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for the year ended 31 December 2004

OFFICES AND PROFESSIONAL ADVISERS

for the year ended 31 December 2004

SECRETARY
Mr Gordon Ashworth

REGISTERED OFFICE
Leconfield House
Curzon Street
London W1J 5JA

DIRECTORS
Mr Colin Goodall
Mr Walter Goldsmith
Sir John Egan
Mr Mathew Riley
Mr Peter Rogers
Mr Robert Tchenguiz
Mr Gordon Ashworth
Mr Nathan Doughty
Mr Tony Ryan

NOMINATED ADVISER
Deloitte & Touche LLP
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

NOMINATED BROKER
Insinger Townsley
44 Worship Street
London EC2A 2JT

BANKERS
HSBC Bank plc
70 Pall Mall
London SW1Y 5EY

REGISTRARS
Capita IRG plc
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Beckenham
Kent BR3 4TU

AUDITORS
Mazars
24 Bevis Marks
London EC3A 7NR

CHAIRMAN'S STATEMENT

for the year ended 31 December 2004

Results and dividends

The past year was challenging for the Group. It continued to restructure itself from being a reseller of software and solutions to focus on developing its own Intellectual Property ("IP", or the "Asite Platform") and commercialising this across existing and new clients. I am pleased to announce that this process had been largely completed as at 31 December 2004. During the year a Capital Restructuring was carried out which included the conversion of debt provided to the Company by Mr Robert Tchenguiz into equity. This has returned the Group's balance sheet to a positive net asset position.

The Group recorded a pre exceptional, pre tax trading loss of £1.703m (2003 - £2.457m). In addition the opportunity was taken, as a part of the Capital Restructuring, to offer the minority shareholders in Asite Solutions Limited the ability to sell their shares in exchange for options over shares in Asite plc. I am pleased to announce that this has been substantially completed and as at the balance sheet date 99.44% of Asite Solutions Limited was consolidated in the Group's balance sheet (2003 – 84.01%). As a result, an exceptional item of £2.259m was written off in the accounts leaving a loss for the year of £3.962m.

The Board is not recommending a dividend this year (2003 £nil).

Development of the Group

During 2004 the Group focused on the continued development of its own IP. The Asite Platform is now substantially complete and offers the following core functionality:

- Collaboration (Project Workflow);
- Document Management Systems (Project Workspace);
- Asite Tender;
- Asite Directory;
- Asite Prequalify;
- Asite Buy and Supply; and
- Asite Hub.

The combination of these services under a single platform gives the Group a competitive advantage in its market. We can now offer our clients an integrated solution for collaboration, procurement, and e commerce. The focus of our development work on the Asite Platform is now geared towards improving performance and stability. During the year we continued to grow our development team in India where we now have a fully operational team of 64 staff covering support, design, development and testing. The creation of this development capacity provides Asite with a significant differentiator in our markets; we are now able to design, develop and support products in a timely, cost effective and quality assured manner.

Sir John Egan stepped down as Chairman in December 2004, however, he has kindly agreed to remain on the board as a Non-Executive Director. I would like to take this opportunity of thanking him for his services over the past four years. I am a Non-Executive director of three other companies. It is the opinion of the Board that these roles do not constitute any impediment to me being able to discharge my duties at Asite. Mr Tom Dengenis resigned from the Board in March 2005 and following this Mr Gordon Ashworth agreed to be Acting Group Chief Executive. The Board will keep this position under review.

Operational review

New contract sales of our main products were strong in the first half of the year; however, technical issues on the Asite Platform held back sales in the second half of the year. These issues have subsequently been resolved and in the first quarter of 2005 we have seen new contract sales return to levels experienced in the first half of 2004. The Asite Platform is now fully operational with rapidly improving client satisfaction. We have continued to focus our sales resource on our major client relationships including Laing O'Rourke, Stanhope, Grosvenor Estates and BAA. Additionally, the Group has secured its first overseas contract through the provision of collaboration services to Ailecon Oy, a major property developer in Finland.

Take up of our products by our clients and their supply chains have been strong. The number of users currently registered on the platform has now reached 14,000 from just over 6,000 at the start of 2004. The number of businesses registered on our platform has risen to 2,100 from 900 at the start of the year. A growing and important part of our business is the provision of e procurement and integration services. In this "Hub" market we facilitate procurement over the internet via the Asite Platform and allow buyers to integrate their purchase orders in to their suppliers' accounting systems. The Asite Hub is currently processing in excess of 225,000 messages per month.

We have increased our development capacity in our India Office, and at the same time we made further reductions to the Group's operational cost base in the UK in the early part of 2005.

As described in note 1 to the accounts, the Company believes that it has adequate funding in place.

Outlook

Whilst our progress towards reaching a cash flow positive position has been slower than anticipated, we believe that the Group is now better positioned to fulfil this than at any other time hitherto. The directors are satisfied with the position of the companies within the Group at 31 December 2004, in particular with regard to the continued progress in reducing the Group's cost base whilst maintaining our operational capabilities and the improvement in sales prospects that has been experienced in the first quarter of 2005. The Group entered 2005 with a contracted pipeline for 2005 of £1.384m. The Group's total contracted pipeline through to 2011 stands at £3.527m. These factors, along with improving market sentiment to the Asite Platform, position Asite well for the future.

Mr Colin Goodall
Chairman

29 June 2005

DIRECTORS' REPORT

for the year ended 31 December 2004

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activities

Asite plc is the parent company of one trading subsidiary, Asite Solutions Limited.

Business review

The principal activity of the Group is to provide business to business solutions and services to the whole of the construction industry. The Group continues to invest in the development of its intellectual property, in particular improvements to existing products and the creation of new ones. The Board believes that such investment is essential in maintaining the Group's competitive position. Development costs incurred during the year to 31 December 2004 totalled £831,000 (2003 - £674,000). A review of the results for the year and future prospects of the Group is contained in the Chairman's Statement. The Directors regard investment in this area as a prerequisite for success in the medium to long term future.

Results and dividends

The loss for the period after taxation and minority interest amounted to £3.740m (2003 - £2.122m loss). Under the terms of the Capital Restructuring announced in June 2004 the Group sought to acquire the minority holding in Asite Solutions Limited by offering shareholders in that company options over shares in Asite plc. This was substantially completed, and accordingly, Asite plc owned 99.44% of its subsidiary as at the balance sheet date (84.01%).

The directors do not recommend the payment of a final dividend (2003 - £nil).

Annual General Meeting

Notice of an Annual General Meeting of Shareholders is set out on page 32 of this Report. In addition to the ordinary business of this meeting, approval is sought from Members of the Company to authorise a substantial intellectual property transaction pursuant to section 320 of the Companies Act 1985. Since March 2005 Mr Robert Tchenguiz has continued to provide financial support to the Company by way of loans. As security for these loans the Company has agreed, subject to Shareholder approval, to provide Mr Robert Tchenguiz with a specific charge over the intellectual property of the Company's only trading subsidiary, Asite Solutions Limited. Such an action, under section 320 of the Companies Act 1985, requires Shareholder approval.

Directors and directors' interests

The directors, all of whom either held office during the year or had been appointed as at the date of this report, were as follows:

Name	Position	Date of appointment	Date of resignation
Mr Colin Goodall	Independent Chairman	24 November 2004	
Mr Walter Goldsmith	Independent Deputy Chairman		
Sir John Egan	Non-Executive Director		
Mr Mathew Riley	Non-Executive Director		
Mr Peter Rogers	Non-Executive Director		
Mr Robert Tchenguiz	Non-Executive Director		
Mr Gordon Ashworth	Finance Director	22 March 2004	
Mr Nathan Doughty	Technology Director	5 April 2004	
Mr Tony Ryan	Sales Director	22 October 2004	
Mr Brian Austin	Business Development Director	5 April 2004	22 October 2004
Mr Thomas Dengenis	Group Chief Executive		11 March 2005

The directors who held office at the end of the financial year had the following interests in the Ordinary shares of the Company, including shareholdings held by connected persons and options held over the Ordinary shares of the Company at 31 December 2004:

	At 31 December 2004		At 31 December 2003	
	Beneficial Interest	Share options	Beneficial Interest	Share options
Mr Colin Goodall	**-**	**600,000**	-	-
Sir John Egan	**895,500**	**3,600,000**	750,000	3,000,000
Mr Walter Goldsmith	**550,000**	**500,000**	450,000	200,000
Mr Thomas Dengenis	**834,000**	**400,000**	550,000	400,000
Mr Peter Rogers	**500,000**	**150,000**	500,000	-
Mr Mathew Riley	**-**	**150,000**	-	-
Mr Robert Tchenguiz*		**150,000**	-	-
Mr Gordon Ashworth	**35,000**	**-**	-	-
Mr Nathan Doughty	**-**	**-**	-	-
Mr Tony Ryan	**-**	**-**	-	-

* Mr Robert Tchenguiz's holding of shares is comprised of 26,607,062 Ordinary shares and 84,585,014 B Ordinary shares held indirectly through B&C Plaza Limited, Rotch Property Group Limited and R20 Limited. No other director has an interest in the B Ordinary shares.

Directors' interests in contracts

Asite plc entered a sub lease for office space in Leconfield House. The landlord with whom the head lease is contracted is Rotch Property Group Limited. Mr Robert Tchenguiz is a director of this company.

Significant shareholdings

On 21 June 2005, the Company had been notified, in accordance with section 198 to 208 of the Companies Act 1985, of the following interests in the ordinary share capital of the Company:

	Ordinary Shares	%	B Ordinary Shares	%
R20 Limited	-	-	70,650,550	83.53
B&C Plaza Limited	26,607,062	25.85	-	-
Plane Investment Limited	15,398,023	14.96		
Rotch Property Group Limited	-	-	13,934,464	16.47
Warrencity Invest Corp	10,834,632	10.53	-	-
Stanhope plc	10,575,965	10.28	-	-

Mr Robert Tchenguiz, a director of Asite plc, has a beneficial interest in B&C Plaza Limited, Rotch Property Group Limited and R20 Limited. These three companies own 59.3% of Asite plc through Ordinary and B Ordinary shares.

Following the Capital Restructuring announced in June 2004 a new class of share was created (B Ordinary shares). In December 2004 84,585,014 B Ordinary shares were allotted to Rotch Property Group Limited and R20 Limited. The consideration for these shares was received by way of the forgiveness of loans made by these companies to the value of £8.459m. As set out in the Circular dated 25 June 2004, the B Ordinary shares do not carry voting rights and have not been admitted for trading on AIM, but in all other respects rank pari passu with the Ordinary shares.

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the Group during the year.

Political and charitable contributions

Charitable contributions of £2,500 were made during the year (2003 - £Nil).

Policy on payment of suppliers

The Group does not have a policy to follow any code or standard on payment practice. However, the Group will continue to settle the terms of payment with its suppliers and when agreeing the terms of each transaction, will ensure that those suppliers are aware of the terms of payment and will abide by those terms of payment, unless subsequently renegotiated. Group trade creditors outstanding at 31 December 2004 represented 58 days (2003 – 63 days) trade purchases and the Group is working to improve this. This is calculated as the weighted average trade creditors as at the year end.

Auditors

Mazars LLP succeeded to Mazars as the independent auditor to the Company during the year. A resolution to reappoint Mazars LLP as auditors to the Company and to authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Mr Gordon Ashworth
Finance Director
29 June 2005

In January 1998, the Hampel Committee published its report on Corporate Governance, which was implemented by the London Stock Exchange as a Combined Code on 25 June 1998. The Code on Corporate Governance was substantially revised during 2003, following the publication of the Higgs report and the Smith report on audit committees. The Combined Code requires that disclosures be made on how the fourteen principles of the Code have been applied (known as 'the appliance statement') and whether or not the Company has complied with these principles (known as 'the compliance statement'). The Combined Code is intended to promote the principles of openness, integrity and accountability.

Statement of compliance with the Code of Best Practice and applying the principles of good governance

The Company is committed to high standards of corporate governance throughout the Group. As an AIM company, Asite plc is not obliged to report its compliance with the Principles of Good Governance and Code of Best Practice published by the Committee on Corporate Governance ("the Combined Code"). Nonetheless, the Group is committed to meeting these principles as far as it reasonably can and the commentary below reflects the extent to which the Group has complied with the Combined Code during the period under review.

Board Effectiveness

The Board which is set up to control the Company and Group meets formally at least six times a year and in the year under review met on twelve occasions. As at the year end the Board was comprised of eight directors – three executive and five Non-Executive directors. During the year Sir John Egan announced his intention to step down as Chairman of the Group. In November 2004 Mr Colin Goodall was appointed as Non-Executive Director and in December 2004, following Sir John Egan stepping down as Chairman, Mr Colin Goodall was appointed Chairman. Three of the five Non-Executive directors, namely the Chairman, Mr Colin Goodall, the Deputy Chairman, Mr Walter Goldsmith and Sir John Egan are considered by the Board to be independent. The Board considers Mr Colin Goodall to be the senior independent director. Subsequent to the year end, the Group Chief Executive, Mr Thomas Dengenis, resigned (11 March 2005) and Mr Gordon Ashworth was appointed Acting Chief Executive. The Board will keep this position under review during the course of 2005.

Each Board meeting receives the latest financial and management information available, which consists of:

- management accounts setting out actual performance against budgeted performance;
- cash flow forecasts;
- a statement of new contract sales compared with budget; and
- a statement of contracted pipeline.

A current trading appraisal is given by the Acting Group Chief Executive. Board reports are issued monthly, regardless of whether a Board meeting has been scheduled for that particular month.

The Board reserves to itself a range of key decisions to ensure it retains proper direction and control of the Group, whilst delegating authority to individual directors who are responsible for the day to day management of the business. In addition, the Chairman and the Deputy Chairman meet with the Executive Directors on an informal yet frequent basis to discuss progress against budget.

All directors have access to the advice and services of the Company Secretary and can also seek independent professional advice, if necessary, at the Company's expense.

Board Appointments

All appointments to the Board are discussed at a full board meeting and each member is given the opportunity to meet the individual concerned prior to an appointment being made.

Chairman and Group Chief Executive

The Board has shown its commitment to dividing responsibility for running the Board and the business by appointing Mr Colin Goodall as Non-Executive Chairman and senior independent director and Mr Gordon Ashworth as Acting Chief Executive. As noted, the Board has agreed to keep the position of Group Chief Executive under review during the course of 2005.

Committees

The directors have delegated certain of their responsibilities to various committees, which operate within specific terms of reference and authority limits. The Audit Committee meets at least twice a year and consists of Mr Walter Goldsmith, the Deputy Chairman, and Mr Mathew Riley. Mr Gordon Ashworth, as Acting Group Chief Executive and also in his capacity as Finance Director is invited to attend.

The duties of the Audit Committee include:

- review of the scope and the results of the audit;
- assessment of the cost effectiveness of the audit;
- monitoring the independence and objectivity of the auditors; and
- review and assessment of current updates of changes in accounting standards and their likely impact on the Group's accounts.

The Remuneration Committee, which consists of the Deputy Chairman and at least one other Non-Executive director, also meets at least once a year. The executive directors meet on a regular basis at least every four weeks and deal with decisions that do not require full Board approval. The directors believe that this process for making business decisions provides sufficient division of responsibility to meet the requirements of the Combined Code.

As permitted by the Combined Code, due to the small size of the board, it is considered inappropriate to establish a Nomination Committee.

Re-election of directors

Directors retire by rotation in accordance with the Company's Articles of Association, which prescribe that at every Annual General Meeting one third of the directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office. Non-Executive directors are not appointed for specified terms, but in the case of Mr Robert Tchenguiz, Mr Peter Rogers, Sir John Egan and Mr Mathew Riley their appointment is terminable with no specific notice period, and in the case of Mr Colin Goodall and Mr Walter Goldsmith their appointments are terminable on one months' notice.

Shareholder relations

The Company maintains a web site (www.asite.com) where the Group's statutory accounts can be accessed. The following information can also be found here:

- copies of regulatory announcements;
- announcements made to relevant industry media;
- Directors' biographies; and
- information relating to the Group's products.

All queries raised by shareholders are dealt with by the Company Secretary, Mr Gordon Ashworth. Otherwise the directors meet and discuss the performance of the Group with shareholders during the year.

Accountability and audit

The Board believes that the Annual Report and Accounts play an important part in presenting all shareholders with an assessment of the Group's position and prospects, and in particular the Chairman's Statement, which contains a detailed consideration of the Group's financial position and prospects.

REMUNERATION REPORT

This report should be read in conjunction with Note 5 to these accounts. The Remuneration Committee is responsible for reviewing the level and make-up of the remuneration of executive directors. In doing so the Committee's aims are:

- to ensure that remuneration packages are sufficient to attract and retain executive directors of the requisite calibre;
- to ensure that the targets of the Group and its executive directors are aligned;
- to ensure that the remuneration policies adopted by the Group give full consideration to the requirements of the Combined Code appended to the Listing Rules of the UK Listing Authority;
- to consider, and if thought fit, grant options to executive directors and staff under the Group's Executive Option Scheme; and
- where applicable, to assess targets that should be used in the fixing of performance related pay for executive directors. Such bonuses are paid at the discretion of the Remuneration Committee and for the year ending 31 December 2004 no such bonus was recommended or paid.

Components of remuneration

The components of remuneration are:

- basic salary and benefits determined by the Remuneration Committee and reviewed annually;
- performance related bonuses based upon improvements in earnings per share, profitability and market capitalisation of the Group; and
- options granted under the Group's Executive Option Scheme by the Remuneration Committee.

Service contracts

The employment contracts of Mr Gordon Ashworth, Mr Nathan Doughty and Mr Tony Ryan (executive directors with the Company), are terminable by either party to the other with not less than three months' notice for Mr Gordon Ashworth and not less than six months' notice for Mr Nathan Doughty and Mr Tony Ryan, in writing.

Non-Executive directors

The remuneration of the Non-Executive directors is determined by the Board within the limits set out in the Articles of Association.

INTERNAL CONTROL

The Board has decided that at this stage in the Group's development that the creation of an internal audit function is not warranted. In reaching this decision the Board has had regard to the controls that have been created and implemented across the Group. These are

- the establishment of a Board with an appropriate balance of executive and Non-Executive directors, which has overall responsibility for decision making across the Group;
- the preparation and approval of an annual budget in advance of each financial year and monitoring performance against this at an appropriate level of detail with appropriate timeliness;
- establishing clear lines of reporting, responsibility and delegation throughout the Group and documenting this in a clearly defined organisational chart; and
- ensuring that clearly defined control procedures covering expenditure and authority levels are reviewed and implemented on a timely basis.

In the early part of 2005 the Non-Executive directors undertook a risk assessment exercise covering the Group's operations including Asite Solutions India (branch). The results of this review are being incorporated in to Group reporting requirements and also in to executive directors' responsibilities. It is the intention of the Group to update and amend this assessment as appropriate.

CORPORATE SOCIAL RESPONSIBILITY

The Group acquits itself of its commitment to Corporate Social Responsibility though the implementation of policies across the following areas:

- equal opportunities across the Group;
- health and safety; and
- best practice in Human Resources.

GOING CONCERN

The directors, after making appropriate enquiries, as described in note 1 to the accounts, have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 December 2004

United Kingdom company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for ensuring that the annual report includes information required by the AIM Rules.

The maintenance and integrity of the web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the web site.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASITE PLC

for the year ended 31 December 2004

We have audited the financial statements of Asite plc for the year ended 31 December 2004 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement and the related notes 1 to 27. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company and other members of the Group is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

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

Going concern

In forming our opinion we have considered the adequacy of disclosures made in note 1 to the accounts concerning the uncertainty as to the realisation of the forecasts. In addition, there is also uncertainty as to the continuation of financial support of Mr Robert Tchenguiz. The accounts do not include any adjustments which would arise if such support were not provided. In view of the significance of the uncertainties we consider that they should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2004 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars LLP

Mazars LLP
Chartered Accountants and Registered Auditors
London
29 June 2005

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2004

	Note	2004 £'000	2003 £'000
TURNOVER	**3**	**1,674**	1,697
Cost of sales		**(768)**	(806)
Gross profit		**906**	891
Sales & distribution costs		**(450)**	(357)
Administration expenses		**(2,128)**	(2,988)
Write off of goodwill arising on acquisition of shares in subsidiary		**(2,259)**	-
OPERATING LOSS		**(3,931)**	(2,454)
Net finance costs	**7**	**(31)**	(3)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	**8**	**(3,962)**	(2,457)
Tax credit on loss on ordinary activities	**9**	-	-
LOSS ON ORDINARY ACTIVITES AFTER TAXATION	**20, 21**	**(3,962)**	(2,457)
Minority interest	**20, 21**	**222**	335
LOSS FOR THE FINANCIAL YEAR		**(3,740)**	(2,122)
Loss per share – basic & diluted	**10**	**(3.6p)**	(2.1p)

There are no recognised gains or losses in either financial year other than the loss for each year, and therefore, no statement of total recognised gains and losses has been prepared.

All transactions are derived from continuing operations.

CONSOLIDATED BALANCE SHEET

for the year ended 31 December 2004

	Note	2004 £'000	2003 £'000
CALLED UP EQUITY SHARE CAPITAL NOT PAID	**11**	**199**	-
FIXED ASSETS			
Tangible assets	**12**	**1,051**	77
CURRENT ASSETS			
Debtors	**14**	**498**	368
Work in progress		**84**	-
Cash at bank		**39**	7
		621	375
CREDITORS: amounts falling due within one year	**15**	**(1,191)**	(794)
NET CURRENT LIABILITIES		**(570)**	(419)
TOTAL ASSETS LESS CURRENT LIABILITIES		**680**	(342)
CREDITORS: amounts falling due after more than one year	**16**	**-**	(5,972)
PROVISIONS FOR LIABILITIES AND CHARGES	**17**	**(239)**	-
EQUITY MINORITY INTERESTS		**2**	2,038
		443	(4,276)
CAPITAL AND RESERVES			
Called up share capital	**19**	**18,750**	10,291
Share premium account	**20**	**2,442**	2,442
Profit and loss account	**20**	**(20,749)**	(17,009)
EQUITY SHAREHOLDERS' FUNDS / (DEFICIT)		**443**	(4,276)

These financial statements were approved by the Board of Directors on 29 June 2005.
Signed on behalf of the Board of Directors

Mr Gordon Ashworth
Finance Director

COMPANY BALANCE SHEET

for the year ended 31 December 2004

	Note	2004 £'000	2003 £'000
CALLED UP EQUITY SHARE CAPITAL NOT PAID	**11**	**199**	-
FIXED ASSETS			
Investments	**13**	**65**	65
CURRENT ASSETS			
Debtors	**14**	**25**	29
Cash at bank		**6**	7
		31	36
CREDITORS: amounts falling due within one year	**15**	**(138)**	(127)
NET CURRENT ASSETS / (LIABILITIES)		**(107)**	(91)
TOTAL ASSETS LESS CURRENT LIABILITIES		**157**	(26)
CREDITORS: amounts falling due after more than one year	**16**	**-**	(5,972)
PROVISIONS FOR LIABILITIES AND CHARGES	**17**	**(7)**	-
		150	(5,998)
CAPITAL AND RESERVES			
Called up share capital	**19**	**18,750**	10,291
Share premium account	**20**	**2,442**	2,442
Profit and loss account	**20**	**(21,042)**	(18,731)
EQUITY SHAREHOLDERS' SURPLUS / (DEFICIT)		**150**	(5,998)

These financial statements were approved by the Board of Directors on 29 June 2005.
Signed on behalf of the Board of Directors

Mr Gordon Ashworth
Finance Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2004

	Note	2004 £'000	2003 £'000
Net cash outflow from operating activities	**22**	**(1,314)**	(3,275)
Returns on investments and servicing of finance			
Interest received		**2**	1
Interest paid		**(3)**	(4)
Net cash outflow from returns on investments and servicing of finance		**(1)**	(3)
Capital expenditure			
Payments to acquire tangible assets		**(1,198)**	(129)
Proceeds from sale of tangible assets		**-**	2
Net cash outflow from capital expenditure		**(1,198)**	(127)
Acquisitions and disposals			
Acquisition of additional interest in subsidiary		**-**	(25)
Net cash outflow from acquisitions and disposals		**-**	(25)
Net cash outflow before financing		**(2,513)**	(3,430)
Financing			
Net proceeds from borrowings		**2,487**	3,344
Net cash inflow from financing		**2,487**	3,344
Decrease in cash in the year	**23**	**(26)**	(86)

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The early stage of development of the Group's business is such that there can be considerable unpredictable variation in the amount of revenue and timing and amounts of cash flows. The directors have projected cash flow information for the period to 30 June 2006. On the basis of this cash flow information, the directors are of the opinion that additional funding will be required. The directors are working towards bringing the Group to a level of profitable trading. In doing so, they are assessing, on a regular basis, cost levels, sales activities and research and development expenditure.

Over the past twelve months, Mr Robert Tchenguiz has provided the Group with the financial support it has required in the form of loans from two companies, Rotch Property Group Limited and R20 Limited, of which Mr Robert Tchenguiz is a director. In accordance with the Capital Restructuring the Group allotted 84,585,014 B Ordinary shares to Rotch Property Group Limited and R20 Limited the consideration for which was the forgiveness of £8.459m of loans that these companies had made to the Group. The directors believe that Mr Robert Tchenguiz will continue to provide the funding required and have received written confirmation from him that he intends to provide this funding in the form of a new loan facility, which amounts to £0.722million and that he will not call for the repayment of this new loan before 31 December 2006.

There is inherent uncertainty as to the realisation of the forecasts. The directors consider that in preparing the financial statements they have taken into account the uncertainty and all information that could reasonably be expected to be available. On this basis, the directors have formed a judgement at the time of approving the financial statements that they consider it appropriate to prepare these financial statements on the going concern basis. The financial statements do not include any adjustments that would result should the going concern basis of accounting no longer be appropriate.

If the Group were unable to continue in operational existence for the foreseeable future, adjustments would have been made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify assets and long-term liabilities as current assets and liabilities.

2. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the Company and its subsidiary made up to the end of the financial year. Subsidiaries acquired or disposed of are included in the financial statements from the date of acquisition or to the date of disposal as appropriate.

2. **ACCOUNTING POLICIES (continued)**

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and laws. Timing differences arise from the inclusion of items of income and expenditures in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to benefit. The period is five years. Provision is made for any impairment.

Foreign exchange

Transactions denominated in foreign currencies are translated in the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Goodwill

Goodwill arising on the acquisition of the subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is within the year of purchase. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

Operating leases

Operating lease rentals are charged to the profit and loss account as the annual charges are incurred.

Pension costs

The Company contributed to individual personal pension schemes. Contributions payable for the year were charged in the profit and loss account.

Tangible fixed assets

Depreciation is provided to write down the cost of tangible fixed assets by equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and equipment	1 to 2 years
Website costs	1 to 2 years
Development costs	5 years

2. ACCOUNTING POLICIES (Continued)

Turnover
Turnover is the total amount receivable for services provided in the ordinary course of business excluding Value Added Tax.

Work in progress

Work in progress is recognised as the excess of billable days worked over days billed.

3. TURNOVER

The turnover of the Group by source and destination relates to the United Kingdom and the directors consider that the Group's continuing activities consist of one inter-related class of business.

4. STAFF COSTS

	2004 £'000	2003 £'000
Staff costs during the year (including directors)		
Consultancy fees	**187**	93
Wages and salaries	**2,223**	2,077
Social security costs	**234**	203
Other pension costs	**-**	1
	2,644	2,374
	No.	No.
Average number of persons employed:		
Professional services	**13**	11
Sales & account managers	**6**	6
Technical	**44**	21
Finance & administrative	**6**	6
	69	44

5. DIRECTORS' EMOLUMENTS

	2004	2003
	£'000	£'000
Directors' emoluments		
Fees	**-**	68
Salary payments (including benefits in kind)	**394**	132
Compensation for loss of office	**30**	99
	424	299

No payments were made in respect of directors' personal pension schemes (2003: £nil). There are no directors (2003: nil) to whom retirement benefits are accruing in respect of qualifying services in respect of money purchase schemes.

			Total emoluments	
	Salary	**Benefits**	**2004**	2003
	£	£	**£**	£
Remuneration by director was:				
Chairman (Non-Executive):				
Mr Colin Goodall	-	-	**-**	-
Mr Walter Goldsmith	-	-	**-**	20,000
Executive directors				
Mr Gordon Ashworth	54,654	-	**54,654**	-
Mr Brian Austin	58,333	19	**58,352**	-
Mr Thomas Dengenis	120,000	-	**120,000**	120,082
Mr Nathan Doughty	80,417	243	**80,660**	-
Mr Alastair Mellon	-	-	**-**	20,000
Mr Tony Ryan	81,025	-	**81,025**	-
Non-Executive directors				
Sir John Egan	-	-	**-**	-
Mr Mathew Riley	-	-	**-**	-
Mr Peter Rogers	-	-	**-**	-
Mr Robert Tchenguiz	-	-	**-**	-
Mr Charles Woods	-	-	**-**	40,000
Total emoluments	394,429	262	**394,691**	200,082

5. DIRECTORS' EMOLUMENTS (Continued)

DIRECTORS' SHARE OPTIONS

Share options held by directors were as follows:

	1 January 2004	Approved Granted	31 December 2004	Exercise Price	Earliest Exercise Date	Expiry date
Sir John Egan	3,000,000	-	3,000,000	10.0p	*	October 2013
Sir John Egan	-	600,000	600,000	10.0p	**	April 2014
Mr Colin Goodall	-	600,000	600,000	10.0p	**	December 2014
Mr Walter Goldsmith	200,000	-	200,000	30.0p	October 2004	October 2008
Mr Walter Goldsmith	-	300,000	300,000	10.0p	**	April 2014
Mr Thomas Dengenis	100,000	-	100,000	30.0p	October 2005	October 2012
Mr Thomas Dengenis	300,000	-	300,000	30.0p	October 2005	October 2009
Mr Robert Tchenguiz	-	150,000	150,000	10.0p	**	April 2014
Mr Mathew Riley	-	150,000	150,000	10.0p	**	April 2014
Mr Peter Rogers	-	150,000	150,000	10.0p	**	April 2014

The market price of the ordinary shares at 31 December 2004 was 6.50p and the range during the period was 2.50p to 10.0p. No options were exercised by directors during the year. Share options were granted to Sir John Egan, Mr Walter Goldsmith, Mr Robert Tchenguiz, Mr Mathew Riley and Mr Peter Rogers on 30 April 2004 in lieu of emoluments.

*These options are exercisable any time between the issue date and the expiry date.

**These options vest quarterly in arrears and are exercisable upon vesting.

6. DEPRECIATION AND AMORTISATION

	2004 £'000	2003 £'000
The charge for depreciation and amortisation comprises:		
Depreciation of tangible assets	**224**	52
Amortisation of goodwill arising on acquisition	**2,259**	185
	2,483	237

7. NET FINANCE COSTS

	2004 £'000	2003 £'000
Interest receivable	**2**	1
Interest payable to bank	**(3)**	(4)
Interest payable to other	**(30)**	-
	(31)	(3)

8. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004 £'000	2003 £'000
Loss on ordinary activities is stated after charging:		
Corporate audit	**30**	30
Non-audit services	**15**	-
	45	30
Operating lease rentals - other	**34**	37

The audit fee for the Company was £0.015m (2003 - £0.015m).

9. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2004 £'000	2003 £'000
United Kingdom corporation tax at 30% (2003 – 30%) based on the loss for the period	**-**	-
The differences are explained below:		
Loss on ordinary activities before tax	**(3,962)**	(2,457)
Tax at 30% thereon:	**1,189**	737
Expenses not deductible for tax purposes	**(18)**	(116)
Write of goodwill on acquisition of shares in subsidiary	**(637)**	-
Depreciation in excess of capital allowances	**(56)**	(12)
Creation of tax losses	**(476)**	(584)
Other timing differences	**(2)**	(25)
Current tax credit for period	**-**	-

A deferred tax asset has not been recognised in respect of timing differences relating to carried forward tax losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £4.146m (2003 - £3.654m).

10. LOSS PER SHARE

	2004	2003
	£'000	£'000
Basic		
Net loss for the year:	**£(3,740,000)**	£(2,122,000)
Weighted average number of ordinary shares outstanding	**103,142,363**	102,910,633
Loss per share:	**3.6p**	2.1p

FRS 14 requires presentation of diluted loss per share when a company could be called upon to issue shares that would decrease net profit or increase net loss per share. For a loss making company with outstanding share options, net loss per share would only be increased by the exercise of out-of-the-money share options. No adjustment has been made to diluted loss per share for out-of-the-money share options and there are no other diluting future share issues, therefore diluted loss per share has not been presented.

11. CALLED UP EQUITY SHARE CAPITAL NOT PAID

In accordance with the Capital Restructuring, loans made by Rotch Property Group Limited and R20 Limited were forgiven at the year end, the consideration for which was the allotment of 84,585,014 B Ordinary shares. As at 31 December 2004 £0.199m of these loans had not been drawn down. This amount is treated as called up equity share capital not paid as at the balance sheet date. These funds were drawn down by the Group in January 2005.

12. TANGIBLE FIXED ASSETS

	Plant and equipment £'000	Website costs £'000	Development costs £'000	Total £'000
Group				
Cost				
At 1 January 2004	**425**	**2,878**	**-**	**3,303**
Additions	202	165	831	1,198
Disposals	(65)	-	-	(65)
At 31 December 2004	**562**	**3,043**	**831**	**4,436**
Accumulated depreciation				
At 1 January 2004	**371**	**2,855**	**-**	**3,226**
Charge for the year	89	33	102	224
Disposals	(65)	-	-	(65)
At 31 December 2004	**395**	**2,888**	**102**	**3,385**
Net book value				
At 31 December 2004	**167**	**155**	**729**	**1,051**
At 31 December 2003	54	23	-	77

	Plant and equipment £'000
Company	
Cost	
At 1 January 2004	**64**
Disposals	**(64)**
At 31 December 2004	**-**
Accumulated depreciation	
At 1 January 2004	**64**
Disposals	**(64)**
At 31 December 2004	**-**
Net book value	
At 31 December 2004 and 2003	**-**

13. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company cost and net book value

	2004 £'000
At 1 January 2004 and 31 December 2004	65

During the year, Asite plc acquired 514 shares in Asite Solutions Limited from the minority shareholders.

During the year, in accordance with the Capital Restructuring announced in July 2004, the loans from Asite plc in favour of Asite Solutions Limited were forgiven, in consideration for which 3,946 shares in Asite Solutions Limited were allotted to Asite plc. Goodwill of £2.259m arose on these transactions. This was amortised in the year. Given the inherent uncertainty as to the realisation of forecasts, as noted in Note 1 to these Annual Report and Account, the full value of this investment was provided against in the Company's accounts.

The principal subsidiary undertakings of the Company during the year were:

Subsidiaries owned throughout the year	Principal activities
Asite Solutions Limited (Incorporated 20 July 2000)	E-commerce portal and services
Asite Consulting Limited (Incorporated 15 March 1996)	Dormant company

All companies are incorporated in Great Britain.

Asite plc holds 99.44% of Asite Solutions Limited as at 31 December 2004.

The investment in shares in subsidiary undertakings is stated at cost less provision for any impairment in value.

14. DEBTORS

	Group		Company	
	2004 £'000	2003 £'000	**2004 £'000**	2003 £'000
Amounts falling due within on year:				
Trade debtors	**420**	320	**-**	-
Prepayments and accrued income	**58**	43	**7**	24
VAT recoverable	**18**	5	**18**	5
Other debtors	**2**	-	**-**	-
	498	368	**25**	29

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2004	2003	**2004**	2003
	£'000	£'000	**£'000**	£'000
Bank overdraft	**62**	4	**-**	-
Fees in advance	**75**	40	**-**	-
Trade creditors	**330**	229	**89**	86
Other creditors	**15**	145	**-**	-
Social security and other taxes	**556**	313	**-**	-
VAT payable	**25**	4	**-**	-
Accruals	**128**	59	**49**	41
	1,191	794	**138**	127

The company has provided a cross guarantee in respect of the borrowings of the subsidiary in the form of a floating charge.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2004	2003	**2004**	2003
	£'000	£'000	**£'000**	£'000
Other loans	**-**	5,972	**-**	5,972

The loan was forgiven in place of shares in Asite Plc (see notes 19 & 26).

17. PROVISIONS: FOR LIABILITIES AND CHARGES

	Group – Onerous Contract		Company - Other	
	2004	2003	**2004**	2003
	£'000	£'000	**£'000**	£'000
Charged to the profit and loss account	**285**	-	**7**	-
Adjustment arising from discounting	**(46)**	-	**-**	-
At 31 December 2004	**239**	-	**7**	-

18. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise fixed asset investments, cash balances, leasing commitments and various items such as trade debtors and trade creditors that arose from the normal course of business.

Fixed asset investments comprise shares in the Company's subsidiary.

At the year end the Group holds sterling cash balances of £0.006m and foreign currency cash balances of 2.771m held in Indian Rupee. At the year end the Group had no borrowings.

Risk Management

The Board is charged with managing the various risk exposures.

Currency Risk

Currency exposures arising from holding cash deposits in Indian Rupees are not considered to be material.

Interest Rate Risk

The Group's only financial liabilities are finance lease obligations for which the interest rate is fixed. The exposure to interest rate risk is considered to be insignificant to the Group's overall operations.

Liquidity Risk

The Group's approach to liquidity risk is to ensure that sufficient liquidity is available to meet foreseeable requirements and to invest funds securely and profitably.

19. CALLED UP SHARE CAPITAL

	No.	**2004 £'000**	No.	2003 £'000
Authorised				
Ordinary shares of 10p each at 31 December 2003	**125,000,000**	**12,500**	125,000,000	12,500
Increase in nominal capital during the year – Ordinary shares of 10p each	**215,000,000**	**21,500**	-	-
Ordinary shares of 10p each at 31 December 2004	**340,000,000**	**34,000**	125,000,000	12,500
Allotted, issued and fully paid				
Ordinary shares of 10p each at 31 December 2004 & 2003	**102,910,623**	**10,291**	102,910,623	10,291

	No.	**2004 £'000**	No.	2003 £'000
Authorised				
Creation of nominal capital during the year – B Ordinary shares of 10p each	**85,000,000**	**8,500**	-	-
B Ordinary shares of 10p each at 31 December 2004	**85,000,000**	**8,500**	-	-
Allotted, issued and fully paid				
Issued for loan forgiveness – 84,585,014 B Ordinary shares of 10p each	**84,585,014**	**8,459**	-	-
At 31 December 2004	**84,585,014**	**8,459**	-	-

	No.	**2004 £'000**	No.	2003 £'000
Total Shares				
Ordinary shares of 10p each	**102,910,623**	**10,291**	102,910,623	10,291
B Ordinary shares of 10p each	**84,585,014**	**8,459**	-	-
	187,495,637	**18,750**	102,910,623	10,291

B Ordinary shares do not have voting rights and have not been admitted for trading to AIM.

19. CALLED UP SHARE CAPITAL (Continued)

Share Options

At 31 December 2004 options granted under the Company's share option schemes were outstanding on a total of 5,030,003 ordinary shares as follows:

220,000	granted in October 2001	at	30p
26,668	granted in July 2002	at	30p
433,335	granted in October 2002	at	30p
3,000,000	granted in October 2003	at	10p
1,350,000	granted in April 2004	at	10p

The options can be exercised from the dates specified in note 5.

20. RESERVES

	Share premium account £'000	Profit and loss account £'000
Group		
At 1 January 2004	**2,442**	(17,009)
Minority interest	**-**	222
Loss for the year	**-**	(3,962)
At 31 December 2004	**2,442**	(20,749)
Company		
At 1 January 2004	**2,442**	(18,731)
Loss for the year	**-**	(2,311)
At 31 December 2004	**2,442**	(21,042)

As permitted by Section 230 of the Companies Act 1985 a separate profit and loss account is not presented for Asite Plc. The loss for the period of the parent undertaking was £2.311m (2003 - £3.089m).

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS / (DEFICIT)

	2004 £'000	2003 £'000
Loss for the period	**(3,962)**	(2,457)
Issue of new share capital from loan conversion	**8,459**	-
Minority interest	**222**	335
	4,719	(2,122)
Opening shareholders' deficit	**(4,276)**	(2,154)
Closing shareholders' funds / (deficit)	**443**	(4,276)

22. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW

	2004 £'000	2003 £'000
Operating loss	**(3,931)**	(2,454)
Depreciation and amortisation of tangible assets	**224**	52
Amortisation of goodwill on deemed acquisition	**2,259**	185
Profit on disposal of fixed assets	**-**	(20)
Fees received in advance	**35**	(98)
Increase in work in progress	**(84)**	-
(Increase) / decrease in debtors	**(130)**	196
Increase in share capital not paid	**(199)**	-
Increase / (decrease) in creditors	**273**	(1,154)
Increase in provisions	**239**	-
Net cash flow from operating activities	**(1,314)**	(3,275)

23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS / (DEBT)

	2004 £'000	2003 £'000
Decrease in cash in the year	(26)	(86)
	(26)	(86)
Funding received	(2,487)	(3,340)
Loan conversion	8,459	-
Movement in net debt in the year	5,946	(3,426)
Net debt at 1 January 2004	(5,969)	(2,543)
Net debt at 31 December 2004	(23)	(5,969)

24. ANALYSIS OF NET FUNDS / (DEBT)

	At 1 January 2004 £'000	Cash flows £'000	Loan conversion £'000	At 31 December 2004 £'000
Cash	**7**	32	-	**39**
Overdraft	**(4)**	(58)	-	**(62)**
	3	(26)	-	**(23)**
Loan	**(5,972)**	(2,487)	8,459	**-**
	(5,969)	(2,513)	8,459	**(23)**

25. OBLIGATIONS UNDER OPERATING LEASES & COMMITTED EXPENDITURE

	Other 2004 £'000	Other 2003 £'000
The following amounts are payable within the next year on operating leases & committed expenditure expiring:		
Within 1 year	97	68
Within 2 to 5 years	167	157
	264	225
The above lease obligations are analysed between Group companies as follows:		
Company	30	114
Subsidiary	234	111
	264	225

26. RELATED PARTY TRANSACTIONS

Funding was provided to the Company throughout the year by Rotch Property Group Limited and R20 Limited, and at the year end, the outstanding loan balances were converted into 84,585,014 B Class Ordinary shares at 10.0p per share. Mr Robert Tchenguiz is a director of both of these companies.

Asite Solutions Limited provided services to Stanhope plc, a shareholder in Asite plc during the year under review. Revenue generated from Stanhope plc totalled £228,202 (2003 - £317,022) with £42,877 (2003 - £39,937) outstanding at the year end.

Asite Solutions Limited provided services to BAA plc, a related party during the year under review. Revenue generated from BAA plc totalled £235,198 (2003 - £267,488) with £23,808 (2003 - £14,027) outstanding at year end.

Asite plc purchased 60 ordinary shares in Asite Solutions Limited for £60 from Mr Thomas Dengenis in December 2004.

Asite Plc entered into a short term lease contract in July 2003 for a period of 20 months with Rotch Property Company Limited. Mr Robert Tchenguiz is co-chairman and a shareholder in this company. The committed expenditure at 31 December 2004 is £27,000 (2003 - £114,000).

27. CONTINGENT LIABILITY

In 2001 the Group sold a number of subsidiaries. One of these companies has made a claim against the Group for unpaid VAT that was recorded as a liability of the subsidiary at the date of sale. The amount of the claim is £0.160m. The directors believe that there is no substance to this claim.

NOTICE OF MEETING

for the year ended 31 December 2004

Notice is hereby given that the annual general meeting of the members of ASITE plc will be held at Leconfield House, Curzon Street, London W1J 5JA on 26 July 2005 at 10:30am for the following purposes:

Ordinary Business

1. To receive and adopt the accounts, for the year to 31 December 2004 and the reports of the directors and auditors.
2. To re-appoint Mr Nathan Doughty as a Director who retires by rotation.
3. To re-appoint Mr Mathew Riley as a Director who retires by rotation.
4. To re-appoint Mr Peter Rogers as a Director who retires by rotation.
5. To re-appoint Mr Colin Goodall as a Director who has been appointed since the last annual general meeting.
6. To re-appoint Mr Tony Ryan as a Director who has been appointed since the last annual general meeting.
7. To re-appoint Mazars LLP as auditors and to authorise the directors to fix their remuneration.

Special Business

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

8. That the directors be and they are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the “Act”) to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount equal to the authorised but unissued share capital of the Company provided that this authority is for a period expiring at the Company's next annual general meeting but the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all subsisting authorities, to the extent unused.
9. That, in accordance with Section 320(1) of the Act, the grant by Asite Solutions Limited (a subsidiary of the Company) of fixed charges over (i) certain of its intellectual property rights including its software and (ii) its software development agreements to R20 Limited (a company of which Mr Tchenguiz, a director of the Company, is interested in by virtue of being a director and his association with the Tchenguiz Family Trust, a trust which ultimately owns R20 Limited), to secure certain amounts to be advanced by R20 Limited to Asite Solutions Limited and any other amounts owed by Asite Solutions Limited to R20 Limited be approved.

   To consider and, if thought fit, to pass the following resolutions as special resolutions:
10. That, subject to the passing of resolution 8 above, the directors be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) wholly for cash pursuant to the authority conferred by Resolution 2 above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities with an aggregate nominal value of equal to £1,319,465.59, and shall expire on the conclusion of the next annual general meeting of the Company after 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 any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.
11. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the companies Act 1985) of any of its ordinary shares of 10p each ("ordinary shares"), provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 15,400,000, representing approximately 15 per cent of the issued voting share capital at 29 June 2005;

(b) the minimum price which may be paid for each share is 10p, exclusive of the expenses of purchase;

(c) the maximum price which may be paid for each ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for the ordinary shares of the Company as derived from the daily Official List of the UK Listing Authority for the five business days immediately proceeding the day of purchase;

(d) unless previously revoked or varied, the authority hereby conferred shall expire at the conclusion of the annual general meeting of the Company to be held in 2005; and

(e) the Company may, before the expiry of this authority, conclude a contract to purchase ordinary shares, which will or may be executed wholly or partly after such expiry and may make a purchase of ordinary shares pursuant to any such contract as if such authority had not expired.

By Order of the Board
Mr Gordon Ashworth

Registered Office:
Leconfield House
Curzon Street
London W1J 5JA

Notes

1. Any member entitled to attend and vote at the meeting may appoint one or more persons (whether a member or not) as his proxy to attend and, on a poll, to vote instead of him. The appointment of such proxies does not preclude a member from subsequently attending and voting. A proxy card is enclosed. To be valid, forms of proxy must be deposited at the Company's registrars, Capital IRG plc, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time appointed for the holding of the meeting.
2. The register of directors' interests and their contracts of service and copies of the amended Rules of the Executive Share Option Scheme will be available for inspection at the registered office of the Company, during normal business hours, from the date of this Notice until the date of the meeting and at the place of the Annual General Meeting for fifteen minutes prior to and until the conclusion of the meeting.
3. The Company, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, specifies that only those members registered in the register of members of the Company as at 6.00pm on 24 July 2005 shall be entitled to attend or vote at this meeting in respect of the number of shares registered in their name at that time. Changes in entries on the relevant register of members after 6:00pm on 24 July 2005 shall be disregarded in determining the rights of any person to attend or vote at this meeting.

If this meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, the time referred to in the foregoing note 3 will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period, then to be so entitled members must be entered on the Company's register of members at a time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.