20 May 2010

FFastFill

FFastFill plc

("FFastFill" or the "Group")

Preliminary Results for the twelve months ended 31 March 2010

The Board of FFastFill plc (LSE: FFA), the leading provider of Software as a Service ("SaaS") to the global derivatives community, is pleased to announce Preliminary Results for the twelve months ended 31 March 2010.

Financial Highlights

- Significant increase in operating profit up to £1.2m (FY08/09: £0.3m)
- SaaS revenue up 15% to £10.5m (FY08/09: £9.1m)
- SaaS now represents 74% of revenue (FY08/09: 64%)
- Revenue at £14.3m (FY08/09: £14.4m)
- '12 month SaaS order book' stands at £10.7m (FY08/09: £10.3m)
- EBITDA increased 82% to £3.1m (FY08/09: £1.7m)
- Net cash flow from operating activities increased to £3.3m (FY08/09: £0.9m)
- Strengthened net cash position of £2.4m (FY08/09: £1.5m)

Operational Highlights

- Global presence strengthened as a result of further progress with Asia Pacific strategy
- Product offer broadened in all four key areas, tailored to the SaaS opportunity
- Operational efficiencies delivered, creating a better balanced business
- Continued to win new business, led by SaaS as the financial turbulence unwound
  - Solid additions in the first half including Prudential Bache, Liquid Capital, Ignis and SVS
  - Successful additions in the second half including two new Tier 1 banks, one being HSBC
  - Further strengthened our leading position in the LME market

Commenting on the results FFastFill Executive Chairman, Keith Todd, commented:

"Our SaaS business model continues to serve us well and with continued stability returning to our markets we believe we enter the next financial year in a better position. Our broadened product offering, global presence, and the strength of our client relationships provide us with a more diversified and better balanced business on which to grow further next year and beyond."

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Chairman's Statement

At the end of what can only be described as a most unusual and challenging twelve months, following on from the financial crisis of 2008, I am pleased to be able to report a significant improvement in profitability at FFastFill for the year ended 31 March 2010. Through the continued enhancement of our operational platform and the further broadening of our SaaS-led product portfolio, we have been able to significantly improve operating profit to £1.2m (FY08/09: £0.3m) on revenue of £14.3m (FY08/09: £14.4m). Our net cash at 31 March 2010 stood at £2.4m (FY08/09: £1.5m).

When we reported our full year results at this time last year we described the environment as the "calm after the storm." In practice, what we saw during the period was the emergence of a number of business failures and mergers; the onset of lower business budgets particularly for new projects; and a lack of clarity on decision making. A year on we see stability returning; budgets have improved; mergers and changes in business models have completed; and decision makers are back in place operating in what I would describe as more typical decision making cycles. Provided there is no new financial crisis, we should be able to operate in a more normal environment in FY10/11.

As a consequence of this market turmoil, during the year we lost existing revenue from businesses that closed and those that merged and changed their business models. However, over the same period, we continued to win new business from new organisations, as a result of the investments we made in our middle office product offering, as well as further strengthening our position in the London Metal Exchange ("LME") market. Given the lost revenue in the year we are expecting a shift in the current financial year to a stronger second half as the new contracts already won grow to replace old income streams lost as a result of the storm.

The mix of our business has changed – for the better – as we continued to reduce the amount of third party license work we carry out, focusing almost solely instead on delivery of our SaaS-led product offering. At the end of the year, SaaS revenue of £10.5m accounted for 74 percent of total revenue, compared with 64 percent in the previous year (FY08/09: £9.1m).

The cost reduction measures we put in place at the beginning of the year have been implemented successfully. As a result we have been able to reduce operating expenses to £8.7m (FY08/09: £9.5m) despite increasing our costs in Asia as we pushed ahead with our planned roll out of new infrastructure across the region. We now have a strong global presence as a result of our Asian investment, both in terms of business development and physical infrastructure.

We have expanded our focus within the derivatives market to cover both exchange traded and Over The Counter ("OTC") trading. Regulatory pressures continue to evolve toward an environment where much of the OTC market will, ultimately, be centrally cleared. The full realisation of these changes in the market will take time to have a significant impact on our revenue. Nevertheless the direction in which the market is aiming plays to our historic strengths in centrally cleared exchange trading and we will continue to monitor these developments very closely.

During the year we received approval to convert our share premium account into distributable reserves which will allow us, as deemed appropriate by the Board, to pay a dividend and also buy back shares subject to shareholder approval. This action was taken to prepare us for the future. The Board has decided that, as we are still in a significant growth phase, it is too early for the Company to commence payment of a dividend this year.

This year's significant improvement in profitability could not have been achieved without the commitment and skill of our staff. I would like to thank them personally and on behalf of my Board colleagues for all of their hard work.

As we enter the next financial year, we have a broad product offering, a global presence and a more balanced business and customer base. Whilst there is still some historic revenue to replace this year, especially in the first half, our high level of contracted revenue including recent customer wins position us well to continue our growth and further improve our profitability particularly in the second half of the current financial year.

Keith Todd
Executive Chairman

Chief Executive's Review

Introduction

I am very pleased to present this report of a record set of results for the FFastFill Group. Increasing operating profit from £0.3m in FY08/09 to £1.2m in FY09/10 is a solid achievement, particularly against the backdrop of the market in which we have been operating. Despite the turmoil around us, we have increased the number of customers benefiting from our SaaS products; delivered projects successfully; and developed new products. Furthermore, we have improved our own internal work processes resulting in efficiency gains to the Group as a whole.

I would like to thank the staff for their efforts and commitment during FY09/10 and in advance for the hard work I know they will carry out in the year ahead. FFastFill's achievements could not have been accomplished without their unwavering dedication and steadfast work ethic.

Contract Wins

We have continued to win business during the year and have gained new customers across each of our four product offerings. Building on the successful wins in the first half of customers such as Prudential Bache, Liquid Capital, Ignis and SVS, during the second half we succeeded in adding two new Tier 1 international banks – including HSBC – to our trading platform. These wins reflect the high level of investment we have made and continue to make in our intellectual property. We continue to strive for the lowest latency, the highest uptime and the best quality of service possible and continue to manage and monitor the infrastructure to deliver this.

From a customer perspective, the SaaS platform is especially well suited to times of economic turmoil with the minimal installation cost, certainty of recurring cost and scalability of the platform. Customers also benefit from the control provided to them by the SaaS platform for what are very sensitive, mission critical applications.

Broadening the Product Offer

As we move ever closer toward a pure SaaS-led offering, the strength, depth and breadth of our product suite becomes all the more important. We have continued this year to improve our products in each of our four key areas:

Front Office

The front office business continues to progress as moves within electronic trading continue in the industry. We have reduced latency, which is a critical concern to our end-customers, increased our focus on algorithmic trading and extended the geographical reach of the product set during the year. The "FFastFill NG" platform is proving itself to be a rugged, functionally rich and stable application well capable of meeting the demands placed on it by increasing market data volumes as well as customer functionality. We continue to lead the London Metals Exchange ("LME") market in terms of share; however, we have also extended the range of exchanges as well as instruments covered during the year. We have connected to emerging markets in Asia as well as in the Middle East and extended functionality and risk management for algorithmic engines as well. More than half of the order volume on the platform now originates from algorithimic engines reflecting the moves in the industry to automated trading.

Middle Office

The acquisition of Exchange Technology ("ET") in July 2008 has been an unqualified success and during this year we completed the first phase of the convergence of the technology bases. There is now no longer any difference in user interface functionality between the two platforms and the exchange connectivity phase will complete during FY10/11. Customer wins have been very pleasing and the product is competitively very well placed against the industry leader. Increasing volumes have placed stress on the middle office components in the industry and we have bench tested the application beyond the current volumes and are extremely confident in the technology's scalability for the medium to long term.

Back Office
The Eclipse platform continues to win business and lead the market in terms of technology and flexibility. During the year we have extended the product reach by instrument class and geography and continued to optimise the hardware base on which the platform runs. This has been important to future proof the platform for the increased trade loads to come. The OTC market provides a medium term revenue opportunity that is significant for the product set. We have developed the building blocks for this and continue to monitor the industry's enthusiasm for this offer with interest.

Risk Management
The industry's need and appetite for risk management continues. We believe that the product set we have continues to offer best-of-breed technology-based protection for "sell side" firms as they strive to deliver increased access to market for their own customers. We strongly believe that the prevalence of naked Direct Market Access ("DMA") for customers with no pre-trade risk monitoring is not in the best interests of the industry and that the vendor risk management community has an important part to play in this part of the trade life cycle.

Infrastructure Development
During the year we have extended the service platform to Asia, delivering lower latency connectivity to the platform for customers in the region as well as increased connectivity for global customers. We have continued to develop our monitoring and management engines. Microsoft Systems Centre Operations Manager ("SCOM") is at the core of this and is progressing into a significant piece of intellectual property for us in the context of managing complex trading infrastructure.

We have also continued the migration to Oracle Enterprise Linux on HP hardware in the back office which is providing lower cost delivery with increased flexibility and scalability. Power usage continues to drive data centre management and we work closely with our hardware suppliers, data centre managers and development teams to optimise power utilisation within the service platform which has led to direct cost improvements.

We continue to work with all parts of the service delivery supply chain, from telecommunications providers, through networks, operating systems and our application teams to optimise the delivery of the services and to ensure higher levels of uptime and reliability. Service quality is critical to the growth and development of the business and we continue to allocate significant resource to this activity.

Process
We continue to focus on process improvements specifically around the incident management, release management and development processes. In the next financial year we will seek SAS70 certification, which will serve as an important external marker of the quality of the service delivery framework.

We have implemented Microsoft Dynamics CRM to manage sales data and to be a collation point for our internal data sets. This has provided benefits to the sales processes and to internal efficiency within the company. We anticipate continued investment and implementation effort in these areas.

The Year Ahead
We enter the new financial year with a renewed energy to continue to streamline our processes and work with customers, old and new, to deliver better products both on time and on budget. We will continue to focus not only on improving our own competitive offering, but also improving the competitiveness of our customers by ensuring that our front-to-back service provides them with enhanced functionality, increased speed and greater stability during this year and beyond.

Hamish Purdey
Chief Executive Officer

Financial Review

Full year total revenue reduced by 1% to £14.3m (FY08/09: £14.4m) with SaaS revenue increasing to £10.5m (FY08/09: £9.1m), an increase of 15%. The gross profit margin has improved over the year to 83% (FY08/09: 78%), following the reduction of revenue generated through third party licence work.

The slight fall in revenue was largely due to the planned reduction in third party licence revenue and the turbulent market conditions resulting in some contract losses as businesses entered administration or changed their business model to adapt to market pressures. In addition, we did experience some delay in the signing of some new contracts – as announced in the Group's April Trading Update – but we expect these signings to contribute to revenue in the new financial year.

The order book for the next twelve months now stands at £13.5m (FY08/09: £14.2m). Within this, our SaaS order book has grown to £10.7m (FY08/09: £10.3m) after absorbing lost revenue of £1.5m from a major customer which has ceased to operate in this area.

We have successfully implemented our cost reduction programme as announced in April 2009. Some of these anticipated cost savings were offset by further investment in our Asia Pacific expansion strategy. During FY09/10, FFastFill invested £1.0m in operating expenses in this region to enhance the global offering. Operating expenses have decreased by £0.8m to £8.7m (FY08/09: £9.5m).

Amortisation and depreciation amounted to £1.9m (FY08/09: £1.4m) which includes £1.4m in respect of software development.

Overall the group reported a profit before tax of £1.2m (FY08/09: Loss before tax of £0.4m).

The Group reported a profit after tax of £1.1m (FY08/09: Loss after tax of £0.4m). The Group has deferred tax assets of £1.4m to be used against future profits.

Cash inflow from operations increased to £3.3m (FY08/09: £0.9m). This improvement relates to the enhancement in profitability as well as continued tight control over working capital. The strong increase in operational cash flow resulted in a strengthened net cash position to £2.4m (31 March 2009: £1.5m).

Capital expenditure on property, plant and equipment assets was maintained at £0.5m (FY08/09: £0.5m), primarily for equipment required for customer signings during the financial year, the integration of the London data centres and the replacement of core infrastructure to increase efficiency.

In addition, the Group invested £1.8m (FY08/09: £1.7m) in product development for trade execution services and in the middle and back office to ensure our customers continue to benefit from the latest proven and reliable technology.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2010

Continuing operations:	Notes	2010 £'000	2009 £'000
Revenue		14,274	14,384
Cost of sales		(2,479)	(3,214)
Gross profit		11,795	11,170
Operating expenses		(8,698)	(9,470)
Earnings before interest, taxes, depreciation and amortisation		3,097	1,700
Depreciation		(505)	(607)
Amortisation		(1,379)	(834)
Operating profit		1,213	259
Exceptional items		(33)	(643)
Finance income		40	33
Finance costs		(21)	(90)
Profit/(loss) before taxation		1,199	(441)
Tax		(58)	34
Profit/(loss) after taxation – attributable to the owners of the parent		1,141	(407)
Other comprehensive income, net of tax			
Currency translation differences		(26)	152
Total comprehensive income for the year - attributable to the owners of the parent		1,115	(255)
Basic earnings/(loss) per share	5	0.28p	(0.11p)
Fully diluted earnings/(loss) per share	5	0.28p	(0.11p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2010

	2010 £'000	2009 £'000
ASSETS		
Non-current assets		
Goodwill	7,784	7,633
Intangible assets	4,015	3,567
Available for sale investments	5	-
Property, plant and equipment	840	750
Trade and other receivables	-	145
Deferred taxation	1,436	1,494
	14,080	13,589
Current assets		
Trade and other receivables	2,969	4,182
Cash and cash equivalents	2,548	2,159
	5,517	6,341
TOTAL ASSETS	19,597	19,930
LIABILITIES		
Current liabilities		
Trade and other payables	(6,417)	(7,476)
Borrowings	(125)	(500)
	(6,542)	(7,976)
Current assets less current liabilities	(1,025)	(1,635)
Total assets less current liabilities	13,055	11,954
Non-current liabilities		
Trade and other payables	(432)	(367)
Borrowings	-	(125)
NET ASSETS	12,623	11,462
EQUITY		
Share capital	3,970	3,965
Share premium account	19	32,544
Other reserve	235	235
Share-based payment reserve	248	226
Merger reserve	890	890
Currency translation reserve	14	40
Retained earnings	7,247	(26,438)
Equity attributable to the owners of the parent company	12,623	11,462

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium account £'000	Other reserves £'000	Share-based payment reserve £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
Balances at 1 April 2008	**3,705**	**31,093**	**715**	**114**	**890**	**(112)**	**(26,031)**	**10,374**
Loss for the year	-	-	-	-	-	-	(407)	(407)
Other comprehensive income								
Exchange translation differences on foreign operations	-	-	-	-	-	152	-	152
Total comprehensive income for the year	-	-	-	-	-	152	(407)	(255)
Transactions with owners								
Deferred shares issued	-	-	(480)	-	-	-	-	(480)
Share-based payment	-	-	-	112	-	-	-	112
Share issues	260	1,451	-	-	-	-	-	1,711
Total transactions with owners	**260**	**1,451**	**(480)**	**112**	**-**	**-**	**-**	**1,343**
Balance at 31 March 2009	**3,965**	**32,544**	**235**	**226**	**890**	**40**	**(26,438)**	**11,462**
Profit for the year	-	-	-	-	-	-	1,141	1,141
Other comprehensive income								
Exchange translation differences on foreign operations	-	-	-	-	-	(26)	-	(26)
Total comprehensive income for the year	-	-	-	-	-	(26)	1,141	1,115
Transactions with owners								
Cancellation of share premium account	-	(32,544)	-	-	-	-	32,544	-
Share-based payment	-	-	-	22	-	-	-	22
Share issues	5	19	-	-	-	-	-	24
Total transactions with owners	**5**	**(32,525)**	**-**	**22**	**-**	**-**	**32,544**	**46**
Balance at 31 March 2010	**3,970**	**19**	**235**	**248**	**890**	**14**	**7,247**	**12,623**

Share premium account

On 16 September 2009, the Company received a high court approval for the cancellation of its share premium account which was sought because the Company had an accumulated deficit on its retained earnings. The absence of distributable profits meant that the Company was unable to pay dividends. The Resolution, which was proposed as a special resolution, approved the cancellation of the Company's share premium account, which as at 31 March 2009 amounted to £32,544,145.

CASH FLOW STATEMENTS for the year ended 31 March 2010

	Notes	Group 2010 £'000	Group 2009 £'000
Cash flows from operating activities			
Cash flows from operations	A	3,337	926
Interest received		40	33
Interest paid		(21)	(90)
Tax received		7	45
Net cash flows from/(used in) operating activities		3,363	914
Cash from investing activities			
Purchase of intangible assets		(1,840)	(1,752)
Purchase of property, plant and equipment		(534)	(502)
Acquisition of subsidiaries (net of cash acquired)		-	(826)
Deferred consideration		(151)	-
Net cash flows used in investing activities		(2,525)	(3,080)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		24	1,231
Advance of borrowings		-	750
Repayment of borrowings		(500)	(125)
Finance lease principal payments		-	(103)
Net cash flows from financing activities		(476)	1,753
Net change in cash and cash equivalents		362	(413)
Exchange rate movement		27	148
Cash and cash equivalents at beginning of year		2,159	2,424
Cash and cash equivalents at end of year		2,548	2,159

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.

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

	Group 2010 £'000	Group 2009 £'000
Profit/(Loss) after taxation	1,141	(407)
Finance income	(40)	(33)
Finance costs	21	90
Taxation	58	(34)
Depreciation	505	607
Loss on disposal of fixed asset	3	-
Amortisation of intangible assets	1,379	834
Share based payment	22	112
Foreign exchange translation differences	(109)	(63)
Decrease/(increase) in receivables	1,358	(1,393)
(Decrease)/increase in payables	(1,001)	1,213
Provision against investment in subsidiaries	-	-
Cash flows from operating activities	3,337	926

1 General information

FFastFill Plc is incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is listed on the AIM market.

During the year the following standards have now been adopted in these financial statements:

IFRS 7 Financial Instruments – Disclosures (revised) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurement by level of a fair value measurement hierarchy. The change in accounting policy only results in additional disclosure.

IAS 1 Presentation of Financial Statements - (as revised in 2007) – effective 1 January 2009, IAS 1 (2007) has introduced terminology changes (including revised titles for the financial statements and changes in the format and content of the financial statements.

IFRS 8 – effective 1 January 2009 states that segment information should be based on management's internal reporting structure and accounting principles.

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the Group operations that have been applied in these financial statements were in issue but not yet effective or endorsed (unless otherwise stated)

IFRS 1 (amended)/ IAS 27 amended	Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
IFRS 2 (amended)	Share Based Payments – Amendment; Cash-settled Share –based payment transactions
IFRS 3 (revised 2008)	Business Combinations – Comprehensive revision on applying the acquisition method (endorsed)
IFRS 9	Financial Instruments
IAS 24 (revised 2009)	Related Party Disclosures
IAS 27 (revised 2008)	Consolidated and separate Financial Statements –Consequential amendments arising from amendments from IFRS 3 (endorsed)
IAS 28 (revised 2008)	Investments in Associates –Consequential amendments arising from amendments to IFRS 3 (endorsed)
IAS 31	Interest in Joint Ventures - Consequential amendments arising from amendments to IFRS 3 (endorsed)
IAS 32 (amended)	Classification of rights issues
IAS 39	Financial Instruments: Recognition and Measurement – Amendments relating to eligible hedged items. (endorsed)
IFRIC 14 (amended)	Prepayments of a Minimum Funding requirement.
IFRIC 17	Distribution of Non-Cash Assets to Owners (endorsed)
IFRIC 18	Transfer of Assets from customers (endorsed)
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
	Annual Improvement Project May 2008 (endorsed)
	Annual Improvement Project April 2009 (endorsed)

The Directors anticipate that the adoption of these Standards and Interpretations as appropriate in future periods will have no material impact on the financial statements of the current 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 achieved a profit before tax of £1.1m and had net assets of £12.6m at 31 March 2010. The cash balance at the end of March 2010 was £2.5m (2009: £2.2m).

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 2010 was over £13.5m (2009: £14.2m). 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.

After reviewing the Group's performance and forecast future cash flows, the directors consider the Group has adequate resources to continue in operational existence for the foreseeable future.

As at 31 March 2010 the Group had net current liabilities of £1.0m. The directors have considered the net liability position of the Group and are confident that liabilities will be able to be paid when they fall due. During the past twelve months the Group has achieved growth in profitability and the debt position of the Group has reduced.

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 1 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 three financial years and extrapolates cash flows for the following two years based on an estimated growth forecasted by the board of 10%. The Group has achieved better growth rates in recent accounting periods, compared to the industry average, even in difficult market conditions and hence believes it is justified in the adoption of the stated growth rates.

The rate used to discount the forecast cash flows from the cash generating unit is 8.0%.

Accounting policies (continued)

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%

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date. The gain or loss on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

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.

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 profit or loss on a straight-line basis over the estimated useful lives of the products concerned.

The amortisation period for development costs is five years.

Purchased computer software is capitalised and amortised over three years.

Impairment of assets (excluding goodwill)
At each statement of financial position 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.

Deferred taxation
Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the reporting 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 reporting 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 reporting 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
Rentals payable under operating leases are charged to the profit or loss 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 reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting 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 in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

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 reporting 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 recognised in other comprehensive income 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.

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 allocated to the UK operations as this element is deemed to benefit these operations. Goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRSs are deemed 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 statement of comprehensive income. The directors are of the opinion that the separate recording of non-recurring costs provides helpful information about the Group's underlying performance.

Financial instruments
The Group's financial instruments comprise cash and cash equivalents, together with trade and other receivables and trade and other payables and loans. Financial assets and financial liabilities are recognised in the Group's reporting when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with three months or less remaining to maturity and are subject to an insignificant risk of changes in value.

Available for sale – investments
Available for sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Regular purchases and sales of investments are recognised on trade-date: the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available for sale financial assets and financial assets at fair value though profit or loss are subsequently carried at fair value.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised directly in other comprehensive income are recycled and recognised in profit or loss as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income. Dividends on available for sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised directly in other comprehensive income are recycled and recognised in profit or loss as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in profit or loss. Dividends on available for sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each reporting date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its costs is considered an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss.

Trade and other receivables
Trade and other receivables do not carry any interest and are initially stated at their fair value and subsequently at amortised cost using the effective interest rate method as reduced by appropriate allowances for estimated irrecoverable amounts.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of trade receivables, where the carrying value is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

Changes in the carrying amount of the allowance account are recognised in profit or loss.

Indicators of impairment considered by the Group include review of past payment history and the financial status of the customers.

Trade and other payables
Trade payables are not interest bearing and are stated initially at their fair value and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments
The Group does not enter into derivative transactions.

Operating segments
The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the business. Management has determined the operating segments based on the reports reviewed by the Board. The Board considers the business from a geographic viewpoint, monitoring performance in Europe, USA and Asia Pacific. These segments derive their revenues from the provision of software as a service in the global financial markets.

Operating profit
Operating profit can be defined as profit after taxation, less tax, finance income, finance costs and exceptional items.

Cost of sales
Cost of sales includes staff costs associated with customer funded development, sale of third party licences and customer funded connectivity and infrastructure costs. These costs were reclassified from operating expenses as shown in the annual report and accounts of previous periods, to give the reader a greater understanding of how the Group incurs its costs.

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 reporting 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.

4 Financial information

The financial information does not constitute statutory financial statements as defined by section 435 of the Companies Act 2006 for the years ended 31 March 2010 or 2009. The financial information for the years ended 31 March 2010 and 2009 is derived from the statutory accounts for those years. The auditor reported on those statutory accounts which have been delivered to the Registrar of Companies in the case of the 2009 year end and which did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The financial statements for the year ended 31 March 2010 have been reported on by the Company's auditor, contain an unqualified audit report and will be delivered to the Registrar of Companies following their publication.

5 Basic earnings/(loss) per share and fully diluted earnings per share

Basic earnings/(loss) per share
Basic earnings per share is calculated by dividing the profit/(loss) attributable to the owners of the parent ordinary shareholders for each year amounting to £1,141,000 (2009: loss £407,000) for the year ended 31 March 2010 by 396,679,608 (2009: 383,998,302), being the weighted average number of ordinary shares in issue during each year.

Diluted earnings/(loss) per share share

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

	2010 No:	2009 No:
Weighted average number of ordinary shares	396,679,608	383,998,302
Share options	6,641,888	-
Fully diluted weighted average number of ordinary shares	403,321,496	383,988,302

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

6 Dividend
The directors are not declaring a dividend.

7 Other information
Other information regarding the Group can be found at the Group's website: www.ffastfill.com