20 May 2014

First Derivatives plc
("First Derivatives" the "Company" or the "Group")

Final Results

First Derivatives (AIM: FDP.L, ESM: FDP.I), the leading provider of software and consulting services to the capital markets industry, today announces its results for the year ended 28 February 2014.

Financial Highlights

- Turnover £69.9m (2013: £56.5m) +24%
- Pre-tax profit £7.9m (2013: £6.2m) +29%
- EBITDA(1) £12.2m (2013: £10.2m) +19%
- Normalised EBITDA(2) £12.5m (2013: £11.6 million) +8%
- Basic EPS 34.4p (2013: 30.2p) +14%
- Final dividend of 9.0p per share (2014: 8.4p) +7%, giving a full year dividend of 12.2p +6%
- Net Debt £11.2m (2013: £22.2m)

Business Highlights

- 29% increase in total software revenue and 11% increase in recurring licence revenue
- 22% increase in total consulting revenues with increase scale leading to larger opportunities
- Significant expansion in sales capacity with regional hub established in Singapore and satellite offices in Hong Kong and Japan
- Further surveillance contract win with Yieldbroker following successful delivery of ASIC project
- Collaboration with Pivotal and NYSET strongly positions the Group to capitalise on further Big Data opportunities
- Established Asian Foreign Exchange ecosystem backed by one of Japan's largest banks

Seamus Keating, Chairman of First Derivatives commented: "The 2013/14 year has seen strong growth across the Group's activities with total revenues up over 23.8%. The current fiscal year is set to be a pivotal year for the Group as we gain traction in the target markets for our software. We have a strong business in consulting with an expansive capability and have confidence in our ability to grow this as we have done in previous years. The pipeline across the business is strong and as the year progresses we expect to demonstrate progress in the areas we are addressing. We have invested to ensure the Group is in a strong position to capture market share in software and consulting and consequently expect to report further progress in the year to 28 February 2015."

(1) EBITDA excludes profit on sale of PPE and share option issue costs.

(2) In our pre close trading statement on 2 April 2013 we advised the company had made a provision for a potential bad debt relating to a legacy contract from the acquisition of Cognotec which was acquired in February 2010. As this is a non recurring item the increase in provision has been removed from normalised profit. The 2014 exceptional item in year relate to option issue costs.

For further information please contact:

First Derivatives plc +44(0)28 3025 2242
Brian Conlon, Chief Executive Officer www.firstderivatives.com
Graham Ferguson, Finance Director

Charles Stanley Securities +44 (0)20 7149 6000
(Nominated Adviser& Broker)
Russell Cook
Carl Holmes

Goodbody Corporate Finance +353 1 667 0420
(ESM Adviser)
Finbarr Griffin
Goodbody Stockbrokers
(Broker)
Linda Hickey

Walbrook PR +44 (0)20 7933 8780
Bob Huxford bob.huxford@walbrookpr.com
Helen Cresswell helen.cresswell@walbrookpr.com

About First Derivatives

First Derivatives is a global provider of software and consulting services to the financial services industry. With over 18 years' experience working with leading financial institutions, it continues to deliver technologically advanced, award winning products and services that anticipate and respond to the evolving needs of global capital markets. First Derivatives currently employs over 900 people worldwide and counts many of the world's top investment banks, brokers and hedge funds as its customers. It has operations in London, New York, Stockholm, Shanghai, Singapore, Toronto, Sydney, Dublin, Newry and Hong Kong.

CHAIRMAN'S STATEMENT

The fiscal year to 28 February 2014 has seen the Group grow its operations across all regions and divisions in a market which continues to improve. The ongoing investment in the Group's technology platform ensures we are in a strong position to meet clients' needs and to deliver further strong growth.

Revenue for the year ended 28 February 2014 increased by 23.8% to £69.9 million from £56.5 million in the previous year. Pre-tax profits grew 29.0% to £7.9 million compared to £6.2 million in 2013.

The programme of disposals of our property portfolio has continued over the year with the sale of eleven individual properties generating a profit on sale of £1.0 million. We also raised £4.7m in a share placing at £5.64 per share in July 2013 leading to net debt of £11.2m at the year-end in comparison to £22.2m last year.

The Group continues to generate positive operating cash flows and this has allowed the Board to recommend payment of a final dividend of 9.00p per share which, together with the interim dividend of 3.20p per share paid on 5 December 2013, gives a total dividend for the year of 12.20p, an increase of 6% over the prior year.

The final dividend, if approved at the AGM, will be paid on 25 July 2014 to those shareholders on the register on 20 June 2014.

Software

Growth in software sales to £19.3 million (2013: £15.0 million) represented an increase of 28.8% arising from our continued focus on three markets segments for the Delta software suite.

The announcement of our win to provide surveillance software to the Australian Securities and Investment Commission at the end of the last financial year initiated numerous discussions with exchanges, brokers and regulators on a global basis. We expect to gain further market share in the area of market surveillance and monitoring in the coming months.

Announcements of contracts with NYSE Technologies ("NYSET") and Thomson Reuters demonstrate that we have software which is the epitome of big data solutions for volume and velocity.

Our focus on the Foreign Exchange Trading market remains. During the year we successfully launched Delta Flow in our Tokyo Data Centre linking local bank pricing engines to allow Asian brokers to source FX liquidity from a potential pool of 40 banks. We see this as a major boost as it improves our ability to gain market share of the largest segment (Japanese retail FX trading) of the larget market in the world (FX Market). We continue to invest in Delta Flow and anticipate increasing our share of the market further this year.

Consulting

Consulting revenues grew strongly rising by 22.0% to £50.6 million from £41.5 million in the previous year. This impressive performance demonstrates the strength of our offering in meeting the regulation, remediation and realignment needs of our customers. The market is improving and investment continues to be needed by institutions to meet regulation driven requirements. This, along with continuing remediation of existing systems to meet new requirements and the realignment of back and middle office to support new institution strategies to meet them efficiently, generates continuing demand for services.

We continue to be successful in cross selling to existing customers, whilst also adding new institutions. Confidence in our ability to do so allows us to invest in enhancing capabilities as demonstrated by the acquisitions of Redshift Horizons Limited and Cowrie Financial Limited last year and our continued investment in recruitment and training of our staff. We are confident we are well positioned to continue our growth trajectory as we enhance and adapt our services, building upon our existing stable revenue arising from our focus on mission critical applications.

Board changes

At the Annual General Meeting on 18 July 2013 David Anderson stepped down as Non-executive Chairman following 12 years of unfaltering service, and David remains a Non-executive Director. I would like, on behalf of the Board, to thank David for his substantial contribution to the Group over this period. I also thank Michael O'Neil who resigned from the board during the year after many years of dedicated service to First Derivatives.

During the year we established an Executive Committee as we strengthened our senior management team. Two executive directors, Adrian Toner and Kevin Cunningham, resigned from the main board as they joined the Executive Committee and continue to be key members of the senior management team.

Outlook

The 2013/14 year has seen strong growth across the Group's activities with total revenues up over 23.8%. The current fiscal year is set to be a pivotal year for the Group as we gain traction in our target markets for our software. We have a strong business in consulting with an expansive capability and have confidence in our ability to grow this as we have done in previous years. The pipeline across the business is strong and as the year progresses we expect to demonstrate progress in the areas we are addressing. We have invested to ensure the Group is in a strong position to capture market share in software and consulting and consequently expect to report further progress in the year to 28 February 2015.

I would like to thank the staff of First Derivatives and my board colleagues for their hard work for achieving another successful year of growth for the Group.

Seamus Keating 19 May 2014
Chairman

CHIEF EXECUTIVE'S STATEMENT

The outlook for the capital markets has improved in 2014 with major economies emerging from recession and the Eurozone crisis having abated for the moment. For the first time in a number of years our customers are looking to invest to exploit new opportunities, in addition to dealing with ever more complex regulations and shoring up their capital bases by seeking to reduce costs. Amidst this I am pleased to report that First Derivatives has had another successful year. As well as growing our revenues and increasing profits, we have made a number of significant investments in research and development and our sales capacity which we believe will generate further growth in the coming years.

Review of activities

First Derivatives sells software products to the capital markets and provides a range of associated consulting services. Our growing customer base currently consists mainly of investment banks, brokers, exchanges, regulators and hedge funds. Whilst the majority of our customer assignments are undertaken in major financial centres such as New York, London, Toronto, Chicago, Singapore, Hong Kong, Tokyo and Sydney, we also have engagements underway in locations such as Bahrain, Mumbai, Milan and Mexico City.

There are potentially thousands of customers for our products and services, many of whom spend hundreds of millions of pounds annually on technology and associated services. We differentiate ourselves from other vendors by providing a combination of domain knowledge and technical expertise. This is relatively unique in the industry, which has no dominant player and is extremely fragmented. First Derivatives has strong brand recognition and is rapidly becoming one of the industry's leading players. We are focused on building recurring revenue from our software assets and in our consulting business we target assignments that last for many years to establish a visible revenue stream.

We made a major investment in our sales capacity this year. We have established a regional hub in Singapore with supporting satellite offices in Hong Kong and Japan. In addition, we signed new partnerships with NYSE Technologies, Pivotal in California and are about to sign up a new partner in China and Taiwan. This expansion in direct and indirect sales channels has been accompanied by a significant increase in front line personnel and is indicative of our confidence in the quality of our product and consulting offerings.

Delta Software

Our singular focus in developing our software since we made the strategic decision to develop our own product has been data – the capture, enrichment and analysis of vast amounts of high frequency data in real-time. We have been working with Big Data, long before the term came into vogue, and are one of the few companies to have built and deployed Big Data products. We used our capital markets domain knowledge to the benefit of our customers and created disruptive applications in a number of niche areas, branded under the Delta umbrella. Furthermore, we have invested significantly in building ecosystems in the cloud to deploy Delta applications – not only does it allow our customers to share data and liquidity but it also saves them significant infrastructure, support and development costs. We secured prestigious anchor tenants for these deployments who are happy to act as reference clients. This multi-tenanted, hosted model is expensive to establish as it entails significant upfront development and infrastructure cost. However the acquisition cost of new customers is low as are ongoing incremental support costs. In the past year we have had success in a number of areas:

Delta Stream (Surveillance) – This has been an exciting year for us as we have travelled the world to meet Exchanges, Regulators and Brokers in each continent. The catalyst for this increased interest in our Delta Stream product has been the successful deployment of a surveillance system for the Australian market – a deal we announced in December 2012. This system is being publicly heralded by the Australian Regulator as a key weapon in their mandate to discourage insider trading and to reduce systemic risk. Delta Stream analyses trades and quotes in real-time and applies algorithms to identify patterns of activity indicating insider trading, "fat-finger" trades and other forms of market dysfunction and to take remedial action where necessary. One topical form of market dysfunction that Delta Surveillance is designed to prevent is the type of flash crash which sent the Dow Jones crashing by over 1,000 points in 10 minutes in May 2010. We have recently signed a deal in this area and we expect to be in a position to provide further news in the coming months.

Delta Flow (Foreign Exchange) - Our Delta Flow product is now a relatively mature product and is in use by circa 30 banks and brokers to help them source FX liquidity from a pool of 40 banks co-located in data centres in New Jersey and Tokyo. We successfully deployed Delta Flow in Tokyo late last year and live trading started in February 2014. This initiative, which was backed by one of Japan's largest banks, gives us a springboard for increasing our market share in the country, the world's largest retail FX market and in Asia in general. Our customers trade billions of dollars of spot FX per day and we now also support FX forwards and swaps following the latest release of our product in March 2014. We will continue to invest heavily in Delta Flow and have a number of exciting initiatives underway (including extension of our mobile offering) in our bid to become a leading player in the world's largest market, estimated to be worth $3 billion per annum in revenue.

Delta DAAS (Data As A Service) – Our Data As A Service (DAAS) offering launched in mid 2013 has generated interest from a number of leading data providers and exchanges. DAAS is a hosted and fully managed solution targeted at consumers of data, including market and reference data, who spend vast sums building the internal global support teams and physical infrastructure (e.g., primary and secondary data centres, disk storage, hardware) required to collect and store data. The acquisition of this data does not generate any competitive advantage per se – this derives from how the data is mined and used. Our intention is to work with partners to make this data a shared utility in the same manner as water or electricity. DAAS is an example of Big Data in action – on the North American financial markets alone there are c20 million price updates a second or 113 billion per day on average, which rolls up to almost 100 trillion (10^{14}) in 5 years, needing c21 petabytes of storage. In September 2013 we announced a partnership with NYSE Technologies to bring a revolutionary Tick As A Service (TAAS) offering to the market. This initiative is on hold pending reshuffles following the ICE takeover of NYSE but it is a powerful validation of our offering and we are working on a number of similar initiatives with data vendors and exchanges.

Big Data - Our platform is designed to meet the challenges of Big Data and recent product wins allied with our data pedigree has brought us to the attention of some of the major players in the technology arena. Traditionally we have focussed on the "volume" and "velocity" challenges of Big Data but we have initiated a development stream to encompass a "veracity" dimension. This involves tagging and indexing events such as tweets, emails, documents and voice records. Work is still at a relatively early stage but will potentially open up a new frontier for us as we seek to "own the timestamp" for both structured and unstructured data in the capital markets. We are working on a number of partnerships with some leading Big Data players and our hope is that these partnerships will help bring our technology to a wider arena beyond finance.

I am pleased to report that our recurring software revenue increased by 11% this year and the growth trend has continued into the new financial year. Commitment to establishing this annual recurring/transactional model is key to building a sustainable and profitable software business.

Our partner company Kx Systems has had another successful year. As a 20% shareholder and with a seat on the Board we will continue to benefit from their success and their continuing commitment to pushing the boundaries of database technology. Their product, kdb+, is used by many of the world's largest financial institutions and Kx Systems lists organisations such as Deutsche Bank, JP Morgan, Zurich Financial Group, Morgan Stanley, Unicredit and Total Gas & Power as customers. An exciting development this year has been the expansion into the pharmaceutical and utilities sector with the signing of Purdue Pharma and the Canadian electricity regulator, IESO.

Consulting

First Derivatives has established itself as one of the leading niche capital markets consulting companies in the world. We have ongoing contracts with many of the leading global banks, supporting their activities across a range of asset classes including credit, interest rate, foreign exchange, equity, cash and derivatives markets. The Group has been working in this area for eighteen years and our areas of expertise continue to broaden and deepen. We are bidding for large transformation and outsourced work against (and indeed sometimes jointly bidding with) titans such as IBM, Fujitsu and Accenture. The potential lifetime value of these innovative initiatives is measured in tens of millions of pounds.

In our consulting division, our underlying philosophy remains unchanged. We provide people who understand the capital markets and who understand technology. This differentiates us from our competitors as does our flexible operating model. Our consulting engagements allow us to keep abreast of, and respond to trends in the market. This year, utilising our platform, we have developed a number of products in areas such as application monitoring (Delta Monitoring), reconciliations (Delta Rec) and testing (Delta Tools for Calypso) which further differentiate us from competitors in the consulting arena. Our consultants, whilst on the bench, are deployed to work closely with our development team by providing market intelligence and competitor analysis. They can also assist the product team with business analyst work and testing. It is important to note that this pool of available resources will allow us to scale our software business.

We have developed and refined a number of consulting offerings which are designed to allow us to bid for larger projects, to lock-in recurring revenue and to cross sell products. These include a Nearshore offering and Multi-Vendor application support. Our Nearshore model is an alternative to the popular but only partially successful outsourcing model. It is a hybrid model which involves deploying a team of consultants in situ at multiple customer sites supported by a team with similar expertise at a lower cost in our headquarters. This model is designed to address many of the shortcomings of outsourcing – cultural issues, domain expertise, timezone issues and supply and sustainability. Our Multi-Vendor application support offering (often used in conjunction with the Nearshore model) involves providing a single team to support a range of third party applications such as Calypso, Murex and Summit as well as legacy in-house systems. This multi-disciplined team is also responsible for upgrades, testing, customisation and development of interfaces. The advantage to the bank is that rather than managing multiple siloed teams they have one point of contact and cumulative savings around training, recruitment fees, duplication of effort and management overhead.

The Group has had a number of notable successes this year worth highlighting:

- We have been appointed as the lead consultant in a multi-year transformation project for the European arm of a Japanese bank. Delta Rec is used as part of this engagement;
- We were chosen to provide outsourced application management services across a range of applications to a German bank. This is a seven year agreement. This also involves the sale of Delta Monitoring; and
- A European bank has chosen First Derivatives to assist them in the disposal of non-core assets in a program expected to last five years.

Management and Personnel

The Group now employs over 900 people and increased recognition of the First Derivatives brand allows us to attract talented people in our locations around the world. Our renowned graduate recruitment and training programme, the Options programme, is now six years old and with our high retention rate the experience profile of our consultants continues to increase. Once again I would like to pay tribute to all First Derivatives employees who are hardworking, talented, flexible and dedicated.

Financial Review

Post-tax profit for the year was £6.4 million (2013: £5.1 million) on turnover of £69.9 million (2013: £56.5 million). Our balance sheet is strong with equity attributable to shareholders up to £52.1 million (2013: £39.4 million), an increase of 32%. This, and our confidence in the Group's ability to generate cash, enables the Board to recommend a final dividend of 9.00p per share (2013: 8.40p) which means that we will have paid a total dividend of 12.20p (2013: 11.50p) per share for the full year.

Outlook

The increasing maturity of our products, the investment in additional sales capacity and the health of our current pipeline gives us confidence in anticipating further growth in the year to 28 February 2015. As well as organic growth the Board will continue to pursue acquisition opportunities where we see a strategic fit. We believe that we have positioned ourselves to benefit from global trends in technology and consulting and that with our recurring revenue model and continued reinvestment in the business we will deliver further significant benefits in the years ahead.

Brian Conlon 19 May 2014
Chief Executive Officer

Consolidated statement of comprehensive income
Year ended 28 February 2014

	Note	2014 £'000	2013 £'000
Continuing operations			
Revenue	*2*	**69,902**	56,469
Cost of sales		**(50,674)**	(38,951)
Gross profit		**19,228**	17,518
Other operating income		**1,950**	1,616
Administrative expenses		**(12,890)**	(11,982)
Results from operating activities		**8,288**	7,152
Finance income		**4**	1
Finance expense		**(594)**	(661)
Loss on foreign currency translation		**(19)**	(538)
Net financing expense		**(609)**	(1,198)
Share of profit of associate using the equity method, net of tax		**268**	249
Loss on dilution in associate using the equity method		**-**	(43)
Profit before income tax		**7,947**	6,160
Tax expense		**(1,546)**	(1,015)
Profit for the year		**6,401**	5,145
Other comprehensive income			
Deferred tax on share options outstanding		**-**	461
Net exchange (losses)/gains on net investment in foreign subsidiaries and associate		**(3,794)**	905
Net loss on hedge of net investment in foreign subsidiaries and associate		**(227)**	(214)
Other comprehensive income for the period, net of tax		**(4,021)**	1,152
Total comprehensive income for the period attributable to equity holders' of the company		**2,380**	6,297
Earnings per share		**Pence**	Pence
Basic	*4*	**34.4**	30.2
Diluted	*4*	**29.7**	27.9

Consolidated balance sheet
Year ended 28 February 2014

	Note	2014 £'000	2013 £'000
Assets			
Property, plant and equipment	*5*	**5,358**	9,094
Intangible assets and goodwill	*6*	**38,025**	37,545
Investment in associate		**5,233**	6,295
Trade and other receivables		**2,554**	1,673
Deferred tax asset		**5,855**	1,969
Non current assets		**57,025**	56,576
Trade and other receivables		**20,571**	19,837
Cash and cash equivalents		**4,393**	1,902
Assets held for sale		**3,146**	3,364
Current assets		**28,110**	25,103
Total assets		**85,135**	81,679
Equity			
Share capital		**98**	87
Share premium		**22,251**	12,895
Share option reserve		**6,627**	3,341
Revaluation reserve		**167**	167
Currency translation adjustment reserve		**(3,040)**	981
Retained earnings		**25,959**	21,903
Equity attributable to shareholders		**52,062**	39,374
Liabilities			
Loans and borrowings		**9,706**	17,842
Deferred tax liabilities		**2,087**	2,622
Trade and other payables		**4,008**	2,224
Non-current liabilities		**15,801**	22,688
Loans and borrowings		**5,875**	6,213
Trade and other payables		**8,785**	8,505
Current tax payable		**430**	649
Employee benefits		**2,182**	3,038
Contingent deferred consideration		**-**	762
Deferred consideration		**-**	450
Current liabilities		**17,272**	19,617
Total liabilities		**33,073**	42,305
Total equity and liabilities		**85,135**	81,679

Consolidated statement of changes in equity
Year ended 28 February 2014

	Share capital £000	Share premium £000	Share option reserve £000	Revaluation reserve £000	Currency translation adjustment £000	Retained earnings £000	Total equity £000
Balance at 1 March 2013	**87**	**12,895**	**3,341**	**167**	**981**	**21,903**	**39,374**
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	6,401	**6,401**
Other comprehensive income							
Net exchange loss on net investment in foreign subsidiaries and associate	-	-	-	-	(3,794)	-	**(3,794)**
Net exchange loss on hedge of net investment in foreign subsidiaries and associate	-	-	-	-	(227)	-	**(227)**
Total other comprehensive income	-	-	-	-	(4,021)	-	**(4,021)**
Total comprehensive income for the year	-	-	-	-	(4,021)	6,401	**2,380**
Transactions with owners, recorded directly in equity							
Income tax relating to share options	-	-	3,350	-	-	-	**3,350**
Exercise of share options	6	3,695	(752)	-	-	-	**2,949**
Buy-back and cancellation of share options	-	-	-	-	-	(314)	**(314)**
Issue of shares	4	4,562	-	-	-	-	**4,566**
Issue of shares for settlement of deferred consideration	1	1,099	-	-	-	-	**1,100**
Share based payment charge	-	-	757	-	-	-	**757**
Transfer on forfeit of share options	-	-	(69)	-	-	69	**-**
Dividends	-	-	-	-	-	(2,100)	**(2,100)**
Total contributions by and distributions to owners	11	9,356	3,286	-	-	(2,345)	**10,308**
Balance at 28 February 2014	**98**	**22,251**	**6,627**	**167**	**(3,040)**	**25,959**	**52,062**

Consolidated statement of changes in equity
Year ended 28 February 2013

	Share capital £000	Share premium £000	Share option reserve £000	Revaluation reserve £000	Currency translation adjustment £000	Retained earnings £000	Total equity £000
Balance at 1 March 2012	83	10,502	2,673	167	290	18,521	32,236
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	5,145	**5,145**
Other comprehensive income							
Deferred tax on share options outstanding	-	-	461	-	-	-	**461**
Change in effective rate of deferred tax	-	-	-	2	-	(2)	**-**
Net exchange gains on net investment in foreign subsidiaries and associate	-	-	-	-	905	-	**905**
Net exchange loss on hedge of net investment in foreign subsidiaries and associate	-	-	-	-	(214)	-	**(214)**
Transfer on dilution of investment in associate	-	-	-	(2)	-	2	**-**
Total other comprehensive income	-	-	461	-	691	-	**1,152**
Total comprehensive income for the year	-	-	461	-	691	5,145	**6,297**
Transactions with owners of the Company							
Contributions and distributions							
Exercise of share options	3	1,294	(334)	-	-	-	**963**
Issue of shares as purchase consideration	1	1,099	-	-	-	-	**1,100**
Share based payment charge	-	-	686	-	-	-	**686**
Transfer on forfeit of share options	-	-	(145)	-	-	145	**-**
Dividends	-	-	-	-	-	(1,908)	**(1,908)**
Total contributions and distributions	4	2,393	207	-	-	(1,763)	**841**
Balance at 28 February 2013	**87**	**12,895**	**3,341**	**167**	**981**	**21,903**	**39,374**

Consolidated cash flow statement
Year ended 28 February 2014

	2014	2013
	£'000	£'000
Cashflows from operating activities		
Profit for the year	**6,401**	5,145
Adjustments for:		
Net finance costs	**609**	1,198
Share of profit of associate	**(268)**	(249)
Share of loss on dilution in associate	**-**	43
Depreciation of property, plant and equipment	**738**	699
Amortisation of intangible assets	**3,477**	2,527
Gain on sale of property, plant & equipment	**(988)**	(717)
Equity settled share-based payment transactions	**667**	576
Grant income	**(1,931)**	(1,589)
Tax expense	**1,546**	1,015
	10,251	8,648
Changes in:		
Trade and other receivables	**(453)**	(6,058)
Trade and other payables	**(793)**	1,372
Cash generated from operating activities	**9,005**	3,962
Taxes paid	**(915)**	(765)
Net cash from operating activities	**8,090**	3,197
Cash flows from investing activities		
Interest received	**4**	1
Dividend received from associate	**773**	1,267
Disposal of property, plant and equipment	**7,065**	5,046
Acquisition of subsidiaries, net of cash acquired	**(148)**	(811)
Acquisition of property, plant and equipment	**(2,907)**	(1,098)
Acquisition of intangible assets	**(6,105)**	(6,054)
Payment of deferred consideration	**(125)**	(471)
Net cash used in investing activities	**(1,443)**	(2,120)
Cash flows from financing activities		
Proceeds from issue of share capital	**7,515**	963
Payment to buy-back share options	**(314)**	-
Proceeds from new borrowings	**1,000**	3,131
Repayment of borrowings	**(9,829)**	(1,835)
Payment of finance lease liabilities	**(254)**	(126)
Interest paid	**(676)**	(565)
Dividends paid	**(2,204)**	(1,804)
Net cash used in financing activities	**(4,762)**	(236)
Net increase in cash and cash equivalents	**1,885**	841
Cash and cash equivalents at 1 March	**(322)**	(235)
Effects of exchange rate changes on cash held	**(19)**	(928)
Cash and cash equivalents at 28 February	**1,544**	(322)

Notes

1 Basis of preparation

The consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”).

The financial information included in this preliminary announcement does not constitute statutory accounts of the Group for the years ended 28 February 2014 or 28 February 2013, but is derived from those accounts. Statutory accounts for 2013 have been delivered to the Registrar of Companies and those for 2014 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Both the consolidated financial statements and the Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU (“IFRSs”).

2 Operating segments

Business segments

The group has disclosed below certain information on its revenue by geographical location. Details regarding total can be found in the statement of comprehensive income.

The group’s two revenue streams are separated as follows:

- Consulting activities which includes services to capital markets; and
- Software activities which includes the sale of intellectual property and related services.

Revenue by division

	2014	2013
	£’000	£’000
Consulting	**50,593**	41,475
Software	**19,309**	14,994
Total	**69,902**	56,469

Geographical location analysis

	Revenues		Non-current assets	
	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
UK	**26,857**	19,485	**17,915**	20,506
Rest of Europe	**9,607**	8,047	**11,274**	10,419
America	**26,230**	23,075	**20,225**	21,957
Australasia	**7,208**	5,862	**1,756**	1,725
Total	**69,902**	56,469	**51,170**	54,607

3 Dividends

	2014	2013
	£'000	£'000
Final dividend relating to the prior year	**1,499**	1,370
Interim dividend paid	**601**	538
	2,100	1,908

The dividends recorded in each financial year represent the final dividend of the preceding financial year and the interim dividend of the current financial year.

The final dividend relating to the prior year amounted to 8.40 (previous year: 8.15) pence per share and the interim dividend paid during the year amounted to 3.20 (previous year: 3.10) pence per share. The cumulative dividend paid during the year amounted to 11.60 (previous year: 11.25) pence per share.

After the respective reporting dates, the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

	2014	2013
	£'000	£'000
9.0 pence per ordinary share (2013: 8.40 pence)	**1,759**	1,455

4 (a) Earnings per ordinary share

Basic

The calculation of basic earnings per share at 28 February 2014 was based on the profit attributable to ordinary shareholders of £6,401k (2013: £5,145k), and a weighted average number of ordinary shares ranking for dividend of 18,623k (2013: 17,048k).

	2014 Pence per share	2013 Pence per share
Basic earnings per share	**34.4**	30.2

Weighted average number of ordinary shares

	2014 Number '000	2013 Number '000
Issued ordinary shares at 1 March	**17,484**	16,633
Effect of share options exercised	**421**	317
Effect of shares issued as purchase consideration	**-**	98
Effect of shares issued to settle deferred consideration	**152**	-
Effect of shares issued for cash	**566**	-
Weighted average number of ordinary shares at 28 February	**18,623**	17,048

4 (a) Earnings per ordinary share (continued)

Diluted

The calculation of diluted earnings per share at 28 February 2014 was based on the profit attributable to ordinary shareholders of £6,401k (2013: £5,145k) and a weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares of 21,564k (2013: 18,432k).

	2014 Pence per share	2013 Pence per share
Diluted earnings per share	**29.7**	27.9

Weighted average number of ordinary shares (diluted)

	2014 Number '000	2013 Number '000
Weighted average number of ordinary shares (basic)	**18,623**	**17,048**
Effect of dilutive share options in issue	**2,941**	**1,384**
Weighted average number of ordinary shares (diluted) at 28 February	**21,564**	**18,432**

At 28 February 2014 552k options (2013: 1,183k) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

The average market value of the group's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period the options were outstanding.

4 (b) Earnings before tax per ordinary share

Earnings before tax per share are based on profit before taxation of £7,947k (2013: £6,160k). The number of shares used in this calculation is consistent with note 4(a) above.

	2014 Pence per share	2013 Pence per share
Basic earnings before tax per ordinary share	**42.7**	36.1
Diluted earnings before tax per ordinary share	**36.9**	33.4

Reconciliation from earnings per ordinary share to earnings before tax per ordinary share.

	2014 Pence per share	2013 Pence per share
Basic earnings per share	**34.4**	30.2
Impact of taxation charge	**8.3**	5.9
Adjusted basic earnings before tax per share	**42.7**	36.1
Diluted earnings per share	**29.7**	27.9
Impact of taxation charge	**7.2**	5.5
Adjusted diluted earnings before tax per share	**36.9**	33.4

Earnings before tax per share has been presented to facilitate pre-tax comparison returns on comparable investments.

5 Property, plant and equipment

	Land and buildings £'000	Plant and equipment £'000	Office furniture £'000	Total £'000
Cost				
At 1 March 2013	8,494	2,696	165	11,355
Additions	598	2,237	72	2,907
Disposals	(3,811)	-	-	(3,811)
Reclassification to assets held for sale	(2,419)	-	-	(2,419)
Exchange adjustments	(70)	(246)	(2)	(318)
At 28 February 2014	**2,792**	**4,687**	**235**	**7,714**
Depreciation				
At 1 March 2013	762	1,388	111	2,261
Charge for the year	233	462	43	738
Disposals	(259)	-	-	(259)
Reclassification to assets held for sale	(265)	-	-	(265)
Exchange adjustments	(11)	(106)	(2)	(119)
At 28 February 2014	**460**	**1,744**	**152**	**2,356**
Net book value				
At 28 February 2014	**2,332**	**2,943**	**83**	**5,358**

	Land and buildings £'000	Plant and equipment £'000	Office furniture £'000	Total £'000
Cost				
At 1 March 2012	14,855	1,688	128	16,671
Additions	134	928	36	1,098
Acquisition through business combinations	-	4	-	4
Disposals	(2,843)	-	-	(2,843)
Reclassification to assets held for sale	(3,630)	-	-	(3,630)
Exchange adjustments	(22)	76	1	55
At 28 February 2013	**8,494**	**2,696**	**165**	**11,355**
Depreciation				
At 1 March 2012	929	919	85	1,933
Charge for the year	254	420	25	699
Disposals	(160)	-	-	(160)
Reclassification to assets held for sale	(266)	-	-	(266)
Exchange adjustments	5	49	1	55
At 28 February 2013	**762**	**1,388**	**111**	**2,261**
Net book value				
At 28 February 2013	**7,732**	**1,308**	**54**	**9,094**

6 Intangible assets

	Goodwill	Customer lists	Acquired Software	Brand name	Internally developed software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Balance at 1 March 2013	14,943	3,810	9,514	387	16,761	45,415
Development costs	-	-	-	-	5,987	5,987
Additions	-	-	208	-	-	208
Adjustment to deferred consideration	14	-	-	-	-	14
Exchange adjustments	(1,431)	(263)	(711)	(26)	(354)	(2,785)
At 28 February 2014	**13,526**	**3,547**	**9,011**	**361**	**22,394**	**48,839**
Amortisation and impairment losses						
Balance at 1 March 2013	-	1,356	3,653	156	2,705	7,870
Amortisation for the year	-	450	1,084	45	1,898	3,477
Exchange adjustment	-	(153)	(307)	(15)	(58)	(533)
At 28 February 2014	**-**	**1,653**	**4,430**	**186**	**4,545**	**10,814**
Carrying amounts						
At 28 February 2014	**13,526**	**1,894**	**4,581**	**175**	**17,849**	**38,025**

	Goodwill	Customer lists	Acquired Software	Brand name	Internally developed software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Balance at 1 March 2012	12,890	2,362	8,645	304	10,951	35,152
Development costs	-	-	-	-	5,608	5,608
Additions	-	-	553	-	-	553
Acquisition through business combinations	1,919	1,350	-	72	-	3,341
Adjustment to deferred consideration	(317)	-	-	-	-	(317)
Exchange adjustments	451	98	316	11	202	1,078
At 28 February 2013	**14,943**	**3,810**	**9,514**	**387**	**16,761**	**45,415**
Amortisation and impairment losses						
Balance at 1 March 2012	-	924	2,433	107	1,635	5,099
Amortisation for the year	-	381	1,063	43	1,040	2,527
Exchange adjustment	-	51	157	6	30	244
At 28 February 2013	**-**	**1,356**	**3,653**	**156**	**2,705**	**7,870**
Carrying amounts						
At 28 February 2013	**14,943**	**2,454**	**5,861**	**231**	**14,056**	**37,545**

7 Report and accounts

Copies of the Annual Report will be available as of 5 June 2014 on the Group's website, www.firstderivatives.com and from the Group's headquarters at 3 Canal Quay, Newry, BT35 2BP.