ASITE plc
Annual Report 2007

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Company Registration No. 2004015

CONTENTS

for the year ended 31 December 2007

OFFICERS AND PROFESSIONAL ADVISERS

for the year ended 31 December 2007

SECRETARY
Mr Gordon Ashworth

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Zetland House
5/25 Scrutton Street
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DIRECTORS
Mr Colin Goodall
Mr Walter Goldsmith
Mr Gordon Ashworth
Mr Peter Rogers
Mr Robert Tchenguiz
Mr Nathan Doughty
Mr Tony Ryan

NOMINATED ADVISER
Deloitte & Touche LLP
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London EC4A 4TR

NOMINATED BROKER
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REGISTRARS
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The Registry
34 Beckenham Road
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AUDITORS
PricewaterhouseCoopers LLP
The Atrium
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Uxbridge UB8 1EX

CHAIRMAN'S STATEMENT

for the year ended 31 December 2007

Results and Dividends

I am pleased to report that the robust improvement in the Group's performance reported in the interim statement for the six months ended 30 June 2007 continued into the second half of the year. For the full year ended 31 December 2007 revenue increased by 26% to £1.658m (2006: £1.321m). The Group's continuing attention to cost control was such that total operating costs fell by 1% from £1.839m (2006) to £1.828m. Overall, operating losses for the year fell to £0.577m from £0.857m, a decrease of 33%. Amortisation charges for the year were £0.226m (2006: £0.233m) meaning that the Group's loss before amortisation and net interest fell to £0.351m (2006 £0.624m), a reduction of 44%.

In line with this financial improvement, the Group's core operating system, the "Asite Platform", continued to support ever increasing business volumes without compromise of quality or performance. Most importantly, we have built new business relationships outside our core client base which bodes well for the future growth of the Group.

The loss per share for the year ended 31 December 2007 was 0.3p compared with 0.4p (2006). The Board does not propose declaring a dividend (2006: nil).

Development of the Group

The return to growth during 2007 is most pleasing. The Group is now starting to see the benefits arising from the cost reduction and product stabilisation programmes of 2005 and 2006. We have continued to invest heavily in the development of the Asite Platform. In particular, investment in Asite Workspace ("Workspace") and Asite collaborative Building Model ("cBIM") is now leading to positive market sentiment and sales. Workspace provides a lower cost entry level product for the Group's flagship product, Asite Project Workflow; cBIM provides complex and innovative building modelling tools.

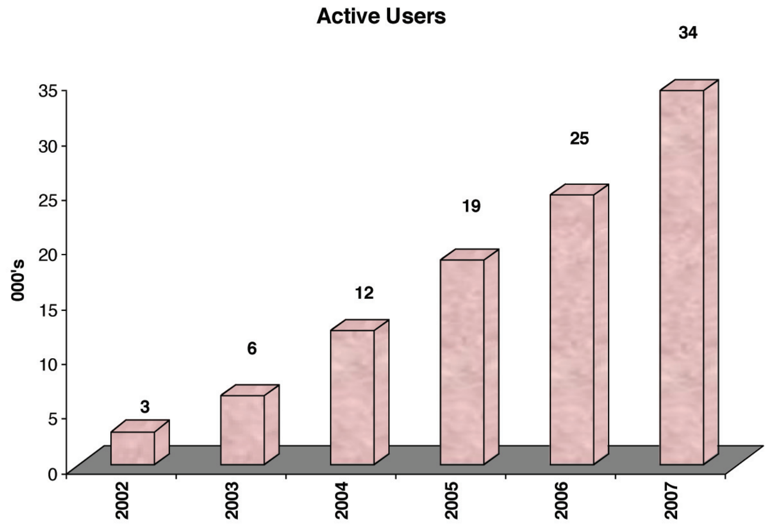
During the year we have undertaken a review of the Group's main business model and we are now preparing to introduce innovative charging models which are planned to expand the Group's customer base and potential revenues.

Our sales development plans executed during the year allowed the Group to expand beyond its existing client base with wins across the contracting, developer, project management and public sectors. Additionally we have experienced strong overseas growth with revenues increasing to £0.305m in 2007 (2006: £0.038). The total value of sales contracted during the year amounted to £4.965m, which will be delivered to our clients over the next 10 years. The forward order book, being the excess of contracted sales over amounts already billed under these contracts, stands at £5.330m of which £1.143m will be taken to revenue in the financial year ending 31 December 2008. It was particularly pleasing to see sales outside of the Group's main customer base including Welsh Health Estates, Aldar, Taylor Wimpey and the Department of Transport.

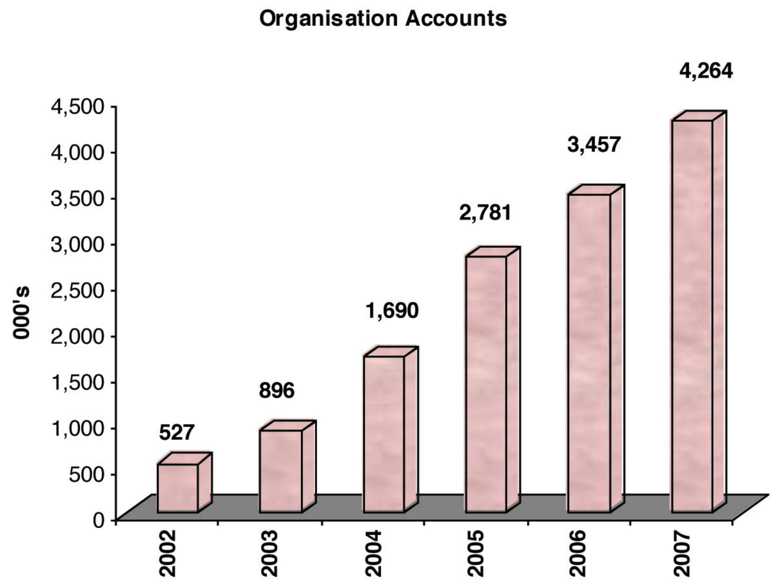
Operational Review

Usage trends of site traffic across the Asite Platform continue to increase and, most importantly, system performance has been comfortably within our client contractual requirements; by way of example system uptime has consistently run at or around 99.99% (consistently above the Group's contractual requirements). Non performance against system up time represents a significant business risk to the Group, accordingly it is measured continually and reported at each Board meeting.

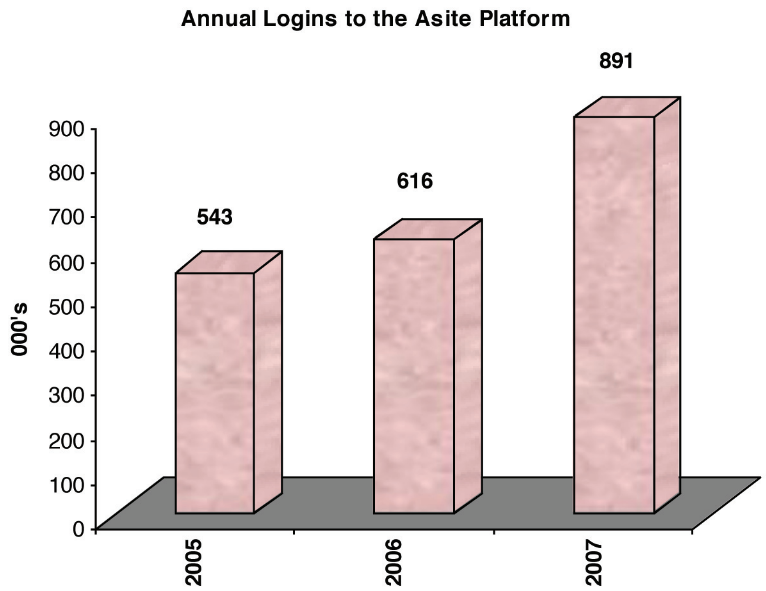
The number of users accessing and uploading documents on the Asite Platform continues to grow strongly. Since inception of the Asite Platform user numbers have grown to over 34,000, and the increase during the year ended 31 December 2007 was 36%. User growth is monitored regularly and reported to the Board.



During 2007 the number of organisations with active accounts on the Asite Platform increased to 4,264 from 3,457 (2006), an increase of 23%.



These 34,000 active account users translated in to 891,000 total system logins during the year, having grown from 543,000 in 2005 when these statistics were first collated (an increase of 68%).



Finally, documents under management on the Asite system increased to 2.7 million, being accessed regularly by professional staff from all over the globe across some of the biggest construction projects in the world.

Prospects

Progress made towards profitable trading in 2007 has been significant. The Group's top line growth of 26%, coupled with strong cost control, improving sales prospects and ever increasing user adoption of the Asite Platform are all highly encouraging. The Board of Asite is therefore pleased with progress made.

Mr Colin Goodall
Chairman
24 June 2008

DIRECTORS' REPORT

for the year ended 31 December 2007

The Directors present their annual report and the audited Financial Statements for the year ended 31 December 2007.

Principal activities

Asite plc is a public limited company, incorporated and domiciled in England and is quoted on AIM. Asite plc is the Parent Company of a trading subsidiary, Asite Solutions Limited and its 99.7% owned subsidiary in India, Asite Solutions Private Limited. The principal activity of the Group is to provide Software as a Service (SaaS) to the whole of the construction industry to help supply chains collaborate.

Business review

The Group's performance against its key performance indicators is set out in the Chairman's statement. The Group continues to invest in the development of its Intellectual Property ("IP"), and continued to enrich our services with new and innovative features including the latest version of cBIM. The Board believes that such investment is essential in maintaining the Group's competitive position as is its further investment in sales and marketing in existing and new markets such as UAE and India. Development costs incurred during the year to 31 December 2007 totalled £0.528m (2006: £0.622m). Development costs relate principally to enhancing the performance of the Asite Platform, the provision of additional features and the development of new products. 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.

Principal risks and uncertainties

The Group has undertaken a risk review of its operations and has implemented appropriate mitigation strategies for those risks which it has assessed as critical to its ongoing operations. Significant risks identified cover recruitment and retention of key staff, system performance, technology obsolescence, client base plurality, product diversity and regulatory environment. The Group continues to monitor these risks and to update and amend mitigating strategies as appropriate.

Results and dividends

The loss for the year after taxation and minority interest amounted to £0.566m (2006: £0.823m loss). The Directors do not recommend the payment of a final dividend (2006: £nil).

Annual General Meeting

Notice of an Annual General Meeting of Shareholders accompanies 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
Mr Colin Goodall	Chairman
Mr Walter Goldsmith	Deputy Chairman
Mr Tony Ryan	Group Chief Executive
Mr Mathew Riley (retired 19 May 2008)	Non-Executive Director
Mr Peter Rogers	Non-Executive Director
Mr Robert Tchenguiz	Non-Executive Director
Mr Gordon Ashworth	Non-Executive Director
Mr Nathan Doughty	Chief Operating Officer

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 as at 31 December 2007:

	At 31 December 2007		**At 31 December 2006**	
	Beneficial Interest	**Share options**	**Beneficial Interest**	**Share options**
Mr Colin Goodall	**-**	**600,000**	-	600,000
Mr Walter Goldsmith	**550,000**	**500,000**	550,000	500,000
Mr Tony Ryan	**442,156**	**2,000,000**	255,579	2,000,000
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	**285,555**	**2,000,000**	35,000	2,000,000
Mr Nathan Doughty	**446,162**	**1,000,000**	307,692	1,000,000

* 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 2007. No other Director has an interest in the B Ordinary shares.

Directors' interests in contracts

There were no Directors' interests in contracts during the year ended 31 December 2007.

Significant shareholdings

On 14 May 2008, the Company had been notified 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	-	-
Banque Privee Espirito Santo	9,415,536	9.15	-	-
Rotch Property Group Limited	-	-	13,934,464	16.47
Eden Group	15,477,023	15.04	-	-
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.

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.

Financial instruments

The Group is exposed to foreign currency risk through its investment in Asite Solutions Pvt Ltd ("Asite India"). Asite India provides development and maintenance services to the Asite Platform. Save for loan finance provided by Mr Robert Tchenguiz, Asite has no borrowings other than de minimis finance leases, accordingly, interest rate risk in this regard is minimal. The Group's policies for mitigating these risks are outlined in note 19 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 2007 represented 89 days (2006: 83 days) trade purchases and the Group is working to improve this. Company trade creditors outstanding at 31 December 2007 represented 140 days (2006: 158 days) trade purchases. This is calculated as the weighted average trade creditors as at the year end.

Auditors' right to information

Each of the Directors at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- the Director has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of the information.

Auditors

PricewaterhouseCoopers LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

Mr Tony Ryan
Chief Executive Officer
24 June 2008

for the year ended 31 December 2007

The Directors present their report together with the Financial Statements of the Company and its subsidiaries for the year ended 31 December 2007.

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. Asite plc, as an AIM listed Company, is not required to comply with the July 2006 Combined Code on Corporate Governance. However, the Board recognises the importance of sound corporate governance and has ensured that the Company has adopted policies and procedures which reflect such of the Principles of Good Governance and the Code of Best Practice as published by the Committee on Corporate Governance (commonly known as the "Combined Code"), as are appropriate to the Company's size.

Board effectiveness

The Board, which is set up to control the Company and Group meets formally at least four times a year and in the year under review met on four occasions. In addition to the main Board, the Group has formed an Executive Committee comprised of the Group's two Executive Directors, the Chairman and the Deputy Chairman. As at the year end the Board was comprised of eight Directors – two Executive and six Non-Executive Directors. Two of the six Non-Executive Directors, namely the Chairman, Mr Colin Goodall and the Deputy Chairman, Mr Walter Goldsmith are considered by the Board to be independent, not withstanding the fact that they have shares and or share options in the Company.

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;
- a statement of contracted pipeline; and
- a statement of system performance including KPI's on up time, user growth and document management statistics.

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 Tony Ryan 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 Gordon Ashworth.

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;
- review and assessment of current updates of changes in accounting standards and their likely impact on the Group's accounts; and
- assessment of the competencies of the financial human resources available to the Company.

Both Non-Executive Directors on the Audit Committee have recent and relevant financial experience. The Audit Committee advises the Board on the appointment, re-appointment or removal of the external Auditors. It also advises the Board on the remuneration of the external Auditors. The Committee discusses the nature and scope of the audit with the external Auditors and provides a forum for reporting by the Group's external Auditors on any matters it considers appropriate.

It is the task of the Audit Committee to ensure that auditor objectivity and independence is safeguarded when non audit services are provided by the Auditors. To ensure auditor objectivity and independence there is a process in place to approve any non-audit work at each audit committee meeting.

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 2007 the Remuneration Committee met once.

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.

The Company recognises the importance of communicating with current and potential shareholders. It does this through the Annual Report and Financial Statements, the Interim Statement and any trading updates. Additionally, through the Company's website, www.asite.com, the Company makes available announcements relating to progress on sales and industry relationships, which whilst not a regulatory requirement to be disclosed, provide investors with further insight as to progress made by the Company. Directors are available at the Annual General Meeting where shareholders can ask questions or represent their views. Additionally, in accordance with the AIM rules, specifically Rule 26, the Company has disclosed fully all relevant information so as to ensure that it is fully compliant.

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 and Mr Peter Rogers, 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 website (www.asite.com) where the Group's statutory accounts can be accessed. The following information can also be found there:
- 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 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 POLICY

This section should be read in conjunction with Note 6 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 ended 31 December 2007 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 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 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 significant expenditure is authorised prior to ordering by at least one Executive Director and that all financial payments are made under dual signature;
- undertaking a risk assessment of the Group's activities and monitoring the risks identified on a regular basis; and
- annually reviewing the effectiveness of the internal controls that have been carried out.

There is an ongoing process for identifying, evaluating and managing risks faced by the Company. These processes were in place during the year.

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; and
- health and safety.

GOING CONCERN

The Directors, after making appropriate enquiries, as described in note 29 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.

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Statement of Directors' responsibilities

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and the Group 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 that the Financial Statements comply with IFRSs as adopted by the European Union.
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the group will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records that 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 safeguarding the assets of the Company and 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.

Legislation in the UK concerning the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. Under applicable law and regulations, the Directors are also responsible for preparing a Directors' report and Directors' remuneration report that comply with that law and those regulations.

The maintenance and integrity of the website 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. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASITE PLC

for the year ended 31 December 2007

We have audited the Group and Parent Company Financial Statements (the "Financial Statements") of Asite plc for the year ended 31 December 2007 which comprise the Consolidated Income Statement, the Statements of Changes in Equity, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Cash Flow Statement and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the Financial Statements give a true and fair view and whether the Financial Statements have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the Financial Statements. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Financial Statements. The other information comprises only the Directors' Report, the Chairman's Statement and the Corporate Governance Statement. We consider the implications for 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 judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Group's and 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.

Opinion

In our opinion:

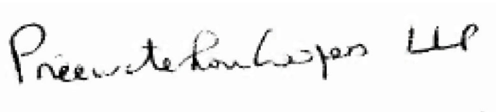
- the Group Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2007 and of its loss and cash flows for the year then ended;

- the Parent Company Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the Parent Company's affairs as at 31 December 2007 and of its cash flows for the year then ended;

- the information given in the Directors' Report is consistent with the Financial Statements.

Emphasis of Matter: Going Concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in Note 2 to the Financial Statements concerning the uncertainty as to the Group's future financial position. For the reasons explained in Note 2 to the Financial Statements, the financial statements do not include any adjustments that would arise if the Financial Statements were not drawn up on a going concern basis.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
West London
24 June 2008

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2007

	Note	2007	2006
		£'000	**£'000**
REVENUE	**4**	**1,658**	1,321
Cost of sales		**(407)**	(339)
Gross profit		**1,251**	982
Sales & distribution costs		**(295)**	(288)
Administrative expenses		**(1,533)**	(1,551)
OPERATING LOSS		**(577)**	(857)
Fair Value adjustments arising on loan from shareholder	**8**	**254**	182
Financial income	**8**	**1**	1
Financial costs	**9**	**(244)**	(149)
LOSS BEFORE TAXATION	**7**	**(566)**	(823)
Tax	**10**	**–**	–
LOSS FOR THE YEAR		**(566)**	(823)
Attributable to:			
Equity shareholders		**(566)**	(823)
Minority interest		**–**	–
LOSS FOR THE YEAR		**(566)**	(823)
Loss per share (expressed in pence per share) – basic and diluted	**12**	**(0.3p)**	(0.4p)

All transactions are derived from continuing operations.

The notes on pages 19 to 47 are an integral part of these consolidated Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2007

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Group				
At 1 January 2006	18,750	2,442	(22,009)	(817)
Loss for the year	–	–	(823)	(823)
Exchange differences arising on translation of overseas operations	–	–	2	2
Share based payments	–	–	42	42
At 31 December 2006	**18,750**	**2,442**	**(22,788)**	**(1,596)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Group				
At 1 January 2007	18,750	2,442	(22,788)	(1,596)
Loss for the year	–	–	(566)	(566)
Exchange differences arising on translation of overseas operations	–	–	(2)	(2)
Share based payments	–	–	53	53
At 31 December 2007	**18,750**	**2,442**	**(23,303)**	**(2,111)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Company				
At 1 January 2006	18,750	2,442	(22,121)	(929)
Loss for the year	–	–	(693)	(693)
Share based payments	–	–	42	42
At 31 December 2006	**18,750**	**2,442**	**(22,772)**	**(1,580)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Company				
At 1 January 2007	18,750	2,442	(22,772)	(1,580)
Loss for the year	–	–	(714)	(714)
Share based payments	–	–	53	53
At 31 December 2007	**18,750**	**2,442**	**(23,433)**	**(2,241)**

CONSOLIDATED BALANCE SHEET

as at 31 December 2007

	Note	31 Dec 2007 £'000	31 Dec 2006 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	47	47
Intangible assets	14	223	431
		270	478
CURRENT ASSETS			
Trade and other receivables	16	546	409
Cash at bank		50	3
		596	412
TOTAL ASSETS		866	890
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	20	18,750	18,750
Share premium account		2,442	2,442
Profit and loss account		(23,303)	(22,788)
EQUITY SHAREHOLDERS' DEFICIT		(2,111)	(1,596)
Minority interest		–	–
TOTAL EQUITY		(2,111)	(1,596)
NON-CURRENT LIABILITIES			
Borrowings	18	2,213	1,551
CURRENT LIABILITIES			
Trade and other payables	17	764	935
TOTAL LIABILITIES		2,977	2,486
TOTAL EQUITY AND LIABILITIES		866	890

The notes on pages 19 to 47 are an integral part of these consolidated Financial Statements.

The Financial Statements on pages 14 to 47 were approved by the Board of Directors on 24 June 2008 and signed on its behalf by:

Mr Tony Ryan
Chief Executive Officer
24 June 2008

COMPANY BALANCE SHEET

as at 31 December 2007

	Note	31 Dec 2007 £'000	31 Dec 2006 £'000
ASSETS			
NON-CURRENT ASSETS			
Investments	**15**	**65**	65
		65	65
CURRENT ASSETS			
Trade and other receivables	**16**	**–**	3
Cash at bank		**7**	–
		7	3
TOTAL ASSETS		**72**	68
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	**20**	**18,750**	18,750
Share premium account		**2,442**	2,442
Profit and loss account		**(23,433)**	(22,772)
EQUITY SHAREHOLDERS' DEFICIT		**(2,241)**	(1,580)
Minority interest		**–**	–
TOTAL EQUITY		**(2,241)**	(1,580)
NON-CURRENT LIABILITIES			
Borrowings	**18**	**2,213**	1,551
CURRENT LIABILITIES			
Trade and other payables	**17**	**100**	97
TOTAL LIABILITIES		**2,313**	1,648
TOTAL EQUITY AND LIABILITIES		**72**	68

The notes on pages 19 to 47 are an integral part of these consolidated Financial Statements.

The Financial Statements on pages 14 to 47 were approved by the Board of Directors on 24 June 2008 and signed on its behalf by:

Mr Tony Ryan
Chief Executive Officer
24 June 2008

CASH FLOW STATEMENTS

for the year ended 31 December 2007

CONSOLIDATED CASH FLOW STATEMENT	Note	2007 £'000	2006 £'000
Net cash used in operating activities	22	**(619)**	(594)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(24)**	(21)
Purchase of intangible assets		**(18)**	(20)
Proceeds from sale of property, plant and equipment		**4**	–
Interest received		**2**	1
Net cash used in investing activities		**(36)**	(40)
Cash flows from financing activities			
Interest paid		**–**	(1)
Net proceeds from borrowings		**700**	668
Net cash generated from financing		**700**	667
Net increase in cash, cash equivalents and bank overdrafts		**45**	33
Cash, cash equivalents and bank overdrafts at beginning of year		**2**	(31)
Cash, cash equivalents and bank overdrafts at end of year		**47**	2

COMPANY CASH FLOW STATEMENT	Note	2007 £'000	2006 £'000
Net cash used in operating activities	22	**(695)**	(674)
Cash flows from investing activities			
Purchase of property, plant and equipment		**–**	–
Proceeds from sale of property, plant and equipment		**–**	–
Interest received		**2**	1
Net cash used in investing activities		**2**	1
Cash flows from financing activities			
Interest paid		**–**	(2)
Net proceeds from borrowings		**700**	668
Net cash generated from financing		**700**	666
Net increase in cash, cash equivalents and bank overdrafts		**7**	(7)
Cash, cash equivalents and bank overdrafts at beginning of year		**–**	7
Cash, cash equivalents and bank overdrafts at end of year		**7**	–

The notes on pages 19 to 47 are an integral part of these consolidated Financial Statements.

1. CHANGES IN ACCOUNTING POLICIES

This is the first year that Asite plc has prepared Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) for both the consolidated and Parent Company financial statements. Prior to the adoption of IFRS the Financial Statements had been prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP). UK GAAP differs in certain respects from IFRS and certain accounting and valuation methods have been adjusted, when preparing these Financial Statements, to comply with IFRS. The comparative amounts in respect of 2006 have been restated to reflect these adjustments as the transition date is 1 January 2006.

IFRS 1 "First-time Adoption of International Financial Reporting Standards" sets out the requirements for companies preparing Financial Statements under IFRS for the first time and, in general, requires the accounting policies to be applied retrospectively with certain mandatory exceptions and exemptions.

A description of the effect of the transition from UK GAAP to IFRS together with a reconciliation between the financial information previously prepared under UK GAAP and the IFRS equivalents for the Group is set out in note 28.

2. 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 31 December 2009. 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.

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, in the form of a loan facility of £2,807k, and that he will not call for the repayment of this new loan before 31 December 2009.

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 non current assets and long-term liabilities as current assets and liabilities.

The consolidated financial information presented in this statement has been prepared in accordance with IFRSs as adopted by the EU, IFRIC interpretations and the Companies Act 1985 applicable to companies reporting under IFRS. The consolidated Financial Statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements are disclosed in note 29.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

(a) Standards, amendments and interpretations effective in 2007

IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of Financial Statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group or Company's financial instruments, or the disclosures relating to taxation and trade and other payables.

IFRIC 8, 'Scope of IFRS 2', requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2. This standard does not have any impact on the Group or Company's Financial Statements. The Company already applies an accounting policy which complies with the requirements of IFRIC 8.

IFRIC 10, 'Interim financial reporting and impairment', prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the Group or Company's Financial Statements.

(b) Standards, amendments and interpretations early adopted by the Group and Company

No standards, amendments or interpretations have been early adopted by the Group and Company

(c) Standards, amendments and interpretations effective in 2007 but not relevant

The following standards amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group or Company's operations:

IFRS 4, 'Insurance contracts';

IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies; and,

IFRIC 9, 'Re-assessment of embedded derivatives'.

(d) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group or Company

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods, but the Group and Company have not early adopted them.

IFRS 8, 'Operating segments' (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply IFRS 8 from 1 January 2009. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will not change. As the financial report contains both the Group consolidated and Parent Company Financial Statements prepared under IFRS, the Company will not be required to present segment information.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

IFRIC 11, 'IFRS 2 – Group and treasury share transactions', provides guidance on whether share-based transactions involving treasury shares or involving Group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand alone accounts of the Parent and Group companies.

(e) Interpretations to existing standards that are not yet effective and not relevant to the Group and Company's operations.

The following interpretations to existing standards have been published and are mandatory for the Group and Company's accounting periods beginning on or after 1 January 2008 or later periods, but are not relevant for the Group's operations.

IFRS 2 (Amendment), 'Share-based payment', effective for annual period beginning on or after 1 January 2009. The amendment to the standard limits vesting conditions to service conditions and performance conditions. The amendment also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment, namely, acceleration of the expense based on the grant date fair value. No significant impact on the consolidated Financial Statements is expected. The amendment to the standard is still subject to endorsement by the European Union.

IFRS 3 (Revised), 'Business combinations', must be applied prospectively by the Group from 1 January 2010. The revised standard requires that all acquisition-related costs are to be expensed to the income statement in the period incurred. Furthermore, purchase accounting only applies at the point when control is achieved. This has a number of implications:

– where the acquirer has a pre-existing equity interest in the entity acquired and increases its equity interest such that it achieves control, it must remeasure its previously-held equity interest to fair value as at the date of obtaining control and recognise any resulting gain or loss in the income statement.
– once control is achieved all other increases and decreases in ownership interest are treated as transactions among equity holders and reported directly within equity. Goodwill is not remeasured or adjusted.

The revised standard is still subject to endorsement by the European Union.

IAS 1, 'Presentation of Financial Statements', effective for annual periods beginning on or after 1 January 2009. No significant impact on the consolidated Financial Statements is expected, except for additional disclosure.

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The amendment to the standard is still subject to endorsement by the European Union. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifiying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply IAS 23 (Amended) from 1 January 2009, subject to endorsement by the EU but it is currently not applicable to the Group or Company as there are no qualifiying assets.

IFRIC 14, 'IAS 19- The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Group will apply IFRIC 14 from 1 January 2008, but it is not expected to have any impact on the Group or Company's accounts.

IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the Group or Company's operations because none of the Group's companies provide for public sector services.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to the Group or Company's operations because none of the Group's companies operate loyalty programmes.

3. ACCOUNTING POLICIES

(a) Consolidation

The consolidated financial statements include financial information in respect of the Company and its subsidiary undertakings. Subsidiary undertakings are those entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiary undertakings are fully consolidated from the date on which control is transferred to the Group. From the date on which control ceases they are no longer consolidated. Inter-company transactions and balances are eliminated on consolidation.

(b) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. The primary segment assessed for the Group is business segment.

(c) Foreign currency translation

Items included in the separate Financial Statements of Group entities are measured in the functional currency of each entity. Transactions denominated in foreign currencies are translated into the functional currency of the entity at the rates prevailing at the dates of the individual transactions. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the balance sheet date. Exchange gains and losses arising are charged or credited to net operating costs or finance costs/income in the income statement, as appropriate. The income statement and balance sheet of foreign entities are translated into pounds sterling on consolidation at the average rates for the period and the rates prevailing at the balance sheet date respectively. The resulting exchange gains or losses are dealt with in shareholders funds.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provisions for impairment. Depreciation is calculated using the straight line basis and charged to administrative expense. All assets are depreciated at rates calculated to write off the cost, less estimated residual value, over the expected useful lives of 3 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

3. ACCOUNTING POLICIES (continued)

(e) Intangible assets

Research and development expenditure

Expenditure on research and development is recognized as an expense in the period in which it is incurred with the exception of expenditure on the development of products where the outcome of these products is assessed as being reasonably certain as regards to economic viability and technical feasibility. Such expenditure is recognised as an intangible asset and amortised to administrative expense on a straight line basis over the useful economic life once the related product or enhancement is available for use. The useful economic life of the development costs capitalised is five years.

Computer software

Computer software is stated at cost, net of amortisation and any provisions for impairment. Amortisation is calculated using the straight line basis. All assets are amortised to administrative expense at rates calculated to write off the cost, less estimated residual value, over expected useful lives of 1 to 2 years

The intangible assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

(f) Trade receivables

Trade receivables are initially stated at fair value and subsequently at amortised cost less any provisions for impairment. Trade receivables are assessed individually for impairment. Movements in the provision for doubtful trade receivables are recorded in the income statement in administrative expense.

(g) Cash and cash equivalents

Cash and cash equivalents for the purposes of the cash flow statements include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

(h) Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Fair value is determined as the present value of the loan at market interest rates (determined by the Directors as an estimate of a rate that would be commercially available to the Company). Any difference between the fair value at initial recognition (net of transaction costs) and the consideration received is initially recognised in the income statement as 'Fair Value adjustments arising on loan from shareholder'. Borrowings are subsequently stated at amortised cost increased by imputed interest charged to financial costs over the period of the borrowings using the effective interest method. The Group's current loan is from a principle shareholder and the initial credit is taken to the income statement as opposed to equity as it is expected that the loan will be repaid in full.

3. ACCOUNTING POLICIES (continued)

(j) Current and deferred income tax

Current tax is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is provided using rates of tax that have been enacted, or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Directors consider that it is less likely than not that that the difference will reverse in the near future.

(k) Employee benefits

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options and shares is recognised as an expense. The fair value of options is estimated using a Black-Scholes pricing model. The total amount to be expensed over the vesting period is determined by the fair value of the options and shares granted, excluding the impact of any non-market vesting conditions (for example, earnings per share growth). Non-market vesting conditions are included in assumptions about the number of options and shares that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number of options and shares that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement. At the vesting date of an award, the cumulative expense is adjusted to take account of the awards that actually vest. The Company grants share options to employees of subsidiary companies. These are accounted for as an increase in the investment carrying value of the subsidiary.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(m) Revenue recognition

The Group typically enters into multi-element arrangements which include software license fees, consultancy and training services. Revenue is allocated to the elements of the arrangement based upon the fair value of each element.

The Group sells a licence for access to its products which are hosted from the Group's dedicated servers. The license fees grant access to web space for the duration of the customer's project and include maintenance and support. The revenue for the license is recognised on an accruals basis to match the period of use by the client until the end of the contract. The unrecognised element is included within 'Deferred income' and the amount recognised prior to billing is included within 'amounts recoverable on contracts'.

Training revenue relates to customer training to use the product. Consultancy revenue relates to the initial tailoring of the product to match the needs of the project and ongoing consultancy work provided to the client post implementation. Revenue is recognised on the consulting and training fees based on fixed daily rates as the service is provided. The fixed daily rates are predetermined at the contract signing date.

3. ACCOUNTING POLICIES (continued)

(n) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

4. SEGMENT ANALYSIS

The primary segment is by business as this is the main driver of risks and returns. The Directors consider there to be one business segment because all turnover results from the provision of business to business solutions to the construction industry.

The secondary segments which are geographical are United Kingdom ("UK"), United Arab Emirates ("UAE") and Europe. Information regarding these segments is reported below. Amounts reported for the prior year have been restated to show UAE and European segments that were considered insignificant for separate presentation in 2006.

Analysis of results by geographical region

	2007			2006		
	Revenue	**EBITA**	**Operating loss**	**Revenue**	**EBITA**	**Operating loss**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
UK	1,353	(286)	(471)	1,283	(606)	(833)
UAE	240	(51)	(84)	11	(5)	(7)
Europe	65	(14)	(22)	27	(13)	(17)
	1,658	(351)	(577)	1,321	(624)	(857)

All of the segment revenue reported above is from external customers.

The Board measures Group and regional performance by using the EBITA (earnings before interest, tax and net amortisation) performance measure. This excludes the impact of amortisation of intangible assets.

Reconciliation of EBITA to operating loss

	2007 £'000	2006 £'000
EBITA	**(351)**	(624)
Amortisation	**(226)**	(233)
Operating loss	**(577)**	(857)

4. SEGMENT ANALYSIS (continued)

Analysis of balance sheet

	UK £'000	UAE £'000	Europe £'000	Total £'000
2007				
Assets	716	118	32	866
Liabilities	623	111	30	764
Capital expenditure	35	6	1	42
Amortisation	185	31	10	226
2006				
Assets	865	7	18	890
Liabilities	909	8	18	935
Capital Expenditure	41	-	-	41
Amortisation	227	2	4	233

5. STAFF COSTS

Group	2007 £'000	2006 £'000
Staff costs during the year (including Directors)		
Wages and salaries	1,245	1,219
Social security costs	101	125
Share based payment	53	42
	1,399	1,386

	No.	No.
The average monthly number of employees (including Executive Directors) was:		
Professional services	8	7
Sales & account managers	4	5
Technical	56	64
Finance & administrative	6	6
	74	82

There are no employees and no staff costs relating the Company. The Chairman, Mr Colin Goodall is remunerated by the Company, but is a Non Executive Director.

6. DIRECTORS' REMUNERATION

	Salary	Benefits and pension	Total emoluments 2007	Total emoluments 2006
	£	£	£	£
Remuneration by Director was:				
Chairman (Non-Executive):				
Mr Colin Goodall	21,277	-	**21,277**	11,164
Executive Directors				
Mr Tony Ryan	130,833	-	**130,833**	110,000
Mr Nathan Doughty	92,417	-	**92,417**	87,258
Mr Gordon Ashworth	-	-	**-**	46,410
Non-Executive Directors				
Mr Mathew Riley	-	-	**-**	-
Mr Peter Rogers	-	-	**-**	-
Mr Walter Goldsmith	-	-	**-**	-
Mr Robert Tchenguiz	-	-	**-**	-
Mr Gordon Ashworth	-	-	**-**	-
Total emoluments	245,527	-	**245,527**	254,832

Payments of £Nil (2006: £Nil) were made in respect of Directors' personal pension schemes. There are no Directors (2006: Nil) to whom retirement benefits are accruing in respect of money purchase schemes.

DIRECTORS' SHARE OPTIONS

Share options held by Directors were as follows:

	1 January 2007	Granted in the year	31 December 2007	Exercise Price	Earliest Exercise date	Expiry date
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 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 2007 was 2.0p and the range during the period was 1.75p to 3.0p. No options were exercised by Directors during the year.

*These options are exercisable any time between the issue date and the expiry date.
**These options vest quarterly and are exercisable upon vesting. They were fully vested as at 31 December 2007.

The highest paid Director was the Chief Executive, Mr Tony Ryan and details of his salary, the amount of company contributions paid to his money purchase scheme, and his share options are shown above.

7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging / (crediting):

	2007 £'000	2006 £'000
Staff costs (Note 5)	1,399	1,386
Rent of premises	36	29
Hire of machinery and equipment	10	10
Trade debtor impairment	5	-
Net exchange difference gains	(2)	(2)
Other operating lease rentals	5	5
Research and development costs	528	622
Depreciation of tangible fixed assets included in administrative expense (note 13)	20	68
Amortisation of intangible fixed assets included in administrative expense (note 14)	226	233

	2007	2006
During the year the Group obtained the following services from the Group's Auditor as detailed below:		
Fees payable to the Company's Auditor for the audit of the Parent Company and consolidated Financial Statements	20	15
Fees payable to the Company's Auditor and its associates for other services:		
The audit of Financial statements of subsidiaries pursuant to legislation	20	19
Tax services	6	6
	46	40

8. FINANCIAL INCOME

	2007 £'000	2006 £'000
Interest receivable	1	1
Fair Value adjustments arising on loan from shareholder (note 18)	254	182
	255	183

The fair value adjustment relates to the recognition of the difference between the fair value and the redemption value of the loan (see note 18).

9. FINANCIAL COSTS

	2007 £'000	2006 £'000
Interest payable	**-**	1
Imputed interest payable	**214**	148
Other interest payable	**30**	-
	244	149

The imputed interest payable represents the amortisation of the difference between the fair value and the redemption value of the loan (see note 18).

10. INCOME TAX & DEFERRED TAX ASSET

	2007 £'000	2006 £'000
United Kingdom corporation tax at 30% (2006: 30%) based on the loss for the year	**-**	-
The differences from the standard charge are explained below:		
Loss on ordinary activities before tax	**(566)**	(823)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006: 30%)	**(170)**	(247)
Effects of:		
Expenses not deductible for tax purposes	**(163)**	(35)
Depreciation in excess of capital allowances	**19**	88
Tax losses carried forward	**298**	179
Other timing differences	**16**	15
Total tax	**-**	-

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 losses available are £16.995m (2006: £16.002m).

11. LOSSES OF THE PARENT COMPANY FOR THE FINANCIAL YEAR

The Company has taken advantage of Section 230 of the Companies Act 1985 and has not included an Income Statement in these financial statements. In the year the Company made a loss of £0.714m (2006: £0.693m).

12. LOSS PER SHARE

	2007	2006
Basic and diluted		
Net loss for the year (£'000's)	**(566)**	(823)
Weighted average number of ordinary shares outstanding	**187,495,637**	187,495,637
Loss per share:	**(0.30p)**	(0.44p)

Earnings per share is calculated by dividing the net loss for the year, adjusted for minority interest, by the weighted average number of ordinary shares outstanding during the year.

Earnings per share 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.

13. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment £'000
Group	
Cost	
At 1 January 2007	575
Additions	24
Disposals	(33)
At 31 December 2007	**566**
Accumulated depreciation	
At 1 January 2007	528
Charge for the year	20
Eliminated on disposal	(29)
At 31 December 2007	**519**
Net book value	
At 31 December 2007	**47**
At 31 December 2006	**47**

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant and equipment £'000
Group	
Cost	
At 1 January 2006	554
Additions	21
At 31 December 2006	**575**
Accumulated depreciation	
At 1 January 2006	460
Charge for the year	68
At 31 December 2006	**528**
Net book value	
At 31 December 2006	**47**
At 31 December 2005	**94**

The Company has no tangible fixed assets (2006: Nil)

14. INTANGIBLE ASSETS

	Development costs £'000	Computer software £'000	Total £'000
Group			
Cost			
At 1 January 2007	831	3,093	3,924
Additions	-	18	18
At 31 December 2007	**831**	**3,111**	**3,942**
Accumulated amortisation			
At 1 January 2007	466	3,027	3,493
Charge for the year	183	43	226
At 31 December 2007	**649**	**3,070**	**3,719**
Net book value			
At 31 December 2007	**182**	**41**	**223**
At 31 December 2006	**365**	**66**	**431**

14. INTANGIBLE ASSETS (continued)

	Development costs £'000	Computer software £'000	Total £'000
Group			
Cost			
At 1 January 2006	831	3,073	3,904
Additions	-	20	20
At 31 December 2006	**831**	**3,093**	**3,924**
Accumulated amortisation			
At 1 January 2006	284	2,976	3,260
Charge for the year	182	51	233
At 31 December 2006	**466**	**3,027**	**3,493**
Net book value			
At 31 December 2006	**365**	**66**	**431**
At 31 December 2005	**547**	**97**	**644**

The Company has no intangible fixed assets (2006: Nil)

15. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company

	2007 £'000	2006 £'000
Cost and net book value		
At 1 January	**65**	65
Additions:		
Tranfer of expense of share based payments	**53**	42
Impairment :		
Reduction in carrying value of subsidiary	**(53)**	(42)
As at 31 December	**65**	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%	Web based portal and services
Asite Solutions Private Limited (Incorporated 7 November 2005)	99.70%	Web based portal and services
Asite Consulting Limited (Incorporated 15 March 1996)	100.00%	Dormant company

All companies are incorporated in England and Wales with the exception of Asite Solutions Private Limited which is incorporated in India.

16. TRADE & OTHER RECEIVABLES

	Group		Company	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	**483**	320	**-**	-
Provision for doubtful debts	**(7)**	(2)	**-**	-
Net trade receivables	**476**	318	**-**	-
Prepayments and accrued income	**61**	44	**-**	-
VAT recoverable	**-**	3	**-**	3
Amounts recoverable on contracts	**-**	29	**-**	-
Other debtors	**9**	15	**-**	-
	546	409	**-**	3

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2007, trade receivables of £65k (2006: £18k) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2007 £'000	2006 £'000
Up to 3 months	**50**	15
Over 6 months	**15**	3
	65	18

As of 31 December 2007, trade receivables of £7k (2006: £2k) were impaired and provided for. The amount of the provision was £7k as of 31 December 2007 (2006: £2k). The individually impaired receivables mainly relate to customers who are in unexpectedly difficult economic situations. The ageing of these receivables is as follows:

	2007 £'000	2006 £'000
Up to 3 months	**-**	-
Over 6 months	**7**	2
	7	2

16. TRADE & OTHER RECEIVABLES (continued)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2007 £'000	2006 £'000
Sterling	**523**	406
Euro	**23**	3
	546	409

Movements on the Group provision for impairment of trade receivables are as follows:

	2007 £'000	2006 £'000
At 1 January	**2**	16
Provision for receivables impairment	**5**	-
Receivables written off during year as uncollectible	**-**	(14)
At 31 December	**7**	2

17. TRADE & OTHER PAYABLES

		Group		Company
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Bank overdraft	**3**	1	**-**	-
Deferred income	**101**	78	**-**	-
Trade creditors	**124**	161	**53**	40
Other creditors	**159**	133	**-**	-
Social security and other taxes	**118**	380	**-**	-
VAT payable	**43**	29	**3**	-
Accruals	**216**	153	**44**	57
	764	935	**100**	97

18. BORROWINGS

	2007 Redemption Value £'000	2007 Carrying Value £'000	2006 Redemption Value £'000	2006 Carrying Value £'000
Short term financial liabilities	**-**	**-**	-	-
Long term financial liabilities	**2,345**	**2,213**	1,645	1,551

The loan is from R20 Limited and has been drawn down against the Company's loan facility agreement. This facility allows the Company to draw down a maximum of £2,807k. The amounts drawn down against the facility are interest free, and are not due for repayment until 1 January 2010. The Group has granted a specific charge over its intellectual property to R20 Limited as security for the loan facility. The carrying value represents the fair value at inception and the accrued imputed interest charge using a discount rate of 12.75%.

19. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash balances, leasing commitments, a loan facility, short term bank overdraft facilities and various items such as trade debtors and trade creditors that arise from the normal course of business. There were no other financial assets other than trade receivables.

At the year end the Group held sterling cash balances of £8k (2006: £Nil) and foreign currency cash balances of £42k (2006: £3k) held in Indian Rupees. At the year end the Group had no bank borrowings. The Group held trade receivables balances of £0.483m (2006: £0.320m) as at the year end.

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 1 January 2010. Thereafter, were these loans to be renewed, interest may or may not become due, however, the Group does not envisage hedging against this risk. Accordingly the Group believes that the interest rate risk to which the Group is exposed is minimal.

Credit Risk
The Group believes that its maximum credit risk at any one time is represented by the value of its trade receivables. In relation to credit risk to financial institutions, the Group does not have cash deposits, accordingly the Board believes this risk to be minimal.

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 2007 are detailed below. There is no difference between the book and fair value for short term debtors and creditors.

	2007 Redemption Value £'000	2007 Carrying Value £'000	2006 Redemption Value £'000	2006 Carrying Value £'000
Financing the Group's acquisitions:				
Short term financial liabilities	**-**	**-**	-	-
Long term financial liabilities	**2,345**	**2,213**	1,645	1,551

The loan is from R20 Limited and has been drawn down against the Company's loan facility agreement. This facility allows the Company to draw down a maximum of £2.807m.

19. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk
The Group's revenue is substantially sterling based, accordingly, foreign currency exposure risk to this 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. The value of assets held in the Group's Indian subsidiary is minimal, as are this Company's reserves. Accordingly the Board believes that the currency exposure on translation is minimal.

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.

20. CALLED UP SHARE CAPITAL

	No.	2007 £'000	No.	2006 £'000
Authorised				
Ordinary shares of 10p each at 1 January and 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.	2007 £'000	No.	2006 £'000
Authorised				
B Ordinary shares of 10p each at 1 January and 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 and 31 December	**84,585,014**	**8,459**	84,585,014	8,459

	No.	2007 £'000	No.	2006 £'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.

21. SHARE OPTION SCHEME

Under the Group's share option scheme, share options are granted to Executive Directors and selected employees. With the exception of option contracts granted in 2004 the exercise price of the granted options is 10p per share. Those granted in 2004 had an exercise price of 30p per share. Options are exercisable starting three years from the grant date (the vesting period), vesting in equal amounts per month of 1/36th of the total grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

At 31 December 2007 options granted under the Company's share option schemes were outstanding on a total of 10,395,001 ordinary shares as follows:

Grant date	Number of shares under option	Exercise price	Exercise period
October 2001	200,000	30p	October 2011
July 2002	6,667	30p	July 2012
October 2002	13,334	30p	October 2012
April 2004	750,000	10p	April 2014
January 2005	7,556,000	10p	January 2015
May 2007	1,869,000	10p	May 2017

The options can be exercised from three years after the grant dates specified above and have a ten year option exercise period (incorporating the vesting period of three years).

In line with IFRS 2, options which were granted before 7 November 2002 and that were vested at 1 January 2006 have been ignored for the purposes of estimating the charge for share based payments. Options are valued using the Black-Scholes model.

The movement in share awards during the year ended 31 December 2007 is as follows:

	2007 Number of shares under option	**2007 Weighted average exercise price**	**2006 Number of shares under option**	**2006 Weighted average exercise price**
Outstanding as at 1 January 2007	**11,998,001**	**11.32p**	11,998,001	11.32p
Granted during the year	**1,869,000**	**10.00p**	-	
Exercised during the year	**-**	**-**	-	
Forfeited during the year	**(3,472,000)**	**10.00p**	-	
Expired during the year	**-**	**-**	-	
Outstanding as at 31 December 2007	**10,395,001**	**10.07p**	11,998,001	11.32p

The following table summarises information about share awards outstanding as at 31 December 2007:

Exercise Price	**2007 Number**	**2007 Weighted average remaining contractual life**	**2006 Number**	**2006 Weighted average remaining contractual life**
£0.30p	**220,001**	**7.1 years**	620,001	8.7 years
£0.10p	**10,175,000**	**8.4 years**	11,378,000	9.0 years
Outstanding as at 31 December	**10,395,001**	**8.3 years**	11,998,001	8.9 years

21. SHARE OPTION SCHEME (continued)

The fair value of the share based payment expense was £0.053m (2006: £0.042m). The following assumptions were used in valuing the 2007 share options awarded per the Black-Scholes option-pricing model:

- Share price at grant of £0.0675
- Exercise price, under the option contracts of £0.10 per share
- 10 year option exercise period (incorporating the vesting period of three years)
- An expected share price volatility of 80% based on the average volatility of the FTSE techMARK listed companies and the share price history over the twelve months prior to the performance of this calculation
- An expected dividend yield of nil
- A risk free interest rate of 4.71% based on the implied yield on zero coupon government bonds

In calculating the fair value of these options no other market related performance conditions have been used.

22. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW

	Group		Company	
	2007	**2006**	**2007**	**2006**
	£'000	**£'000**	**£'000**	**£'000**
Operating loss	**(577)**	(857)	**(755)**	(726)
Share based payment expense	**53**	42	**53**	42
Depreciation of tangible assets	**20**	68	**-**	-
Amortisation of intangible assets	**226**	233	**-**	-
Other non-cash charges	**(1)**	10	**-**	-
(Increase) / decrease in debtors	**(137)**	207	**3**	27
(Decrease) / increase in creditors	**(203)**	(297)	**4**	(17)
Net cash used in operating activities	**(619)**	(594)	**(695)**	(674)

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

	2007	**2006**
	£'000	**£'000**
Increase in cash and cash equivalents in the year	**45**	33
Funding received	**(662)**	(665)
Movement in net debt in the year	**(617)**	(632)
Net debt at start of year	**(1,549)**	(917)
Net debt at end of year	**(2,166)**	(1,549)

24. ANALYSIS OF CHANGE IN NET DEBT

	At 1 January 2007 £'000	Movement £'000	At 31 December 2007 £'000
Cash	3	47	**50**
Overdraft	(1)	(2)	**(3)**
	2	45	**47**
Loan	(1,551)	(662)	**(2,213)**
	(1,549)	(617)	**(2,166)**

25. OBLIGATIONS UNDER OPERATING LEASES & COMMITTED EXPENDITURE

	2007 £'000	2006 £'000
The following amounts are payable on operating leases & committed expenditure expiring:		
Rent on premises:		
Within 1 year	**41**	35
Within 2 to 5 years	**7**	23
	48	58
Other:		
Within 1 year	**21**	29
Within 2 to 5 years	**-**	22
	21	51

26. CONTINGENT LIABILITIES

The Group and Company do not have any contingent liabilities (2006: nil).

27. RELATED PARTY TRANSACTIONS

Key management members are also Executive Directors of the Group and their remuneration is disclosed in note 6. The share based payment charge in relation to Mr Tony Ryan and Mr Nathan Doughty was £2k and £1k respectively. Funding was provided to the Company throughout the year by R20 Limited. The balance of the loan outstanding at the year end was £2.345m (2006: £1.645m). Mr Robert Tchenguiz is a director of this company.

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 2007.

Asite Solutions Limited provided services to Stanhope plc, a shareholder in Asite plc during the year under review. Revenue generated from Stanhope plc totalled £0.038m (2006: £0.020m) with £0.001m (2006: £0.001m) outstanding at the end of the year.

Asite Solutions Limited provided services to BAA plc, a related party through Non-Executive Director Mr Mathew Riley, during the year under review. Revenue generated from BAA plc totalled £0.195m (2006: £0.134m) with £0.059m (2006: £0.010m) outstanding at the end of the year.

There are no other trading balances with other Group companies.

28. TRANSITION FROM UK GAAP TO IFRS

The accounting policies were changed on 1 January 2007 to comply with IFRS. The transition to IFRS is accounted for in accordance with IFRS 1 'First-Time Adoption of International Financial Reporting Standards' with 1 January 2006 as the date of transition. The adoption of IFRS did not result in substantial changes to the Group's accounting policies under UK Accounting Standards as set out in the Group's audited Financial Statements for the year ended 31 December 2006. The changes in accounting policies as a consequence of the transition to IFRS are described below, along with reconciliations of the effects of the transition to IFRS.

The transition to IFRS resulted in the following changes in accounting policies:

(a) IAS 38 Intangible Assets
In accordance with IAS 38 all software that is not an integral part of the computer hardware must be classified within intangibles.

(b) IAS 39 Financial Instruments: Recognition and Measurement
In accordance with IAS 39 the interest free loan (see note 18) is recorded at fair value. The difference between the fair value and the redemption value is credited to the income statement and an interest charge is imputed to reflect the interest that the loan would incur under normal commercial terms.

The Group elected to apply the exemptions granted in IFRS 1 in respect of business combinations that occurred prior to the transition date of 1 January 2006 and in respect of share options granted prior to 7 November 2002. To explain the impact of the transition, reconciliations have been included that show the changes made to the statements previously reported under UK GAAP.

28. TRANSITION FROM UK GAAP TO IFRS (continued)

The following audited reconciliations are included:

- Reconciliation of Consolidated and Company UK GAAP balance sheet to the Consolidated IFRS balance sheet at 1 January 2006 and 31 December 2006
- Reconciliation of the Consolidated and Company UK GAAP profit and loss account to the Consolidated IFRS income statement for the year ended 31 December 2006
- Notes on financial impact on adoption of IFRS statements

Reconciliation of consolidated loss for year ended 31 December 2006

	UK GAAP £'000	(a) IAS 38 £'000	(b) IAS 39 £'000	(c) Non IFRS £'000	IFRS £'000
Revenue	1,354	-	-	(33)	1,321
Cost of sales	(317)	-	-	(22)	(339)
Gross profit	1,037	-	-	(55)	982
Sales & distribution costs	(288)	-	-	-	(288)
Administrative expenses	(1,606)	-	-	55	(1,551)
OPERATING LOSS	(857)	-	-	-	(857)
Fair Value adjustment arising on loan from shareholder	-		182	-	182
Financial income	1	-	-	-	1
Financial costs	(1)	-	(148)	-	(149)
LOSS BEFORE TAXATION	(857)	-	34	-	(823)
Tax expense	-	-	-	-	-
LOSS FOR THE YEAR	(857)	-	34	-	(823)
Attributable to:					
Equity shareholders	(857)	-	34	-	(823)
Minority shareholders	-	-	-	-	-
LOSS FOR THE YEAR	(857)	-	34	-	(823)

28. TRANSITION FROM UK GAAP TO IFRS (continued)

Reconciliation of Company loss for year ended 31 December 2006

	UK GAAP £'000	(a) IAS 38 £'000	(b) IAS 39 £'000	IFRS £'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Sales & distribution costs	-	-	-	-
Administrative expenses	(726)	-	-	(726)
OPERATING LOSS	(726)	-	-	(726)
Fair Value adjustment arising on loan from shareholder	-		182	182
Financial income	1	-	-	1
Financial costs	(2)	-	(148)	(150)
LOSS BEFORE TAXATION	(727)	-	34	(693)
Tax expense	-	-	-	-
LOSS FOR THE YEAR	(727)	-	34	(693)
Attributable to:				
Equity shareholders	(727)	-	34	(693)
Minority shareholders	-	-	-	-
LOSS FOR THE YEAR	(727)	-	34	(693)

28. TRANSITION FROM UK GAAP TO IFRS (continued)

Reconciliation of consolidated equity for the year ended 31 December 2006

	UK GAAP £'000	(a) IAS 38 £'000	(b) IAS 39 £'000	IFRS £'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	113	(66)	-	47
Intangible assets	365	66	-	431
	478	-	-	478
CURRENT ASSETS				
Trade and other receivables	409	-	-	409
Cash at bank	3	-	-	3
	412	-	-	412
TOTAL ASSETS	890	-	-	890
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Called up share capital	18,750	-	-	18,750
Share premium account	2,442	-	-	2,442
Profit and loss account	(22,882)	-	94	(22,788)
EQUITY SHAREHOLDERS' DEFICIT	(1,690)	-	94	(1,596)
Minority interest	-	-	-	-
TOTAL EQUITY	(1,690)	-	94	(1,596)
NON-CURRENT LIABILITIES				
Borrowings	1,645	-	(94)	1,551
CURRENT LIABILITIES				
Trade and other payables	935	-	-	935
TOTAL LIABILITIES	2,580	-	(94)	2,486
TOTAL EQUITY AND LIABILITIES	890	-	-	890

28. TRANSITION FROM UK GAAP TO IFRS (continued)

Reconciliation of consolidated equity for the year at 1 January 2006 (date of transition to IFRS)

	UK GAAP £'000	(a) IAS 38 £'000	(b) IAS 39 £'000	IFRS £'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	191	(97)	-	94
Intangible assets	547	97	-	644
	738	-	-	738
CURRENT ASSETS				
Trade and other receivables	617	-	-	617
Cash at bank	7	-	-	7
	624	-	-	624
TOTAL ASSETS	1,362	-	-	1,362
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Called up share capital	18,750	-	-	18,750
Share premium account	2,442	-	-	2,442
Profit and loss account	(22,069)	-	60	(22,009)
EQUITY SHAREHOLDERS' DEFICIT	(877)	-	60	(817)
Minority interest	(9)	-	-	(9)
TOTAL EQUITY	(886)	-	60	(826)
NON-CURRENT LIABILITIES				
Borrowings	977	-	(60)	917
CURRENT LIABILITIES				
Trade and other payables	1,271	-	-	1,271
	1,271	-	-	1,271
TOTAL LIABILITIES	2,248	-	(60)	2,188
TOTAL EQUITY AND LIABILITIES	1,362	-	-	1,362

28. TRANSITION FROM UK GAAP TO IFRS (continued)

Reconciliation of Company equity for the year ended 31 December 2006

	UK GAAP £'000	(a) IAS 38 £'000	(b) IAS 39 £'000	IFRS £'000
ASSETS				
NON-CURRENT ASSETS				
Investments	65	-	-	65
	65		-	65
CURRENT ASSETS				
Trade and other receivables	3	-	-	3
Cash at bank	-	-	-	-
	3	-	-	3
TOTAL ASSETS	68	-	-	68
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Called up share capital	18,750	-	-	18,750
Share premium account	2,442	-	-	2,442
Other reserve	124			124
Profit and loss account	(22,990)	-	94	(22,896)
EQUITY SHAREHOLDERS' DEFICIT	(1,674)	-	94	(1,580)
TOTAL EQUITY	(1,674)	-	94	(1,580)
NON-CURRENT LIABILITIES				
Borrowings	1,645	-	(94)	1,551
CURRENT LIABILITIES				
Trade and other payables	97	-	-	97
TOTAL LIABILITIES	1,742	-	(94)	1,648
TOTAL EQUITY AND LIABILITIES	68	-	-	68

The other reserve represents the share based payment charges incurred by the Company.

28. TRANSITION FROM UK GAAP TO IFRS (continued)

Reconciliation of Company equity for the year at 1 January 2006 (date of transition to IFRS)

	UK GAAP £'000	(a) IAS 38 £'000	(b) IAS 39 £'000	IFRS £'000
ASSETS				
NON-CURRENT ASSETS				
Investments	65	-	-	65
	65	-	-	65
CURRENT ASSETS				
Trade and other receivables	30	-	-	30
Cash at bank	7	-	-	7
	37	-	-	37
TOTAL ASSETS	102	-	-	102
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Called up share capital	18,750	-	-	18,750
Share premium account	2,442	-	-	2,442
Other reserve	82	-	-	82
Profit and loss account	(22,263)	-	60	(22,203)
EQUITY SHAREHOLDERS' DEFICIT	(989)	-	60	(929)
TOTAL EQUITY	(989)	-	60	(929)
NON-CURRENT LIABILITIES				
Borrowings	977	-	(60)	917
CURRENT LIABILITIES				
Trade and other payables	114	-	-	114
	114	-	-	114
TOTAL LIABILITIES	1,091	-	(60)	1,031
TOTAL EQUITY AND LIABILITIES	102	-	-	102

28. TRANSITION FROM UK GAAP TO IFRS (continued)

Explanation of reconciling items between UK GAAP and IFRS

(a) IAS 38 Intangible Assets
In accordance with IAS 38 all software that is not an integral part of the computer hardware must be classified within intangibles.

(b) IAS 39 Financial Instruments: Recognition and Measurement
In accordance with IAS 39 the interest free loan (see note 18) is recorded at fair value. The difference between the fair value and the redemption value is credited to the income statement and an interest charge is imputed to reflect the interest that the loan would incur under normal commercial terms.

Explanation of restatement of 2006 audited accounts (non IFRS)

(c) Management have taken the decision to reclassify rebates due to customers (£33k) from cost of sales to a reduction in revenue. Server hosting costs (£55k) have been reclassified from administrative costs to cost of sales.

Cash flows

There is no material difference between the UK GAAP and IFRS cash flow statements; hence no reconciliation has been prepared of the cash flow statements.

29. KEY AREAS OF ESTIMATION UNCERTAINTY

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 2009. 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 thirty six 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 in the form of a loan facility, of £2.807m, and that he will not call for the repayment of this loan before 31 December 2009.

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.

Company Number: 02004015

NOTICE OF MEETING
for the year ended, 31 December 2007

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 24 September 2008 at 9.00 am for the following purposes:

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

1 To receive and adopt the accounts for the year to 31 December 2007 together with the reports of the Directors and Auditors.

2 To re-appoint Tony Ryan as a Director who retires by rotation.

3 To re-appoint Colin Goodall as a Director who retires by rotation.

4 To elect PricewaterhouseCoopers 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:

5 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.

6 That the Company may send or supply documents or information to members by making them available on a website.

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

7 That, subject to the passing of resolution 5 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 5 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 £1,874,956 (representing 10% of the Company's issued share capital as at the date of this notice) 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. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 166 of the Act) of any of its ordinary share of 10p each ("**ordinary shares**"), provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 10,291,062, representing approximately 10 per cent. of the issued voting share capital at 16 June 2008;

(b) the minimum price (exclusive of expenses) which may be paid for each share is 2p, exclusive of the expenses of purchase;

(c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to 5 per cent. more than 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 date 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 2009; 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 Tony Ryan
24 June 2008

Registered Office:
Unit E2 3rd Floor
Zetland House
5/25 Scrutton Street
London EC2A 4HJ

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:

(a) 6pm on 22 September 2008; or

(b) if this Meeting is adjourned, at 6pm on the day that is two days prior to the adjourned meeting;

shall be entitled to attend and vote at the Meeting.

2 As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete the requisite number of proxy forms and state clearly on each form how many shares the proxy was appointed in relation to.

5 If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

6 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

(a) completed and signed; and

(b) sent or delivered to the Company's registrars at Capita Registrars Ltd, 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.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form. This e-mail address should not be used for any other purposes unless expressly stated.

7 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

8 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Company's registrars, Capita Registrars Ltd, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

9 In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

(a) by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars Ltd, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by the Company no later than 48 hours before the time appointed for the holding of the meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

10 Copies of the Directors' service contracts will be available for inspection from 8.45 am on the day of the annual general meeting until conclusion of the annual general meeting.

11 Except as provided above, members who have general queries about the Meeting should contact the Company's registrars at Capita Registrars Ltd, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (no other methods of communication will be accepted).

ASITE plc

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