The issuer has advised that the following amendment has been made to the preliminary results announcement released on 10 May 2007 under RNS number 3423W at 7.01am.

Revision to 9th paragraph on Chairman's Statement.

The Company continues to generate significant cash flow from operations and has made further acquisitions during the year of residential properties to accommodate staff supporting contracts in London and New York. At the year end the Company owned 18 such properties with a written down book value of £8.080 million. These were valued at that date by Digney Boyds at £9.851 million a surplus of £1.771 million. The revaluation has not been incorporated in the financial statements.

First Derivatives plc
(AIM :FDP)

Preliminary results for the year ended 28 February 2007

The principal activities of First Derivatives ("the Company" or "First Derivatives") are the provision of a range of support services to the investment banking market and the derivatives technology industry and the provision of its own range of niche banking applications.

Financial highlights

- Turnover £9.332m (2006: £6.313m) +48%
- Earnings before tax, depreciation and amortisation £2.96m (2006: £1.865m) +59%
- Normalised PBT £2.7m (2006: £1.7m) +59%
- Pre-tax profit £2.555m (2006: £1.486m) +72%
- Earnings per share 15p (2006: 8.1p) +85%
- Normalised EPS 16.5p (2006: 9.6p) +72%
- Proposed final dividend 3.6p (2005: 3p) (with total proposed dividend 5p +67%)
- Net debt £3.7m as at 28 February 2007 ; £0.4m of cash with the balance relating to mortgages.

Business highlights

- Further increase in Capital Markets Activity, continued benefits from relationship with KX Systems
- Additional new clients added during the course of the year
- Geographical reach expanded
- Number of employees rose from 66 to 89
- Introduction of Capital Markets Training Programme
- Further acquisitions of residential properties to accommodate staff supporting contracts in London and New York

Post year end highlight

- Intention to seek admission to the IEX market of the Irish Stock Exchange
    - Complimentary to existing AIM listing
    - Provide a Euro denominated quote for the shares

David Anderson, Chairman of First Derivatives, commented:

"2006/2007 has seen again another year of growth for First Derivatives. The Company continues to generate significant cash flow from operations and I am pleased to report turnover has increased to £9.332m, up 48% from £6.33m in prior year.

Having noted a significant increase in the number of shareholders in the Republic of Ireland, I am delighted to announce First Derivatives' intention to seek admission to the IEX market of the Irish Stock Exchange in addition to our existing AIM listing, which we believe will increase the liquidity in the trading of our shares.

Since the year end the Company has signed further KX Systems contracts and has seen significant increases in its capital markets activity. Whilst it is too early to predict the outcome for the full year, the Company expects continued growth in the first half of the year."

For further information please contact:

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Brian Conlon	Romil Patel	Justine Howarth/Bex Sanders-Hewett
Managing Director	T: 0207 448 4400	T: 020 7851 7480
T: 02830 252242		

www.firstderivatives.com

Chairman's statement

2006/2007 has seen another year of growth for the Company. I am pleased to report that the pre-tax profit for the year ended 28 February 2007 was £2.555 million compared with £1.486 million in the previous year, an increase of 72%.

Turnover for the year was £9.332 million up from £6.313 million and earnings before interest, tax, depreciation and amortisation was £2.960 million compared with £1.865 million in the previous year, an increase of 59%.

Earnings per share increased by 85% from 8.1p to 15.0p. The Board is recommending a final dividend per share for the year of 3.6p which together with the interim dividend of 1.4p per share paid in September 2006 totals 5p and is covered approximately 3 times by earnings. The proposed final dividend for the year is subject to approval from the Company's shareholders during the Annual General Meeting on 7 June 2007 and will be payable on 2 July 2007 to ordinary shareholders on the register as at 8 June 2007.

There has been a further increase in our capital markets activity which has continued to benefit from the relationship with KX Systems. We have added further new clients during the course of the year and as I mentioned in my interim statement, we have expanded our geographical reach.

We have worked with KX Systems since 1998 and the sales and support of its database technology to the banking sector has again represented a significant part of our continuing business.

The Company has to date developed 7 software packages which are in the early stages of market exploitation. These products exploit the KX systems software and will be marketed to our existing KX customer base during the course of 2007.

The e-business activity has again continued at a low level during the year.

During the year the number of employees rose from 66 to 89. The Company is a people business and its prospects for future growth will be influenced by the quality of its management team and the expertise of its personnel. During the year the Company introduced its Capital Markets Training Programme, a two year training programme which has been developed to ensure that the Company has suitably trained and experienced personnel as it continues to grow.

The Company continues to generate significant cash flow from operations and has made further acquisitions during the year of residential properties to accommodate staff supporting contracts in London and New York. At the year end the Company owned 18 such properties with a written down book value of £8.080 million. These were valued at that date by Digney Boyds at £9.851 million a surplus of £1.771 million. The revaluation has not been incorporated in the financial statements.

The Company's shares have been traded on the AIM market since flotation in March 2002. During the last financial year your board has noted a significant increase in the number of shareholders resident in the Republic of Ireland. As such we are delighted to announce our intention to seek admission of the Company's ordinary shares to trading on the IEX market of the Irish Stock Exchange which will further increase First Derivatives' profile amongst the financial community and increase the liquidity in the trading of our shares. This will be complimentary to AIM and will also provide a Euro denominated quote for the shares. Goodbody stockbrokers is acting as IEX Adviser and Broker to First Derivatives in respect of the admission. It is anticipated that the listing will be obtained following the Company's Annual General Meeting to be held on Thursday, 7 June 2007.

Since the year end the Company has signed further KX Systems contracts and has seen further increases in its capital markets activity. Whilst it is too early to predict the outcome for the full year the Company expects continued growth in the first half of the year.

David Anderson
Chairman

Managing Director's statement

First Derivatives continues to operate primarily in the capital markets sector and major financial institutions continue to invest heavily in technology. However the competitive landscape is proving challenging as many large banks seek to move their operations to low cost centres such as India. We are investing heavily in improving the skills of our consultants and in software development in order to provide a premium offering to our clients.

Review of activities

First Derivatives now effectively operates as 3 profit centres. Personnel can easily transfer from one profit centre to another. Capital Markets and Sales Partnerships contribute the vast majority of our current turnover and profitability but a number of our research and development initiatives are on the verge of commercial exploitation. We are currently operating at effectively 100% utilisation of staff and have plans to increase our headcount significantly in the coming year. We have significantly broadened our customer base and provided services last year to 36 different investment banks, hedge funds, Specialised Investment Vehicles and Derivative Product Companies. Whilst London and New York remain our primary centres of activities, we currently have staff on assignments in London, Dublin, New York, Los Angeles, Singapore, Sydney, Munich, Frankfurt and Stockholm.

Capital Markets – First Derivatives provides highly skilled resources to the capital markets in the areas of consulting, support and development services. We have ongoing contracts with 7 of the largest banks in the world working across a range of asset classes including credit, interest rate, FX and equity cash and derivatives market. We also have a number of nearshore contracts with large banks which involve providing remote support services from our offices in Newry. This and other recurring revenues accounts for about 70% of our income.

KX Systems Sales – First Derivatives continues to provide sales and marketing support for all industry sectors (excluding insurance) to KX Systems on a worldwide basis. Their products have gained significant traction in the past few years and the KX Systems website lists organisations such as JP Morgan, Merrill Lynch, Lehman Brothers, Deutsche Bank and Dresdner as users. We derive revenue from sales commission, support contracts, training and consulting. We also exercised further options to buy shares in KX Systems and now have a 3% holding in the Company. We continue to build our portfolio of alliances with other non-competing software vendors and are currently working with 3 other vendors.

Product Development – this group is still in the process of developing a number of products, primarily for the use of customers of KX Systems. A number of these products are currently in an alpha testing stage and we are ramping up our sales and marketing efforts. No significant revenue will accrue from this division until financial year 2008/2009 but it has potential to add significantly to the Company's profitability.

Personnel

The Company now employs almost 90 people. We have recruited 3 senior personnel to help us to drive strategic initiatives and make the transition to a larger organisation. We have developed and are implementing a Capital Markets Training Programme to enhance the skills and marketability of our personnel and to help differentiate us from our competition. Many of our employees are participating in options schemes which we see as a key driver in retaining staff. Our staff turnover is relatively low which means that we are seeing increasing wage inflation as the experience profile of staff changes.

Once again I would like to pay tribute to all First Derivatives employees who almost without exception are hard working, talented, flexible and dedicated. Our customer retention rates are evidence of this.

Property portfolio

As the number of staff working on-site in the major financial centres increases we will continue to buy property in lieu of paying for hotels and rented accommodation. As at the balance sheet date we had purchased 17 properties in the UK and 3 properties in New York financed by cash and term loans. The market value of the UK portfolio has been boosted by the recent strength of the UK residential property market.

Financial review and key performance indicators

In line with the Company's on-going strategic development, the Board continues to monitor the most relevant KPI's (turnover, profitability and cash) as noted in the paragraph below.

Our pre-tax profit (2007: £2,555,000; 2006: £1,486,000), EBITDA (2007: £2,960,000; 2006: £1,865,000) and turnover (2007: £9,332,000; 2006: £6,313,000) were significantly up on last year. This was largely due to increased consultant utilisation and sales commission from partner agreements. Our operating margins increased to 28.4% from 25.2%. Our balance sheet is strong with a cash balance of £356,000 and equity shareholders' funds of £4,915,000. This and our confidence in our ability to generate cash going forward enables us to declare a final dividend of 3.6p per share which means that we have paid a total dividend of 5p per share for the full year.

Outlook

We are increasing headcount to meet demand from the current sales pipeline and to develop product. Our outlook for the year ahead is for trading to continue in line with previous trends and the further strengthening of our balance sheet. We now have a spread of activities with our recurring revenue stream insulating us against general industry downturn and our interest in the sale of various software products giving us the benefit of considerable potential upside.

Brian Conlon
Managing Director

Profit and loss account

Year ended 28 February 2007

	2007	2006
		Restated
	£'000	£'000
Turnover - continuing operations	**9,332**	6,313
Cost of sales	**(6,137)**	(4,010)
Gross profit	**3,195**	2,303
Administrative expenses	**(696)**	(812)
Other income	**154**	101
Operating profit - continuing operations	**2,653**	1,592
Interest receivable	**36**	7
Interest payable and other similar charges	**(134)**	(113)
Profit on ordinary activities before taxation	**2,555**	1,486
Tax on profit on ordinary activities	**(634)**	(468)
Profit for the financial year	**1,921**	1,018
Earnings per share		
- basic	**15.0p**	8.1p
- diluted	**14.0p**	7.9p

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historic cost equivalents. Accordingly no note of historical cost profits and losses has been prepared. The turnover and operating profit amounts as stated above are derived solely from continuing operations.

Balance sheet

Year ended 28 February 2007

	2007		2006 Restated	
	£'000	**£'000**	£'000	£'000
Fixed assets				
Intangible assets		**180**		360
Tangible assets		**8,088**		3,238
Investment in associates		**111**		90
Other investments		**210**		111
		8,589		3,799
Current assets				
Debtors	**2,562**		2,251	
Cash at bank and in hand	**356**		1,061	
	2,918		3,312	
Creditors - amounts falling due within one year	**(3,754)**		(2,082)	
Net current (liabilities)/assets		**(836)**		1,230
Total assets less current liabilities		**7,753**		5,029
Creditors - amounts falling due after more than one year		**(2,838)**		(1,717)
Provisions for liabilities and charges		**-**		-
Net assets		**4,915**		3,312
Share capital and reserves				
Called-up share capital		**65**		64
Shares to be issued		**186**		55
Share premium account		**1,020**		910
Profit and loss account		**3,644**		2,283
Shareholders' funds		**4,915**		3,312

Cash flow statement

Year ended 28 February 2007

	2007	2006
		Restated
	£'000	£'000
Cash inflow from operating activities	**3,229**	1,606
Returns on investment and servicing of finance	**(98)**	(106)
Taxation	**(456)**	(232)
Capital expenditure	**(5,097)**	(1,389)
Equity dividends paid	**(560)**	(181)
Cash inflow before financing	**(2,982)**	(302)
Financing	**2,277**	574
(Decrease)/increase in cash in the year	**(705)**	272

Reconciliation of net cash flow to movement in net debt

Year ended 28 February 2007

	2007	2006
	£'000	£'000
(Decrease)/increase in cash in the year	**(705)**	272
Decrease in debt	**(2,166)**	(447)
Change in net debt resulting from cash flows	**(2,871)**	(175)
Movement in net debt in the year	**(2,871)**	(175)
Net debt at start of the year	**(796)**	(621)
Net debt at end of the year	**(3,667)**	(796)

Notes

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards has been adopted for the first time:

- FRS 20 'Share-based payments'

The effect of adopting this standard in the current year is explained in note 4.

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Share-based payments
The share option programme allows employees to acquire shares of the Company based on a non-market condition. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

Intangible fixed assets
Intangible fixed assets comprise intellectual property rights over software and are capitalised where purchased on an arm's length basis. Such assets are amortised over their estimated useful lives, estimated to be 5 years and are reviewed for impairment only if there is some indication that an impairment may have occurred.

Tangible fixed assets
Tangible fixed assets are stated at historical cost, less accumulated depreciation. Depreciation is calculated to write off the original cost less the expected residual value of tangible fixed assets over their anticipated useful lives at the following annual rates:

Motor vehicles	-	25% straight line
Office furniture and equipment	-	25% straight line
Plant and equipment	-	25 - 50% straight line
Buildings	-	2% straight line

Tangible fixed assets are reviewed for impairment only if there is some indication that an impairment may have occurred.

Fixed asset investments
Investments in associates are stated at cost unless, in the opinion of the directors, there has been an impairment, in which case an appropriate adjustment is made.

Other investments, relating to shares acquired on the exercise of options previously granted to the Company in return for services include any in the money element of the option as calculated at the date the option was granted. These have been accounted for as a share based payment. The fair value of this in the money element of the option received is held as a current asset until the option has been exercised. Fixed asset investments are reviewed for impairment only if there is some indication that an impairment may have occurred. Additional information required to illustrate the impact of equity accounting for this investment is provided in the notes to the accounts.

Research and development
All research and development expenditure is written off in the period in which it is incurred.

Pension plans
The Company operates "Personal Pension Plans" whereby the Company agrees to pay, for

eligible employees, a defined contribution into the employee's own personal pension scheme. The pension charge represents contributions payable by the Company for the period. The Company's liability is limited to the amount of the contribution. The liability for meeting future pension payments rests solely with the employee's personal pension scheme.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

Government grants
Government grants are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute.

Taxation
The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Turnover

Turnover excludes value added tax and represents the fair value of services delivered to customers in the accounting period. Services are deemed to have been delivered to customers when, and to the extent that, the entity has met its obligations under its service contracts. Credit for enterprise software licence revenue is deferred and released over the period of the licence on a straight line basis. Share options received in lieu of services are recorded in turnover at the fair value of the services provided.

The directors are of the opinion that disclosure of the analysis of turnover and profit by geographical market would be seriously prejudicial to the interests of the Company.

3 Prior year adjustment

The adoption of FRS 20 'Share-based payments', has given rise to a prior year adjustment in the current year. The Company adopted FRS 20 'Share-based payments' effective for accounting periods beginning on or after 1 January 2006 in the current year. This standard requires that a value be attributed to share-based payments and that this be charged to the profit and loss account. The effect of this change has necessitated a prior year adjustment in the form of a charge to the profit and loss account of £50,758 in 2006.

The adjustment reduced the previously reported retained profit for the year ended 28 February 2006 by £50,758. The impact in the current year is a charge of £131,000 to the profit and loss account and a corresponding increase in the "shares to be issued" reserve.

The effect on the Company balance at 28 February 2006 was as follows:

	Change in accounting policy £'000	**Total £'000**
Capital and reserves		
Profit and loss account overstated	**(51)**	**(51)**
Shares to be issued understated	**51**	**51**

	-	-

4 Tax on profit on ordinary activities

	2007	2006
	£'000	£'000
UK corporation tax for the period	**719**	492
Adjustments relating to earlier years	**(82)**	-
Total current tax charge	**637**	492
Deferred tax		
Origination/reversal of timing differences	**(11)**	(24)
Adjustment in respect of previous year	**8**	-
	634	468

The basis by which taxation is calculated is stated in Note 1.

The current tax charge for the period is lower (2006: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2007	2006
		Restated
	£'000	£'000
Current tax reconciliation		
Profit on ordinary activities before tax	**2,555**	1,486
Current tax at 30% (2006: 30%)	**766**	446
Effects of:		
Expenses not deductible for tax purposes	**34**	44
Capital allowances for period in excess of depreciation	**8**	9
Other differences	**88**	44
Small companies relief	**-**	-
Relief on share options exercised	**(177)**	(70)
Timing of pension contributions	**-**	19
Adjustments relating to earlier years	**(82)**	-
Total current tax charge	**637**	492

The directors are not aware of any issues that will significantly impact on the future tax charge.

5 Dividends

	2007 £'000	2006 £'000
Final dividend relating to the prior year	**381**	181
Interim dividend paid	**179**	-
	560	181

The final dividend relating to the prior year amounted to 3.0 pence per share and the interim dividend paid during the year amounted to 1.4 pence per share. A final dividend of 3.6p has been proposed. This has not been included in creditors as it was not approved before the year end.

6 (a) Earnings per ordinary share

Basic

The calculation of basic earnings per share is based on the profit on ordinary activities after taxation and before deduction of dividend appropriations in respect of equity shares, namely £1,921,000 (2006: £1,018,000). The weighted average number of ordinary shares for the year ended 28 February 2007 and ranking for dividend was 12,771,232 (2006: 12,494,139).

	2007 Pence per share	2006 Restated Pence per share
Basic earnings per share	**15.0**	8.1

Diluted

The calculation of diluted earnings per share is based on the profit on ordinary activities after taxation and before deduction of dividend appropriations in respect of equity shares, namely £1,921,000 (2006: £1,018,000). The weighted average number of ordinary shares for the year ended 28 February 2007 and ranking for dividend was 13,719,224 (2006: 12,875,893). Weighted average number of shares has been increased by 843,331 to reflect the shares under option disclosed in note 18 and adjusted for the related FRS 20, share based payment charge.

	2007 Pence per share	2006 Restated Pence per share
Diluted earnings per share	**14.0**	7.9

6 **(b) Adjusted earnings per ordinary share**

Adjusted earnings per share are based on profit before taxation of £2,555,000 (2006: £1,486,000). The number of shares used in this calculation is consistent with note 9(a) above.

	2007 Pence per share	2006 Pence per share
Basic adjusted earnings per ordinary share	**20.0**	11.9
Diluted adjusted earnings per ordinary share	**18.6**	11.5

Reconciliation from earnings per ordinary share to adjusted earnings per ordinary share.

	2007 Pence per share	2006 Pence per share
Basic earnings per share	**15.0**	8.1
Impact of taxation charge	**5.0**	3.8
Adjusted basic earnings per share	**20.0**	11.9
Diluted earnings per share	**14.0**	7.9
Impact of taxation charge	**4.6**	3.6
Adjusted diluted earnings per share	**18.6**	11.5

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

7 **Debtors**

	2007 £'000	2006 £'000
Trade debtors	**2,475**	1,872
Sundry debtors	**24**	319
Deferred tax asset (see Note 17)	**24**	21
Prepayments	**39**	39
	2,562	2,251

8 Creditors - amounts falling due within one year

	2007 £'000	2006 £'000
Bank loans (note 16)	**1,185**	140
Trade creditors	**157**	272
Corporation tax	**739**	551

Other taxation and social security	**295**	272
Other creditors	**698**	313
Accruals and deferred income	**680**	534
	3,754	2,082

9 Creditors - amounts falling due after more than one year

	2007 **£'000**	2006 £'000
Loans	**2,904**	1,717
Less: Capital arrangement fee	**(66)**	-
	2,838	1,717

Analysis of debt:

Debt can be analysed as falling due:		
In one year or less	**1,185**	140
Between one and two years	**275**	151
Between two and five years	**947**	524
In five years or more	**1,682**	1,042
	4,089	1,857

The Company had the following term loans facilities with Bank of Ireland at the end of the year:

£2,400,000 ten year term loan
£1,274,000 ten year term loan
US$1,835,190 two month loan facility

All loans have interest charged at 1.5% above the bank base rate at the time the loan facility was set up.

The US$1,835,190 loan facility is temporary. At 28 February 2007, the Company was negotiating a US$4,000,000 loan facility for property in London and New York. This facility was secured subsequent to the year end. This loan will be repayable in three years at an interest rate of 1.5% above the banks basic rate.

All of the loans above are secured at a fixed rate against the properties purchased in New York and London.

10 Share capital

	2007 Number	2007 £'000	2006 Number	2006 £'000
Equity shares				
Authorised				
Ordinary shares of 0.5p each	**20,000,000**	**100**	20,000,000	100
Issued, allotted and fully paid				
Ordinary shares of 0.5p each	**12,944,458**	**65**	**12,714,858**	**64**

Options have been granted as set out below under the Company's two share option schemes which are open to all directors and employees of the Company. The options are subject to the completion of one, two and three years of service as set by the Company prior to the grant of the option. As the options vest at annual intervals over a three year period, they are deemed to consist of three separate options for valuation purposes. Vested options are exercisable following the satisfaction of the service criteria for a period not exceeding 10 years from the date of grant.

Options granted are as follows:

Number of Shares under option at 28 February 2006	*Granted*	*Exercised*	*Lapsed*	*Number of shares under option at 28 February 2007*	*Exercise price*	*Contracted expiry life of options*
85,000	-	85,000	-	-	26.5 pence	27 Nov 2012
137,000	-	39,000	-	98,000	51.0 pence	20 Dec 2012
242,967	-	51,600	7,000	184,367	53.5 pence	19 Dec 2013
10,000	-	10,000		-	40.0 pence	19 Dec 2011
272,000	-	30,000	23,000	219,000	62.0 pence	17 Dec 2014
427,000	-	14,000	21,000	392,000	102.0 pence	29 Dec 2015
-	573,000	-	-	573,000	161.0 pence	5 Dec 2016

229,600 share options were exercised during the year, giving rise to an increase in share capital of £1,148 and an increase in share premium of £109,740.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a Black Scholes model. The key assumptions built into the model for options granted in the current and previous financial year were expected volatility of 40% based on historical volatility and expected life of the option of 3.5 to 4.5 years based on historical information which takes into account the effects of expected early exercise. Expected dividends are estimated using historical dividend yield. The risk free rate of interest has been assessed at 4%. This resulted in a current year charge of £131,000 and a charge of £51,000 relating to the prior year.

11 Commitments and contingencies

There are capital commitments at the period end in relation to an apartment purchased in New York for US$1,250,000 and two properties in London for £1,020,000 which were completed post year end.

12 Contingent liabilities

Contingent liabilities exist in respect of grants received by the Company, whereby, in the event of the Company failing to meet one or more of the conditions contained in the letters of offer to the Company, the Company would be liable to repay the grant.

13 Related party transactions

The Company is charged rent annually for the use of apartments owned by the managing director, located in London. The charge incurred during the financial year amounted to £52,800 (2006: £52,800). Rent deposits of £26,400 have been paid to Brian Conlon in respect of these apartments.

14 Reconciliation of operating profit to net cash inflow from operating activities

	2007	2006
		Restated
	£'000	£'000
Operating profit	**2,653**	1,592
Depreciation on tangible fixed assets	**127**	93
Amortisation of intangible asset	**180**	180
Increase in debtors	**(301)**	(1,184)
Increase in creditors	**439**	874
Share based payment charge	**131**	51
Net cash inflow from operating activities	**3,229**	1,606

15 Analysis of cash flows for headings in the cash flow statement

	2007	2006
		Restated
	£'000	£'000
a) Returns on investment and servicing of finance		
Interest paid	**(134)**	(113)
Interest received	**36**	7
Net cash inflow from returns on investment and servicing of finance	**(98)**	(106)
b) Taxation		
Corporation tax paid	**(456)**	(232)
c) Capital expenditure		
Purchase of tangible fixed assets	**(4,977)**	(1,299)
Purchase of other investments	**(120)**	(90)
	(5,097)	(1,389)
d) Financing		
Repayment of long term loan	**(159)**	(103)

Issue of share capital	**111**	127
Receipt of new long term loan	**2,325**	550
	2,277	574

16 Analysis of changes in net debt during the year

	Cash in hand	Bank overdrafts	Debt due within one year	Debt due after one year	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 March 2005	789	-	(121)	(1,289)	(621)
Cash flow	(278)	-	103	-	(175)
Cash flow from new long term loan	550	-	(122)	(428)	-
Other non cash change	-	-	-	-	-
Balance at 1 March 2006	1,061	-	(140)	(1,717)	(796)
Cash flow	(3,030)	-	159	-	(2,871)
Cash flow from new long term loan	2,325	-	(1,204)	(1,121)	-
Other non cash change	-	-	-	-	-
Balance at 28 February 2007	356	-	(1,185)	(2,838)	(3,667)

Notice of Annual General Meeting

Notice is hereby given that the Twelfth Annual General Meeting of First Derivatives plc ("the Company") will be held at the offices of Mills Selig, 21 Arthur Street, Belfast, BT1 6DH on Thursday, 7 June 2007 at 11.30am for the following purposes.

Ordinary business

1 That the directors' report, statement of accounts and independent auditor's report for the year ended 28 February 2007 be received and approved.

2 That a dividend of 3.6p per share be declared for the year ended 28 February 2007.

3 To re-elect Michael O'Neill as a director of the Company in accordance with Article 115 of the Articles of Association of the Company.

4 To re-appoint KPMG as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which accounts are laid before the Company at a remuneration to be fixed by the directors.

5 That in substitution for all existing and unexercised authorities, the directors of the Company be and they are hereby generally and unconditionally authorised pursuant to Article 90 of the Companies (Northern Ireland) Order 1986 (the "Order") to allot relevant securities (as defined in the Article) up to an aggregate nominal value of £20,000, such authority to expire on the earlier of the date falling 15 months after the date of passing of this resolution, and the next Annual General Meeting of the Company, whichever is the later, but so that the Company may, before such expiry, make an offer or agreement as if such authority has not expired.

6 That in substitution for all existing and unexercised authorities and subject to the passing of the immediately preceding resolution, the directors of the Company be and they are hereby empowered pursuant to Article 105 of the Order to allot equity securities pursuant to the authority conferred by the preceding resolution as if Article 99(1) of the Order did not apply to any such allotment provided that the power conferred by the resolution, unless previously revoked or varied by special resolution of the Company in general meeting, shall be limited:

(a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all such shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory, and;

to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £6,472 representing 10% of the current issued share capital of the Company;

and shall expire on the date of the next Annual General Meeting of the Company or (if earlier) 15 months from the date of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.