ASITE Limited
Annual Report and Accounts
30 June 2010

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Company Registration No. 2004015

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for the year ended 30 June 2010

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OFFICERS AND PROFESSIONAL ADVISERS

for the year ended 30 June 2010

SECRETARY
Mr Gordon Ashworth

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

DIRECTORS
Mr Gordon Ashworth
Mr Nathan Doughty
Mr Walter Goldsmith
Mr Tony Ryan
Mr Robert Tchenguiz

BANKERS
HSBC Bank plc
70 Pall Mall
London
SW1Y 5EY

REGISTRARS
Capita IRG plc
Bourne House
34 Beckenham Road
Beckenham
Kent
BR3 4TU

AUDITORS
Milsted Langdon LLP
Winchester House
Deane Gate Avenue
Taunton
TA1 2UH

SOLICITORS
Kemp Little LLP
Cheapside House
138 Cheapside
London
EC2V 6BJ

The directors present their annual report and the audited financial statements for the year ended 30 June 2010.

Principal activities

Asite Limited is a limited company, incorporated and domiciled in England. Asite Limited 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 collaborative Software as a Service (cSaaS) to the Architectural, Engineering and Construction (AEC) industry to deliver successful supply chain collaboration.

Business review

Having delisted from the London AIM market in April 2009, the Group changed its reporting year end to June 30th. Consequently the report and accounts for the period ended 30 June 2009 covered a period of 18 months. For the purpose of this Report comparisons are made between the 12 months ended 30 June 2010 and the twelve months ended 30 June 2009 as extracted from our management accounts.

I am pleased to report that the Group continued its growth on the performance of 2009. For the 12 months ended 30 June 2010 revenue increased by 7% to £2.021m (2009: £1.891m). The Group's continuing attention to cost control was such that total operating costs fell by 15% to £1.888m (2009: £2.215m). Overall, operating profit for the period rose to £0.133m from an overall loss of £0.158m. Notwithstanding the troubled economic backdrop, we have continued to win significant new business with key clients in our target markets. Our strategy to focus on enterprise deals continues to deliver success. With the release of our latest platform version, which includes some major innovative breakthroughs we have seen our pipeline increase dramatically both domestically, but more importantly, internationally. Our platform now has a service called "AppBuilder", which enables our clients to build their own applications and store them in our "AppLibrary".

We have experienced significant interest in AppBuilder and believe that there are very real prospects to build revenues from this product into an important part of our business.

Principal risks and uncertainties

We undertake a continuous risk review strategy of our operations and continue to implement appropriate mitigation strategies for those risks which we have assessed as critical to the ongoing operations of the Group. 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 profit for the period after taxation is shown in the consolidated statement of comprehensive income on page 7. The directors do not recommend the payment of a final dividend (2009: £nil).

Directors

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

Name	**Position**
Mr Walter Goldsmith	Chairman
Mr Tony Ryan	Group Chief Executive
Mr Robert Tchenguiz	Non-Executive Director
Mr Gordon Ashworth	Non-Executive Director
Mr Nathan Doughty	Chief Operating Officer

Statement of directors' responsibilities

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

The directors are required under Company legislation to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, which are required by law to give a true and fair view of the state of affairs of the Group and of its profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed by the Group, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the Group during the period. 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 Private Limited (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 18 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 30 June 2010 represented 18 days (2009: 68 days) trade purchases. The Group continues to improve this. Company trade creditors outstanding at 30 June 2010 represented 133 days (2009: 124 days) trade purchases. This is calculated as the weighted average trade creditors as at the year end.

Research and Development

The Company undertakes research and development in the field of collaborative Supply Chain Management (cSCM) Software.

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

Milsted Langdon 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
8 December 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASITE LIMITED

for the year ended 30 June 2010

We have audited the Group and Parent Company financial statements (the "financial statements") of Asite Limited for the year ended 30 June 2010 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30 June 2010 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following. Under the Companies Act 2006 we are required to report to you if, in our opinion;

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mr Nigel Fry (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Taunton

8 December 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2010

	Note	Year to 30 June 2010	18 Months to 30 June 2009
		£'000	£'000
REVENUE	3	**2,021**	2,949
Cost of sales		**(456)**	(722)
Gross profit		**1,565**	2,227
Sales & distribution costs		**(178)**	(452)
Administrative expenses		**(1,254)**	(2,013)
OPERATING PROFIT / (LOSS)		**133**	(238)
Fair Value adjustments arising on loan from shareholder	7	**150**	300
Financial income	7	**–**	2
Financial costs	8	**(150)**	(283)
PROFIT / (LOSS) BEFORE TAXATION	6	**133**	(219)
Tax	9	**271**	–
PROFIT / (LOSS) FOR THE PERIOD		**404**	(219)
Attributable to:			
Equity shareholders		**404**	(219)
Minority interest		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**404**	(219)

All transactions are derived from continuing operations.

The notes on pages 12 to 29 are an integral part of these consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2010

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Group				
At 1 January 2008	18,750	2,442	(23,303)	(2,111)
Loss for the period	–	–	(219)	(219)
Exchange differences arising on translation of overseas operations	–	–	1	(1)
At 30 June 2009	**18,750**	**2,442**	**(23,521)**	**(2,329)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Group				
At 1 July 2009	18,750	2,442	(23,521)	(2,329)
Profit for the year	–	–	404	404
Exchange differences arising on translation of overseas operations	–	–	1	1
At 30 June 2010	**18,750**	**2,442**	**(23,116)**	**(1,924)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Company				
At 1 January 2008	18,750	2,442	(23,433)	(2,421)
Loss for the year	–	–	(230)	(230)
At 30 June 2009	**18,750**	**2,442**	**(23,663)**	**(2,471)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Company				
At 1 July 2009	18,750	2,442	(23,663)	(2,471)
Loss for the year	–	–	(32)	(32)
Reinstatement of intercompany loan	–	–	2,368	2,368
At 30 June 2010	**18,750**	**2,442**	**(21,327)**	**(135)**

The notes on pages 12 to 29 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2010

Company Number 2004015	Note	30 June 2010	30 June 2009
		£'000	**£'000**
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**12**	**26**	37
Intangible assets	**13**	**–**	12
Deferred tax asset	**9**	**271**	–
		297	49
CURRENT ASSETS			
Trade and other receivables	**15**	**765**	570
Cash at bank		**225**	119
		990	689
TOTAL ASSETS		**1,287**	738
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	**19**	**18,750**	18,750
Share premium account		**2,442**	2,442
Profit and loss account		**(23,116)**	(23,521)
EQUITY SHAREHOLDERS' DEFICIT		**(1,924)**	(2,329)
Minority interest		**–**	–
TOTAL EQUITY		**(1,924)**	(2,329)
NON-CURRENT LIABILITIES			
Borrowings	**17**	**2,502**	2,502
CURRENT LIABILITIES			
Trade and other payables	**16**	**709**	565
TOTAL LIABILITIES		**3,211**	3,067
TOTAL EQUITY AND LIABILITIES		**1,287**	738

The notes on pages 12 to 29 are an integral part of these consolidated financial statements.

The financial statements on pages 7 to 29 were approved by the Board of Directors on 8 December 2010 and signed on its behalf by:

Mr Tony Ryan
Chief Executive Officer

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 June 2010

Company Number 2004015	Note	30 June 2010	30 June 2009
		£'000	£'000
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries	14	65	65
Loan to subsidiary		2,314	–
		2,379	65
CURRENT ASSETS			
Trade and other receivables	15	8	2
Cash at bank		2	40
		10	42
TOTAL ASSETS		2,389	107
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	19	18,750	18,750
Share premium account		2,442	2,442
Profit and loss account		(21,327)	(23,663)
EQUITY SHAREHOLDERS' DEFICIT		(135)	(2,471)
Minority interest		–	–
TOTAL EQUITY		(135)	(2,471)
NON-CURRENT LIABILITIES			
Borrowings	17	2,502	2,502
CURRENT LIABILITIES			
Trade and other payables	16	22	76
TOTAL LIABILITIES		2,524	2,578
TOTAL EQUITY AND LIABILITIES		2,389	107

The notes on pages 12 to 29 are an integral part of these consolidated financial statements.

The financial statements on pages 7 to 29 were approved by the Board of Directors on 8 December 2010 and signed on its behalf by:

Mr Tony Ryan
Chief Executive Officer

CASH FLOW STATEMENTS

for the year ended 30 June 2010

CONSOLIDATED CASH FLOW STATEMENT	Note	Year to June 2010	18 Months to June 2009
Year ended 30 June 2010		£'000	£'000
Net cash generated by / (used in) operating activities	20	116	(190)
Cash flows from investing activities			
Purchase of property, plant and equipment		(9)	(14)
Purchase of intangible assets		(1)	(32)
Interest received		-	2
Net cash used in investing activities		(10)	(44)
Cash flows from financing activities			
Net proceeds from borrowings		-	306
Net cash generated from financing		-	306
Net increase in cash, cash equivalents and bank overdrafts		106	72
Cash, cash equivalents and bank overdrafts at beginning of period		119	47
Cash, cash equivalents and bank overdrafts at end of period		225	119

COMPANY CASH FLOW STATEMENT	Note	Year to June 2010	18 Months to June 2009
Year ended 30 June 2010		£'000	£'000
Net cash used in operating activities	20	(38)	(275)
Cash flows from investing activities			
Interest received		-	2
Net cash used in investing activities		-	2
Cash flows from financing activities			
Net proceeds from borrowings		-	306
Net cash generated from financing		-	306
Net (decrease) / increase in cash, cash equivalents and bank overdrafts		(38)	33
Cash, cash equivalents and bank overdrafts at beginning of period		40	7
Cash, cash equivalents and bank overdrafts at end of period		2	40

The notes on pages 12 to 29 are an integral part of these consolidated financial statements.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial information presented in this statement has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the EU and the Companies Act 2006 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.

In the application of the above accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

The directors do not consider there are any critical judgements or key sources of estimation uncertainty made in the process of applying the entity's accounting policies and the amounts recognised in the financial statements.

The presentational currency used in this report is Pound Sterling (£).

Standards and Interpretations effective in the current period

The following standards, interpretations and amendments to existing standards and interpretations were adopted by the group in the year:

- IFRS 2 (Amendment) 'Share Based Payment' effective 1 January 2009
- IFRS 3 (Revised) 'Business Combinations' effective 1 July 2009
- IFRS 7 (Amendment) 'Financial Instruments: Disclosures' effective 1 July 2008
- IAS 1 (Revised) 'Presentation of Financial Statements' effective 1 January 2009
- IAS 23 (Revised) 'Borrowing Costs' effective 1 January 2009
- IAS 27 (Revised) 'Consolidated and Separate Financial Statements' effective 1 July 2009
- IAS 32 (Amendment) 'Financial Instruments: Presentation' effective 1 January 2009
- IAS 39 (Amendment) 'Financial Instruments: Recognition and Measurement' effective 1 July 2008
- IFRIC 9 (Amendment) 'Reassessment of Embedded Derivatives' effective 30 June 2009
- IFRIC 13 'Customer Loyalty Programmes' effective 1 July 2008
- IFRIC 15 'Agreement for the Construction of Real Estate' effective 1 January 2009
- IFRIC 16 'Hedges of a Net Investment in a Foreign Operation' effective 1 October 2008
- IFRIC 17 'Distributions of Non-cash Assets to Owners' effective 1 July 2009
- IFRIC 18 'Transfers of Assets from Customers' effective 1 July 2009

The adoption of these standards, interpretations and amendments to existing standards and interpretations has not led to any changes in the Group's accounting policies.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Continued)

Standards and Interpretations in issue not early adopted

At the date of authorisation of these financial statements, the following standards, interpretations and amendments to existing standards were in issue but not yet effective and have not been early adopted by the Group:

- IFRS 2 (Amendment) 'Share Based Payment' effective 1 January 2010
- IFRS 9 'Financial Instruments' effective 1 January 2013
- IAS 24 (Revised) 'Related Party Transactions' effective 1 January 2011
- IAS 32 (Amendment) 'Financial Instruments: Presentation' effective 1 February 2010
- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments' effective 1 July 2010

The directors anticipate that the adoption of these standards, interpretations and amendments to existing standards and interpretations, in future periods, will have no material impact on the financial statements of the Group.

2. 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) 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 Group 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.

(c) 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.

2. ACCOUNTING POLICIES (continued)

(d) 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.

(e) 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.

(f) 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.

(g) Trade payables

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

(h) 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 Groups 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.

2. ACCOUNTING POLICIES (continued)

(i) 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 are consistent with the rates in which the entity's management expects, at the balance sheet date, to recover or settle the carrying amount of assets and liabilities. 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.

(j) 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.

(k) 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 Groups 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.

(l) 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.

(m) Investments

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

3. SEGMENT ANALYSIS

The primary segment is by business as this is the main driver of risks and return. 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. All sales therefore arise from the rendering of services.

The secondary segments which are geographical are United Kingdom (UK), United Arab Emirates (UAE), Europe, India and Rest of World (ROW). Information regarding these segments is reported below.

Analysis of results by geographical region

	Year to June 2010 £'000	18 Months to June 2009 £'000
UK	**1,922**	2,526
UAE	**3**	294
Europe	**79**	64
India	**9**	42
ROW	**8**	23
Revenue	**2,021**	2,949

4. STAFF COSTS

Group	Year to June 2010 £'000	18 Months to June 2009 £'000
Staff costs during the period (including Directors)		
Wages and salaries	**1,172**	1,860
Social security costs	**84**	134
	1,256	1,994

	No.	No.
The average monthly number of employees (including Executive Directors) was:		
Professional services	**5**	7
Sales and account managers	**3**	4
Technical	**43**	49
Finance & administrative	**9**	7
	60	67

5. DIRECTORS' REMUNERATION

	Year to June 2010 £'000	18 Months to June 2009 £'000
Aggregate emoluments	**250**	375
	250	375

The highest paid director was paid £150,000 in salary during the period (2009: £225,000).
Pension contributions of £nil (2009: £nil) were made on behalf of a director of the company.
No directors (2009: none) are accruing retirement benefits.

6. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	Year to June 2010 £'000	18 Months to June 2009 £'000
Staff costs (note 4)	**1,256**	1,994
Rent of premises	**26**	35
Hire of machinery and equipment	**–**	8
Net exchange difference gains	**(1)**	(1)
Research and development costs	**480**	697
Depreciation of tangible fixed assets included in administrative expense (note 12)	**20**	24
Amortisation of intangible fixed assets included in administrative expense (note 13)	**13**	243

	Year to June 2010 £'000	18 Months to June 2009 £'000
During the period 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	**7**	7
Fees payable to the Company's auditor and its associates for other services:		
The audit of financial statements of subsidiaries pursuant to legislation	**7**	7
Tax services	**1**	1
	15	15

7. FINANCIAL INCOME

	Year to June 2010 £'000	18 Months to June 2009 £'000
Interest receivable	**–**	2
Fair Value adjustments arising on loan from shareholder (note 17)	**150**	300
	150	302

The fair value adjustment relates to the recognition of the difference between the fair value and the redemption value of the loan (see note 17).

8. FINANCIAL COSTS

	Year to June 2010 £'000	18 Months to June 2009 £'000
Imputed interest payable	**150**	283
Other interest payable	**–**	–
	150	283

The imputed interest payable represents the amortisation of the difference between the fair value and the redemption value of the loan (see note 17).

9. INCOME TAX & DEFERRED TAX ASSET

	Year to June 2010 £'000	18 Months to June 2009 £'000
Current tax		
United Kingdom corporation tax on the profit for the year	**–**	–
Deferred tax		
Deferred tax asset recognised	**271**	–
	271	–

The differences from the standard charge are explained below:

	Year to June 2010 £'000	18 Months to June 2009 £'000
Profit / (loss) on ordinary activities before tax	**133**	(219)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009: 28%)	**37**	(61)
Effects of:		
Expenses not deductible for tax purposes	**(12)**	(14)
Depreciation in excess of capital allowances	**10**	18
Tax losses carried forward	**(35)**	57
Total tax	**–**	–

Deferred tax asset

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 27% (2009: Nil).

The movement on the deferred tax account is as shown below:

	Opening balance £'000	Movement £'000	Closing balance £'000
Accelerated capital allowances	545,259	10,985	**556,244**
Tax losses	4,459,407	30,527	**4,489,934**
30 June 2009	5,004,666	41,512	**5,046,178**
Accelerated capital allowances	556,244	4,146	**560,390**
Tax losses	4,489,934	(40,620)	**4,449,314**
30 June 2010	5,046,178	(36,474)	**5,009,704**

9. INCOME TAX & DEFERRED TAX ASSET (continued)

Deferred tax asset split:

	Asite Solutions Limited £'000	Asite (Private) Limited £'000	Asite Limited £'000	Total £'000
Accelerated capital allowances	556,097	–	4,293	**560,390**
Losses	3,846,075	–	603,239	**4,449,314**
	4,402,172	–	607,532	**5,009,704**

A deferred tax asset has been recognised for an element of the available losses and capital allowances in Asite Solutions Limited, one of the Groups trading subsidiaries because recovery is considered reasonably certain. A deferred tax asset has not been recognised in respect of the remaining available losses and capital allowances of Asite Solutions Limited or that of Asite Limited (the Company) because recovery is not considered reasonably certain.

Deferred tax asset recognised:

2010 £'000	2009 £'000
271	–

There are no deferred tax liabilities and consequently no offset of deferred tax assets and liabilities.

10. PROFITS OF THE PARENT COMPANY FOR THE FINANCIAL YEAR

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included an Income Statement in these financial statements. In the period the Company made a loss of £0.032m (2009: £0.230m loss).

11. PROFIT / (LOSS) PER SHARE

	Year to June 2010 £'000	18 Months to June 2009 £'000
Basic and diluted		
Net profit / (loss) for the period (£'000's)	**133**	(219)
Weighted average number of ordinary shares outstanding	**18,749,564**	18,749,564
Profit / (loss) per share:	**0.71p**	(1.17p)

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

Earnings per share requires presentation of diluted profit / (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.

The Company has no outstanding options.

12. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment £'000
Group	
Cost	
At 1 July 2009	580
Additions	9
Disposals	(514)
At 30 June 2010	**75**
Accumulated depreciation	
At 1 July 2009	543
Charge for the period	20
Eliminated on disposal	(514)
At 30 June 2010	**49**
Net book value	
At 30 June 2010	**26**
At 30 June 2009	**37**

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant and equipment £'000
Group	
Cost	
At 1 January 2008	566
Additions	14
At 30 June 2009	**580**
Accumulated depreciation	
At 1 January 2008	519
Charge for the period	24
At 30 June 2009	**543**
Net book value	
At 30 June 2009	**37**
At 31 December 2007	**47**

The Company has no tangible fixed assets (2009: £nil)

13. INTANGIBLE ASSETS

	Development costs £'000	Computer software £'000	Total £'000
Group			
Cost			
At 1 July 2009	831	3,143	3,974
Additions	–	11	11
Disposals	(831)	(3,154)	(3,985)
At 30 June 2010	**–**	**–**	**–**
Accumulated amortisation			
At 1 July 2009	831	3,131	3,962
Charge for the year	–	13	13
Disposals	(831)	(3,144)	(3,975)
At 30 June 2010	**–**	**–**	**–**
Net book value			
At 30 June 2010	**–**	**–**	**–**
At 30 June 2009	**–**	**12**	**12**

13. INTANGIBLE ASSETS (continued)

	Development costs £'000	Computer software £'000	Total £'000
Group			
Cost			
At 1 January 2008	831	3,111	3,942
Additions	–	32	32
At 30 June 2009	**831**	**3,143**	**3,974**
Accumulated amortisation			
At 1 January 2008	649	3,070	3,719
Charge for the period	182	61	243
At 30 June 2009	**831**	**3,131**	**3,962**
Net book value			
At 30 June 2009	**–**	**12**	**12**
At 31 December 2007	**182**	**41**	**223**

The Company has no intangible fixed assets (2009: £nil)

14. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company

	2010 £'000	2009 £'000
Cost and net book value		
At 1 July 2009 and at 30 June 2010	**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 Solutions Limited is incorporated in England and Wales. Asite Solutions Private Limited is incorporated in India and is owned by Asite Solutions Limited.

15. TRADE & OTHER RECEIVABLES

	Group		Company	
	Year to June 2010 £'000	18 Months to June 2009 £'000	Year to June 2010 £'000	18 Months to June 2009 £'000
Amounts falling due within one year:				
Trade receivables	**703**	492	**–**	–
Provision for doubtful debts	**–**	–	**–**	–
Net trade receivables	**703**	492	**–**	–
Prepayments and accrued income	**54**	70	**6**	1
VAT recoverable	**1**	1	**2**	1
Other debtors	**7**	7	**–**	–
	765	570	**8**	2

Trade receivables that are less than three months past due are not considered impaired. As of 30 June 2010, trade receivables of £100k (2009: £119k) 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:

	Year to June 2010 £'000	18 Months to June 2009 £'000
Up to 6 months	**54**	80
Over 6 months	**46**	39
	100	119

As of 30 June 2010, trade receivables of £Nil (2009: £Nil) were impaired and provided for. The amount of the provision was £Nil as of 30 June 2010 (2009: £Nil).

15. TRADE & OTHER RECEIVABLES (continued)

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

	Year to June 2010 £'000	18 Months to June 2009 £'000
Sterling	**693**	553
Euro	**10**	17
	703	570

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

	Year to June 2010 £'000	18 Months to June 2009 £'000
At 1 July	**–**	7
Provision for receivables impairment	**–**	–
Receivables written off during period as uncollectible	**–**	(7)
At 30 June	**–**	–

16. TRADE & OTHER PAYABLES

	Group		Company	
	Year to June 2010 £'000	18 Months to June 2009 £'000	Year to June 2010 £'000	18 Months to June 2009 £'000
Deferred income	**341**	228	**–**	–
Trade creditors	**49**	71	**15**	69
Other creditors	**198**	180	**–**	–
Social security and other taxes	**26**	26	**–**	–
VAT payable	**76**	39	**–**	–
Accruals	**19**	21	**7**	7
	709	565	**22**	76

17. BORROWINGS

	30 June 2010		30 June 2009	
	Redemption value £'000	Carrying value £'000	Redemption value £'000	Carrying value £'000
Short term financial liabilities	**–**	**–**	–	–
Long term financial liabilities	**2,652**	**2,502**	2,652	2,502

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. The amounts drawn down against the facility are interest free, are not due for repayment until 30 June 2011 and are payable only from cash reserves. The carrying value represents the fair value at inception and the accrued imputed interest charge using a discount rate of 6% (2009: 12.75%). There is a fixed charge held over the intellectual property assets of the Group.

18. 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 £0.186m (2009: £0.114m) and foreign currency cash balances of £0.039m (2009: £0.005m) held in Indian Rupees. At the year end the Group had no bank borrowings. The Group held trade receivables balances of £0.703m (2009: £0.492m) as at the period 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 30 June 2011. 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 significant 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 30 June 2010 are detailed below. There is no difference between the book and fair value for short term debtors and creditors.

	30 June 2010		30 June 2009	
	Redemption value £'000	Carrying value £'000	Redemption value £'000	Carrying value £'000
Financing the Group's acquisitions:				
Short term financial liabilities	**–**	**–**	–	–
Long term financial liabilities	**2,652**	**2,502**	2,652	2,502

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.

18. 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.

19. CALLED UP SHARE CAPITAL

	30 June 2010		30 June 2009	
Allotted, issued and fully paid	**No.**	**£'000**	**No.**	**£'000**
New Ordinary Shares of 1p	**10,291,063**	**103**	10,291,063	103
New B Shares of 1p	**8,458,501**	**85**	8,458,501	85
Deferred Shares of 99p each	**18,749,564**	**18,562**	18,749,564	18,562
Total allotted, issued and fully paid	**37,499,128**	**18,750**	37,499,128	18,750

The Company's authorised share capital is £42,500,000 comprised of New Ordinary Shares of 1p each, New B Shares of 1p each and Deferred Shares of 99p each.

The authorised share capital of the Company at each period end date was £42.5m

During the prior period the Company reorganised its shares.

The issued Ordinary Shares of 10p each were consolidated into New Ordinary Shares of £50 each, on the basis of one consolidated (New Ordinary) share for every 500 pre-existing Ordinary Shares. All consolidated Ordinary Shares held in fractions as a result of such consolidations were sold and the proceeds retained for the benefit of the Company.

Each of the New Ordinary Shares were subsequently divided into 50 New Ordinary Shares of £1.00 each.

Each of the New Ordinary £1 shares were further divided into one New Ordinary Share of £0.01 and one Deferred Share of £0.99. Each of the issued B Ordinary Shares undertook the same process. These have ultimately been converted into New B Shares of £0.01.

New B Shares do not have voting rights. New B Shares have the same rights as the New Ordinary Shares with respect to dividend entitlement and priority to receive funds on winding up of the Company.

The Deferred Shares have no voting or attendance rights. Deferred Shares have no right to receive dividends. On a return of capital or winding up of the Company, each Deferred Share is entitled to its par value after each New Ordinary Share and New B Share has received repayment of capital plus £1,000,000.

20. RECONCILIATION OF NET PROFIT/ (LOSS) TO NET CASH INFLOW/ (OUTFLOW)

	Group		Company	
	Year to June 2010 £'000	18 Months to June 2009 £'000	Year to June 2010 £'000	18 Months to June 2009 £'000
Net profit / (loss)	**133**	(219)	**22**	(230)
Share based payment expense	**–**	–	**–**	–
Depreciation of tangible assets	**20**	24	**–**	–
Amortisation of intangible assets	**13**	243	**–**	–
Other non-cash credits	**–**	1	**–**	–
Net financial income	**–**	(19)	**–**	(19)
Increae in debtors	**(195)**	(24)	**(5)**	(2)
Increae / (decrease) in debtors	**145**	(196)	**(55)**	(24)
Net cash generated by / (used in) operating activities	**116**	(190)	**(38)**	(275)

21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Year to June 2010 £'000	18 Months to June 2009 £'000
Increase in cash and cash equivalents in the period	**106**	72
Funding received	**–**	(289)
Movement in net debt in the period	**106**	(217)
Net debt at start of period	**(2,383)**	(2,166)
Net debt at end of period	**(2,277)**	(2,383)

22. ANALYSIS OF CHANGE IN NET DEBT

	At 1 July 2009 £'000	Movement £'000	At 30 June 2010 £'000
Cash	119	106	225
	119	106	225
Loan	(2,502)	–	(2,502)
	(2,383)	**106**	**(2,277)**

23. OBLIGATIONS UNDER OPERATING LEASES AND COMMITTED EXPENDITURE

	Year to June 2010 £'000	18 Months to June 2009 £'000
The total future minimum lease payments under non-cancellable operating leases fall due in the following periods:		
Rent on premises:		
Within 1 year	**35**	46
Within 2 to 5 years	**–**	–
Net debt at end of period	**35**	46

The lease on the premises is subject to renewal on an annual basis.

24. CONTINGENT LIABILITIES

The Group and Company do not have any contingent liabilities (2009: nil).

25. RELATED PARTY TRANSACTIONS

Key management members are also directors of the group and their remuneration is disclosed in note 5. Funding was provided to the Company throughout the year by R20 Limited. The balance of the loan outstanding at the year end was £2.652m (2009: £2.652m). Mr Robert Tchenguiz is a director of this company.

Mr Robert Tchenguiz's holding of shares is comprised of 2,660,706 Ordinary shares and 8,458,501 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 period ended 30 June 2010.

Asite Solutions Limited provided services to Stanhope plc, a shareholder in Asite Limited during the period under review. Revenue generated from Stanhope plc totalled £0.005m (2009: £0.017m) with £Nil (2009: £Nil) outstanding at the end of the period.

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Tchenguiz Discretionary Trust.

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