



**FFastFill Plc**

**2004**

Annual Report and Accounts 2004





# **FFastFill plc**

## **CONSOLIDATED REPORT AND ACCOUNTS**

For the year ended

31 March 2004



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## Directors and advisers

Executive directors	<b>N R Hartnell</b> <b>J E Oliff</b> <b>T K Todd</b> (Executive Chairman)
Non-executive directors	<b>H L Hughes</b> <b>D A Hurst-Brown</b> <b>H N P McCorkell</b> (Deputy Chairman) <b>J Rankin</b>
Secretary	<b>C R Harrison</b>
Registered office	10 Arthur Street London EC4R 9AY
Bankers	<b>Barclays Bank plc</b> 54 Lombard Street London EC3P 3AH
Nominated advisers and Brokers	<b>KBC Peel Hunt Limited</b> 111 Old Broad Street London EC2N 1PH
Independent auditors	<b>Baker Tilly</b> Chartered Accountants 2 Bloomsbury Street London WC1B 3ST
Solicitors	<b>Field Fisher Waterhouse</b> 35 Vine Street London EC3N 2AA
Company registered number	3978346



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## Chairman's statement

### Introduction

It has been a year of real progress in which we implemented our declared strategy by launching our Application Service and signing the first customers. I want to thank the investors who are supporting us through this transitional period and the staff who have made the progress possible.

### Twelve months of further progress

The past twelve months have again been challenging but much has been achieved:

- We have achieved revenue growth of 93% to £2.65m
- Operating loss on continuing activities was reduced from £4.5m to £2.3m
- We have launched our Application Services offering in London and have signed three customers
- We have implemented our service management approach and have improved our software and service delivery quality
- We have strengthened our sales team and prospect list
- We have successfully continued our program of quarterly software functionality releases and now have an even richer functional software offering
- We have, as result of the recent placement, not only strengthened the balance sheet but also the institutional support for the company

### Financial results for the year

The full year revenue grew to £2.651m (2002/03 £1.372m), up 93%. Second half revenue was lower than the first half due to the one-time revenues from customer contracts, which were achieved in the first half and not repeated in the second half.

Operating loss from continuing operations was £2.316m (2002/03 £4.501m). All software development costs are written off, as are infrastructure build costs. We have continued to keep tight control of costs despite the pressure resulting from a number of large bids that we are pursuing. There were £137k of exceptional expenses relating to the closure of the Paris office.

The cash balance at 31 March was £967k. This excluded the receipt of the cash from the £4m placing, which was approved at the April EGM. The cash (net of expenses) was received on 28 April. The institutional backing for this placing will also indirectly help the company in its sales activity.



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## Chairman's statement

### Operational Review

**Strategy:** The implementation of our strategy to deliver applications as a service to the futures and options market has made good progress. This has been against a background where the market has increasingly accepted the validity of the service proposition. Whilst we expect new competition to emerge for our application service we believe the leadership position we have established gives us a strong market advantage.

**Business Development:** We have extended and strengthened our sales team to take advantage of the market opportunity that we now have. We are pursuing a number of large (relative to our size) opportunities, which will be decided during the next few months. These are time consuming and costly but demonstrate how far we have come in establishing the credibility of the company to deliver its strategy. We are hopeful of some further news in the near future.

**Service:** The service management approach has been implemented and we are continuing to develop additional capabilities to improve our service quality even further. This includes the work on our customer service portals and our own management portal. In addition we are building into our software releases, increased service monitoring. The process of improving service quality to levels above those currently accepted as the norm for the industry will be continuous.

**Application:** We have completed four software releases this year, each of which has extended functionality and improved software quality. Our trading software now connects to 13 exchanges including the much talked about Eurex US. Despite the significant increases in software functionality and our investment in our next generation software architecture, which will go on general release this year, we have been able to reduce development costs due to the efficiency and cost effectiveness of our Prague development operation.

**USA:** We have continued to make progress in the US. We have been gradually increasing our profile in Chicago and are planning a major sales drive during the next twelve months to bring the full Application Service offering to this major market.

**Staff:** We have a small but highly skilled team at FFastFill in London, Chicago and Prague who are committed to the transformation of the group. The progress could not have been made without their commitment. The board and I are sure that the shareholders would like to thank them for their efforts.

**Corporate Development:** The market place has a number of companies who supply products and services to our target customer base, many of whom have niche offerings and many of whom are small. The executive management and the board continue to review opportunities to enhance the prospects of the company through acquisition. The board believe that the executives have the experience to evaluate and implement appropriate consolidation opportunities.



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## Chairman's statement

### Governance

The board appointed two new non-executive directors during the year and now have four non-executive directors and two executive directors. The senior independent non-executive is our deputy chairman who chairs the remuneration and audit committees.

Although the group is in the strongest financial position since I became chairman at the end of 2002, I have, with my co-executive directors Nigel Hartnell and Jim Oliff, voluntarily agreed to waive a total of approximately £100,000 in salary over the next six months as a further demonstration that the team will continue to manage the group prudently in the interest of the shareholders. My salary will be £12,500 over this six month period.

### Outlook

The financial services market is a tough place to sell into but one that offers significant opportunity for those who get it right. I am pleased with our progress and the scale of the opportunity that we have, but it will take patience and hard work to capture it. I am confident of success.

Keith Todd  
Executive Chairman  
12 May 2004



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## Directors' report

The directors present their report and the accounts for the year ended 31 March 2004.

### Principal activities

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

### Review of business and future developments

A review of the development of the business during the year is given in the Chairman's Statement on pages 4 to 6. This also includes reference to the company's future prospects.

### Results for the year and dividends

The results for the year are disclosed on page 16.

The directors are unable to recommend the payment of a dividend (2003: £ nil).

### Directors and their interests

The directors who served during the period were as follows:

#### Executive directors

N R Hartnell

J E Oliff (appointed 19 May 2003)

T K Todd

#### Non-Executive directors

H L Hughes (appointed 19 May 2003)

D A Hurst-Brown (appointed 17 June 2003)

H N P McCorkell

J Rankin

The interests of the directors who held office at 31 March 2004, 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 2004	31 March 2003 or at date of appointment
<b>Executive directors</b>		
N R Hartnell	375,000	—
J E Oliff	—	—
T K Todd	5,950,000	1,300,000
<b>Non-Executive directors</b>		
H L Hughes	—	—
D A Hurst-Brown	625,000	625,000
H N P McCorkell	152,420	27,420
J Rankin	75,000	—



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## Directors' report

At the year end the company had the following outstanding options and warrants issued to directors who were in office at 31 March 2004 through various share option and warrant schemes.

	Scheme status	Exercise price	Number of share options		Exercise period
			at 31 March 2004	at 31 March 2003 or at date of appointment	
T K Todd	EMI <sup>(1)</sup>	£0.07	2,666,666	2,666,666	26 September 2002 to 25 September 2012
	Unapproved <sup>(1)</sup>	£0.07	8,808,073	12,141,406	26 September 2002 to 25 September 2012
	Unapproved <sup>(2)</sup>	£0.01	3,333,333	—	1 April 2004 to 31 March 2013
N R Hartnell	EMI <sup>(1)</sup>	£0.07	2,666,666	2,666,666	26 September 2002 to 25 September 2012
	Unapproved <sup>(1)</sup>	£0.07	624,017	2,269,359	26 September 2002 to 25 September 2012
	Unapproved <sup>(2)</sup>	£0.01	1,645,342	—	1 April 2004 to 31 March 2013
J E Oliff	Unapproved	£0.04	500,000	500,000	30 March 2003 to 30 March 2012
	Unapproved	£0.01	1,066,667	—	1 April 2004 to 31 March 2013
D A Hurst-Brown	Warrants	£0.07	150,000	—	17 June 2005 to 16 June 2013
	Warrants	£0.04	100,000	—	17 June 2005 to 16 June 2013
H N P McCorkell	Warrants	£0.55	—	27,500	15 November 2001 to 14 November 2005
	Warrants	£0.07	150,000	—	14 May 2005 to 13 May 2013
	Warrants	£0.04	100,000	—	14 May 2005 to 13 May 2013
J Rankin	Warrants	£0.04	100,000	—	14 May 2005 to 13 May 2013

### Note

1. These options will vest in three tranches. Tranches two and three being subject to the market capitalisation of the company reaching £14.45m and £24.45m respectively.
2. See notes on page 9 with respect to 1p options.



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## Directors' report

### Directors' emoluments

Details of directors' emoluments, for directors who held office during the year, are as follows:—

	2004 £'000	2003 £'000
<b>Executive directors</b>		
N R Hartnell	51	25
J E Oliff	27	—
T K Todd	25	31
<b>Non-executive directors</b>		
H L Hughes	11	—
D A Hurst-Brown	15	—
N McCorkell	15	12
J Rankin	10	15
<b>Former directors</b>		
N J Durlacher (non-executive director)	—	8
J A Elmore	—	25
L A Morfoisse	—	136
C Stone	—	268
T Zinoulis	—	143
	<u>154</u>	<u>663</u>

In addition to the above remuneration, on 1 April 2003 the Board of Directors and Remuneration Committee approved a salary waiver scheme and granted share options to equivalent value to those individuals who waived salary for the twelve months to 31 March 2004.

On 1 April 2003, T K Todd waived £100,000 of salary for the year ended 31 March 2004 and voluntarily had 3,333,333 unapproved share options with an exercise price of 7p each cancelled. In recognition of this he was issued with the same number of unapproved share options (3,333,333) with an exercise price of 1p each.

On 1 April 2003, N R Hartnell waived £49,306 of salary for the year ended 31 March 2004 and voluntarily had 1,645,342 unapproved share options with an exercise price of 7p cancelled. In recognition of this he was issued with the same number of unapproved share options (1,645,342) with an exercise price of 1p each.

Also on 1 April 2003, J E Oliff waived \$50,000 of salary for the year ended 31 March 2004. In recognition of this, he was issued with 1,066,667 of unapproved share options, with an exercise price of 1p each.

### Research and development

The company is committed to continuing to develop both its application software products and its network-based services. Expenditure on these developments of £1,057,000 (2003: £1,808,000) is included within administrative expenses.



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### Directors' report

#### Policy on payment to creditors

The company does not follow any code or standard on payment practice for its suppliers. The company 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 2004 was 71 days (2003: 53 days).

#### Post balance sheet event

Since the year end, the company has raised £4 million (before expenses) by the placing of 57,142,857 new ordinary shares of 1p, at 7p per share. The company will use the net proceeds to provide further working capital and strengthen the company's balance sheet in support of major sales opportunities.

#### Auditors

A resolution to reappoint Baker Tilly, Chartered Accountants, as the company's auditors will be put to the members at the annual general meeting.

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

Caroline Harrison  
Secretary



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## **Report on corporate governance**

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

The directors are responsible for the group's system of corporate governance and the key components of this system. The company supports the Principles of Good Governance and the Code of Best Practice ("The Combined Code"). Accordingly this report will deal with the requirements of paragraphs (a) and (b) of the Financial Services Authority Listing Rule 12.43A relating to section 1 of The Combined Code.

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

### **Board of directors**

The Board currently comprises three executive and four non-executive directors and 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 financing matters. It reviews the strategic direction of operations and annual budgets, progresses towards achievement of those budgets and longer term strategies.

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

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

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

### **Remuneration committee**

The Remuneration Committee comprises Nigel McCorkell (Deputy Chairman), Hugh Hughes and James Rankin, all of whom are independent non-executive directors.



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## Report on corporate governance

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.

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 and last met on 4 February 2004.

### Audit committee

The Audit Committee comprises Nigel McCorkell (Deputy Chairman), David Hurst-Brown and James Rankin, who are independent non-executive directors.

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

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

The Audit Committee is satisfied that the group's appointed auditors Baker Tilly, and their overseas associates, have been objective and independent of the company. FFastFill France SAS (now dormant) continues to be audited by Nexia. Baker Tilly and their associates and Nexia 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:



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## **Report on corporate governance**

### **a) 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.

### **b) 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.

### **c) Computer systems**

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

### **Going concern**

During the year, the group made reduced losses of £2.5 million and had net assets at 31 March 2004 of £231,000. As disclosed in the Chairman's Statement on pages 4 to 6, the directors are optimistic that revenues will increase in the year ended 31 March 2005, which will further reduce these losses.

In addition, since the year end, the company has raised £4 million (before expenses) by the placing of 57,142,857 new ordinary shares of 1p, at 7p per share. The company will use the net proceeds to provide further working capital and strengthen the company's balance sheet in support of major sales opportunities.



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### Statement of directors' responsibilities in respect of the accounts

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that year. In preparing those accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position for the group and company and to enable them to ensure that the accounts comply with 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.

## Independent auditors' report to the members of FFastFill plc

We have audited the accounts on pages 16 to 36.

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

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the group 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 transactions with the company and other members of the group is not disclosed.

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

### Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31 March 2004 and of the group loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY  
Registered Auditor  
Chartered Accountants  
12 May 2004

2 Bloomsbury Street  
London  
WC1B 3ST



## FFastFill

### Consolidated profit and loss account for the year ended 31 March 2004

	Notes	2004		2003	
		£'000	£'000	£'000	£'000
<b>Turnover</b>					
— continuing operations		2,636		1,345	
— discontinued operations		<u>15</u>		<u>27</u>	
	3		2,651		1,372
<b>Administrative expenses</b>					
— exceptional	6		(137)		(406)
— other	2		<u>(5,081)</u>		<u>(5,992)</u>
<b>Operating loss</b>					
— continuing operations		(2,316)		(4,501)	
— discontinued operations		<u>(251)</u>		<u>(525)</u>	
	6		(2,567)		(5,026)
Interest receivable and similar income			24		103
Interest payable and similar charges	7		<u>(4)</u>		<u>(3)</u>
<b>Loss on ordinary activities before taxation</b>			(2,547)		(4,926)
Tax on loss on ordinary activities	8		<u>(6)</u>		<u>285</u>
<b>Loss on ordinary activities after taxation</b>			(2,553)		(4,641)
Minority interest	19		<u>7</u>		<u>6</u>
<b>Loss for the financial year attributable to shareholders</b>	17		<u>(2,546)</u>		<u>(4,635)</u>
<b>Basic and diluted loss per share</b>	20		<u>(3.43p)</u>		<u>(10.05p)</u>



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**Consolidated statement of total recognised gains and losses for the year ended 31 March 2004**

	2004	2003
	£'000	£'000
Loss for the financial year	(2,546)	(4,635)
Currency translation differences on foreign currency net investments	<u>(110)</u>	<u>3</u>
Total recognised gains and losses relating to the year	<u>(2,656)</u>	<u>(4,632)</u>



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### Consolidated balance sheet as at 31 March 2004

	Notes	2004 £'000	2003 £'000
<b>Fixed assets</b>			
Tangible assets	9	<u>434</u>	<u>629</u>
		<u>434</u>	<u>629</u>
<b>Current assets</b>			
Debtors	11	512	681
Cash at bank and in hand		<u>967</u>	<u>998</u>
		1,479	1,679
Creditors: amounts falling due within one year	12	<u>(1,168)</u>	<u>(1,222)</u>
<b>Net current assets</b>		<u>311</u>	<u>457</u>
<b>Total assets less current liabilities</b>		745	1,086
Creditors: amounts falling due after more than one year	13	—	(1)
Deferred income	14	<u>(514)</u>	<u>(875)</u>
<b>Net assets</b>		<u>231</u>	<u>210</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,024	464
Share premium account	16	18,760	16,834
Shares to be issued	16	235	203
Merger reserve		890	890
Profit and loss account	16	<u>(20,689)</u>	<u>(18,202)</u>
<b>Equity shareholders' funds</b>	17	220	189
Minority interest	19	<u>11</u>	<u>21</u>
<b>Total capital employed</b>		<u>231</u>	<u>210</u>

The accounts were approved by the Board of Directors on 12 May 2004 and were signed on its behalf by:

Keith Todd  
Director



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**Company balance sheet as at 31 March 2004**

	Notes	2004 £'000	2003 £'000
<b>Fixed assets</b>			
Investments	10	<u>570</u>	<u>275</u>
<b>Current assets</b>			
Debtors	11	10	40
Cash at bank and in hand		<u>837</u>	<u>760</u>
		847	800
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,340)</u>	<u>(310)</u>
<b>Net current (liabilities)/assets</b>		<u>(493)</u>	<u>490</u>
<b>Total assets less current liabilities</b>		<u>77</u>	<u>765</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,024	464
Share premium account	16	18,760	16,834
Shares to be issued	16	235	203
Profit and loss account	16	<u>(19,942)</u>	<u>(16,736)</u>
<b>Equity shareholders' funds</b>	17	<u>77</u>	<u>765</u>

The accounts were approved by the Board of Directors on 12 May 2004 and were signed on its behalf :

Keith Todd  
Director



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### Consolidated cash flow statement for the year ended 31 March 2004

	Notes	2004 £'000	2003 £'000
Net cash outflow from operating activities	A	<u>(2,603)</u>	<u>(3,987)</u>
Returns on investments and servicing of finance			
Interest received		24	103
Interest element of finance lease payments		<u>(4)</u>	<u>(3)</u>
Net cash inflow from returns on investments and servicing of finance		<u>20</u>	<u>100</u>
Taxation			
Research and development tax credit received		<u>—</u>	<u>285</u>
Capital expenditure and financial investment			
Receipts from sales of tangible fixed assets		430	—
Purchase of tangible fixed assets		<u>(362)</u>	<u>(499)</u>
Net cash inflow/(outflow) from capital expenditure and financial investment		<u>68</u>	<u>(499)</u>
Cash outflow before financing		<u>(2,515)</u>	<u>(4,101)</u>
Financing			
Issue of ordinary shares		2,486	8
Capital element of finance lease payments		<u>(2)</u>	<u>(2)</u>
Net cash inflow from financing		<u>2,484</u>	<u>6</u>
Decrease in cash	B	<u>(31)</u>	<u>(4,095)</u>



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**Notes to the cash flow statement for the year ended 31 March 2004**

**A. RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOW**

	2004	2003
	£'000	£'000
Operating loss	(2,567)	(5,026)
Depreciation	266	363
Amortisation of negative goodwill	—	(31)
Foreign exchange translation differences	(98)	25
Decrease/(increase) in debtors	169	(193)
(Decrease)/increase in creditors	(420)	875
Profit on disposal of fixed assets	(154)	—
Charge on issue of unapproved share options	201	—
<b>Net cash outflow from operating activities</b>	<u>(2,603)</u>	<u>(3,987)</u>

**B. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2004	2003
	£'000	£'000
Decrease in cash in the year	(31)	(4,095)
Repayment of finance leases	<u>2</u>	<u>2</u>
Change in net funds resulting from cash flows	(29)	(4,093)
Net funds at beginning of year	<u>995</u>	<u>5,088</u>
<b>Net funds at end of year</b>	<u>966</u>	<u>995</u>

**C. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 April	Cash flows	At 31 March
	2003		2004
	£'000	£'000	£'000
Cash at bank and in hand	998	(31)	967
Finance leases	<u>(3)</u>	<u>2</u>	<u>(1)</u>
<b>Total</b>	<u>995</u>	<u>(29)</u>	<u>966</u>



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## Notes to the accounts for the year ended 31 March 2004

### 1 ACCOUNTING POLICIES

#### Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### Basis of consolidation

The consolidated financial statements incorporate those of FFastFill plc and all of its subsidiary undertakings. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. All subsidiaries have accounting year ends of 31 March 2004.

#### Going concern

During the year, the group made losses of £2.5 million (2003: £4.6 million) and had net assets at 31 March 2004 of £231,000 (2003: £210,000). As disclosed in the Chairman's Statement on pages 4 to 6, the directors have taken steps to reduce operating losses and they are optimistic that revenues will increase significantly in the year ended 31 March 2005, which will further reduce these losses.

In addition, since the year end, the company has raised £4 million (before expenses) by the placing of 57,142,857 new ordinary shares of 1p, at 7p per share. The company will use the net proceeds to provide further working capital and strengthen the company's balance sheet in support of major sales opportunities.

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.

#### Fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used.

Computer hardware	—	33%
Computer software	—	33%
Office equipment	—	25%
Telephone equipment	—	33%
Leasehold improvements	—	33%

#### Fixed asset investments

Investments held as fixed assets are stated at cost less provision for impairment.

#### Deferred taxation

Deferred tax is recognised in respect of all timing 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. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements.



**FFastFill**

## Notes to the accounts for the year ended 31 March 2004

### 1. ACCOUNTING POLICIES (continued)

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recoverable against suitable taxable profits in the future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### Leases

Assets held under finance leases are included in fixed assets and the capital element of the related lease commitment is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit over the period of the lease.

Rental costs under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

#### Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date.

Assets and liabilities of foreign subsidiaries are translated into sterling at rates of exchange ruling at the end of the financial year and the results of foreign subsidiaries are translated at the average rate of exchange for the year. Where material exchange differences arise these are taken to reserves.

#### Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied. Income derived from software licence agreements is recognised on an annual basis at the time the licence is granted, where the licence is non-cancellable and there is no continuing or future cost or obligation associated with the granting of the licence. Where income relates to future services or there are associated ongoing costs the income is spread over the life of the provision of the service. All other income is recognised when invoiced.

#### Share options

The amount charged to the profit and loss account in respect of share options is calculated in accordance with Urgent Issues Task Force Abstract No. 17, and represents the difference between the fair value of the shares at the date of grant of the option and the consideration to be received from the employee. The total amount charged has been credited to a separate reserve "Shares to be issued".

#### Research and development

All research and development expenditure is charged to the profit and loss account.

#### Research and development tax credits

Research and development tax credits are recognised in the accounts when they are received.



# FFastFill

## Notes to the accounts for the year ended 31 March 2004

### 2 CONTINUING AND DISCONTINUED ACTIVITIES

FFastFill France SAS ceased to trade on 15 November 2003. Included within administrative expenses — other, are expenses of £129,000 (2003: £552,000) which relate to FFastFill France SAS.

### 3 SEGMENTAL INFORMATION

	2004			2003		
	Turnover	Operating Loss	Net assets/ (liabilities)	Turnover	Operating Loss	Net assets/ (liabilities)
	£'000	£'000	£'000	£'000	£'000	£'000
UK	2,103	1,589	1,762	934	3,964	3,688
France	15	251	(1,066)	27	525	(856)
US	533	727	234	409	464	(1,901)
Other overseas	—	—	(699)	2	73	(721)
	<u>2,651</u>	<u>2,567</u>	<u>231</u>	<u>1,372</u>	<u>5,026</u>	<u>210</u>

As noted under Note 2, the Group's operations in France ceased to trade on 15 November 2003.

### 4 DIRECTORS' EMOLUMENTS

	2004	2003
	£'000	£'000
Directors' remuneration	<u>154</u>	<u>663</u>

Emoluments disclosed above includes payments to the highest paid director of £51,000 (2003: £268,000).

Directors' emoluments and the salary wavier scheme are fully detailed in the directors' report on page 9.



**FFastFill**

## Notes to the accounts for the year ended 31 March 2004

### 5 EMPLOYEE INFORMATION

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

	2004	2003
	No.	No.
Software and services development and support — Prague	29	35
Software and services development and support — Other	20	20
Sales and marketing	6	8
Finance and administration	9	11
	<u>64</u>	<u>74</u>

As at 31 March 2004 the staff numbers were 69 (2003: 67)

	2004	2003
	£'000	£'000
Staff costs for the above persons were:		
Wages and salaries	2,141	3,260
Social security costs	305	476
	<u>2,446</u>	<u>3,736</u>

### 6 OPERATING LOSS IS STATED AFTER CHARGING/(CREDITING):

	2004	2003
	£'000	£'000
Depreciation		
— owned assets	266	361
— assets held under finance leases	—	2
Amortisation of negative goodwill	—	(31)
Auditors' remuneration		
— for audit services — group auditors	23	22
— amounts paid to other auditors	6	9
— for other services	10	32
Operating leases — land and buildings	243	288
— equipment	138	—
Research and development expenditure	1,057	1,808
Charge on issue of unapproved share options	201	—
Profit on disposal of fixed assets	(154)	—
Exceptional items		
— redundancy costs	97	406
— other	40	—
	<u>97</u>	<u>406</u>

As result of reorganisation of the operations, the group incurred reorganisation costs of £137,000 (2003: £406,000).



## FFastFill

### Notes to the accounts for the year ended 31 March 2004

#### 7 INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£'000	£'000
Other interest	3	—
Bank interest	—	1
On finance leases	1	2
	<u>4</u>	<u>3</u>

#### 8 TAXATION

	2004	2003
	£'000	£'000
Overseas taxation	(6)	—
Research and development tax credit	—	285
	<u>(6)</u>	<u>285</u>
<b>Factors affecting tax charge for the year:</b>		
<b>Loss on ordinary activities before taxation</b>	(2,547)	(4,926)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003 — 30%)	(764)	(1,478)
Capital allowances in excess of depreciation	12	109
Expenses not deductible for tax purposes	36	36
Other timing differences	—	(178)
Tax losses not utilised	716	1,511
Research and development tax credit	—	285
Overseas taxation	(6)	—
Current tax credit for the year	<u>(6)</u>	<u>285</u>

#### Factors that may affect future tax charges:

In accordance with the group accounting policy, research and development tax credits are recognised on a receipts basis. The directors anticipate that a research and development tax credit claim will be submitted based on the accounts for the year ended 31 March 2004.

At 31 March 2004, the group has estimated tax trading losses of £11 million (2003 — £9.0 million) which subject to the agreement of the Inland Revenue and overseas tax authorities, are available to carry forward against future profits of the same trade.



**FFastFill**

Notes to the accounts for the year ended 31 March 2004

9 TANGIBLE FIXED ASSETS — GROUP

	Computer hardware £'000	Computer software £'000	Office equipment £'000	Telephone equipment £'000	Leasehold improve- ments £'000	Total £'000
<b>Cost</b>						
At 1 April 2003	1,130	223	54	55	48	1,510
Additions	331	3	4	19	5	362
Disposals	(279)	(42)	—	—	(4)	(325)
Foreign exchange movement	(26)	(3)	(3)	—	—	(32)
At 31 March 2004	<u>1,156</u>	<u>181</u>	<u>55</u>	<u>74</u>	<u>49</u>	<u>1,515</u>
<b>Depreciation</b>						
At 1 April 2003	638	143	25	37	38	881
Charge for the year	211	28	7	12	8	266
Eliminated on disposal	(39)	(7)	—	—	(3)	(49)
Foreign exchange movement	(15)	(2)	—	—	—	(17)
At 31 March 2004	<u>795</u>	<u>162</u>	<u>32</u>	<u>49</u>	<u>43</u>	<u>1,081</u>
<b>Net book value</b>						
At 31 March 2004	<u>361</u>	<u>19</u>	<u>23</u>	<u>25</u>	<u>6</u>	<u>434</u>
At 31 March 2003	<u>492</u>	<u>80</u>	<u>29</u>	<u>18</u>	<u>10</u>	<u>629</u>

The net book value for telephone equipment includes £Nil (31 March 2003: £Nil) in respect of assets held under finance leases.



# FFastFill

## Notes to the accounts for the year ended 31 March 2004

### 10 FIXED ASSETS INVESTMENTS

#### Group

	Other investments £'000
<b>Cost</b>	
At 1 April 2003	453
Disposal	<u>(453)</u>
At 31 March 2004	<u>—</u>
<b>Provision</b>	
At 1 April 2003	453
Eliminated on disposal	<u>(453)</u>
At 31 March 2004	<u>—</u>
<b>Net book value</b>	
At 31 March 2003 and at 31 March 2004	<u>—</u>

#### Company

	Subsidiary companies £'000	Other investments £'000	Total £'000
<b>Cost</b>			
At 1 April 2003	447	453	900
Additions	14,378	—	14,378
Disposal	<u>—</u>	<u>(453)</u>	<u>(453)</u>
At 31 March 2004	<u>14,825</u>	<u>—</u>	<u>14,825</u>
<b>Provision</b>			
At 1 April 2003	172	453	625
Provision	14,083	—	14,083
Eliminated on disposal	<u>—</u>	<u>(453)</u>	<u>(453)</u>
At 31 March 2004	<u>14,255</u>	<u>—</u>	<u>14,255</u>
<b>Net book value</b>			
At 31 March 2004	<u>570</u>	<u>—</u>	<u>570</u>
At 31 March 2003	<u>275</u>	<u>—</u>	<u>275</u>



**FFastFill**

## Notes to the accounts for the year ended 31 March 2004

### 10 FIXED ASSETS INVESTMENTS (continued)

At 31 March 2004, FFastFill PLC eliminated amounts due from FFastFill Europe Limited (£11,289,000) and FFastFill Inc (£3,089,000), via a capital contribution.

The company holds the following shareholdings in subsidiary undertakings:

Company	% of equity owned	Country of incorporation	Activity
FFastFill Europe Limited	100	Great Britain	Computer software
FFastFill UK Limited	100	Great Britain	IT services
FFastFill France SAS*	100	France	Computer software
FFastFill Inc	100	USA	Computer software
FFastTrade US LLC**	80	USA	Brokerage
Spreadmania Limited	75	Great Britain	Dormant
FFastFill Singapore Pte Ltd***	100	Singapore	Dormant
FFastFill Australia Pty Ltd	100	Australia	Dormant

\* FFastFill France SAS ceased to trade on 15 November 2003 and will become dormant in 2004/05.

\*\* held via FFastFill Inc

\*\*\* FFastFill Singapore Pte Limited was struck off from the company register in Singapore on 1 May 2004.

Other investments for both group and company comprise a minority interest in Easy2Trade plc, a company incorporated in England. This company ceased to trade during 2003 and was struck off from the company register.

### 11 DEBTORS

	2004		2003	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	37	—	93	—
Other debtors	189	5	337	40
Prepayments	286	5	251	—
	<u>512</u>	<u>10</u>	<u>681</u>	<u>40</u>

Other debtors include £Nil (2003: £93,000) in the group and £Nil (2003: £Nil) in the company due after more than one year.



## FFastFill

### Notes to the accounts for the year ended 31 March 2004

#### 12 CREDITORS: amounts falling due within one year

	2004		2003	
	Group £'000	Company £'000	Group £'000	Company £'000
Obligations under finance leases	1	—	2	—
Trade creditors	781	48	671	155
Other creditors	23	—	34	—
Amounts owed to group undertaking	—	1,209	—	—
Other taxation and social security	184	—	154	—
Corporation tax	6	—	—	—
Accruals	173	83	361	155
	<u>1,168</u>	<u>1,340</u>	<u>1,222</u>	<u>310</u>

The obligations under finance leases are secured on the related assets.

#### 13 CREDITORS: amounts falling due after more than one year

	2004	2003
	Group £'000	Group £'000
Obligations under finance leases	<u>—</u>	<u>1</u>

The obligations under finance leases are secured on the related assets.

#### 14 DEFERRED INCOME

	2004	2003
	Group £'000	Group £'000
Deferred income	<u>514</u>	<u>875</u>

Deferred income is recognised in the accounts in line with the group's revenue recognition accounting policy, as disclosed in Note 1. All of the deferred income at 31 March 2004 will be credited to the profit and loss account within one year, except for an amount of £Nil (2003: £106,000) which will be credited to the profit and loss account after more than one year.



**FFastFill**

## Notes to the accounts for the year ended 31 March 2004

### 15 CALLED UP SHARE CAPITAL

	2004 £'000	2003 £'000
<b>Authorised</b>		
200,000,000 ordinary shares of £0.01 each	<u>2,000</u>	<u>2,000</u>
<b>Allotted, called up and fully paid</b>		
102,408,190 (2003: 46,401,030) ordinary shares of £0.01 each	<u>1,024</u>	<u>464</u>

The following share issues were completed during the year:

08 April 2003	400,000 shares at par for cash
11 June 2003	250,000 shares at par for cash
26 June 2003	12,055,000 shares at 4p for cash
31 July 2003	252,160 shares at par for cash
25 July 2003	15,000,00 shares at 5p for cash
18 August 2003	250,000 shares at 4p for cash
19 August 2003	1,000,000 shares at par for cash
5 September 2003	250,000 shares at par for cash
19 September 2003	50,000 shares at 4p for cash
21 October 2003	6,000,000 shares at 5p for cash
19 January 2004	20,000,000 shares at 5p for cash
21 January 2004	100,000 shares at 4p for cash
30 March 2004	400,000 shares at 4p for cash



## FFastFill

### Notes to the accounts for the year ended 31 March 2004

#### 15 CALLED UP SHARE CAPITAL (continued)

At 31 March 2004, the following share options and warrants were in existence.

Scheme	At 1 April 2003	At 31 March 2004	Exercise price	Dates from which exercisable	Expiry date
EMI	266,660	—	£0.50	21 February 2003	2 April 2003
	320,000	175,000	£0.04	31 March 2005	30 March 2012
	10,752,429	11,258,262	£0.07	26 September 2002 to 16 February 2007	25 September 2012 to 15 February 2014
	—	1,166,667	£0.01	1 April 2004	31 March 2013
	—	667,500	£0.05	1 April 2004 to 11 June 2006	1 April 2013 to June 2013
	—	100,000	£0.08	6 August 2006	6 August 2013
Unapproved	—	500,000	£0.06875	15 December 2006	14 December 2013
	3,090,160	7,549,559	£0.01	31 August 2000 to 1 April 2004	30 September 2005 to 31 March 2013
	3,043,750	1,693,750	£0.04	10 October 2002 to 31 March 2003	30 September 2005 to 31 March 2012
	16,680,124	11,209,782	£0.07	26 September 2002 to 28 June 2006	25 September 2012 to 11 June 2003
	—	175,000	£0.05	11 June 2006	11 June 2013
	177,500	150,000	£0.55	18 July 2000	7 July 2005
Warrants	250,000	250,000	£0.65	28 September 2000	7 September 2010
	200,000	200,000	£0.10	27 June 2002	26 June 2007
	9,924,766	10,224,766	£0.07	28 October 2002 to 17 June 2005	27 October 2005 to 16 June 2013
	—	300,000	£0.04	14 May 2005 to 17 June 2005	14 May 2013 to 16 June 2013
	<u>44,705,389</u>	<u>45,620,286</u>			

The total number of share options and warrants in issue at 12 May 2004 is 45,620,286.



**FFastFill**

## Notes to the accounts for the year ended 31 March 2004

### 16 RESERVES

Group	Share Premium £'000	Shares to be issued £'000	Profit and loss account £'000
At 1 April 2003	16,834	203	(18,202)
Loss for the year	—	—	(2,546)
Shares to be issued	—	201	—
Premium on issue of shares	2,026	—	—
Issue costs	(100)	—	—
Exercise of options	—	(169)	169
Foreign exchange movement	—	—	(110)
At 31 March 2004	<u>18,760</u>	<u>235</u>	<u>(20,689)</u>

  

Company	Share Premium £'000	Shares to be issued £'000	Profit and loss account £'000
At 1 April 2003	16,834	203	(16,736)
Loss for the year	—	—	(3,375)
Shares to be issued	—	201	—
Premium on issue of shares	2,026	—	—
Issue costs	(100)	—	—
Exercise of share options	—	(169)	169
At 31 March 2004	<u>18,760</u>	<u>235</u>	<u>(19,942)</u>

The shares to be issued reserve represents the difference between the fair value of the shares at the date of grant of the option and the consideration to be received from the employee in accordance with the group's accounting policy for share options.

The company has taken advantage of s230 Companies Act 1985 in not publishing its own profit and loss account.



# FFastFill

## Notes to the accounts for the year ended 31 March 2004

### 17 RECONCILIATION OF MOVEMENT OF EQUITY SHAREHOLDERS' FUNDS

	2004		2003	
	Group £'000	Company £'000	Group £'000	Company £'000
At 1 April 2003	189	765	4,813	4,357
Loss for the year	(2,546)	(3,375)	(4,635)	(3,600)
Charge on grant of options	(201)	(201)	—	—
Issue of share capital	2,888	2,888	8	8
Foreign currency movement	(110)	—	3	—
At 31 March 2004	<u>220</u>	<u>77</u>	<u>189</u>	<u>765</u>

### 18 OPERATING LEASE COMMITMENTS

	2004 £'000	2003 £'000
The Group had annual commitments under operating leases as follows:		
<b>Land and buildings</b>		
Leases which expire:		
Within one year	104	41
Between one and two years	—	85
Between two and five years	<u>109</u>	<u>109</u>
<b>Other</b>		
Leases which expire:		
Within one year	—	—
Between one and two years	<u>160</u>	<u>—</u>

### 19 MINORITY INTEREST

	2004 £'000	2003 £'000
At 1 April 2003	21	29
Interest of minority in loss for the year	(7)	(6)
Foreign exchange movement	<u>(3)</u>	<u>(2)</u>
At 31 March 2004	<u>11</u>	<u>21</u>

### 20 LOSS PER SHARE AND DILUTED LOSS PER SHARE

Loss per share is calculated by dividing the loss attributable to ordinary shareholders for each year amounting to £2,546,000 (2003: £4,635,000) for the year ended 31 March 2004 by 74,297,011 (2003: 46,124,866), being the weighted average number of ordinary shares in issue during each year.

For the purposes of dilution, share options are non-dilutive.



**FFastFill**

## Notes to the accounts for the year ended 31 March 2004

### 21 FINANCIAL INSTRUMENTS

The group's financial instruments comprise cash, finance leases and various items arising directly from its operations, such as trade debtors and trade creditors. Trade debtors, trade creditors and other items arising directly from operations have been excluded from the following disclosures. Details of finance leases are disclosed in notes 12 and 13. 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 10. The directors minimise the group's foreign currency risk by retaining surplus cash in sterling.

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

Total cash at bank and in hand as at 31 March 2004 was £967,000 (2003: £998,000).

	Variable rate interest £'000	Fixed rate interest £'000
<b>31 March 2004</b>		
Cash balances – Sterling	14	836
– US Dollar	34	—
– Euros	2	—
– Czech Koruna	75	—
– Australian Dollar	6	—
	<u>131</u>	<u>836</u>
	Variable rate interest £'000	Fixed rate interest £'000
<b>31 March 2003</b>		
Cash balances – Sterling	(5)	755
– US Dollar	104	—
– Euros	59	—
– Czech Koruna	80	—
– Australian Dollar	5	—
	<u>243</u>	<u>755</u>

The fixed interest rate on sterling cash balances was 1.85% (2003: 2.9%).

The carrying value of all financial instruments is not materially different to their fair value. It is, and has been throughout the year, the group's policy that no principal trading in financial instruments shall be undertaken.



# FFastFill

## Notes to the accounts for the year ended 31 March 2004

### 22 RELATED PARTY TRANSACTIONS — GROUP AND COMPANY

T K Todd is a director of FFastFill plc. During the period, Knotty Green Consultants Limited, of which T K Todd is also a director, received £Nil (2003: £45,500) for consultancy services provided to FFastFill Europe Limited. These payments were paid before T K Todd was a director of FFastFill plc. No amounts were outstanding as at 31 March 2004 (2003: £nil).



**FFastFill**

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of FFastFill plc ("the Company") will be held at the offices of KBC Peel Hunt Ltd, 111 Old Broad Street, London EC2N 1PH at 9.30 am on 24 June 2004 for the following purposes.

### Ordinary Business

1. To receive the directors' report and accounts for the financial year ended 31 March 2004 and the auditors' report on the accounts.
2. To reappoint as a director James Rankin who retires by rotation pursuant to the Company's Articles of Association and who, being eligible, offers himself for re-election.
3. To reappoint as a director Keith Todd who retires by rotation pursuant to the Company's Articles of Association and who, being eligible, offers himself for re-election.
4. To reappoint Baker Tilly as the auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company, at a remuneration to be fixed by the directors.

By Order of the Board

**C R Harrison**

*Secretary*

*Registered Office:*

10 Arthur Street  
London EC4R 9AY

Notes:

- (1) Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and, on a poll, to vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.
- (2) In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power of attorney or authority, must reach the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the meeting or of any adjournment of the meeting.
- (3) Any person entered on the register of members of the Company at 9.30 a.m. on 22 June 2004 (or, if the meeting is adjourned, in such register 48 hours before the time of any adjourned meeting) is entitled to attend and vote at the meeting pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001. Any changes to the register of members after the above time and date shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.

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**FFastFill**

## Form of Proxy for FFastFill plc Annual General Meeting

I/We .....

of .....

being (a) member(s) of the above-named Company hereby appoint the chairman of the meeting or (See Note 3)

.....  
as my/our proxy to attend and/or vote for me/us on my/our behalf at the annual general meeting of the Company to be held at the offices of KBC Peel Hunt, 111 Old Broad Street, London at 9.30 am on 24 June 2004 and at any adjournment thereof.

Dated .....2004

Signature(s) .....

	For	Against
1. Ordinary resolution – to receive the directors' report and accounts for the financial year ended 31 March 2004		
2. Ordinary resolution – to reappoint James Rankin as a director		
3. Ordinary resolution – to reappoint Keith Todd as a director		
4. Ordinary Resolution – to reappoint Baker Tilly as auditors of the Company until the next AGM		

### Notes

1. Please indicate with an "X" in the spaces provided appropriate boxes how you wish your vote to be cast.
2. If you do not indicate how you wish your proxy to vote, your proxy will exercise his/her discretion as to whether, and if so how, he/she votes. Your proxy may also vote or abstain from voting as he/she thinks fit on any other business which may properly come before the meeting including on any permissible amendment to the resolutions set out in the notice of meeting.
3. A proxy need not be a member of the Company. A member may appoint a proxy of his/her own choice. If you wish to appoint someone else, please delete the words "the chairman of the meeting" and insert the name of the person whom you wish to appoint in the space provided. The chairman of the meeting will act as your proxy, whether or not such deletion is made, if no other name is inserted.
4. In the case of joint registered holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated. The vote of the senior (according to the order in which the names stand in the register of members in respect of the holding) who tenders a vote in person or by proxy will be accepted to the exclusion of the votes of the other joint holders.
5. Completion and return of the proxy will not preclude you from attending and voting at the meeting should you decide to do so.
6. If the appointor is a corporation this proxy should be under seal or under the hand of an officer or attorney duly authorised.
7. To be effective, this proxy, together with any power of attorney or any other authority (if any) under which it is executed, or a copy of such power of attorney or other authority, certified notorially, must be lodged at the Company's registrars at the address overleaf, not later than 48 hours before the time appointed for the holding of the meeting or adjourned meeting at which it is to be used.



*Third Fold (Tuck in)*

BUSINESS REPLY SERVICE  
Licence No. MB 122



**Capita Registrars (Proxies)**  
**P.O. Box 25**  
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