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for the year ended 31 December 2003

OFFICES AND PROFESSIONAL ADVISERS

for the year ended 31 December 2003

SECRETARY
Mr Gordon Ashworth

REGISTERED OFFICE
Leconfield House
Curzon Street
London W1J 5JA

DIRECTORS
Sir John Egan
Mr Walter Goldsmith
Mr Thomas Dengenis
Mr Robert Tchenguiz
Mr Peter Rogers
Mr Mathew Riley
Mr Gordon Ashworth
Mr Brian Austin
Mr Nathan Doughty

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

NOMINATED BROKER
Insinger Townsley
44 Worship Street
London EC2A 2JT

BANKERS
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70 Pall Mall
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REGISTRARS
Capita IRG plc
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

AUDITORS
Mazars
24 Bevis Marks
London EC3A 7NR

Results and dividends

During 2003 the Group focused on its core activities of software development and the provision of solution consulting, integration and support services to its clients. The Board has continued to reduce the cost base of the Group whilst maintaining sufficient resource to deliver on the development of new products to satisfy increased customer demand. With new product offerings available and promising signs of acceptance being demonstrated by our clients, the Board took the opportunity of strengthening the management team, in particular in the Sales Development and Finance Functions in the early part of 2004.

The Group recorded a loss for the year of £2.1million, being a considerable improvement on the £4.6million loss of the previous year. The 2003 loss reflects the significant investment made in Asite's product inventory. The loss per share was 2.1p in 2003 compared with a loss of 4.7p in 2002. The board is not recommending a dividend this year (2002 £nil).

Development of the Group

Following the extensive re-structuring of the Group in previous years, 2003 was a time for consolidation and focus on tailoring our products to add immediate value to our clients. During the year the Group launched a number of key products which were well received in the market. These included Asite Tender in March 2003, Asite Package Acquisition in May 2003 and Asite Workspaces in September 2003. Following the year end we launched Asite Project Workflow in February 2004. Development work continues on enhancements to existing offerings and further new products. In particular our Product Library offering will be coming to the market in the second half of 2004. We have also managed to reduce our dependency on reseller agreements, the cost of which declined from £0.5million to £0.4million over the year, a trend which has continued in the first quarter of 2004. This will have a significant positive impact on our gross margins as we grow our revenues. At the same time turnover from our ongoing business has continued to grow to £1.7million from £1.6million in 2002.

Five Directors remained in post throughout the year, including myself, Mr Walter Goldsmith (Deputy Chairman), and Non-Executives Mr Peter Rogers of Stanhope plc, Mr Mathew Riley of BAA plc, and Mr Robert Tchenguiz of Rotch Property Group Limited. Mr Thomas Dengenis was promoted to Group Chief Executive in January 2003. In early 2004 the Board strengthened itself with appointments in a number of executive positions:

- Mr Gordon Ashworth was appointed as Finance Director and joined in March 2004;
- Mr Brian Austin was appointed Business Development Director in April 2004; and,
- Mr Nathan Doughty, already on the board of Asite Solutions Limited, joined the Board as Technology Director in April 2004.

These changes were driven by the fact that the Group has now addressed a significant element of its core development programme and the challenge is now to build on our sales development and finance activities going forward.

Operational review

Asite has built on the major client relationships established during the course of 2002 through the provision of existing products and services and also through the introduction of new products as outlined above. Our client base remains heavily biased towards major players in the UK construction industry including BAA plc, Stanhope plc, Laing O'Rourke plc, Grosvenor Estates, Berkeley Group and Birse Rail Group plc. During the course of 2003 we have added to this impressive client list with contracts with Galliford Try and T-Mobile. The strengthening of our client relationships and our improved product inventory has led to a growing order book (the value of contracted sales less work done) of contracted revenue, which, under the long term framework contracts that our clients contract with us upon, stretches out to 2010.

In 2002 we eliminated a number of contractual liabilities thereby reducing our long term operating costs. During 2003 we have continued to reduce our operating costs (before depreciation) which fell from £3.8million to £3.3million. We have also taken steps to offshore some of our development capacity, thereby further reducing operating costs. The size of our improving order book and the reduced forecast operating costs leads the Board to believe that Asite will make good progress toward turning cashflow positive during 2004.

As described in note 1 to the accounts, the directors believe that the Company has adequate funding in place to reach the point where it will become self-funding.

Calling of an Extraordinary General Meeting

Asite continues to operate within its borrowing facilities and Mr Robert Tchenguiz continues to support Asite as described in note 1 to these accounts. Supported by the demonstrable improvement in the Group's contracted order book, market acceptance of our products and improved margins through the reduced reliance on reseller agreements, the Board remains confident that Asite's operating subsidiary, Asite Solutions Limited, will move ahead, in due course, into a period of profitable and sustainable trading. Notwithstanding the support afforded Asite by Mr Robert Tchenguiz, the Board believes that the commercial prospects of Asite Solutions Limited would be improved through the strengthening of its balance sheet and also that of Asite plc. Accordingly the Board has undertaken a review of the financial structure of the Group and has determined a financial strategy which will enable Asite plc to return to a positive net asset position.

The Board wishes to seek the approval of shareholders to implement those actions. Accordingly, the directors have called an Extraordinary General Meeting to take place after the Annual General Meeting on 21 July 2004. The notice of the Extraordinary General Meeting and a circular setting out these actions will be sent out separately from the Annual Report and Financial Statements for 2003.

Prospects

The past year has been a period of investment and consolidation at Asite. The focus on software development will continue in 2004. However, we are now in a position to start to leverage our product inventory, our excellent client base and the growing appreciation by existing and potencial clients of the value of our products and services. Over the past year the traffic across our main website increased by 43% and user logins to our community section increased by 53%. 2004 will, therefore, be a year of investment in our business development and client acquisition capacity, and continued progress towards building a profitable and sustainable business.

Sir John Egan
Chairman

8 June 2004

Delivering Data Logistics

In the past year, we delivered against a demanding schedule of technology development. We worked closely with our customers and successfully completed the development of the following new applications which have been well received: Asite Project Workflow, Asite Project Workspace and Asite Tender. These applications are key in our suite of products to support the integration of both supply chains and project teams. Our key accounts include the following: BAA plc, Grosvenor Estates, Berkeley Group, Laing O'Rourke plc, and Stanhope plc. Our customers have also confirmed the importance of our choice to deliver these applications through an Application Service Provider (ASP) model. The benefit of our on-demand services are being delivered to clients over the Internet without them needing to make hardware purchases or implementing other third party software. Given the pervasiveness of the Internet, coupled with the reduction in access costs including bandwidth, hardware and software the relevance of the ASP model has become ever more significant especially when Asite's focus is in support of business-to-business data logistics and integrated solutions.

Our applications support a range of supply chain integration and project management activities, enabling customers to improve the efficiency of their interactions with other businesses through enhanced productivity and improved communications. They support the supply chain through the entire capital asset life cycle (design, construction and maintenance).

To maximise our customers' use of Asite's technology we have also put in place the full service offering with capability to address gaps in their digital infrastructure. We can deliver infrastructure solutions including hardware, applications and fixed line and wireless solutions.

In the past year, Asite has further developed the technological framework to allow our technology to work effectively with the commercial and document management systems that our customers use. We provide a "business operating system" that enables customers to connect with members of their supply chains – irrespective of which applications they are already using. Asite has firmly positioned itself as both a solutions provider and systems integrator and has successfully integrated its platform with established industry-leading Enterprise Resource Planning (ERP) systems including Microsoft (Great Plains), COINS and Causeway.

Asite has worked closely with the International Alliance of Interoperability (IAI) to move towards achieving true interoperability between Computer Aided Design (CAD) applications. Specifically, we are developing a Product Library where design objects can be published stored and accessed by the various CAD systems in a reusable format. This will promote interoperability, improved collaboration, and enhance the pace of continuous improvement across the entire supply chain.

Along these lines we have worked with Laing O'Rourke and the Construction Project Information Committee (CPIC) to achieve the "smarter" use of collaboration tools, adhering to best practice procedures that support the re-use, rather than the redrawing of information. Avanti, the DTI-sponsored programme to promote the use of collaborative technologies, chose Asite to provide a website and document management system to manage programme documentation.

Additionally, Asite has restructured its technology infrastructure to achieve a complete web-services oriented architecture. This enables Asite to operate its services securely over the Internet and to utilise common software components to provide customers with completely customisable applications to support project and operational management by facilitating significantly improved integration and efficiency between software applications.

Building on customer relationships

In this period of intensive technological development, Asite's sales strategy has focused on developing our existing key accounts, introducing further valued added solutions to support a wider range of supply chain integration and project management activities and introducing long-term service contracts.

In addition, we have pursued a highly focused marketing plan to increase brand awareness and promote Asite's suite of products. Asite's branding has been reviewed and changed, and is reflected in the new marketing collateral and website. Our marketing activity has been mainly below the line including a high profile event, the Sir John Egan Evening Gala, chaired by Asite's chairman, Sir John Egan in September 2003 which had 200 attendees from leading construction companies.

Outlook

We belive that the Group is now able to deliver on a demonstrable value proposition to clients who are recognising this by contracting with Asite on long term framework contracts. A measure of this success is that the value of our contracted order book has increased by 43% in the first quarter of this year. With our reduced costs, full technology product offering and improving backlog we are on track to a more sustainable level of trading.

Mr Thomas Dengenis
Group Chief Executive
8 June 2004

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activities

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

Business review

The principal activity of the Group is to operate a business to business internet portal for the construction industry and to provide support, integration and supply chain services to its users. Research and development costs incurred during the year totalled £674,000. A review of the results for the year to 31 December 2003 and future prospects of the Group is contained in both the Chairman's Statement and Group Chief Executive's Report.

Results and dividends

The loss for the period after taxation and minority interest amounted to £2,122,000 (2002 - £4,559,000 loss).
The directors do not recommend the payment of a final dividend (2002 - £nil).

Directors and directors' interests

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

Name	**Position**	**Date of appointment**	**Date of resignation**
Sir John Egan	Independent Chairman		
Mr Walter Goldsmith	Independent Deputy Chairman		
Mr Thomas Dengenis	Group Chief Executive		
Mr Alastair Mellon	Executive Director		8 March 2003
Mr Charles Woods	Finance Director, Non Executive		13 November 2003
Mr Robert Tchenguiz	Non-Executive Director		
Mr Peter Rogers	Non-Executive Director		
Mr Mathew Riley	Non-Executive Director		
Mr Gordon Ashworth	Finance Director	22 March 2004	
Mr Brian Austin	Business Development Director	5 April 2004	
Mr Nathan Doughty	Technology Director	5 April 2004	

The directors who held office at the end of the financial year had the following interests in the ordinary shares of the Company, including shareholdings held by connected persons and options held over the ordinary shares of the Company at 31 December 2003:

	At 31 December 2003		**At 31 December 2002**	
	Beneficial Interest	**Share options**	**Beneficial Interest**	**Share options**
Sir John Egan	**750,000**	**3,000,000**	750,000	-
Mr Walter Goldsmith	**450,000**	**200,000**	450,000	200,000
Mr Thomas Dengenis	**550,000**	**400,000**	100,000	400,000
Mr Peter Rogers	**500,000**	**-**	200,000	-

Directors' interests in contracts

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

Significant shareholdings

On 1 June 2004, the Company had been notified, in accordance with section 198 to 208 of the Companies Act 1985, of the following interests in the ordinary share capital of the Company:

	Shares	%
B&C Plaza Limited	26,607,062	25.85
Plane Investment Limited	15,398,023	14.96
Warrencity Invest Corp	10,834,941	10.53
Stanhope plc	10,575,965	10.28
Desmond & Helen Bocarro	3,703,937	3.60

Mr Robert Tchenguiz, a director of Asite plc, has a significant beneficial interest in B&C Plaza Limited. B&C Plaza Limited owns 25.85% of Asite plc.

Directors' and officers' liability

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

Political and charitable contributions

No political contributions were made during the year (2002 - £Nil).

Policy on payment of suppliers

The Group does not have a policy to follow any code or standard on payment practice. However, the Group will continue to settle the terms of payment with its suppliers and when agreeing the terms of each transaction, will ensure that those suppliers are aware of the terms of payment and will abide by those terms of payment, unless subsequently renegotiated. Group trade creditors outstanding at 31 December 2003 represented 63 days (2002 – 219 days) trade purchases. This is calculated as the weighted average trade creditors as at the year end.

Auditors

Deloitte and Touche LLP resigned as auditors on 5 January 2004 and Mazars were appointed on this date. Mazars have expressed their willingness to continue in office as auditors 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 Gordon Ashworth
Finance Director
8 June 2004

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

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

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

Board Effectiveness

The Board which is set up to control the Company and Group meets formally at least six times a year and in the year under review met on ten occasions. As at the year end the Board was comprised of six directors - one executive and five non-executive directors. Two of the five non-executive directors, namely the Chairman, Sir John Egan, and the Deputy Chairman, Mr Walter Goldsmith, are considered by the Board to be independent. The Board considers Sir John Egan to be the senior independent director. Subsequent to the year end, the Board has approved the appointment of three further executive directors.

Each Board meeting receives the latest financial and management information available, which consists of detailed management accounts with the relevant comparisons with budget. A current trading appraisal is given by the Group Chief Executive.

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, 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

In the event of a proposal to appoint a new director, this would be discussed at a full Board meeting, with each member being given the opportunity to meet the individual concerned prior to any formal decision being taken. As permitted by the Combined Code, due to the small size of the board, it is considered inappropriate to establish a Nomination Committee.

Chairman and Group Chief Executive

The Board has shown its commitment to dividing responsibility for running the Board and the business by appointing Sir John Egan as non-executive Chairman and senior independent director and Mr Thomas Dengenis as Group Chief Executive.

Committees

The directors have delegated certain of their responsibilities to various committees, which operate within specific terms of reference and authority limits. The Audit Committee meets at least twice a year and consists of Mr Walter Goldsmith the Deputy Chairman, and Mr Mathew Riley. Mr Thomas Dengenis, as Group Chief Executive, and Mr Gordon Ashworth, as executive Finance Director, are invited to attend. The Remuneration Committee, which consists of the Deputy Chairman and at least two other non-executive directors, also meets at least twice a year. Otherwise the executive directors meet on a regular basis of 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.

Re-election of directors

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

Shareholder relations

The directors meet and discuss the performance of the Group with shareholders during the year. Queries raised by a shareholder, either verbally or in writing, are promptly answered by whoever is best placed on the Board to so do. When board members are unavailable all queries will be followed up by the Company Secretary. The Company maintains a web site where shareholders can obtain copies of the Company’s statutory accounts.

Accountability and audit

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

REMUNERATION REPORT

This report should be read in conjunction with Note 5 to the accounts. The Remuneration Committee is responsible for reviewing the level and make-up of the remuneration of executive directors. The Committee seeks to encourage the enhancement of the Group's performance and to ensure that remuneration packages offered are competitive and designed to attract, retain and motivate executive directors of the right calibre and to reward them for enhancing value to shareholders. The grant of options under the Group's Executive Share Option Schemes is regularly considered as part of this policy. The service contracts of executive directors provide for a performance related element of remuneration but as yet there is no agreed scheme of performance by reference to which such remuneration should be calculated. Bonuses are paid at the discretion of the Remuneration Committee.

In framing the remuneration policy, the Remuneration Committee has given full consideration to the requirements of the Combined Code appended to the Listing Rules of the UK Listing Authority.

Components of remuneration

The components of remuneration are:

a) basic salary and benefits determined by the Remuneration Committee and reviewed annually; and
b) performance related bonuses based upon improvements in earnings per share, profitability and market capitalisation of the Group.

Service contracts

The employment contracts of Mr Thomas Dengenis and Mr Brian Austin (executive directors with the company), are terminable by either party to the other with not less than twelve months’ notice in writing. The employment contracts of the remaining executive directors, with the company, are terminable by either party to the other with not less than three 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.

AUDIT COMMITTEE

The duties of the Audit Committee include:

a) keeping under review the scope and results of the audit;
b) assessment of the cost effectiveness of the audit;
c) monitoring the independence and objectivity of the auditors; and,
d) review and assessment of current updates of changes in accounting standards and their likely impact on the Group's accounts.

In considering the internal control requirement of the Combined Code, the Board has decided that at this stage in the Group's development that the creation of an internal audit function is not warranted. However, the Board is responsible for the Company's system of internal control which is designed to provide reasonable, but not absolute, assurance against misstatement or loss. This system includes:

a) the Board, with a balance of executive and non executive directors, which has overall responsibility for decision making across the Group
b) the preparation and approval of an annual budget in advance of each financial year and monitoring performance against this
c) establishing clear lines of reporting, responsibility and delegation throughout the Group and documenting this in a clearly defined organisational chart
d) ensuring that clearly defined control procedures covering expenditure and authority levels are reviewed and implemented on a timely basis

GOING CONCERN

In compliance with the Listing Rules of the UK Listing Authority, after making appropriate enquiries, as described in note 1 to the accounts, the directors have reasonable expectations that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 December 2003

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

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

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

We have audited the financial statements of Asite plc for the year ended 31 December 2003 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement and the related notes 1 to 28. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

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

Going concern

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2003 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars

Mazars
Chartered Accountants and Registered Auditors
London
8 June 2004

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
TURNOVER			
Continuing operations	3	**1,697**	1,575
Discontinued operations		**-**	24
		1,697	1,599
Cost of Sales		**(806)**	(873)
Gross Profit		**891**	726
Sales & Distribution costs		**(357)**	(547)
Administration expenses		**(2,988)**	(5,530)
OPERATING LOSS			
Continuing operations	6	**(2,454)**	(5,283)
Discontinued operations	6	**-**	(68)
	8	**(2,454)**	(5,351)
Loss on sale of discontinued operations	7	**-**	(11)
Interest payable less receivable	9	**(3)**	(29)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	10	**(2,457)**	(5,391)
Tax credit on loss on ordinary activities	11	**-**	71
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		**(2,457)**	(5,320)
Minority interest	21	**335**	761
LOSS FOR THE FINANCIAL YEAR	21	**(2,122)**	(4,559)
Loss per share – basic & diluted	12	**(2.1p)**	(4.7p)

CONSOLIDATED BALANCE SHEET

for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
FIXED ASSETS			
Tangible assets	13	77	-
CURRENT ASSETS			
Debtors	15	368	564
Cash at bank		7	89
		375	653
CREDITORS: amounts falling due within one year	16	(794)	(1,936)
NET CURRENT LIABILITIES		(419)	(1,283)
TOTAL ASSETS LESS CURRENT LIABILITIES		(342)	(1,283)
CREDITORS: amounts falling due after more than one year	17	(5,972)	(2,632)
EQUITY MINORITY INTERESTS		2,038	1,761
		(4,276)	(2,154)
CAPITAL AND RESERVES			
Called up share capital	19	10,291	10,291
Share premium account	20	2,442	2,442
Profit and loss account	20	(17,009)	(14,887)
EQUITY SHAREHOLDERS' DEFICIT		(4,276)	(2,154)

These financial statements were approved by the Board of Directors on 8 June 2004.
Signed on behalf of the Board of Directors

Mr Gordon Ashworth
Finance Director

COMPANY BALANCE SHEET

for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
FIXED ASSETS			
Investments	14	65	42
CURRENT ASSETS			
Debtors	15	29	104
Cash at bank		7	73
		36	177
CREDITORS: amounts falling due within one year	16	(127)	(500)
NET CURRENT LIABILITIES		(91)	(323)
TOTAL ASSETS LESS CURRENT LIABILITIES		(26)	(281)
CREDITORS: amounts falling due after more than one year	17	(5,972)	(2,628)
		(5,998)	(2,909)
CAPITAL AND RESERVES			
Called up share capital	19	10,291	10,291
Share premium account	20	2,442	2,442
Profit and loss account	20	(18,731)	(15,642)
EQUITY SHAREHOLDERS' DEFICIT		(5,998)	(2,909)

These financial statements were approved by the Board of Directors on 8 June 2004.
Signed on behalf of the Board of Directors

Mr Gordon Ashworth
Finance Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Net cash outflow from operating activities	**22**	**(3,275)**	(3,233)
Returns on investments and servicing of finance			
Interest received		**1**	-
Interest paid		**(4)**	(29)
Net cash out flow from returns on investments and servicing of finance		**(3)**	(29)
Capital expenditure			
Payments to acquire fixed assets		**(129)**	(358)
Proceeds from sale of fixed assets		**2**	5
Net cash outflow from capital expenditure		**(127)**	(353)
Acquisitions and disposals			
Acquisition of additional interest in subsidiary		**(25)**	-
Disposal of subsidiaries	**25**	**-**	10
Net borrowings disposed of with subsidiaries	**25**	**-**	(24)
Net cash outflow from acquisitions and disposals		**(25)**	(14)
Net cash outflow before financing		**(3,430)**	(3,629)
Financing			
Net proceeds on issue of ordinary share capital		**-**	897
Net proceeds from borrowings		**3,344**	2,632
Repayment of borrowings		**-**	(2)
Capital element of finance lease rental payments		**-**	(6)
Net cash inflow from financing		**3,344**	3,521
Decrease in cash in the year	**24**	**(86)**	(108)

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The early stage of development of the Group's business is such that there can be considerable unpredictable variation in the amount of revenue and timing and amounts of cash flows. The directors have projected cash flow information for the period to 30 June 2005. On the basis of this cash flow information, the directors are of the opinion that additional funding may be required. The directors are working towards bringing the Company to a level of profitable trading. In doing so, they are assessing, on a regular basis, cost levels, sales activities and research and development expenditure.

Over the past twelve months, Mr Robert Tchenguiz has provided the Group with the financial support it has required in the form of loans from two companies, Rotch Property Group Limited and R20 Limited, of which Mr Robert Tchenguiz is a director. The directors believe that Mr Robert Tchenguiz will continue to provide the funding required and have received written confirmation from him that he intends to provide this funding in the form of a new loan, which, when added to existing facilities, amounts to £1.35million and that he will not call for the repayment of this new loan or existing loans before 9 June 2005.

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.

2. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards. The format on the profit and loss account has been adjusted from the prior year to reflect the ongoing operation of the business.

Basis of consolidation

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

Turnover

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

Deferred taxation

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

2. ACCOUNTING POLICIES (continued)

Depreciation

Depreciation is calculated to write down the cost of tangible fixed assets by equal annual instalments.

The periods applicable are:

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

Foreign exchange

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

Work in progress

Long term contracts are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. The amount by which recorded turnover is in excess of payments on account is classified as "Amounts recoverable on contracts" and separately disclosed within debtors. Where payments on account exceed recorded turnover, the excess is classified as "Fees in advance", and separately disclosed within creditors. Provision is made for foreseeable losses and, to the extent that such provision exceeds relevant contract balances included in debtors or stock and work in progress, it is included within either provisions for liabilities and charges or creditors as appropriate.

Operating leases

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

Pension costs

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

Research & development

The costs associated with research and development are expensed as incurred.

3. TURNOVER

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

	Turnover		Operating Loss	
	2003	2002	**2003**	2002
	£'000	£'000	**£'000**	£'000
Class of business:				
e-commerce portal and services – continuing	**1,697**	1,575	**(2,454)**	(5,283)
Lighting distribution - discontinued	**-**	24	**-**	(68)
	1,697	1,599	**(2,454)**	(5,351)
The analysis of net liabilities employed by class of business is:				
Class of business:				
e-commerce portal and services – continuing			**(4,276)**	(2,154)

4. STAFF COSTS

	2003	2002
	£'000	£'000
Staff costs during the year (including directors)		
Consultancy fees	**93**	114
Wages and salaries	**2,077**	2,034
Social security costs	**203**	208
Other pension costs	**1**	21
	2,374	2,377
	No.	No.
Average number of persons employed:		
Professional services	**11**	9
Sales & account managers	**6**	11
Technical	**21**	13
Finance & administrative	**6**	12
	44	45
Average number of personnel engaged by the Group who do not have employment contracts of service with the Group:		
Technical	**3**	2
	47	47

5. DIRECTORS' EMOLUMENTS

	2003 £'000	2002 £'000
Directors' emoluments		
Fees	**68**	138
Salary payments (including benefits in kind)	**132**	264
Pension contributions	**-**	8
Compensation for loss of office	**99**	-
	299	410

	Salary £	Benefits £	Fees £	Total emoluments excluding pensions 2003 £	Total emoluments excluding pensions 2002 £	Pension contributions 2003 £	Pension contributions 2002 £
Remuneration by director was:							
Chairman (non-executive):							
Sir John Egan	-	-	-	**-**	50,000	**-**	-
Executive directors							
Mr Charles Woods	-	-	-	**-**	87,081	**-**	8,182
Mr Thomas Dengenis	120,000	82	-	**120,082**	80,112	**-**	-
Mr Alastair Mellon	80,000	-	-	**80,000**	120,000	**-**	-
Non-Executive directors							
Mr Walter Goldsmith	-	-	20,000	**20,000**	57,158	**-**	-
Mr Charles Woods	30,000	1,367	47,500	**78,867**	7,500	**-**	-
Total emoluments	230,000	1,449	67,500	**298,949**	401,851	**-**	8,182

During the year fees totalling £Nil (2002 - £137,385) were paid to third parties for making available the services of certain directors. All pension contributions in respect of directors were to money purchase schemes. Share options held by directors were as follows:

	1 January 2003	Approved Granted	31 December 2003	Exercise Price	Earliest Exercise date	Expiry date
Sir John Egan	-	3,000,000	3,000,000	10.0p	*	October 2013
Mr Walter Goldsmith	200,000	-	200,000	30.0p	October 2004	October 2008
Mr Charles Woods	100,000	-	100,000	64.5p	July 2003	July 2007
Mr Charles Woods	100,000	-	100,000	30.0p	October 2004	October 2011
Mr Charles Woods	300,000	-	300,000	30.0p	October 2004	October 2008
Mr Alastair Mellon	100,000	-	100,000	30.0p	April 2003	April 2004
Mr Alastair Mellon	300,000	-	300,000	30.0p	April 2003	April 2004
Mr Thomas Dengenis	100,000	-	100,000	30.0p	October 2005	October 2012
Mr Thomas Dengenis	300,000	-	300,000	30.0p	October 2005	October 2009

The market price of the ordinary shares at 31 December 2003 was 4.75p and the range during the period was 8.00p to 3.00p. No options were exercised by directors during the year. Share options were granted to Sir John Egan on 29 October 2003 in lieu of emoluments.

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

6. ANALYSIS OF CONTINUING AND DISCONTINUED OPERATIONS

Ongoing operations include the operation of e-commerce portal and provision of related services.

	2003 Continuing £'000	2002 Continuing £'000	2002 Discontinued £'000	2002 Total £'000
Turnover	**1,697**	1,575	24	1,599
Cost of sales	**(806)**	(854)	(19)	(873)
Gross profit	**891**	721	5	726
Sales & distribution costs	**(357)**	(500)	(47)	(547)
Administration expenses	**(2,988)**	(5,504)	(26)	(5,530)
	(3,345)	(6,004)	(73)	(6,077)
Operating loss	**(2,454)**	(5,283)	(68)	(5,351)

7. DISPOSALS

Operations that are considered by management to be discontinued are those relating to lighting distribution. The lighting distribution business was sold in July 2002. The results of these operations have been shown under discontinued operations in note 6.

The loss on disposal of this business was £11,000. The cash effects of the disposal are given in note 25.

8. DEPRECIATION AND AMORTISATION

	2003 £'000	2002 £'000
The charge for depreciation and amortisation comprises:		
Depreciation of tangible assets – owned assets	**52**	2,245
Amortisation of goodwill arising on deemed acquisition	**185**	-
	237	2,245

9. INTEREST PAYABLE LESS RECEIVABLE

	2003 £'000	2002 £'000
Interest receivable	**1**	-
Interest payable	**(4)**	(29)
	(3)	(29)

10. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003	2002
	£'000	£'000
Loss on ordinary activities is stated after charging:		
Corporate audit	**30**	54
Non-audit services	**-**	55
	30	109
Operating lease rentals - other	**37**	35

The auditors of the financial statements for the year ended 31 December 2002, Deloitte & Touche LLP resigned on 5th January 2004.

Included in the £55,000 of auditors' remuneration for non-audit services in 2002 was £20,000 paid to the auditors in their capacity as nominated advisors. The audit fee for the Company was £14,750 (2002 - £20,000).

11. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2003	2002
	£'000	£'000
United Kingdom corporation tax at 30% (2002 – 30%) based on the loss for the period	**-**	71
The differences are explained below:		
Profit on ordinary activities before tax	**(2,457)**	(5,391)
Tax at 30% thereon:	**737**	1,617
Non-deductible loss on disposal of subsidiaries	**-**	(3)
Expenses not deductible for tax purposes	**(116)**	(50)
Losses arising in subsidiary disposed of in the period	**-**	(20)
Depreciation in excess of capital allowances	**(12)**	(481)
Creation of tax losses	**(584)**	(1,063)
Other timing differences	**(25)**	-
Corporation tax prior year adjustments	**-**	71
Current tax credit for period	**-**	71

A deferred tax asset has not been recognised in respect of timing differences related to carried forward tax losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £3,654,000 (2002 - £2,680,000).

12. LOSS PER SHARE

	2003	2002
Basic		
Net loss for the year:	**£(2,122,000)**	£(4,559,000)
Weighted average number of ordinary shares outstanding	**102,910,633**	96,526,461
Loss per share:	**2.1p**	4.7p

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

13. TANGIBLE FIXED ASSETS

	Plant and equipment £'000	Website costs £'000	Total £'000
Group			
Cost			
At 1 January 2003	329	3,063	3,392
Additions	104	25	129
Disposals	(8)	(210)	(218)
At 31 December 2003	**425**	**2,878**	**3,303**
Accumulated depreciation			
At 1 January 2003	329	3,063	3,392
Charge for the year	50	2	52
Disposals	(8)	(210)	(218)
At 31 December 2003	**371**	**2,855**	**3,226**
Net book value			
At 31 December 2003	**54**	**23**	**77**
At 31 December 2002	-	-	-

	Plant and equipment £'000
Company	
Cost	
At 1 January 2003 and 31 December 2003	**64**
Depreciation	
At 1 January 2003 and 31 December 2003	**64**
Net book value	
At 31 December 2003 and 2002	**-**

14. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company cost and net book value

	2003
	£'000
At 1 January 2003	42
Acquisition	25
Write-off of investment in dissolved businesses	(2)
At 31 December 2003	**65**

During the year, the deemed acquisition of minority interest resulted in goodwill of £185,000 arising, which was fully written off.

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

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

All companies are incorporated in Great Britain.

Asite plc holds 84.01% of Asite Solutions Limited as at 31 December 2003.

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

15. DEBTORS

		Group		**Company**
	2003	2002	**2003**	2002
	£'000	£'000	**£'000**	£'000
Trade debtors	**320**	373	**-**	8
Prepayments and accrued income	**43**	75	**24**	61
VAT recoverable	**5**	40	**5**	35
Other debtors	**-**	76	**-**	-
	368	564	**29**	104

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		Group		Company
	2003	2002	**2003**	2002
	£'000	£'000	**£'000**	£'000
Bank overdraft	**4**	-	**-**	-
Fees in advance	**40**	138	**-**	-
Trade creditors	**229**	1,281	**86**	347
Amounts owed to subsidiary undertakings	**-**	-	**-**	85
Other creditors	**145**	2	**-**	1
Social security and other taxes	**313**	199	**-**	2
VAT payable	**4**	-	**-**	-
Accruals and deferred income	**59**	316	**41**	65
	794	1,936	**127**	500

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

		Group		Company
	2003	2002	**2003**	2002
	£'000	£'000	**£'000**	£'000
Other loans	**5,972**	2,632	**5,972**	2,628

The loan is not repayable before 9 June 2005 (see note 27).
The fair value of financial liabilities is not materially different from their book value.
There are currently no bank credit facilities in place.

18. OBLIGATIONS UNDER OPERATING LEASES & COMMITTED EXPENDITURE

	Other 2003 £'000	Other 2002 £'000
The following amounts are payable within the next year on operating leases & committed expenditure expiring:		
Within 1 year	**68**	36
Within 2 to 5 years	**157**	25
After more than 5 years	**-**	7
	225	68
The above lease obligations are analysed between Group companies as follows:		
Company	**114**	68
Subsidiary	**111**	-
	225	68

19. CALLED UP SHARE CAPITAL

	No.	**2003 £'000**	No.	2002 £'000
Authorised				
Ordinary shares of 10p each at 31 December 2002 and 31 December 2003	**125,000,000**	**12,500**	125,000,000	12,500
Allotted, issued and fully paid				
Ordinary shares of 10p each at 1 January 2003	**102,910,633**	**10,291**	93,445,097	9,344
Issued for cash	**-**	**-**	8,965,536	897
Issued for services	**-**	**-**	500,000	50
At 31 December 2003	**102,910,633**	**10,291**	102,910,633	10,291

Share Options

At 31 December 2003 options granted under the Company's share option schemes were outstanding on a total of 5,100,008 ordinary shares as follows:

100,000	granted in July 2000	at	64.5p
1,186,667	granted in October 2001	at	30p
326,670	granted in July 2002	at	30p
486,671	granted in October 2002	at	30p
3,000,000	granted in October 2003	at	10p

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

20. RESERVES

	Share premium account £'000	Profit and loss account £'000
Group		
At 1 January 2003	**2,442**	(14,887)
Minority interest	**-**	335
Loss for the year	**-**	(2,457)
At 31 December 2003	**2,442**	(17,009)
Company		
At 1 January 2003	**2,442**	(15,642)
Loss for the year	**-**	(3,089)
At 31 December 2003	**2,442**	(18,731)

As permitted by Section 230 of the Companies Act 1985 a separate profit and loss account is not presented for Asite Plc. The loss for the period of the parent undertaking was £3,089,000 (2002 - £10,736,000).

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2003 £'000	2002 £'000
Loss for the period	**(2,457)**	(5,320)
Net proceeds of issues of new share capital	**-**	947
Minority interest	**335**	761
	(2,122)	(3,612)
Opening shareholders' (deficit)/funds	**(2,154)**	1,458
Closing shareholders' deficit	**(4,276)**	(2,154)

22. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW

	2003 £'000	2002 £'000
Operating loss	**(2,454)**	(5,351)
Depreciation	**52**	2,245
Amortisation of goodwill on deemed acquisition	**185**	-
Profit on disposal of fixed assets	**(2)**	-
Fees received in advance	**(98)**	138
Service charged to operating loss in return for issue of shares	**-**	50
Decrease in stock	**-**	22
Decrease in debtors	**196**	236
Decrease in creditors	**(1,154)**	(573)
	(3,275)	(3,233)

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

	2003 £'000	2002 £'000
Decrease in cash in the year	**(86)**	(108)
Cash outflow from decrease in debt finance	**-**	19
Cash outflow from decrease in lease finance	**-**	6
	(86)	(83)
Loan	**(3,340)**	(2,632)
Movement in net debt in the year	**(3,426)**	(2,715)
Net (debt)/funds at 1 January 2003	**(2,543)**	172
Net debt at 31 December 2003	**(5,969)**	(2,543)

24. ANALYSIS OF NET DEBT

	At 1 January 2003 £'000	Cash flows £'000	At 31 December 2003 £'000
Cash	89	(82)	**7**
Overdraft	-	(4)	**(4)**
	89	(86)	**3**
Loan	(2,632)	(3,340)	**(5,972)**
	(2,543)	(3,426)	**(5,969)**

25. SALE OF SUBSIDIARY UNDERTAKING

On 1 July 2002 the Group sold its 100% interest in the ordinary share capital of Lyteline Technologies Limited. The loss of Lyteline Technologies Limited up to the date of disposal was £68,000.
Net assets disposed of and the related sale proceeds were as follows:

	2002 £'000
Fixed assets	17
Current assets	10
Creditors	(193)
Net deficiency	(166)
Loss on sale	(11)
Sale Proceeds	177
Net cash inflows in respect of the sale comprised:	
Cash consideration	10
Bank overdrafts sold	24
Write-off of intercompany debt	143
Non-cash adjustments	
	177

26. PENSION SCHEMES

Contributions are made in respect of certain members of staff to personal pension schemes. The total pension cost charged in the period in respect of these schemes was £1,369 (2002 - £20,961).

27. RELATED PARTY TRANSACTIONS

Payments are made to certain of the non-executive directors' personal companies or partnerships for their services as directors. Such payments totalled £Nil in 2003 (2002 - £137,385) and are included in the amounts referred to in note 5 as being paid to third parties.

At year end, the outstanding loan balances to Rotch Property Group Limited was £1,393,000 and R20 Limited was £4,579,000 (2002 - £2,628,000 combined). Mr Robert Tchenguiz is a director of both of these companies. These are non-interest bearing loans.

Asite Solutions Limited provided services to Stanhope plc, a shareholder in Asite plc during the year under review. Revenue generated from Stanhope plc totalled £317,022 (2002 - £466,498) with £39,937 (2002 - £35,427) outstanding at year end. Revenue generated from BAA plc totalled £267,488 (2002 - £261,294) with £14,027 (2002 - £86,092) outstanding at year end.

Asite plc purchased 60 ordinary shares in Asite Solutions Limited for £10,000 from Alastair Mellon in April 2003. Alastair Mellon also received payment for consulting services to Asite Solutions Limited of £6,000 in June 2003.

Asite plc purchased 60 ordinary shares in Asite Solutions Limited for £60 from Sir John Egan in October 2003.

Asite plc purchased 60 ordinary shares in Asite Solutions Limited for £15,000 from Charles Woods in November 2003.

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

28. CONTINGENT LIABILITY

The Company has provided a guarantee to HSBC Bank plc up to £400,000 in respect of facilities granted to Foremans Limited. On the sale of Foremans Limited, the Company obtained a Fixed and Floating charge over all assets of Energyedge Limited, the purchaser of the Foremans Limited business, to secure against any claim under this guarantee. In addition, on 15 June 2002, a personal guarantee from the owners of Energyedge Limited, Barry Shaw and Richard Kennedy, came into effect.

NOTICE OF MEETING

for the year ended 31 December 2003

Notice is hereby given that the fifteenth annual general meeting of the members of ASITE plc will be held at Leconfield House, Curzon Street, London W1J 5JA on 21 July 2004 at 9:30am for the following purposes:

Ordinary Business

1. To receive and adopt the accounts, for the year to 31 December 2003 and the reports of the directors and auditors
2. To re-appoint Sir John Egan as a Director who retires by rotation.
3. To re-appoint Mr Walter Goldsmith as a Director who retires by rotation.
4. To re-appoint Mr Robert Tchenguiz as a Director who retires by rotation.
5. To re-appoint Mr Gordon Ashworth as a Director who has been appointed since the last annual general meeting.
6. To re-appoint Mr Brian Austin as a Director who has been appointed since the last annual general meeting.
7. To re-appoint Mr Nathan Doughty as a Director who has been appointed since the last annual general meeting.
8. To elect Mazars as auditors and to authorise the directors to fix their remuneration.

Special Business

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

9. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the companies Act 1985) of any of its ordinary shares of 10p each ("ordinary shares"), provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 15,400,000, representing approximately 15 per cent of the issued share capital at 8 June 2004;

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

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

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

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

NOTICE OF MEETING

for the year ended 31 December 2003

Notes

1. Any member entitled to attend and vote at the meeting may appoint one or more persons (whether a member or not) as his proxy to attend and, on a poll, to vote instead of him. The appointment of such proxies does not preclude a member from subsequently attending and voting. A proxy card is enclosed. To be valid, forms of proxy must be deposited at the Company's registrars, Capital IRG plc, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time appointed for the holding of the meeting.
2. The register of directors' interests and their contracts of service and copies of the amended Rules of the Executive Share Option Scheme will be available for inspection at the registered office of the Company, during normal business hours, from the date of this Notice until the date of the meeting and at the place of the Annual General Meeting for fifteen minutes prior to and until the conclusion of the meeting.
3. The Company, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, specifies that only those members registered in the register of members of the Company as at 6:00pm on 19 July 2004 shall be entitled to attend or vote at this meeting in respect of the number of shares registered in their name at that time. Changes in entries on the relevant register of members after 6:00pm on 19 July 2004 shall be disregarded in determining the rights of any person to attend or vote at this meeting.
4. If this meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, the time referred to in the foregoing note 3 will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period, then to be so entitled members must be entered on the Company's register of members at a time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

By Order of the Board

Mr Gordon Ashworth
Secretary
8 June 2004