

Fastcrop plc
Financial Statements
For the Year Ended
31st December 2002



Company Registration Number 3974842

Fastcrop plc
Financial Statements
Year Ended 31st December 2002

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Fastcrop plc
Company Information

The Board of Directors	Ian Springett Brian D'Arcy Clark Rupert Sebag-Montefiore Nicholas Thomlinson Trevor Abrahamsohn
Company Secretary	Roger Stevens
Company Registration Number	3974842
Registered Office	Renoir House 136 New Bond Street London W1S 2TH
Accountants and Advisors	Smith and Williamson Limited 1 Riding House Street London W1A 3AS
Auditors	Nexia Audit Limited Chartered Accountants & Registered Auditors 1 Riding House Street London W1A 3AS
Bankers	Barclays Bank Plc London Corporate Banking 54 Lombard Street London EC3P 3AH
Solicitors	Eversheds Senator House 85 Queen Victoria Street London EC4V 4JL

Fastcrop plc
The Directors' Report
Year Ended 31st December 2002

The directors present their report and the financial statements of the company for the year ended 31st December 2002.

Principal Activities and Business Review

The principal activity of the company is a property aggregator website, Primelocation.com, and the provision of associated services to property professionals.

Traffic and income grew substantially through 2002 with monthly visits reaching over 900,000 per month by the year end. Increases in subscription rates have been successfully introduced for 2003 and these, combined with continuing growth in other revenues, mean the Company is expected to generate a cash surplus for 2003. This, together with substantial cash reserves, provides an excellent platform for development of the business.

Results and Dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The loss for the period was £1,569,018 (2001 - £4,419,275). No dividend is payable (2001 - £nil)

The Directors and their Interests in Shares of the Company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £0.01 each	
		At	At
		31 December 2002	1 January 2002 or later date of appointment
Ian Springett		5,000,000	5,000,000
Brian D'Arcy Clark		2,017,390	2,017,390
Rupert Sebag-Montefiore		—	—
Nicholas Thomlinson	(Appointed 26 February 2002)	—	—
Trevor Abrahamsohn	(Appointed 30 January 2002)	600,000	600,000
Ian Homersham	(Resigned 12 February 2002)		
Richard Crosthwaite	(Resigned 26 February 2002)		

Mr D'Arcy Clark's shares are held by Chesterfield, a partnership of which Mr D'Arcy Clark is a partner.

Nicholas Thomlinson was appointed as a director in substitution for Richard Crosthwaite by operation of articles of association.

Policy on the Payment of Creditors

It is the policy of the management to maintain good relationships with its suppliers. Suppliers are made aware of the terms of payment, which are agreed with them in advance and these terms are adhered to. The number of days' purchases included in trade creditors at 31 December 2002 was 44 days (2001 - 19 days).

Directors' Responsibilities

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 to 10, and then apply them consistently;

Fastcrop plc
The Directors' Report *(continued)*
Year Ended 31st December 2002

make judgements and estimates that are reasonable and prudent; and

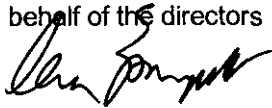
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditors

The appointment of Smith & Williamson as our auditors was extended to Nexia Audit Limited on 29th January 2003 with the agreement of the company pursuant to section 26(5) Companies Act 1989.

Signed on behalf of the directors



Ian Springett
Director

Approved by the directors on 30th April 2003

Fastcrop plc
Independent Auditors' Report to the Shareholders
Year Ended 31st December 2002

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

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 the Directors and the Auditors

As described on pages 2 to 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2002 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Nexia Audit Limited

1 Riding House Street
London
W1A 3AS

30.4.03

Nexia Audit Limited
Chartered Accountants
Registered Auditors

Fastcrop plc
Profit and Loss Account
Year Ended 31st December 2002

	Note	2002 £	2001 £
Turnover	2	1,900,688	469,567
Cost of sales		<u>1,644,187</u>	<u>2,458,891</u>
Gross Profit/(Loss)		256,501	(1,989,324)
Administrative expenses		<u>1,915,486</u>	<u>2,656,146</u>
Operating Loss	3	(1,658,985)	(4,645,470)
Interest receivable and similar income	6	<u>93,608</u>	<u>226,195</u>
Loss on Ordinary Activities Before Taxation		(1,565,377)	(4,419,275)
Tax on loss on ordinary activities	7	<u>3,641</u>	—
Loss for the Financial Year		<u>(1,569,018)</u>	<u>(4,419,275)</u>

The company has no recognised gains or losses other than the results for the year as set out above.


All of the activities of the company are classed as continuing.

The notes on pages 9 to 16 form part of these financial statements.

Fastcrop plc
Balance Sheet
31st December 2002

	Note	£	2002 £	£	2001 £
Fixed Assets					
Tangible assets	8		256,170		503,099
Investments	9		3		3
			<u>256,173</u>		<u>503,102</u>
Current Assets					
Debtors	10	1,388,615		208,251	
Cash at bank and in hand		<u>2,052,831</u>		<u>3,156,732</u>	
		3,441,446		3,364,983	
Creditors: Amounts Falling due Within One Year	11	<u>1,537,153</u>		<u>315,887</u>	
Net Current Assets			<u>1,904,293</u>		<u>3,049,096</u>
Total Assets Less Current Liabilities			<u>2,160,466</u>		<u>3,552,198</u>
Provisions for Liabilities and Charges					
Other Provisions	12		<u>4,587</u>		<u>11,503</u>
			<u>2,155,879</u>		<u>3,540,695</u>
Capital and Reserves					
Called-up equity share capital	15		557,121		524,838
Share premium account	16		10,487,710		10,335,791
Profit and Loss Account	17		<u>(8,888,952)</u>		<u>(7,319,934)</u>
Shareholders' Funds	18		<u>2,155,879</u>		<u>3,540,695</u>

These financial statements were approved by the directors on the 30th April 2003 and are signed on their behalf by:


Ian Springett
Director

The notes on pages 9 to 16 form part of these financial statements.

Fastcrop plc
Cash Flow Statement
Year Ended 31st December 2002

	£	2002 £	£	2001 £
Net Cash Outflow From Operating Activities		(1,190,071)		(4,365,442)
Returns on Investments and Servicing of Finance				
Interest received	93,608		226,195	
Interest paid	(1,425)		—	
Net Cash Inflow From Returns on Investments and Servicing of Finance		92,183		226,195
Taxation		(3,641)		(20,292)
Capital Expenditure				
Payments to acquire tangible fixed assets	(16,572)		(1,857)	
Receipts from sale of fixed assets	—		29,300	
Net Cash (Outflow)/Inflow From Capital Expenditure		(16,572)		27,443
Cash Outflow Before Financing		(1,118,101)		(4,132,096)
Financing				
Issue of equity share capital	14,200		1,750	
Share premium on issue of equity share capital	—		83,250	
Net Cash Inflow From Financing		14,200		85,000
Decrease in Cash		(1,103,901)		(4,047,096)

Reconciliation of Operating Loss to Net Cash Outflow From Operating Activities

	2002 £	2001 £
Operating loss	(1,658,985)	(4,645,470)
Interest payable	1,425	—
Depreciation	263,501	265,603
Loss on disposal of fixed assets	—	18,268
(Increase)/Decrease in debtors	(1,180,364)	257,878
Increase/(Decrease) in creditors	1,391,268	(261,721)
Decrease in provisions	(6,916)	—
Net cash outflow from operating activities	(1,190,071)	(4,365,442)

The notes on pages 9 to 16 form part of these financial statements.

Fastcrop plc
Cash Flow Statement (continued)
Year Ended 31st December 2002

Reconciliation of Net Cash Flow to Movement in Net Funds

	2002 £	2001 £
Decrease in cash in the period	(1,103,901)	(4,047,096)
Movement in net funds in the period	(1,103,901)	(4,047,096)
Net funds at 1st January 2002	3,156,732	7,203,828
Net funds at 31st December 2002	<u>2,052,831</u>	<u>3,156,732</u>

Analysis of Changes in Net Funds

	At 1 Jan 2002 £	Cash flows £	At 31 Dec 2002 £
Net cash:			
Cash in hand and at bank	3,156,732	(1,103,901)	2,052,831
Net funds	<u>3,156,732</u>	<u>(1,103,901)</u>	<u>2,052,831</u>

Included within the increase in creditors is a material non-cash transaction amounting to £170,002 (2001 - £395,913). This relates to shares that have been issued during the period in lieu of payment for invoiced services from suppliers.

The notes on pages 9 to 16 form part of these financial statements.

Fastcrop plc
Notes to the Financial Statements
Year Ended 31st December 2002

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the net invoiced amounts of goods sold and services provided and is stated net of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 25% straight line
Computer hardware & software	- 33 1/3% straight line

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred Taxation

The accounting policy in respect of deferred tax for the year ended 31 December 2002 differs from that used in the prior period due to the adoption of Financial Reporting Standard 19 "Deferred Taxation". The effect of the change in accounting policy on the profit reported in the prior period was immaterial and accordingly no adjustment has been made to the comparative figures.

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognised have not been discounted.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Investments

Long term investments are carried at cost; provision for impairment in the value of investments is made if, in the opinion of directors, there has been a diminution, other than temporary, in their value.

Fastcrop plc
Notes to the Financial Statements
Year Ended 31st December 2002

1. Accounting Policies *(continued)*

Consolidated Accounts

The directors have taken advantage of the exclusion allowed by FRS 2 and section 229 (2) of the Companies Act 1985 from producing consolidated accounts on the grounds that the company's subsidiaries are not material, either individually or taken together.

Domain Names

The cost of acquiring domain names are written off in the period that they are incurred.

Site Development Costs

All costs incurred in the site development and its ongoing development and refinement are written off in the period that they are incurred.

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2002 £	2001 £
United Kingdom	1,895,440	467,317
Overseas	5,248	2,250
	<u>1,900,688</u>	<u>469,567</u>

3. Operating Loss

Operating loss is stated after charging:

	2002 £	2001 £
Depreciation	263,501	265,603
Loss on disposal of fixed assets	—	18,268
Auditors' remuneration		
- as auditors	9,000	7,000
- for other services	6,618	4,763
Net loss on foreign currency translation	<u>—</u>	<u>7,531</u>

Fastcrop plc
Notes to the Financial Statements
Year Ended 31st December 2002

4. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to:

	2002	2001
	No.	No.
Number of selling and distribution staff	4	5
Number of administrative staff	2	4
	<u>6</u>	<u>9</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	501,000	761,495
Social security costs	49,058	86,693
	<u>550,058</u>	<u>848,188</u>

5. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Emoluments receivable	156,010	189,818

6. Interest Receivable and Similar Income

	2002	2001
	£	£
Bank interest receivable	93,608	220,520
Other similar income receivable	—	5,675
	<u>93,608</u>	<u>226,195</u>

7. Tax on Loss on Ordinary Activities

Taxation

	2002	2001
	£	£
Current tax:		
Corporation tax	—	—
Over/under provision in prior year	3,641	—
Total current tax	<u>3,641</u>	<u>—</u>

Fastcrop plc
Notes to the Financial Statements
Year Ended 31st December 2002

7. Tax on Loss on Ordinary Activities *(continued)*

No provision for corporation tax is required as a result of the losses incurred.

	2002 £	2001 £
Loss on ordinary activities before tax	<u>(1,565,377)</u>	<u>(4,419,275)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2001:20%)	<u>(297,422)</u>	<u>(883,855)</u>
Tax effects		
Expenses not deductible for tax purposes	1,562	17,560
Unrelieved loss	249,344	810,405
Depreciation in excess of capital allowances	46,516	55,890
Adjustment to tax charge in respect of prior years	<u>3,641</u>	<u>-</u>
Total current tax charge	<u>3,641</u>	<u>-</u>

A deferred taxation asset of £1,733,843 (2001: £1,437,982) exists but has not been recognised in the financial statements. This relates primarily to tax losses that have not been utilised, which can be recovered against future profits.

8. Tangible Fixed Assets

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost			
At 1st January 2002	95,030	707,433	802,463
Additions	<u>-</u>	<u>16,572</u>	<u>16,572</u>
At 31st December 2002	<u>95,030</u>	<u>724,005</u>	<u>819,035</u>
Depreciation			
At 1st January 2002	26,142	273,222	299,364
Charge for the year	<u>23,760</u>	<u>239,741</u>	<u>263,501</u>
At 31st December 2002	<u>49,902</u>	<u>512,963</u>	<u>562,865</u>
Net Book Value			
At 31st December 2002	<u>45,128</u>	<u>211,042</u>	<u>256,170</u>
At 31st December 2001	<u>68,888</u>	<u>434,211</u>	<u>503,099</u>

Fastcrop plc
Notes to the Financial Statements
Year Ended 31st December 2002

9. Investments

	Total £
Cost	
At 1st January 2002 and 31st December 2002	<u>3</u>
Net Book Value	
At 31st December 2002	<u>3</u>
At 31st December 2001	<u>3</u>

These investments represent 100% of the issued share capital of Primelocation Ltd, Primelocation.com Ltd and Primelocation.co.uk Ltd, all dormant companies incorporated in Great Britain. The investments represent the £1 nominal value of the shares issued.

10. Debtors

	2002 £	2001 £
Trade debtors	1,313,255	98,906
Other debtors	—	37,708
Prepayments and accrued income	75,360	71,637
	<u>1,388,615</u>	<u>208,251</u>

All debtors are repayable within one year of the balance sheet date.

11. Creditors: Amounts Falling due Within One Year

	2002 £	2001 £
Trade creditors	198,986	127,415
Other creditors including taxation and social security: PAYE and social security	—	22,454
VAT	117,923	—
Other creditors	41,488	18,400
Accruals and deferred income	1,178,756	147,618
	<u>1,537,153</u>	<u>315,887</u>

Fastcrop plc
Notes to the Financial Statements
Year Ended 31st December 2002

12. Other Provisions

	2002 £
NIC on share options:	
Balance brought forward	11,503
Movement for year	<u>(6,916)</u>
	<u>4,587</u>

In accordance with Urgent Issues Task Force Abstract 25, provision has been made for employer's National Insurance Contributions on the Company's unapproved share option scheme in respect of certain employees. The provision has been calculated at 12.2% of the difference between the fair value of the shares at the balance sheet date and the consideration to be received from the employee on exercise of the options.

13. Commitments under Operating Leases

At 31st December 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings 2002 £	2001 £
Operating leases which expire:		
Within 1 year	<u>—</u>	<u>72,000</u>

14. Related Party Transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

15. Share Capital

Authorised share capital:

	2002 £	2001 £
200,000,000 Ordinary shares of £0.01 each	<u>2,000,000.00</u>	<u>2,000,000.00</u>

Allotted, called up and fully paid:

	2002 £	2001 £
Ordinary share capital	524,838.00	492,423.00
Issue of ordinary shares	<u>32,283.00</u>	<u>32,415.00</u>
	<u>557,121.00</u>	<u>524,838.00</u>

Fastcrop plc
Notes to the Financial Statements
Year Ended 31st December 2002

15. Share Capital *(continued)*

During the period:

- * 1,420,000 ordinary shares were issued to investors at a premium of £nil.
- * 1,808,328 ordinary shares were issued to suppliers at a premium of £151,919 to settle liabilities incurred.

At 31 December 2002, the following share options were in existence.

Grant dates	Number of options	Exercise price	Date from which exercisable	Expiry date
16 October 2000	500,000	£0.20	16 October 2000	6 October 2006
16 October 2000	100,000	£0.20	2 October 2002	2 October 2008
13 October 2000	350,000	£0.20	18 October 2001	18 October 2007
18 October 2000	130,000	£0.20	1 June 2001	1 June 2007
18 October 2000	130,000	£0.20	1 June 2002	1 June 2008
18 October 2000	65,000	£0.20	1 June 2003	1 June 2009
18 October 2000	20,000	£0.20	15 August 2001	15 August 2007
18 October 2000	20,000	£0.20	15 August 2002	15 August 2008
18 October 2000	10,000	£0.20	15 August 2003	15 August 2009
18 October 2000	20,000	£0.20	18 August 2001	18 August 2007
18 October 2000	20,000	£0.20	18 August 2002	18 August 2008
18 October 2000	10,000	£0.20	18 August 2003	18 August 2009
18 October 2000	10,000	£0.20	1 September 2001	1 September 2007
18 October 2000	10,000	£0.20	1 September 2002	1 September 2008
18 October 2000	5,000	£0.20	1 September 2003	1 September 2009
18 October 2000	20,000	£0.20	11 September 2001	11 September 2007
18 October 2000	20,000	£0.20	11 September 2002	11 September 2008
18 October 2000	10,000	£0.20	11 September 2003	11 September 2009
18 October 2000	25,000	£0.20	31 December 2001	31 December 2007
18 October 2000	25,000	£0.20	31 December 2002	31 December 2008
12 July 2001	25,000	£0.20	31 December 2001	31 December 2007
12 July 2001	25,000	£0.20	31 December 2002	31 December 2008
	<u>1,550,000</u>			

16. Share Premium Account

	2002 £	2001 £
Balance brought forward	10,335,791	9,887,293
Premium on shares issued in the year	151,919	448,498
Balance carried forward	<u>10,487,710</u>	<u>10,335,791</u>

Fastcrop plc
Notes to the Financial Statements
Year Ended 31st December 2002

17. Profit and Loss Account

	2002 £	2001 £
Balance brought forward	(7,319,934)	(2,900,659)
Accumulated loss for the financial year	(1,569,018)	(4,419,275)
Balance carried forward	<u>(8,888,952)</u>	<u>(7,319,934)</u>

18. Reconciliation of Movements in Shareholders' Funds

	£	2002 £	£	2001 £
Loss for the financial year		(1,569,018)		(4,419,275)
New equity share capital subscribed	32,283		32,415	
Premium on new share capital subscribed	<u>151,919</u>		<u>448,498</u>	
		184,202		480,913
Net reduction to funds		(1,384,816)		(3,938,362)
Opening shareholders' equity funds		<u>3,540,695</u>		<u>7,479,057</u>
Closing shareholders' equity funds		<u>2,155,879</u>		<u>3,540,695</u>