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for the year ended 31 December 2005

OFFICERS AND PROFESSIONAL ADVISERS

for the year ended 31 December 2005

SECRETARY
Mr Gordon Ashworth

REGISTERED OFFICE
Unit E2, 3rd Floor
Zetland House
5/25 Scrutton Street
London EC2A 4HJ

DIRECTORS
Mr Colin Goodall
Mr Walter Goldsmith
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
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

AUDITORS
Mazars LLP
24 Bevis Marks
London EC3A 7NR

Results and dividends

In the Interim Report for the six months ended 30 June 2005 Group operating losses were reported of £0.959m. I am pleased to report that the Group has made significant further progress towards profitable and sustainable trading and for the full year ended 31 December 2005 the Group's operating losses prior to exceptional items fell to £1.316m (2004 - £1.672m). Looking at the second half of 2005 in isolation it can be seen that the Group's operating losses prior to the exceptional items fell to £0.357m (comparative 2004 - £0.829m). Whilst it is regrettable that the Group has as yet not recorded an operating profit it is clear the Group has made considerable progress towards a position of break even trading. The Group's gross revenues are down 9% on 2004, however, in line with our strategy to cease being a reseller of third party products, our gross profits have increased 27% to £1.152m. In line with the Group's reduced losses, the net cash outflow before financing fell from £2.513m to £0.985m. The Board is not recommending a dividend this year (2004 - £nil).

Development of the Group

During 2005 the Group continued to invest in its own Intellectual Property ("IP"). In July 2005 the group successfully launched version 1.4 of Project Workflow, Asite's flagship product. In the second half of the year investment continued in Project Workflow Version 2.0, which was launched in February 2006. This launch encompassed a major architectural re-design of the system and included significant new functionality. Version 2.0 of Project Workflow is highly significant to the Group as in terms of functionality and core technology the product is now highly differentiated against the competition within the Group's market place. Utilisation of the system increased throughout the year; in January 2005 12,000 users accessed the system from 1,700 organisations whereas at the end of 2005 the comparative figures were 17,000 and 2,700 respectively.

The development of our Hub business was most encouraging during the year. On the Asite Hub, Asite facilitates the exchange of data between buyers and suppliers of goods. This exchange of data can take the form of the exchange of electronic documents such as invoices and purchase orders. We are seeing growth in fully integrated exchanges of data where Asite will connect the procurement systems of buyers with the sales ordering and invoicing systems of suppliers. The Asite Hub is a subscription model which will take time to build to critical mass; in January 2005 the Asite Hub was processing 125,000 documents per month, whereas at the end of 2005 the hub was processing 312,500 documents per month and we are continuing to see growth at 6% per month in the first part of 2006.

We continued to reduce our cost base and the final component of this was achieved in December 2005 when the Group relocated its offices. The operating cost base at the start of 2006 is now running at 70% of the comparative 2005 level.

We have now completed our development capacity in India where we have 62 staff covering design, coding, testing, systems operations and support. In November 2005 we integrated these activities in to a newly formed Indian subsidiary, Asite Solutions Private Limited.

Sir John Egan stepped down as a Non-Executive director in December 2005 to focus on his Chairmanship of Severn Trent plc. I would like to take this opportunity of thanking him for his services over the past five years. In March 2005 Mr Thomas Dengenis resigned and Mr Gordon Ashworth took over as Acting Chief Executive and this position was made permanent in December 2005. Having completed the restructuring of the business and brought the Group's cost base down to a sustainable level Mr Gordon Ashworth has decided to step down as Chief Executive Officer. He has kindly agreed to act as a Non-Executive director and the Board welcomes him to this position. Additionally the Board would like to thank him for his services over the past two years to the Group. The Board has appointed Mr Tony Ryan as Chief Executive Officer from June 2006, and it will keep the position of Finance Director under review. I am a Non-Executive director of four 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.

Operational review

We have continued to focus our sales resource on our major client relationships including Laing O'Rourke, Stanhope, Grosvenor Estates and BAA. In particular in April 2005 Asite was awarded a contract for collaboration services from Stanhope in relation to the redevelopment of Bracknell town centre. In the early part of 2006 the Group was pleased to be awarded a contract for the provision of collaboration services to the Lansdowne Road Stadium Development Company Limited (Dublin).

Through the development of our Hub business we have provided data logistics services to some of the major suppliers to the construction industry in the UK. Having invested heavily in our product suite and the restructuring of our cost base now completed, we are now in the process of building our sales team to deliver on increased revenues. As described in note 1 to the accounts, the Company believes that it has adequate funding in place to support the Group through to a position of profitable and sustainable trading.

Outlook

Our progress towards profitable and sustainable trading has been considerably slower than anticipated, however, as noted, and in particular in the second half of 2005, the Group made significant progress towards achieving this. The directors are satisfied with the position of the companies within the Group at 31 December 2005. The Group entered 2006 with a contracted pipeline for 2006 of £1.4m and a total contracted pipeline through to 2016 of £3.1m. These factors, along with the planned investment in our sales capacity position Asite well for the future.

Mr Colin Goodall
Chairman

31 May 2006

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

Principal activities

Asite plc is the parent company of a trading subsidiary, Asite Solutions Limited. During the year the Group's development activities in India were transferred from a branch to a 99.7% owned subsidiary in India, Asite Solutions Private 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 IP, in particular in improvements to Asite Project Workflow and the Asite Hub. The Board believes that such investment is essential in maintaining the Group's competitive position. Development costs incurred during the year to 31 December 2005 totalled £0.731m (2004 - £0.831m). The directors regard investment in this area as a prerequisite for success in the medium to long term future. A review of the results for the year and future prospects of the Group is contained in the Chairman's Statement.

Results and dividends

The loss for the period after taxation and minority interest amounted to £1.320m (2004 - £3.740m loss). The directors do not recommend the payment of a final dividend (2004 - £nil).

Annual General Meeting

Notice of an Annual General Meeting of Shareholders is set out on page 34 of this Report.

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 resignation
Mr Colin Goodall	Independent Chairman	
Mr Walter Goldsmith	Independent Deputy Chairman	
Sir John Egan	Non-Executive Director	22 December 2005
Mr Mathew Riley	Non-Executive Director	
Mr Peter Rogers	Non-Executive Director	
Mr Robert Tchenguiz	Non-Executive Director	
Mr Gordon Ashworth	Finance Director & Chief Executive	
Mr Nathan Doughty	Technology Director	
Mr Tony Ryan	Sales Director	
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 2005:

	At 31 December 2005		At 31 December 2004	
	Beneficial Interest	Share options	Beneficial Interest	Share options
Mr Colin Goodall	**-**	**600,000**	-	600.000
Sir John Egan	**895,500**	**3,600,000**	895,500	3,600,000
Mr Walter Goldsmith	**550,000**	**500,000**	550,000	500,000
Mr Thomas Dengenis	**834,000**	**3,400,000**	834,000	400,000
Mr Peter Rogers	**500,000**	**150,000**	500,000	150,000
Mr Mathew Riley	**-**	**150,000**	-	150,000
Mr Robert Tchenguiz*		**150,000**		150,000
Mr Gordon Ashworth	**35,000**	**2,000,000**	35,000	-
Mr Nathan Doughty	**-**	**1,000,000**	-	-
Mr Tony Ryan	**-**	**2,000,000**	-	-

* 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. There has been no change in his holding during the year ended 31 December 2005. 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 in July 2003. The landlord with whom the head lease is contracted is Rotch Property Group Limited. Mr Robert Tchenguiz is a director of this company. The Group moved from these premises on 15 December 2005.

Significant shareholdings

On 30 May 2006, 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's issued share capital, 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. The Company's Articles of Association provide, subject to the provision of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's directors.

Political and charitable contributions

No charitable contributions were made during the year (2004 - £2,500).

Financial instruments

The Company is exposed to foreign currency risk, interest rate risk, liquidity risk and credit risk. The Company's policies for mitigating these risks are outlined in note 17 to the accounts.

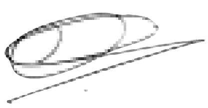
Policy on payment of suppliers

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 2005 represented 59 days (2004 – 58 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

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
Chief Executive Officer and Finance Director
31 May 2006

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 seven occasions. In addition to the main Board the Group has formed an Executive Committee comprised of the Group's three executive directors and the Chairman and the Deputy Chairman. This Committee has convened more frequently than the main Board. As at the year end the Board was comprised of eight directors – three executive and five Non-Executive directors. Mr Thomas Dengenis resigned as Chief Executive Officer on 11 March 2005 and Mr Gordon Ashworth took up the position of Acting Chief Executive Officer from that date and this position was made permanent on 21 December 2005. Sir John Egan resigned from the Board on 22 December 2005. Two of the five Non-Executive directors, namely the Chairman, Mr Colin Goodall and the Deputy Chairman, Mr Walter Goldsmith are considered by the Board to be independent.

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

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

A current trading appraisal is given by the Chief Executive Officer. In months where there is no main Board meeting the executive directors appraise the Executive Committee on progress against targets.

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, as noted previously, 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 Chief Executive Officer

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 Mr Gordon Ashworth as Chief Executive Officer.

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 Chief Executive Officer 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. In the year ended 31 December 2005 the Remuneration Committee met on one occasion. 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 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 month's 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 2005 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 six months' notice 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;
- ensuring that clearly defined control procedures covering expenditure and authority levels are reviewed and implemented on a timely basis. In particular the Group requires that all expenditure is authorised prior to ordering by at least one executive director and that all financial payments are made under dual signature; and
- the Group has undertaken a risk assessment of its activities and monitors the risks identified on a routine basis.

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 2005

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;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis.

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 2005

We have audited the financial statements of Asite plc for the year ended 31 December 2005 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you 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 is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's and the Group's affairs as at 31 December 2005 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
31 May 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2005

	Note	2005 £'000	2003 £'000
TURNOVER	3	**1,529**	1,674
Cost of sales		**(377)**	(768)
Gross profit		**1,152**	906
Sales & distribution costs		**(361)**	(450)
Administration expenses excluding exceptional item		**(2,107)**	(2,128)
Write off of goodwill arising on acquisition of shares in subsidiary		**-**	(2,259)
Administration expenses including exceptional item		**(2,107)**	(4,387)
OPERATING LOSS		**(1,316)**	(3,931)
Net finance costs	6	**(11)**	(31)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	7	**(1,327)**	(3,962)
Tax credit on loss on ordinary activities	8	**-**	-
LOSS ON ORDINARY ACTIVITES AFTER TAXATION	19, 20	**(1,327)**	(3,962)
Minority interest	19, 20	**7**	222
LOSS FOR THE FINANCIAL YEAR		**(1,320)**	(3,740)
Loss per share – basic & diluted	9	**(0.7p)**	(3.6p)

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 2005

	Note	2005 £'000	2004 £'000
CALLED UP EQUITY SHARE CAPITAL NOT PAID	**10**	**-**	199
FIXED ASSETS			
Tangible assets	**11**	**738**	1,051
CURRENT ASSETS			
Debtors	**13**	**513**	498
Work in progress		**104**	84
Cash at bank		**7**	39
		624	621
CREDITORS: amounts falling due within one year	**14**	**(1,232)**	(1,191)
NET CURRENT LIABILITIES		**(608)**	(570)
TOTAL ASSETS LESS CURRENT LIABILITIES		**130**	680
CREDITORS: amounts falling due after more than one year	**15**	**(977)**	-
PROVISIONS FOR LIABILITIES AND CHARGES	**16**	**(39)**	(239)
EQUITY MINORITY INTERESTS		**9**	2
		(877)	443
CAPITAL AND RESERVES			
Called up share capital	**18**	**18,750**	18,750
Share premium account	**19**	**2,442**	2,442
Profit and loss account	**19**	**(22,069)**	(20,749)
EQUITY SHAREHOLDERS' (DEFICIT) / FUNDS	**20**	**(877)**	443

These financial statements were approved by the Board of Directors on 31 May 2006.
Signed on behalf of the Board of Directors

Mr Gordon Ashworth
Chief Executive Officer and Finance Director

COMPANY BALANCE SHEET

for the year ended 31 December 2005

	Note	2005 £'000	2004 £'000
CALLED UP EQUITY SHARE CAPITAL NOT PAID	**10**	**-**	199
FIXED ASSETS			
Investments	**12**	**65**	65
CURRENT ASSETS			
Debtors	**13**	**30**	25
Cash at bank		**7**	6
		37	31
CREDITORS: amounts falling due within one year	**14**	**(114)**	(138)
NET CURRENT LIABILITIES		**(77)**	(107)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(12)**	157
CREDITORS: amounts falling due after more than one year	**15**	**(977)**	-
PROVISIONS FOR LIABILITIES AND CHARGES	**16**	**-**	(7)
		(989)	150
CAPITAL AND RESERVES			
Called up share capital	**18**	**18,750**	18,750
Share premium account	**19**	**2,442**	2,442
Profit and loss account	**19**	**(22,181)**	(21,042)
EQUITY SHAREHOLDERS' (DEFICIT) / FUNDS		**(989)**	150

These financial statements were approved by the Board of Directors on 31 May 2006.
Signed on behalf of the Board of Directors

Mr Gordon Ashworth
Chief Executive Officer and Finance Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Net cash outflow from operating activities	**21**	**(881)**	(1,314)
Returns on investments and servicing of finance			
Interest received		**1**	2
Interest paid		**(4)**	(3)
Net cash outflow from returns on investments and servicing of finance		**(3)**	(1)
Capital expenditure			
Payments to acquire tangible assets		**(102)**	(1,198)
Proceeds from sale of tangible assets		**1**	-
Net cash outflow from capital expenditure		**(101)**	(1,198)
Net cash outflow before financing		**(985)**	(2,513)
Financing			
Net proceeds from borrowings		**977**	2,487
Net cash inflow from financing		**977**	2,487
Decrease in cash in the year	**22**	**(8)**	(26)

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Going concern

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 31 December 2007. 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 a loan from R20 Limited, of which Mr Robert Tchenguiz is a director. 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 an additional loan facility, which amounts to £0.711million and that he will not call for the repayment of this new loan before 31 December 2007.

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 subsidiaries made up to the end of the financial year. Subsidiaries acquired or disposed of are included in the financial statements from the date control is gained or lost.

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.

Results of overseas operations are translated at the average rates of exchange during the period and the balance sheet at the rates ruling at the balance sheet date. Exchange differences are included in the profit and loss account.

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

Long-term contracts

Long-term contract work in progress is stated at cost plus, where the outcome can be assessed with reasonable certainty, estimated profits attributable to the stage of completion, less provision for any known or expected losses and progress payments receivable on account. Advance and progress payments are included under creditors to the extent that they exceed the related work in progress. Work in progress is shown under stocks, except where it includes attributable profit when it is shown under debtors as amounts recoverable under contracts.

Investments

Investments held as fixed assets are stated at cost less any permanent diminution in value.

2. ACCOUNTING POLICIES (Continued)

Turnover

Turnover is the total amount receivable for services provided in the ordinary course of business excluding Value Added Tax. Revenue for software services rendered is recognised when billed. Where software services are billed for periods in advance of the billing date a provision against this is made which is released over the period for which the services are rendered.

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

	2005	2004
	£'000	£'000
Staff costs during the year (including directors)		
Consultancy fees	**25**	187
Wages and salaries	**1,565**	2,223
Social security costs	**200**	234
Other pension costs	**11**	-
	1,801	2,644
	No.	No.
The average monthly number of employees (including executive directors) was:		
Professional services	**8**	13
Sales & account managers	**4**	6
Technical	**69**	44
Finance & administrative	**6**	6
	87	69

5. DIRECTORS' REMUNERATION

	2005 £'000	2004 £'000
Directors' emoluments	**413**	394
Compensation for loss of office	**30**	30
Other pension costs	**11**	-
	454	424

Payments of £10,993 (2004 – £Nil) were made in respect of one director's personal pension schemes. There are no other directors (2004 – nil) to whom retirement benefits are accruing in respect of qualifying services in respect of money purchase schemes.

	Salary £	Benefits and pension £	Total emoluments 2005 £	Total emoluments 2004 £
Remuneration by director was:				
Chairman (Non-Executive):				
Mr Colin Goodall	-	-	**-**	-
Mr Walter Goldsmith	-	-	**-**	-
Executive directors				
Mr Gordon Ashworth	75,007	10,993	**86,000**	54,654
Mr Brian Austin	-	-	**-**	58,352
Mr Thomas Dengenis	125,000	-	**125,000**	120,000
Mr Nathan Doughty	92,367	258	**92,625**	80,660
Mr Tony Ryan	121,000	-	**121,000**	81,025
Non-Executive directors				
Sir John Egan	-	-	**-**	-
Mr Mathew Riley	-	-	**-**	-
Mr Peter Rogers	-	-	**-**	-
Mr Robert Tchenguiz	-	-	**-**	-
Total emoluments	413,374	11,251	**424,625**	394,691

5. DIRECTORS' EMOLUMENTS (Continued)

DIRECTORS' SHARE OPTIONS

Share options held by directors were as follows:

	1 January 2005	**Approved Granted**	**31 December 2005**	**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 Thomas Dengenis	-	3,000,000	3,000,000	10.0p	*	January 2016
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
Mr Gordon Ashworth	-	2,000,000	2,000,000	10.0p	January 2005	January 2016
Mr Tony Ryan	-	2,000,000	2,000,000	10.0p	January 2005	January 2016
Mr Nathan Doughty	-	1,000,000	1,000,000	10.0p	*	January 2016

The market price of the ordinary shares at 31 December 2005 was 2.00p and the range during the period was 2.00p to 7.30p. No options were exercised by directors during the year. Share options were granted to Mr Gordon Ashworth, Mr Tony Ryan, Mr Nathan Doughty and Mr Thomas Dengenis on 27 January 2005.
*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. NET FINANCE COSTS

	2005 £'000	2004 £'000
Interest receivable	**1**	2
Interest payable to bank	**(2)**	(3)
Interest payable to other	**(10)**	(30)
	(11)	(31)

7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2005	2004
	£'000	£'000
Loss on ordinary activities is stated after charging:		
Corporate audit	**29**	30
Non-audit services	**10**	15
	39	45
Operating lease rentals - other	**18**	34
Depreciation	**226**	122
Depreciation on capitalised development costs	**182**	102
Current year research and development expenditure	**731**	30
Amortisation of goodwill arising on acquisition	**-**	2,259

The audit fee for the Company was £14,000 (2004 - £15,000).

8. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2005	2004
	£'000	£'000
United Kingdom corporation tax at 30% (2004 – 30%) based on the loss for the period	-	-
The differences are explained below:		
Loss on ordinary activities before tax	(1,327)	(3,962)
Tax at 30% thereon:	398	1,189
Expenses not deductible for tax purposes	(20)	(18)
Write off of goodwill on acquisition of shares in subsidiary	-	(637)
Depreciation in excess of capital allowances	(65)	(56)
Creation of tax losses	(313)	(476)
Other timing differences	-	(2)
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 £4.499m (2004 - £4.146m).

9. LOSS PER SHARE

	2005 **£'000**	2004 £'000
Basic		
Net loss for the year:	**£(1,320,000)**	£(3,740,000)
Weighted average number of ordinary shares outstanding	**187,495,637**	103,142,363
Loss per share:	**0.7p**	3.6p

FRS 22 (IAS 33) 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 decreased 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 is identical to the basic loss per share.

10. CALLED UP EQUITY SHARE CAPITAL NOT PAID

In January 2005 the called up equity share capital not paid was drawn down and paid. As at 31 December 2004 £0.199m of these loans had not been drawn down. This amount was treated as called up equity share capital not paid as at the 2004 balance sheet date.

11. TANGIBLE FIXED ASSETS

	Plant and equipment £'000	Website costs £'000	Development costs £'000	Total £'000
Group				
Cost				
At 1 January 2005	562	3,043	831	4,436
Additions	65	37	-	102
Disposals	(73)	(7)	-	(80)
At 31 December 2005	**554**	**3,073**	**831**	**4,458**
Accumulated depreciation				
At 1 January 2005	395	2,888	102	3,385
Charge for the year	138	88	182	408
Disposals	(73)	-	-	(73)
At 31 December 2005	**460**	**2,976**	**284**	**3,720**
Net book value				
At 31 December 2005	**94**	**97**	**547**	**738**
At 31 December 2004	167	155	729	1,051

12. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company cost and net book value

	2005 £'000
At 1 January and 31 December	65

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

Subsidiaries	% Shareholding	Principal activities
Asite Solutions Limited (Incorporated 20 July 2000)	99.44%	E-commerce portal and services
Asite Solutions Private Limited (Incorporated 7 November 2005)	99.70%	E-commerce portal and services
Asite Consulting Limited (Incorporated 15 March 1996)	100.00%	Dormant company

All companies are incorporated in Great Britain with the exception of Asite Solutions Private Limited which was incorporated in India.

13. DEBTORS

	Group		Company	
	2005	2004	**2005**	2004
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year:				
Trade debtors	**418**	420	**-**	-
Prepayments and accrued income	**66**	58	**8**	7
VAT recoverable	**22**	18	**22**	18
Other debtors	**7**	2	**-**	-
	513	498	**30**	25

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2005	2004	**2005**	2004
	£'000	£'000	**£'000**	£'000
Bank overdraft	**38**	62	**-**	-
Fees in advance	**79**	75	**-**	-
Trade creditors	**259**	330	**90**	89
Other creditors	**115**	15	**-**	-
Social security and other taxes	**603**	556	**-**	-
VAT payable	**66**	25	**-**	-
Accruals	**72**	128	**24**	49
	1,232	1,191	**114**	138

The company has provided a cross guarantee in respect of the borrowings of the subsidiary in the form of a floating charge over the Group's assets. The Group has provided a specific charge over its IP to R20 Limited, a company controlled by Mr Robert Tchenguiz, as security for advances made by R20 Limited to Asite plc.

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

	Group		Company	
	2005	2004	**2005**	2004
	£'000	£'000	**£'000**	£'000
Other loans	**977**	-	**977**	-

16. PROVISIONS: FOR LIABILITIES AND CHARGES

	Group – Onerous Contract		Company - Other	
	2005	2004	**2005**	2004
	£'000	£'000	**£'000**	£'000
At 1 January	**239**	-	**7**	-
Charged to the profit and loss account	**39**	285	**-**	7
Adjustment arising from discounting	**-**	(46)	-	-
Utilisation of provision during the year	**(63)**	-	**(7)**	-
Release of provision during the year	**(176)**	-	**-**	-
At 31 December	**39**	239	**-**	7

Provisions have been made against onerous contracts, the liabilities of which will crystallise during the period to 30 September 2007.

17. 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 subsidiaries.

At the year end the Group holds sterling cash balances of £0.007m (2004 - £0.006m) and foreign currency cash balances of (0.102m) (2004 - 2.771m) held in Indian Rupee. At the year end the Group had no bank borrowings.

Risk Management

The Board is charged with managing the various risk exposures.

Interest Rate Risk

Loans advanced to the Group by R20 Limited are interest free for the minimum term, being until 31 December 2007. Thereafter, were these loans to be renewed, interest may or may not become due, however, the Group does not envisage hedging against this risk.

17. FINANCIAL INSTRUMENTS (Continued)

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.

The Group's total financial liabilities and their fair values as at 31 December 2005 are detailed below. As permitted by FRS 13, short term debtors and creditors have been excluded from the disclosures.

	2005		**2004**	
	Book Value £'000	**Fair Value £'000**	**Book Value £'000**	**Fair Value £'000**
Financing the Group's acquisitions:				
Short term financial liabilities	**38**	**38**	62	62
Long term financial liabilities	**977**	**861**	-	-

The long term loan is interest free and repayment cannot be demanded until after 31 December 2007.

Foreign Currency Risk

The Group's turnover is substantially sterling based, accordingly, foreign currency exposure risk is minimal. Costs incurred in the Group's operations in India are rupee based. Currency exposures arising from holding cash deposits in Indian Rupees are not considered to be material. The Group does not hedge against these currency risks.

Credit Risk

The Group manages customer credit risk through the use of credit reports and appropriate contractual documentation. Collections are tracked monthly and where payments are overdue appropriate action is taken on a timely basis.

18. CALLED UP SHARE CAPITAL

	No.	**2005 £'000**	No.	2004 £'000
Authorised				
Ordinary shares of 10p each at 1 January	**340,000,000**	**34,000**	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	**340,000,000**	**34,000**	340,000,000	34,000
Allotted, issued and fully paid				
Ordinary shares of 10p each at 1 January and 31 December	**102,910,623**	**10,291**	102,910,623	10,291

	No.	**2005 £'000**	No.	2004 £'000
Authorised				
B Ordinary shares of 10p each at 1 January	**85,000,000**	**8,500**	-	-
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	**85,000,000**	**8,500**	85,000,000	8,500
Allotted, issued and fully paid				
B Ordinary shares of 10p each at 1 January	**84,585,014**	**8,459**	-	-
Issued for loan forgiveness – 84,585,014 B Ordinary shares of 10p each	**-**	**-**	84,585,014	8,459
B Ordinary shares of 10p each at 31 December	**84,585,014**	**8,459**	84,585,014	8,459

	No.	**2005 £'000**	No.	2004 £'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**	84,585,014	8,459
	187,495,637	**18,750**	187,495,637	18,750

B Ordinary shares do not have voting rights and have not been admitted for trading to AIM. B Ordinary shares have the same rights as the Ordinary shares with respect to dividend entitlement and priority to receive funds on winding up of the company.

The authorised share capital of the Company at each year end date was £42.5m and comprised of 340,000,000 Ordinary shares of 10p each and 85,000,000 B Ordinary shares of 10p each.

18. CALLED UP SHARE CAPITAL (Continued)

Share Options

At 31 December 2005 options granted under the Company's share option schemes were outstanding on a total of 13,630,003 ordinary shares as follows:

Grant date	Number of shares under option	Exercise price	Exercise period
October 2001	220,000	30p	October 2011
July 2002	26,668	30p	July 2012
October 2002	433,335	30p	October 2012
October 2003	3,000,000	10p	October 2013
April 2004	1,950,000	10p	April 2014
January 2005	8,000,000	10p	January 2015

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

19. RESERVES

	Share premium account £'000	Profit and loss account £'000
Group		
At 1 January 2005	**2,442**	(20,749)
Minority interest	**-**	7
Loss for the year	**-**	(1,327)
At 31 December 2005	**2,442**	(22,069)
Company		
At 1 January 2005	**2,442**	(21,042)
Loss for the year	**-**	(1,139)
At 31 December 2005	**2,442**	(22,181)

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 £1.139m (2004 - £2.311m).

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

	2005 £'000	2004 £'000
Loss for the period	**(1,327)**	(3,962)
Issue of new share capital from loan conversion	**-**	8,459
Minority interest	**7**	222
	(1,320)	4,719
Opening shareholders' fund / (deficit)	**443**	(4,276)
Closing shareholders' (deficit) / funds	**(877)**	443

21. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW

	2005 £'000	2004 £'000
Operating loss	**(1,316)**	(3,931)
Depreciation of tangible assets	**408**	224
Amortisation of goodwill on deemed acquisition	**-**	2,259
Loss on disposal of fixed assets	**6**	-
Fees received in advance	**4**	35
Increase in work in progress	**(20)**	(84)
Increase in debtors	**(15)**	(130)
Decrease / (increase) in share capital not paid	**199**	(199)
Increase in creditors	**53**	273
(Decrease) / increase in provisions	**(200)**	239
Net cash flow from operating activities	**(881)**	(1,314)

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

	2005 £'000	2004 £'000
Decrease in cash in the year	**(8)**	(26)
Funding received	**(977)**	(2,487)
Loan conversion	**-**	8,459
Movement in net debt in the year	**(985)**	5,946
Net debt at 1 January	**(23)**	(5,969)
Net debt at 31 December	**(1,008)**	(23)

23. ANALYSIS OF NET (DEBT) / FUNDS

	At 1 January 2005 £'000	Cash flows £'000	At 31 December 2005 £'000
Cash	**39**	(32)	**7**
Overdraft	**(62)**	24	**(38)**
	(23)	(8)	**(31)**
Loan	**-**	(977)	**(977)**
	(23)	(985)	**(1,008)**

24. OBLIGATIONS UNDER OPERATING LEASES & COMMITTED EXPENDITURE

	2005 £'000	2004 £'000
The following amounts are payable within the next year on operating leases & committed expenditure expiring:		
Rent on premises:		
Within 1 year	**-**	30
Within 2 to 5 years	**12**	-
	12	30
Other:		
Within 1 year	**6**	3
Within 2 to 5 years	**18**	41
	24	44

25. RELATED PARTY TRANSACTIONS

Funding was provided to the Company throughout the year by R20 Limited. The balance of the loan outstanding at the year end was £977,000 (2004 - £Nil). Mr Robert Tchenguiz is a director of this company.

Asite Solutions Limited provided services to Stanhope plc, a shareholder in Asite plc during the year under review. Revenue generated from Stanhope plc totalled £96,312 (2004 - £228,202) with £20,451 (2004 - £42,877) outstanding at year end.

Asite Solutions Limited provided services to BAA plc, a related party during the year under review. Revenue generated from BAA plc totalled £186,685 (2004 - £235,198) with £84,935 (2004 - £23,808) outstanding at year end.

Asite plc entered a sub lease for office space in Leconfield House in July 2003 for a period of 20 months. The landlord with whom the head lease is contracted is Rotch Property Group Limited. The rental payments during the year were £6,970 (2004 - £51,303). Mr Robert Tchenguiz is a director of this company. The Group moved from these premises on 15 December 2005.

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 27 July 2006 at 2:30pm for the following purposes:

Ordinary Business

1. To receive and adopt the accounts, for the year to 31 December 2005 and the reports of the directors and auditors.
2. To re-appoint Mr Robert Tchenguiz as a Director who retires by rotation.
3. To re-appoint Mr Walter Kenneth Goldsmith as a Director who retires by rotation.
4. To re-appoint Mr Gordon Neville Ashworth as a Director who retires by rotation.
5. 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 resolution as an ordinary resolution:

6. 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.

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

7. That, subject to the passing of resolution 6 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 6 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 £1,029,000, 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.

8. 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 31 May 2006;
(b) the minimum price which may be paid for each share is 2p, 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 2007; 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:
Unit E2 3rd Floor
Zetland House
5/25 Scrutton Street
London EC2A 4HJ

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 2.30 pm on 25 July 2006 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 2.30 pm on 25 July 2006 shall be disregarded in determining the rights of any person to attend or vote at this meeting.
4. 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.