

FIRST PROPERTY ONLINE PLC

CONTENTS

2	Directors and advisers
3	Chairman's statement
6	Directors' report
10	Report of the auditors
11	Consolidated profit and loss account
12	Balance sheets
13	Consolidated cash flow statement
14	Notes to the financial statements
26	Notice of Annual General Meeting

FIRST PROPERTY ONLINE PLC

DIRECTORS AND ADVISERS

Directors

Alasdair J D Locke
(Non-Executive Chairman)

Benyamin N Habib
(Chief Executive)

Jeremy C Phillips
(Finance Director)

Company Secretary
Alec W J Banyard

Registered Office

17 Quayside Lodge
William Morris Way
London SW6 2UZ
Registered No. 2967020

Website: www.fprop.com

Registered Auditors

PricewaterhouseCoopers
1 Embankment Place
London WC2N 6NN

Registrars

Capita IRG plc
Balfour House
390/398 High Road
Ilford
Essex IG1 1NQ

Bankers

Barclays Bank plc
Islington and Camden Branch
PO Box 3474
London NW1 7NQ

Leopold Joseph & Sons Ltd
99 Gresham Street
London EC2V 7NG

Nominated Advisor

Granville Baird Limited
Mint House
77 Mansell Street
London E1 8AF

Nominated Broker

Granville Baird Limited
Mint House
77 Mansell Street
London E1 8AF

FIRST PROPERTY ONLINE PLC

CHAIRMAN'S STATEMENT

The year to 31st March, 2001 has been a watershed for the Company, having successfully converted itself from The Hansom Group plc, a cash shell, to a trading entity with the acquisition of the First Property Online group in December, 2000. I am pleased to report that since this acquisition, the business has positioned itself well in its sector and we will now move positively towards revenue generation.

Results

The short period between the completion of the acquisition (22nd December, 2000) and 31st March, 2001 was used by the Company principally to set in place other building blocks necessary for future revenue and profit generation. As a consequence, there was no material revenue earned during the period. The Group made a loss on ordinary activities before interest and goodwill amortisation of £547,000, of which £246,000 represented costs incurred by Hansom before the acquisition, including costs incurred for the further development of our website. The Company ended the period with a cash and near cash balance of approximately £2.9 million. The Directors are not recommending the payment of a dividend.

Developments since the year end

On 19th April, 2001 we announced the acquisition of Propertytrade.co.uk. We also announced on 15th June, 2001 the launch of three new unique products.

Propertytrade.co.uk

We acquired Propertytrade.co.uk, a b2b platform for the advertising of commercial properties for sale, for a nominal cash consideration. Its website listed 1,500 freehold or long leasehold properties for sale, with contributions from some 300 agents.

This acquisition enabled fprop to reach rapidly a critical mass of properties on its website and benefit from agent relationships already created by Propertytrade.co.uk. At the time of writing, fprop has 277 properties for sale online, a large proportion of which have been converted from Propertytrade.co.uk. We expect the number of properties for sale on fprop to continue to grow as more agents are converted from Propertytrade.co.uk. This critical mass of properties provides fprop with a strong base from which to develop its revenue generating products.

Bespoke loan, valuation and legal services online

We have entered into business agreements with a panel of leading UK commercial property lenders to provide bespoke loan quotes (to be displayed online subject to sellers' prior approval) for properties being sold through our website. The loan quotes will be made following valuation and legal consultation, and should therefore provide users of our website with a much better understanding of their ability to finance a property's purchase, its value and an efficient mechanism for the arrangement of loans.

We have agreed with each of the lenders that we will share in any loan arrangement fees earned from introductions from the website.

This service is due to go live later this summer.

FIRST PROPERTY ONLINE PLC

fprop's underwriting facility

Given the ready access to detailed information on properties for sale on our website, an understanding of the likely financing terms available, easy access to valuations and our own expertise, fprop has the ability to offer a professional, generic underwriting service for property sales. Under this scenario sellers will be able to:

- be guaranteed a sale of their property; and
- retain a significant share of the upside on the sale of their property should it sell on the market at a higher price than the price at which it has been underwritten.

In the first instance we will be offering two kinds of underwriting products:

- a guaranteed fixed purchase price, for a limited period of time, in return for a predetermined underwriting premium, payable to us up front; and
- a guaranteed fixed purchase price, for a limited period of time, in return for a share in the upside if the property sells on the market at a price higher than the underwritten price. In order to avail themselves of this underwriting product sellers will have to commit to sell their property either through our online bidding system or at conventional auction.

In order to launch the service fprop will set up a ring fenced underwriting company. Funding for this company will be raised from independent sources, with fprop expected to make a minority investment. Any investment by fprop will be made having ensured that it retains sufficient funding for its existing business. The company will be managed by fprop.

This service is expected to go live later this summer.

Streamlined conveyancing

We have developed a simple set of Enquiries before Contract and Certificates of Title. These have been designed so that the replies to enquiries can easily slot into the certificates, which are themselves based on the Law Society's standard form but altered to cater for different kinds of property so that they are specific and user friendly.

Whilst there is no direct revenue generation from this product, once established it should allow sellers and buyers to use our website much more easily and allow us in turn to offer our other products efficiently and cost effectively.

Strategy

Now that the Company has put in place the building blocks to facilitate the generation of revenue, our strategy is to:

- continue to grow the volume of properties online with an emphasis on properties being transacted through fprop;
- use the properties listed on the website as a base to cross sell fprop's revenue generating products;
- develop and expand the underwriting facility;
- establish further trade alliances to assist fprop in the development of its business;
- make, where appropriate, strategic acquisitions which allow fprop to accelerate its growth; and
- tightly control its overheads, expenditure, and cash.

FIRST PROPERTY ONLINE PLC

Prospects

Whilst the e-commerce malaise has affected the property industry and the speed by which we might otherwise have established our business, the resultant weak capital markets have also created opportunities for us. The Company is well capitalised and is the only online property vehicle to benefit from being quoted on AIM. This large advantage, coupled with the strengths brought by our trade alliances and the uniquely valuable products we offer, gives me confidence for the future and for the Group to deliver its growth plans.

Alasdair Locke
Chairman

25th June, 2001

FIRST PROPERTY ONLINE PLC

DIRECTORS' REPORT

for the year ended 31st March, 2001

The Directors present their report and the audited financial statements for the year ended 31st March, 2001.

Principal activities and review of the business

The principal activity of the Group changed during the year from being a cash shell to that of a web based business using the internet to facilitate the sale of commercial properties.

The consolidated profit and loss account is set out on page 11.

A review of the Group's activities during the year is included in the Chairman's Statement on page 3.

Acquisition

On 21st December, 2000, shareholders approved the acquisition of First Property Online Ltd (subsequently renamed First Property Online Holdings Ltd), a company operating a website for facilitating the sale of commercial properties on the Internet.

The consideration for the acquisition of £5,976,580 was satisfied by the issue of 42,689,858 new Ordinary shares of 1p each. In addition acquisition costs of £232,000 have been incurred which have been capitalised as part of the investment. The new shares commenced trading on the Alternative Investment Market of the London Stock Exchange on 22nd December, 2000.

Change of name

The Company changed its name from The Hansom Group plc to First Property Online plc on 21st December, 2000.

Share capital

During the year options were exercised in respect of 2,000,000 Ordinary shares, and 42,689,858 Ordinary shares were issued in respect of the acquisition referred to above.

Dividends

The Directors do not recommend the payment of a dividend (2000: nil). The loss after taxation is £1,164,000 (2000: £229,000 loss) and will be transferred to the Group's profit and loss account reserve.

Directors and their interests

The present Directors are listed on page 2. During the year and up to the date of this report the following changes occurred:

A J D Locke was appointed on 25th July, 2000
J P Mervis resigned on 25th July, 2000
A M Palmer resigned on 22nd December, 2000
J A Warwick resigned on 22nd December, 2000
B N Habib was appointed on 22nd December, 2000
J C Phillips was appointed on 22nd December, 2000

The beneficial interests of the Directors in the share capital of the Company at 1st April, 2000, at 31st March, 2001 and 14th June, 2001, as recorded in the register maintained by the Company in accordance with the provisions of the Companies Act were as follows:

FIRST PROPERTY ONLINE PLC

	Ordinary shares of 1p			Options over Ordinary shares of 1p		
	14/6/2001	31/3/2001	1/4/2000 or date of appointment	14/6/2001	31/3/2001	1/4/2000 or date of appointment
A J D Locke	5,665,740	5,665,740	2,160,932	-	-	-
B N Habib	12,486,783	12,486,783	12,486,783	1,500,000	-	-
J C Phillips	-	-	-	1,500,000	-	-
J P Mervis	-	-	3,491,172	-	-	2,000,000
J A Warwick	-	-	363,636	400,000	400,000	400,000

The new share options were granted on 5th April, 2001 under the Enterprise Management Incentive arrangements at an exercise price of 7p per share. The options may be exercised as to one third on or after 22nd December, 2002, 22nd December, 2003 and 22nd December, 2004 respectively, with an expiry date of 5th April, 2011. No other share options were granted during the year. The options held by J A Warwick may be exercised at 5.5p per share up to 4th December, 2001. J P Mervis exercised his options during the year. The market price of the company's shares at the end of the financial year was 5p and the range of market prices during the year was between 5p and 29p.

Directors' biographies

Alasdair Locke
Chairman

Alasdair is the non-executive Chairman of the Hansom Group, now First Property Online plc. He is also the executive Chairman of Abbot Group plc, a company listed on the London Stock Exchange with wide ranging interests in the oil services industry. Alasdair brings his considerable experience and expertise to fprop and will be an important and integral part of our future.

Ben Habib
Chief Executive

After graduating from Cambridge University in 1987, Ben joined Shearson Lehman Hutton as a business analyst in corporate finance. In 1989 he joined PWS Holdings plc, a quoted reinsurance broker based in the City, as its finance director.

After five years at PWS, Ben left to become managing director of JKL, a private property development and investment company. During his time at JKL he managed the development and sale of over 80 properties, with an aggregate value of some £70 million. It was this experience that gave rise to the concept of fprop.

Jeremy Phillips
Finance Director

After graduating from Cambridge University in 1993, Jeremy worked for Andersen Consulting for four years where he gained broad experience of management accounting and corporate finance.

Jeremy then joined The Boots Company plc in 1998 where he initially worked on extending the Boots brand before being selected as a founder member of Boots Internet Ventures. His work in this department included the joint venture with Granada Media to form wellbeing.com, a broadband Internet, health, beauty and well-being portal.

Re-election of directors

B N Habib and J C Phillips were appointed after the last Annual General Meeting and they will therefore retire in accordance with the Articles of Association and will offer themselves for election at the forthcoming Annual General Meeting. Both B N Habib's and J C Phillips' service agreements are subject to six months notice by the Company.

FIRST PROPERTY ONLINE PLC

Fixed assets

Details of tangible fixed assets and capital expenditure are shown in Note 14 to the financial statements on page 18.

Substantial shareholdings

The Directors have been notified that the following shareholders hold 3% or more of the issued share capital of the Company at 31st March, 2001 and at 14th June, 2001.

	Number of 1p Ordinary shares	Percentage of issued Ordinary 1p shares held %
B N Habib	12,486,783	14.69
J C Kottler	12,486,783	14.69
FPDSavills Commercial Ltd	6,403,481	7.54
Edinburgh Smaller Company Trusts plc	5,980,000	7.04
A J D Locke	5,665,740	6.67

Employees

The Group's policy is to consult and discuss with employees, through regular meetings with subsidiary company management, matters likely to affect employees' interests.

Creditor payment policy

The Group's current policy is to settle its liabilities to creditors within agreed credit periods whenever it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions. The Group does not have a universal standard or code which deals specifically with the payment of suppliers.

The Company's average creditor period at 31st March, 2001 was 30 days (2000: 5 days).

Annual general meeting

The notice convening the annual general meeting to be held on 10th September, 2001, which can be found on page 26, contains details of a special resolution empowering the Directors to allot relevant securities for cash up to a maximum nominal amount of £169,960, representing 20% of the current issued share capital of the Company. Given the growth stage of the Company and the Group, the resolution is being proposed as a means of ensuring that the Directors have the ability to take advantage of opportunities becoming available, rapidly and without undue transaction cost.

Statement of directors' responsibilities

The Directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial period and of the profit or loss of the Group for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March, 2001. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FIRST PROPERTY ONLINE PLC

Corporate governance

The Company intends to comply with the Principles of Corporate Governance and the Code of Best Practice published by the Committee on Corporate Governance chaired by Sir Ronald Hampel in so far as is possible given the Company's size and the constitution of the Board. This will be consistent with the recommendations on corporate governance of the Quoted Company Alliance ("QCA"). The Company intends to establish an audit committee to receive and review reports from management and from the auditors relating to the interim and annual accounts and to systems of internal control. A remuneration committee comprising Non-Executive Directors is also intended to be formed. Such committees will be set up as soon as the Company appoints additional Non-Executive Directors. It is the Company's intention to appoint two additional Non-Executive Directors in the near future.

Post balance sheet events

See note 28 for post balance sheet events.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the Annual General Meeting.

By order of the board
Alec W J Banyard
Company Secretary

22nd June, 2001

FIRST PROPERTY ONLINE PLC

REPORT OF THE AUDITORS TO THE MEMBERS OF FIRST PROPERTY ONLINE PLC

We have audited the financial statements which comprise the consolidated profit and loss account, balance sheets, the consolidated cash flow statement and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 United Kingdom's Companies Act. 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 the information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Directors' Report and the Chairman's Statement.

Basis of opinion

We conducted our audit in accordance with 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 affairs of the Company and the Group at 31st March, 2001 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
22nd June, 2001

FIRST PROPERTY ONLINE PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31st March, 2001

		Results before Goodwill Amortisation	Goodwill Amortisation	Total Results	Total Results
	Notes	2001 £'000	2001 £'000	2001 £'000	2000 £'000
Turnover					
- Continuing operations (acquisitions)		-	-	-	-
- Discontinued operations		-	-	-	1,625
Total turnover	2	-	-	-	1,625
Cost of sales	3	-	-	-	(1,385)
Gross profit		-	-	-	240
Net operating expenses	4	(547)	(801)	(1,348)	(361)
Operating (loss) on continuing operations		(357)	-	(357)	(230)
Operating (loss) on acquisitions		(190)	(801)	(991)	-
		(547)	(801)	(1,348)	(230)
Operating profit on discontinued operations		-	-	-	109
Operating (loss)		(547)	(801)	(1,348)	(121)
Exceptional item: profit on sale of subsidiaries - discontinued operations	5	-	-	-	56
(Loss) on ordinary activities before interest		(547)	(801)	(1,348)	(65)
Net interest receivable	6	184	-	184	128
(Loss)/profit on ordinary activities before taxation	9	(363)	(801)	(1,164)	63
Taxation on (loss)/profit on ordinary activities	10	-	-	-	(292)
(Loss) for the year	11	(363)	(801)	(1,164)	(229)
(Loss) per Ordinary 1p share - basic and diluted, before goodwill amortisation	12	(0.68p)			(0.58p)
(Loss) per Ordinary share – basic and diluted, after goodwill amortisation	12			(2.18p)	(0.58p)

The Group has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the (loss)/profit on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents.

FIRST PROPERTY ONLINE PLC

BALANCE SHEETS

at 31st March, 2001

	Notes	2001		2000	
		Group £'000	Company £'000	Group £'000	Company £'000
Fixed assets					
Intangible assets	13	5,607	-	-	-
Tangible assets	14	42	-	-	-
Investments	15	238	896	238	238
		5,887	896	238	238
Current assets					
Debtors	16	337	645	995	995
Cash at bank and in hand		2,604	2,630	2,773	2,773
		2,941	3,275	3,768	3,768
Creditors: amounts falling due within one year	17	(484)	(385)	(338)	(338)
Net current assets		2,457	2,890	3,430	3,430
Net assets		8,344	3,786	3,668	3,668
Capital and reserves					
Called up share capital	19	850	850	403	403
Share premium	20	2,663	2,663	2,820	2,820
Other reserves	20	5,550	-	-	-
Profit and loss account	20	(719)	273	445	445
Shareholders' funds	21	8,344	3,786	3,668	3,668

The financial statements on pages 11 to 25 were approved by the board of Directors on 22nd June, 2001 and were signed on its behalf by:

Jeremy Phillips
Finance Director

FIRST PROPERTY ONLINE PLC

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2001

	Notes	2001 £'000	2000 £'000
Net cash inflow from operating activities	22	111	819
Returns on investments and servicing of finance			
Interest received		187	112
Interest paid		(2)	-
Net cash inflow from returns on investments and servicing of finance		185	112
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(15)	-
Net cash outflow from capital expenditure and financial investment		(15)	-
Acquisitions and disposals			
Acquisition expenses paid	23	(232)	-
Net cash acquired with subsidiary undertaking		19	-
Disposal of operations		-	944
Cash disposed of with subsidiary		-	(154)
Net cash (outflow) / inflow from acquisitions and disposals		(213)	790
Cash inflow before management of liquid resources and financing		68	1,721
Management of liquid resources			
Decrease / (increase) in short term deposits		150	(1,865)
Financing			
Issue of Ordinary share capital		110	110
Issue cost of shares		(247)	-
Repayment of loans		(100)	-
Net cash (outflow) / inflow from financing		(237)	110
(Decrease) in cash in year	24	(19)	(34)

Reconciliation of net cash flow to movement in net funds

	Notes	2001 £'000	2000 £'000
(Decrease) in cash in year		(19)	(34)
Movement in short term deposits		(150)	1,865
Loan acquired with subsidiary		(100)	-
Movement in loans		100	-
Change in net funds resulting from cash flows		(169)	1,831
Movement in net funds in year		(169)	1,831
Net funds at 1 April 2000		2,773	942
Net funds at 31 March 2001	24	2,604	2,773

FIRST PROPERTY ONLINE PLC

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the Company and its subsidiary undertakings made up to 31st March, 2001. Intra-Group sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary or business, all of the assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. The results of subsidiary undertakings have been included from the dates of acquisition and up to the dates of disposal.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the assets acquired and has been capitalised. Such goodwill is being written off on a straight line basis over the expected useful economic life in accordance with FRS10, being the period the Directors estimate that the values of the underlying business acquired are expected to exceed the value of the underlying assets.

Investments

Generally investments are carried at cost less provision, where necessary, for impairment in value. Where permitted investments acquired through the issue of shares are stated at the nominal value of the shares issued together with the expenses of acquisition.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition, or fair value on acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful lives of the assets concerned. The Company has reassessed the useful economic life of its tangible fixed assets. This reassessment has no material effect on the depreciation charge for the year. The principal annual rates used for this purpose are:

	%
Computer Equipment	33.33
Office Equipment	33.33
Short Leasehold Improvements	33.33

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Turnover

Turnover, which excludes value added tax, sales between Group companies and trade discounts, represents the invoiced value of goods and services supplied.

FIRST PROPERTY ONLINE PLC

Pensions

The Group contributes to a number of defined contribution schemes. The charge against profit is the amount of contributions payable to the pension schemes in respect of the accounting period.

Related party transactions

FRS 8 “Related Party Disclosures” requires disclosure of the details of material transactions between the Company and related parties. The Company has taken advantage of exemptions within FRS 8 not to disclose transactions between Group companies.

2. Turnover

Turnover consists entirely of revenues arising in the United Kingdom and relates solely to the Group's principal activity.

3. Cost of sales

	2001	2000
	£'000	£'000
<hr/>		
Cost of sales		
- Continuing operations	-	-
- Discontinued operations	-	1,385
	-	1,385

4. Net operating expenses

	2001	2000
	£'000	£'000
<hr/>		
Administrative expenses		
- Continuing operations	1,158	230
- Acquisitions	190	-
- Discontinued operations	-	131
	1,348	361

Administrative expenses include all software development and website costs, which have been fully expensed.

5. Exceptional items

	2001	2000
	£'000	£'000
<hr/>		
Profit on disposal of Datacab before goodwill and corporation tax	-	1,565
Profit on disposal of Richmond Road Cab Centre before goodwill	-	16
	-	1,581
Goodwill written off	-	(1,525)
Profit on disposal of subsidiaries	-	56
Taxation thereon	-	292

FIRST PROPERTY ONLINE PLC

6. Net interest receivable

	2001	2000
	£'000	£'000
Interest payable – bank loans and overdrafts	(2)	-
Interest receivable and similar income	186	128
	184	128

7. Employee information

The average monthly number of persons (including executive Directors) employed during the year was:

	2001	2000
	Number	Number
Radio operations	-	6
Management	2	4
Property operations	3	-
	5	10

An analysis of staff costs is set out below:

	2001	2000
	£'000	£'000
Wages and salaries	279	295
Social security costs	12	31
Other pension costs	9	-
	300	326

The Group contributes to a number of defined contribution pension schemes. The total contribution payable in respect of these schemes amounted to £9,505 (2000: £nil). At 31st March, 2001 there were prepaid contributions of £3,166 (2000: £nil) in respect of the above schemes. There were no outstanding contributions at 31st March, 2001 in respect of the above schemes (2000: £nil).

8. Directors' emoluments

	2001	2000
	£'000	£'000
Aggregate emoluments	129	121
Compensation for loss of office	70	-
Pension contributions	6	-
	205	121

FIRST PROPERTY ONLINE PLC

Highest paid Director

	2001 £'000	2000 £'000
Aggregate emoluments	27	81
Compensation for loss of office	50	-
	77	81

Retirement benefits are accruing to 2 (2000: nil) directors under money purchase pension schemes.

One director exercised options granted under the 1996 Share Option Scheme during the year as set out in the table below. The gain made on this exercise, calculated on the difference between the option price and the mid-market price on the date of exercise, was £210,000 (2000: £80,000).

	Mid market price	2001 £'000	2000 £'000
J P Mervis	15.75p	210	-
A M Palmer	9.5p	-	80

9. (Loss)/ profit on ordinary activities before taxation

	2001 £'000	2000 £'000
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Depreciation charge		
- Tangible owned fixed assets	6	25
Auditors' remuneration		
- Audit (Company: £10,000 (2000: £15,000))	17	15
Operating lease rentals		
- Land and buildings	18	13

10. Taxation on (loss)/ profit on ordinary activities

	2001 £'000	2000 £'000
UK corporation tax current year 20% (2000: 30%)	-	292
	-	292

No provision has been made for UK Corporation tax due to the losses of the Company and its subsidiaries. The group has tax losses, subject to agreement with Inland Revenue, which can be used to reduce future tax liabilities.

11. Loss for the financial year

As permitted by section 230 of the Companies Act 1985, the Company's profit and loss account has not been included in these financial statements. The Company's loss for the year was £172,000 (2000: profit £445,000).

FIRST PROPERTY ONLINE PLC

12. Earnings per share

The calculation of basic and diluted earnings per share on the net basis is based on the loss on ordinary activities after taxation, namely £1,164,000 (2000: loss £229,000) and on 53,350,093 (2000: 39,065,809) Ordinary shares being the weighted average number of Ordinary shares in issue and ranking for dividend during the year. For the year ended 31st March, 2001, the inclusion of unexercised share options do not have a dilutive effect. The loss per Ordinary share before goodwill amortisation has been calculated and disclosed to be comparable with the prior year loss per Ordinary share as no goodwill amortisation occurred in that year.

13. Intangible assets

Group	Goodwill £'000
Cost at 1 April 2000	-
Additions during the year	6,408
At 31 st March, 2001	6,408
Amortisation	
At 1 April 2000	-
Charge for the year	(801)
At 31 st March, 2001	(801)
Net book value at 31 st March, 2001	5,607
Net book value at 31 st March, 2000	-

Goodwill arising on the acquisition of First Property Online Holdings Ltd (formerly First Property Online Ltd) is being amortised over a 2 year period in line with the accounting policy set out on page 14.

14. Tangible fixed assets

Group	Computer Equipment £'000	Office Equipment £'000	Short Leasehold Improvement £'000	Total £'000
Cost or valuation				
At 1 April 2000	-	-	-	-
Additions				
- Acquisitions	18	10	5	33
- Bought	8	1	6	15
At 31 March 2001	26	11	11	48
Depreciation				
At 1 April 2000	-	-	-	-
Charge for year	4	1	1	6
At 31 March 2001	4	1	1	6
Net book value				
At 31 March 2001	22	10	10	42
At 31 March 2000	-	-	-	-

The Company had no tangible fixed assets (2000: £nil).

FIRST PROPERTY ONLINE PLC

15. Fixed assets: Investments

The Group and the Company have the following investments:

	2001		2000	
	Group £'000	Company £'000	Group £'000	Company £'000
Investments in Group undertaking - shares at nominal value	-	426	-	-
- expenses	-	232	-	-
	-	658	-	-
Unlisted securities	238	238	238	238
	238	896	238	238

The names and percentage holdings of investments held by the Company are set out below.

	Holding %	Holding Company	Type of Shares	Nature of Business
First Property Online Holdings Ltd	100	First Property Online plc	ordinary	Holding company
First Property Online.com Ltd	100	First Property Online Holdings Ltd	ordinary	Property trading
Richmond Road Cab Centre Ltd	20	First Property Online plc	ordinary	Operation of licensed taxi cabs

The unlisted securities represent 20% of the issued share capital of Richmond Road Cab Centre Limited. This investment has not been treated as an associated undertaking since, in the opinion of the Directors, First Property Online plc does not have significant influence over the operating and financial policies of the entity.

The Directors intend to put First Property Online Holdings Limited into member's voluntary liquidation, and to transfer the holding in First Property Online.com Ltd to First Property Online plc.

16. Debtors

	2001		2000	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	2	-	-	-
Amounts owed by subsidiary undertakings	-	315	-	-
Other debtors	272	295	983	983
Prepayments and accrued income	63	35	12	12
	337	645	995	995

Other debtors of the Group and Company include £162,000 falling due in more than one year (2000: Group and Company £146,000).

Other debtors include VAT recoverable.

FIRST PROPERTY ONLINE PLC

17. Creditors

	2001		2000	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year				
Trade creditors	64	41	-	-
Corporation tax payable	292	292	292	292
Other taxation and social security	34	16	5	5
Other creditors, accruals and deferred income	94	36	41	41
	484	385	338	338

18. Provisions for liabilities and charges

Deferred taxation

There is no deferred taxation provided in the financial statements and no potential liability.

19. Called-up share capital

	2001 £'000	2000 £'000
Authorised :		
120,000,000 (2000: 60,000,000) Ordinary shares of 1p each	1,200	600
Allotted, called up and fully paid:		
84,979,716 (2000: 40,289,858) Ordinary shares of 1p each	850	403

The authorised share capital of the Company was increased from £600,000 to £1,200,000 by the creation of 60,000,000 new Ordinary shares of 1p each at an Extraordinary General Meeting of the Company held on 21st December, 2000.

A total of 44,689,858 Ordinary shares of 1p each were allotted during the year in respect of the following transactions.

	Date of Allotment	No. of Ordinary shares	Nominal Value £'000	Consideration £'000
Options exercised by J P Mervis	26 th July, 2000	2,000,000	20	110
Acquisition of First Property Online Holdings Ltd	22 nd Dec, 2000	42,689,858	427	5,976
		44,689,858	447	6,086

The Company had the following options outstanding at the date of this report:

	Number of options	Exercise price
Exercisable before 4 December 2001	400,000	5.5p
Exercisable before 6 April 2011	3,530,000	7.0p

FIRST PROPERTY ONLINE PLC

Under the terms of an engagement letter dated 28th November, 2000 between the Company and Granville Baird relating to the appointment of Granville Baird as nominated adviser and nominated broker to the Company, the Company has granted an option to Granville Baird to acquire 849,797 new Ordinary shares at an exercise price of 26 pence, being equal to the average closing mid-market price of the Ordinary shares in the 20 dealing days preceding the announcement of the acquisition of the First Property Online Holdings Ltd. The option is exercisable at any time to 21st December, 2003.

The value of the shares allotted on the acquisition of First Property Online Holdings Ltd was £5,976,000 and the consideration received for the shares allotted under the share option scheme during the year was £110,000.

20. Share premium account and reserves

Group	Share premium account £'000	Other reserves £'000	Profit and loss account £'000
At 1 April 2000	2,820	-	445
Premium on shares issued during the year	90	-	-
Share issue costs	(247)	-	-
Merger reserve created on acquisition of First Property Online Holdings Ltd	-	5,550	-
Loss for the year	-	-	(1,164)
At 31 March 2001	2,663	5,550	(719)

Company	Share premium account £'000	Profit and loss account £'000
At 1 April 2000	2,820	445
Premium on shares issued during the year	90	-
Share issue costs	(247)	-
Loss for the year	-	(172)
At 31 March 2001	2,663	273

21. Reconciliation of movements in equity shareholders' funds

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Opening shareholders' funds	3,668	2,262	3,668	2,262
Loss for the financial year	(1,164)	(229)	(172)	(229)
New share capital issued	447	110	447	110
Increase in share premium	90	-	90	-
Increase in other reserves	5,550	-	-	-
Share issue costs	(247)	-	(247)	-
Writeback of goodwill previously written off to reserves	-	1,525	-	1,525
Closing shareholders' funds	8,344	3,668	3,786	3,668

FIRST PROPERTY ONLINE PLC

22. Reconciliation of operating profit to net cash inflow from operating activities

	2001 £'000	2000 £'000
Operating loss	(1,348)	(121)
Depreciation	6	25
Amortisation	801	-
Decrease / (increase) in trade debtors	2	(25)
Decrease in prepayments and other debtors	690	85
Increase in trade creditors	2	889
Increase / (decrease) in other taxation and social security	15	(2)
Decrease in other creditors and accruals	(57)	(32)
Net cash inflow from operating activities	111	819

23. Acquisition of operations

First Property Online Holdings Ltd

On 21st December, 2000 The Hansom Group plc (now renamed First Property Online plc) acquired the whole of the share capital of First Property Online Holdings Ltd (formerly First Property Online Ltd). This purchase has been accounted for as an acquisition.

An analysis of the net liabilities acquired is as follows:

	Book Value £'000	Fair Value Adjustment £'000	Fair Value at Acquisition £'000
Tangible fixed assets	33	-	33
Debtors	34	-	34
Cash at bank and in hand	19	-	19
Creditors	(186)	-	(186)
Loans	(100)	-	(100)
Net assets acquired	(200)	-	(200)
Goodwill	6,408	-	6,408
Consideration	6,208	-	6,208
Satisfied by:			
Shares allocated	5,976	-	5,976
Acquisition expenses	232	-	232
	6,208	-	6,208

First Property Online Holdings Ltd was founded on 10th March, 2000. The total recognised losses of this company and its subsidiary, First Property Online.com Ltd from 10th March, 2000 to 21st December, 2000 are as set out below.

	Pre Acquisition £'000	Post Acquisition £'000
Turnover	20	-
Cost of sales	(4)	-
Gross profit	16	-
Administrative expenses	(443)	(190)
Operating loss	(427)	(190)
Net interest receivable	-	-
Loss on ordinary activities after interest	(427)	(190)
Tax on profit on ordinary activities	-	-
Loss on ordinary activities after taxation	(427)	(190)

FIRST PROPERTY ONLINE PLC

From the date of the acquisition to 31st March, 2001, First Property Online Holdings Ltd and its subsidiary First Property Online.com Ltd contributed £nil turnover and a loss of £190,000 before and after interest. These companies had, during this period, net operating cash outflows of £220,000, paid £nil in respect of interest and utilised £15,000 of capital expenditure.

24. Reconciliation of movement in net funds

	1 st April 2000	Cash flow £'000	Acquisition (excluding cash) £'000	31 st March 2001 £'000
	£'000			£'000
Cash at bank and in hand	2,773	(169)	-	2,604
Short term deposits	(2,750)	150	-	(2,600)
Cash (excluding short term deposits)	23	(19)	100	4
Debt due within one year	-	(100)	100	-
Short term deposits	2,750	(150)	-	2,600
	2,773	(269)	100	2,604

25. Capital commitments

The Group had capital commitments at 31st March, 2001 amounting to £nil (2000: £nil).

26. Financial commitments

At 31st March, 2001 the Group had annual commitments under non-cancellable operating leases as follows:

	2001		2000	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiring within one year	-	-	5	-
Expiring between two and five years inclusive	41	-	-	-
	41	-	5	-

The Company had commitments of £nil under non-cancellable operating leases expiring within one year at 31st March, 2001 (2000 : £5,000).

27. Financial instruments and risk management

The Group's financial instruments comprise or have comprised of cash and liquid resources, including trade debtors, trade creditors and short-term deposits derived from its operations. The primary objective of these financial instruments is to finance the Group's operations.

Objective, policies and strategies

The main areas of the Group's exposure are interest rate risk and liquidity risk. The Group policy does not permit entering into speculative trading of financial instruments and this policy has continued to be applied throughout the year.

Interest rate risk

The Group is exposed to interest rate risk on its cash balances and short term deposits.

As in previous years the Group regularly reviews market rates of interest to ensure that maximum returns are being achieved on its cash and short-term deposits.

FIRST PROPERTY ONLINE PLC

The Group policy is not to enter into interest rate swaps, options and forward rate agreements to manage its interest rate exposures on its liquidity.

Liquidity risk

The Group prepares monthly budgets, cash flow analyses and forecasts, which enable the Directors to assess the levels of borrowings required in future periods. This detail is used to ensure that appropriate facilities are put in place to finance the future planned operations of the Group. Until such time as the Group earns an operating profit, the Directors will have a particular focus on the prudent management cash outflows, while preparing the Group for future growth.

At the year-end the Group had no borrowings.

Budgets and projections will be used to assess any future potential investment and the Group will consider the existing level of funds held on deposit as part of the process to assess the nature and extent of any future funding requirement.

Short-term flexibility is achieved through bank overdraft facilities.

Numerical disclosures

Short term debtors and creditors have been excluded from the following numerical disclosures.

Financial assets

The interest rate profile of the Group's financial assets at 31st March, 2001 was:

	Currency	Total £'000	Floating rate Financial Assets £'000	Fixed rate Financial Assets £'000	Non-Interest bearing £'000
Other debtors due after 1 year	Sterling	162	-	-	162
Cash	Sterling	4	4	-	-
Short term deposits	Sterling	2,600	-	2,600	-
At 31 st March, 2001		2,766	4	2,600	162

The interest rate profile of the Group's financial assets at 31st March, 2000 was:

	Currency	Total £'000	Floating rate Financial Assets £'000	Fixed rate Financial Assets £'000	Non-Interest bearing £'000
Other debtors due after 1 year	Sterling	146	-	-	146
Cash	Sterling	23	23	-	-
Short term deposits	Sterling	2,750	-	2,750	-
At 31 st March, 2000		2,919	23	2,750	146

The fair value of the financial assets is considered to be their book value.

At 31st March, 2001 the floating rate of interest for cash deposits was 1.8% per annum. (2000: 1.9% per annum).

At 31st March, 2001 the weighted average rate of interest on fixed rate short term deposits was 5.52% per annum (2000: 4.8% per annum) and the weighted average period for which the rate was fixed was 1 month (2000: 1 month).

FIRST PROPERTY ONLINE PLC

The Group's financial assets at 31st March, 2001 include a balance of £162,000 (2000: £146,000) falling due after more than one year. The Group earns no interest on this asset.

Financial liabilities

At 31st March, 2001 and 31st March, 2000 the Group had no financial liabilities.

Currency risk exposures

At 31st March, 2001 and 31st March, 2000 the Group had no currency risk exposures.

Borrowing facilities

At 31st March, 2001 and 31st March, 2000 the Group had no committed borrowing facilities.

28. Post balance sheet event

On 19th April, 2001 the Group acquired the business and assets of Propertytrade plc for a cash consideration of £13,250.

29. Related party transactions

J C Kottler is a director of JKL Property Ltd and also a substantial shareholder of First Property Online plc. Since the acquisition of First Property Online Holdings Ltd, JKL Property Ltd charged the Group £8,433 (2000: £nil) for pension and other employee related costs for services related to B N Habib and another employee of the Group.

FIRST PROPERTY ONLINE PLC

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of FIRST PROPERTY ONLINE PLC will be held at the offices of Tavistock Communications Limited, 1 Angel Court, London, EC2R 7HX on 10th September, 2001 at 12 noon for the following purposes:

1. To receive and adopt the Directors Reports and Accounts for the year ended 31st March, 2001.
2. To re-appoint Benyamin N Habib as a director.
3. To re-appoint Jeremy C Phillips as a director.
4. To re-appoint PricewaterhouseCoopers as Auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next General Meeting of the Company at which accounts are laid.
5. To authorise the Directors to determine the remuneration of the Auditors.
6. That in substitution for any existing authorities the Directors be hereby generally and unconditionally authorised and empowered pursuant to and in accordance with Section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in the said Section) up to an aggregate nominal amount of £169,960, such authority to expire on the earlier of the next Annual General Meeting of the Company and the date 15 months after the passing of this resolution, save that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement.

As Special Business, to consider and if thought fit, to pass the following resolution.

7. That, subject to resolution 6 being passed, in substitution for any existing authorities, the Directors be and are hereby generally empowered in accordance with Section 95 of the Companies Act 1985 ("the Act") to allot equity securities (as defined in Section 94(2) of the Act) of the Company as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - a. the allotment of equity securities in connection with an offer by way of rights in favour of the holders of equity securities in proportion (as nearly as may be possible) to the respective number of Ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems in respect of overseas holders or otherwise; and
 - b. the allotment of equity securities (otherwise than pursuant to (a) above) up to an aggregate nominal amount of £169,960;

and this power shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the date 15 months after the passing of this resolution save that the Company may make an offer or agreement before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.

Dated the 31st July, 2001

Registered Office:
17 Quayside Lodge
William Morris Way
London SW6 2UZ

By Order of the Board

Alec W J Banyard
Secretary

FIRST PROPERTY ONLINE PLC

Notes:

1. Only holders of Ordinary shares are entitled to attend and vote at the Annual General Meeting. Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote in his stead. A proxy need not be a member of the Company. Completion of a form of proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
2. A form of proxy is enclosed. Any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, in order to be valid, must reach the Company's Registrars, Capita IRG plc, Balfour House, 390-398 High Road, Ilford, Essex, IG1 1NQ not less than 48 hours before the time of the meeting.

FIRST PROPERTY ONLINE PLC