Management Incentive Scheme							
£0.01	600,000	-	-	(100,000)	500,000	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	1,610,000	-	(335,000)	(50,000)	1,225,000	1 June 2006 to 30 September 2006	1 June 2016 to 30 September 2016
£0.05	542,500	-	-	-	542,500	1 April 2004 to 11 June 2006	1 April 2013 to 30 June 2013
£0.06	770,000	-	-	(50,000)	720,000	8 July 2008 to 3 April 2009	8 July 2015 to 3 April 2016
£0.07	10,833,262	-	-	(60,000)	10,773,262	26 September 2002 to 28 January 2008	25 September 2012 to 28 January 2008
£0.07250	1,714,500	-	-	-	1,714,500	4 June 2007	4 June 2017
£0.07750	3,840,000	-	-	(1,350,000)	2,490,000	2 July 2007	2 July 2017
£0.08250	-	1,420,000	-	(60,000)	1,360,000	10 June 2011	10 June 2018
£0.08375	2,167,500	-	-	-	2,167,500	25 June 2007	25 June 2017
Totals	24,242,762	1,420,000	(335,000)	(1,670,000)	23,657,762		

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

21 Called up share capital (continued)

Exercise price in pence	At 1 April 2008	Granted in Year	Exercised in year	Lapsed in year	At 31 March 2009	Dates from which exercisable	Expiry date
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	580,000	-	-	-	580,000	10 October 2002 to 31 March 2003	30 September 2005 to 31 March 2012
£0.04875	270,000	-	-	-	270,000	1 June 2006	1 June 2009 to 1 June 2016
£0.05	155,000	-	-	-	155,000	11 June 2006	11 June 2013
£0.06	325,000	-	-	-	325,000	7 July 2008 to 15 December 2008	8 July 2015 to 15 December 2015
£0.07	11,189,782	150,000	-	-	11,339,782	26 September 2002 to 28 June 2006	25 September 2012 to 11 June 2013
£0.07250	2,380,000	1,120,000	-	(200,000)	3,300,000	4 June 2007 to 1 July 2011	4 June 2016 to 1 July 2018
£0.08250	-	30,000	-	-	30,000	10 June 2008	10 June 2008
£0.08375	480,000	-	-	-	480,000	25 June 2007	25 June 2017
Totals	18,758,458	1,300,000	-	(200,000)	19,858,458		

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

Called up share capital (continued)

Exercise price in pence	At 1 April 2008	Granted in Year	Exercised in year	Lapsed in year	At 31 March 2009	Dates from which exercisable	Expiry date
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
£0.65	250,000	-	-	-	250,000	28 September 2000	7 September 2010
Total	10,674,766	-	-	-	10,674,766		
Total	53,675,986	2,720,000	(335,000)	(1,870,000)	54,190,986		

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

21 Called up share capital (continued)

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

	2009		2008	
	Number of share options	Weighted average exercise price (in £)	Number of share options	Weighted average exercise price (in £)
Outstanding as at 1 April	53,675,986	£0.067	44,668,986	£0.064
Granted during the year	2,720,000	£0.0735	11,892,000	£0.07694
Lapsed in year	(1,870,000)	£0.0488	(2,367,500)	£0.0721
Exercised during the year	(335,000)	£0.0721	(517,500)	£0.04
Outstanding as at 31 March	54,190,986	£0.067	53,675,986	£0.067
Exercisable at the end of year	54,190,986	£0.067	53,675,986	£0.067

The total number of share options and warrants in issue at 27 May 2009 is 54,190,986.

The weighted average share price at the date of exercise of the options exercised during the period was £0.0721. The options outstanding at 31 March 2009 had a weighted average exercise price of £0.067, and weighted average remaining contracted life of 5 years.

In the year ended 31 March 2009 options were granted on 4 May 2008, 10 June 2008 and 1 July 2008. The aggregate of the estimated fair values of the options granted on those dates is £103,840.

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.

The total fair value that was charged to the income statement in relation to the share options was £112,000 (2008: £79,000), 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:

- Share price and exercise price
Share prices are closing share prices as at the date of grant. Exercise prices are listed in the above schedule.
- Expected term of the options
It is assumed that the expected life of the options under consideration is 5 years.
- 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.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

21 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:-

	2009	2008
Weighted average exercise price	£0.0675	£0.0763
Expected volatility	49.39%	51.84%
Expected life	5	5
Risk free rate	4%	4%
Expected dividend yield	-%	-%

22 Operating lease commitments

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

	2009 £'000	2008 £'000
Land and buildings		
<u>Leases which expire:</u>		
Within one year	499	404
Between two and five years	682	804

23 Basic earnings per share and fully diluted earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the loss attributable to ordinary shareholders for each year amounting to £407,000 (2008: profit £924,000) for the year ended 31 March 2009 by 383,998,302 (2008: 350,698,541), being the weighted average number of ordinary shares in issue during each year.

Diluted earnings per share

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

	2009 No:	2008 No:
Weighted average number of ordinary shares	383,998,302	350,698,541
Share options	-	445,233
Fully diluted weighted average number of ordinary shares	383,998,302	351,143,774

Share options were non-dilutive for the year ended 31 March 2009 as the group incurred a loss.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

24 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 20. 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 4. 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:

Group		Variable rate interest £'000	Fixed rate interest £'000
31 March 2009			
Cash balances	- Sterling	1,459	-
	- US dollar	204	-
	- Euros	17	-
	- Czech Koruna	199	-
	- Australia dollar	135	145
		<hr/>	<hr/>
		2,014	145
		<hr/>	<hr/>
		Variable rate interest £'000	Fixed rate interest £'000
31 March 2008			
Cash balances	- Sterling	960	900
	- US dollar	329	-
	- Euros	1	-
	- Czech koruna	234	-
		<hr/>	<hr/>
		1,524	900
		<hr/>	<hr/>

The fixed interest rate on sterling cash balances was 2.80% (2008: 4.25%).

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

Company	Variable rate interest £'000	Fixed rate interest £'000
31 March 2009		
Cash balances - Sterling	1,336	-
- US dollar	100	-
- Euros	17	-
- Czech Koruna	-	-
- Australia dollar	41	145
	<hr/>	<hr/>
	1,494	145
	<hr/>	<hr/>
	Variable rate interest £'000	Fixed rate interest £'000
31 March 2008		
Cash balances - Sterling	800	900
- US dollar	11	-
- Euros	1	-
	<hr/>	<hr/>
	812	900
	<hr/>	<hr/>

Further information on currency risk is set out in note 25F.

25 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 that 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.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

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 £'000	Total carrying value £'000	Total fair value £'000
As at 31 March 2009			
Financial assets			
Trade receivables	2,860	2,860	2,860
Other receivables and accrued income	907	907	907
Cash and cash equivalents	2,159	2,159	2,159
	<hr/> 5,926	<hr/> 5,926	<hr/> 5,926
	Other financial liabilities £'000	Total carrying value £'000	Total fair value £'000
Financial liabilities			
Trade and other payables	(2,784)	(2,784)	(2,784)
Borrowings	(625)	(625)	(625)
	<hr/> (3,409)	<hr/> (3,409)	<hr/> (3,409)
	<hr/> 2,517	<hr/> 2,517	<hr/> 2,517
As at 31 March 2008			
Financial assets			
Trade receivables	1,991	1,991	1,991
Other receivables and accrued income	330	330	330
Cash and cash equivalents	2,424	2,424	2,424
	<hr/> 4,745	<hr/> 4,745	<hr/> 4,745
	Other financial liabilities £'000	Total carrying value £'000	Total fair value £'000
Financial liabilities			
Trade and other payables	(2,476)	(2,476)	(2,476)
Amount payable under finance leases	(103)	(103)	(103)
	<hr/> (2,579)	<hr/> (2,579)	<hr/> (2,579)
	<hr/> 2,166	<hr/> 2,166	<hr/> 2,166

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

25 Financial risk management (continued)

Company	Loans and receivables £'000	Total carrying value £'000	Total fair value £'000
As at 31 March 2009			
Financial assets			
Other receivables and accrued income	2,186	2,186	2,186
Cash and cash equivalents	1,639	1,639	1,639
	<hr/> 3,825	<hr/> 3,825	<hr/> 3,825
	Other financial liabilities £'000	Total carrying value £'000	Total fair value £'000
Financial liabilities			
Trade and other payables	(4,875)	(4,875)	(4,875)
Borrowings	(625)	(625)	(625)
	<hr/> (5,500)	<hr/> (5,500)	<hr/> (5,500)
	<hr/> (1,675)	<hr/> (1,675)	<hr/> (1,675)
	Loans and receivables £'000	Total carrying value £'000	Total Fair value £'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
	<hr/> 2,066	<hr/> 2,066	<hr/> 2,066
	Other financial liabilities £'000	Total carrying value £'000	Total Fair value £'000
Financial liabilities			
Trade and other payables	(4,930)	(4,930)	(4,930)
	<hr/> (4,930)	<hr/> (4,930)	<hr/> (4,930)
	<hr/> (2,864)	<hr/> (2,864)	<hr/> (2,864)

Cash and cash equivalents attract fixed and 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.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

25 Financial risk management (continued)

C. Credit risk

Credit risk is the risk that a counter party will default on its contractual obligations resulting in financial loss to the group. Maximum credit risk at 31 March 2009 was as follows:

	2009 £'000	2008 £'000
Group		
Trade and other receivables	3,767	2,321
Cash and cash equivalents	2,159	2,424
	<hr/>	<hr/>
	5,926	4,745
	<hr/>	<hr/>
	2009 £'000	2008 £'000
Company		
Trade and other receivables	2,186	354
Cash and cash equivalents	1,639	1,712
	<hr/>	<hr/>
	3,825	2,066
	<hr/>	<hr/>

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. There were £12,000 of bad debts provided for in the accounts for 2009 (2008: £nil).

£865,000 of trade receivables were past due for payment as at 31 March 2009, by five months or less, of which £632,000 was collected by 27 May 2009. As at 31 March 2009, there was a bad provision of £12,000 and the directors are confident as to the recoverability of the remaining balance.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

25 Financial risk management (continued)

D. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations at the year end.

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

Group	2009			2008		
	Within 1 year	In the second to fifth year	Total	Within 1 year	In the second to fifth year	Within 1 year
	£'000	£'000	£'000	£'000	£'000	£'000
Trade and other payables	2,784	-	2,784	2,476	-	2,476
Finance lease obligations	-	-	-	103	-	103
Borrowings	500	125	625	-	-	-
	<u>3,284</u>	<u>125</u>	<u>3,409</u>	<u>2,579</u>	<u>-</u>	<u>2,579</u>

Company	2009			2008		
	Within 1 year	In the second to fifth year	Total	Within 1 year	In the second to fifth year	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trade and other payables	4,875	-	4,875	4,930	-	4,930
Borrowings	500	125	625	-	-	-
	<u>5,375</u>	<u>125</u>	<u>5,500</u>	<u>4,930</u>	<u>-</u>	<u>4,930</u>

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

25 Financial risk management (continued)

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:

Group	2009			Total
	Floating rate	Fixed Rate	Non- Interest bearing	
	£'000	£'000	£'000	£'000
Financial assets				
Trade receivables	-	-	2,860	2,860
Other receivables and accrued income	-	-	907	907
Cash and cash equivalents	2,013	146	-	2,159
Financial liabilities				
Trade and other payables	-	-	(2,784)	(2,784)
Borrowings	(625)	-	-	(625)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,388	146	983	2,517
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

25 Financial risk management (continued)

Group	Floating Charge	2008		Total
		Fixed Rate	Non- Interest bearing	
	£'000	£'000	£'000	£'000
Financial assets				
Trade receivables	-	-	1,991	1,991
Other receivables and accrued income	-	-	330	330
Cash and cash equivalents	1,524	900	-	2,424
Financial liabilities				
Trade and other payables	-	-	(2,476)	(2,476)
Obligations under finance leases	-	(103)	-	(103)
	<u>1,524</u>	<u>797</u>	<u>(155)</u>	<u>2,166</u>
Company	Floating Charge	2009		Total
		Fixed Rate	Non- Interest bearing	
	£'000	£'000	£'000	£'000
Financial assets				
Other receivables	-	-	2,186	2,186
Cash and cash equivalents	1,494	145	-	1,639
Financial liabilities				
Trade and other payables	-	-	(4,875)	(4,875)
Borrowings	(625)	-	-	(625)
	<u>869</u>	<u>145</u>	<u>(2,689)</u>	<u>(1,675)</u>

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

25 Financial risk management (continued)

Company	Floating Charge	2008		Total
		Fixed Rate	Non- Interest bearing	
	£'000	£'000	£'000	£'000
Financial assets				
Trade receivables	-	-	252	252
Other receivables	-	-	102	102
Cash and cash equivalents	812	900	-	1,712
Financial liabilities				
Trade and other payables	-	-	(4,930)	(4,930)
	812	900	(4,576)	(2,864)

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)						
Group	Australia dollar	Japan yen	2009		Czech Koruna	Total
			US dollar	Euro		
	£'000	£'000	£'000	£'000	£'000	£'000
Functional currency of entity						
Sterling	213	(65)	(15)	(11)	(45)	77
Group			2008			
Sterling	-	-	11	1	(20)	(8)

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 loss by £8,000 (2008: £1,000)

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

25 Financial risk management (continued)

Net foreign currency financial assets						
Company	Australia dollar	Japan yen	2009		Czech Koruna	Total
			US	Euro		
	£'000	£'000	dollar £'000	£'000	£'000	£'000
Functional currency of entity						
Sterling	41	-	100	7	-	148
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Company						
			2008			
Sterling	-	-	11	1	-	12
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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 company's loss by £15,000 (2008: £1,000)

26 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 12, and in the directors' report.

NOTES TO THE ACCOUNTS for the year ended 31 March 2009 (continued)

27 Acquisition

On 1 July 2008 FFastFill Australia Pty Limited acquired the entire issued share capital of Exchange Technology Pty Limited for a total consideration of £1.164m. The consideration consisted of £0.920 million payable in cash and £0.244 million payable in shares. The aggregate result of that company for the period from completion on 1 July 2008 to 31 March 2009 was revenue of £0.375 million and profit of £0.097 million of profit.

If the acquisition of Exchange Technology Pty Limited had been completed on the first day of the financial year of the group, revenue would have been £0.609 million and the loss attributable to the group would have been £0.06 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	-	50	50
Property, plant and equipment	33	-	33
Trade and other receivables	124	-	124
Cash and cash equivalents	94	-	94
Deferred taxation	-	-	-
Trade and other payables	(79)	-	(79)
Net assets acquired	<u>172</u>	<u>50</u>	<u>222</u>
Goodwill			1,153
Total cost of acquisition			<u>1,375</u>
Satisfied by:			
Cash			920
Shares (3,418,245 shares at 7p per share)			244
Acquisition costs			62
Exchange movement			149
Total			<u>1,375</u>

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.