

C O N T E N T S

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C O R P O R A T E P R O F I L E

ARTISAN (UK) PLC

Artisan (UK) plc is the holding company for a group of property development companies together with a specialist contractor and property holding companies. Artisan (UK) plc commenced trading in December 1998 by acquiring three trading subsidiaries by the de-merger from a listed company, known then as Dean Corporation plc. The summary of the current principal trading companies is shown below.

PROPERTY DEVELOPMENT ARTISAN (UK) DEVELOPMENTS LIMITED

This company is mainly involved in commercial development but also continues to build niche housing developments. Its activity is concentrated in the Cambridge to Peterborough corridor. It also incorporates the management of Gryphon Developments plc, which specialises in commercial property development in the Hertfordshire area and the newly formed Artisan Chiltern Limited which will concentrate on residential property development.

RIPPON HOMES LIMITED

Rippon Homes Limited was acquired by Artisan (UK) plc from Ennstone Breedon Limited in December 2000. The company is a residential house developer based in Mansfield, operating in the East Midlands and Lincolnshire regions.

LIVING HERITAGE HOLDINGS LIMITED

The Living Heritage group is an associate in which Artisan (UK) plc has a 50% interest. The group specialises in the conversion of attractive older buildings in desirable locations into quality apartments and individual dwellings.

CONTRACTING SPEYMILL CONTRACTS LIMITED

This company specialises in the fast track refurbishment and new build of leisure premises, particularly public houses. Its customers are primarily the larger pub owning groups.

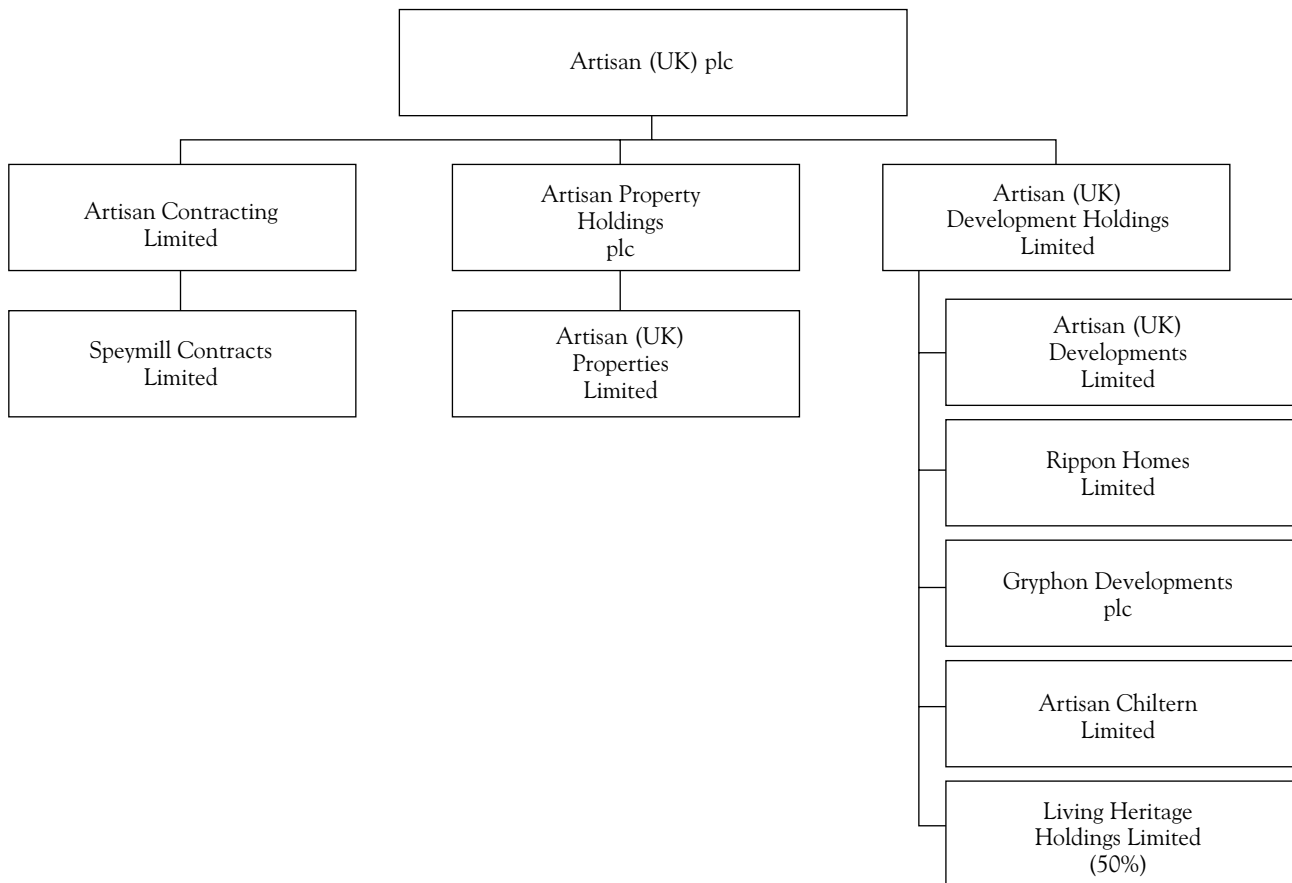
PROPERTY HOLDINGS ARTISAN PROPERTY HOLDINGS PLC

This subgroup was formed to manage properties held by Artisan (UK) plc on an interim basis. It is not the group's intention to hold property for long term investment. The properties are acquired either as development opportunities or for the short term holding of the interest in properties developed by Artisan (UK) Developments Limited.

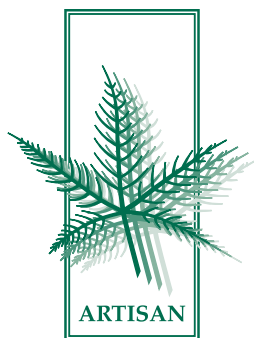


C O R P O R A T E P R O F I L E

GROUP STRUCTURE PRINCIPAL TRADING SUBSIDIARIES



The above structure reflects disposals following the balance sheet date.



DIRECTORS AND ADVISERS

COMPANY NUMBER:

3630998

REGISTERED OFFICE:

Dean House, Sovereign Court, Ermine Business Park, Huntingdon,
Cambridgeshire PE29 6XU

DIRECTORS:

Stephen Dean	(CHAIRMAN)
Christopher Musselle	(FINANCE DIRECTOR)
Alan Brookes	(DIRECTOR)
Martyn Freeman	(DIRECTOR)
Norman Saunders	(NON-EXECUTIVE)

SECRETARY:

Philip Speer

AUDITORS:

Spokes & Company, Hilden Park House, 79 Tonbridge Road, Hildenborough, Kent TN11 9BH

REGISTRAR:

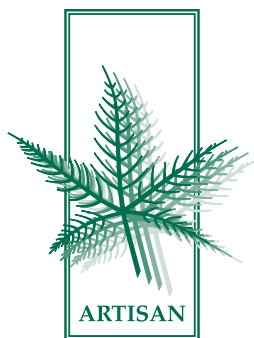
Capita IRG Plc, Balfour House, 390-398 High Road, Ilford, Essex IG1 1NQ

STOCKBROKER:

Seymour Pierce Limited, 29-30 Cornhill, London EC3V 3NF.

LEGAL ADVISERS:

Philip Speer & Co., 51 Cambridge Place, Cambridge, CB2 1NS
Eversheds, Daedalus House, Station Road, Cambridge CB1 2RE.

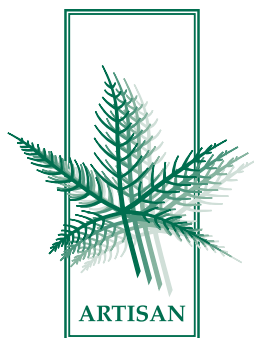


FINANCIAL HIGHLIGHTS

For the year ended 31 March 2001

	YEAR TO 31 MARCH 2001 £	YEAR TO 31 MARCH 2000 £
TURNOVER	81,364,520	34,821,517
OPERATING PROFIT	10,621,768	4,181,157
EBITDA	11,622,947	4,363,252
PROFIT BEFORE TAX	9,909,435	4,131,596
FINAL DIVIDEND PER SHARE	0.35p	0.30p
EARNINGS PER SHARE	2.59p	2.16p
EARNINGS PER SHARE EBITDA	4.39p	3.28p
NET ASSETS	34,146,473	25,331,903

ANNUAL GENERAL MEETING	4 SEPTEMBER 2001
FINAL DIVIDEND	TO BE PAID ON 2 OCTOBER 2001 TO SHAREHOLDERS REGISTERED 20 JULY 2001
INTERIM RESULTS 2002	ANNOUNCEMENT EXPECTED DECEMBER 2001
INTERIM DIVIDEND 2002	PAYMENT EXPECTED FEBRUARY 2002
FINAL RESULTS 2002	ANNOUNCEMENT EXPECTED JULY 2002



CHAIRMAN'S STATEMENT

On behalf of your Board I am pleased to announce a further milestone year in the development of Artisan (UK) plc into a national house builder and commercial property developer.

As can be seen from the financial highlights your Company has made significant improvements in its financial standing from turnover through to profits, to cash and to increased net assets.

The Company made one acquisition in the year, Rippon Homes Limited, based in Mansfield, Nottinghamshire. This transaction extends our residential and commercial development activities of the Group throughout Cambridgeshire, Hertfordshire, Warwickshire, Leicestershire, Lincolnshire and Nottinghamshire.

Since my last annual statement the Company has disposed of its regional contracting businesses and its investments in property related IT internet companies, showing profits on these disposals of £1.8 million and £1.43 million respectively. The £1.8 million is not included in these financial statements as the sale was not contracted until 24 May 2001.

Artisan is now highly focused on house building and commercial property developments and intends to target the following objectives in this coming year as suitable opportunities occur.

- Organic growth by opening branch offices in the south east and locating Artisan Chiltern Limited in mid-Hertfordshire (formerly the residential development arm of Driver Construction Limited).
- Acquisitions or joint ventures with other house builders.
- At the Annual General Meeting the Company intends to ask shareholders for authority to buy back up to 15% of its shares as opportunities arise.
- To attract institutional investment interest by seeking admission to the Official List (subject to suitability).

The current year has opened well with house buyer and commercial interest still remaining buoyant across the whole spectrum of the Group's business activities.

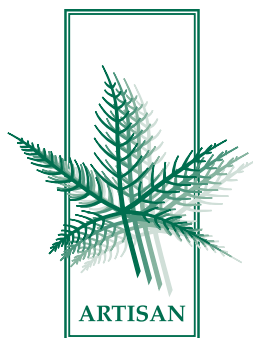
The Company has concluded negotiations with its partners at Living Heritage Holdings Limited to agree both the equity and option price of the earnout entered into in 1999. The price has now been agreed at £550,000 for the equity now owned by the Company (of which £430,000 has already been paid on account), and, should the Company so decide in the future, the option price for the remaining 50% it does not already own is fixed at a further £550,000. The price will be satisfied partly in cash and partly by the issue of up to 1,125,000 Artisan shares for the 50% currently owned. During the year to March 2001 Living Heritage Holdings Limited made pre-tax profits of £513,000.

I would like to take this opportunity of thanking the staff and managers of the Group for their continued support and loyalty and I look forward to the coming year with confidence.

STEPHEN DEAN

Chairman

9 July 2001



FINANCIAL REVIEW

For the year to 31 March 2001 turnover increased to £81.4m (year to 31 March 2000 £34.8m) principally as a result of full year contributions from acquisitions in March 2000 and the Rippon Homes Limited acquisition in December 2000. This is an increase of 134% but more importantly Total Operating Profit, has increased by 154% to £10.6m from £4.2m. EBITDA profit has grown at a greater rate with a 166% increase to £11.6m (year to 31 March 2000 £4.4m).

Shortly after the balance sheet date the regional contracting operations were sold and the scale of the activity of continuing operations is reflected in the summary of turnover and profit below.

	Development & Property	Specialist & Contracting	Central and Consolidation Adjustments	Total Continuing Operations
	£m	£m	£m	£m
Turnover	39.5	16.3	1.5	57.3
Operating Profit	8.2	0.7	1.2	10.1

The discontinued operations contributed £24.1m to turnover but only £0.297m to operating profit.

SHARE CAPITAL

During this year a total of 39.3 million new shares have been issued at an average price of 15.3p. Of these shares issued, 6.4 million shares related to acquisitions from previous years, 19.6 million in respect of new investments and 13.3 million in respect of working capital.

BALANCE SHEET

At the year end the group had net cash balances of £5.38m and bank and other borrowings of £22.41m representing a gearing ratio of 50% (2000: 42%). New debt funding has principally been incurred to assist with the acquisition of Rippon Homes Limited.

DIVIDENDS

During the course of the year, your board has paid or declared three dividends. The special dividend, paid by way of Envesta plc shares in specie was distributed in August 2000. The interim dividend for the current year provided shareholders with the choice of taking further Envesta plc shares or a cash alternative. The Envesta plc option was popular with shareholders with the majority opting for shares rather than the cash alternative. The cash value of the interim dividend was 0.25p and your board proposes a final dividend of 0.35p, a cash total of 0.6p which if enhanced by the additional or alternative Envesta plc shares equates to a total dividend equivalent to 1.42p. The cash dividend is 4.3 times covered by earnings per share of 2.59p. The final dividend is payable on 2 October 2001 to shareholders on the register at 20 July 2001.

POST BALANCE SHEET

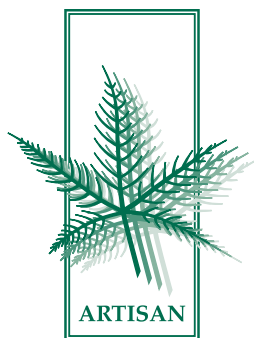
The principal post balance sheet event is the disposal of the regional contracting operations. The profit on disposal, net of costs, is £1.8m, which will be reflected in the 31 March 2002 results. This disposal is a significant step towards concentrating the group's activities on residential and commercial property development.

The group has exited its residual investment in Envesta plc since the year end with an overall profit of £1.97m and has also disposed of the interest in enterpriseAsia.com plc.

CHRIS MUSSELLE

Finance Director

9 July 2001



OPERATIONS REVIEW

ARTISAN (UK) DEVELOPMENTS LIMITED

The year to 31 March 2001 was a great success for Artisan's commercial development operations.

Office and industrial buildings of 63,000ft² were developed and sold on the Minerva and Colmworth Business Parks, with a further 41,000 ft² under construction at the year-end.

Clarendon Road, Watford, the 24,000ft² office development, pre-sold to Lattice Group Pension Fund, was completed in early 2001/02, and the Cardinal Business Park Development, pre-sold to Scottish Widows in the previous year, was completed on programme.

In November 2000 the company purchased a site for 60,000ft² of offices in St Albans, and total space in development and awaiting development at 31 March 2001 was in excess of 300,000ft².

On top of this development building activity a substantial profit contribution was made from land sales at Welwyn Garden City, Potters Bar, London Colney and Harpenden.

RIPPON HOMES LIMITED

In December 2000 your Company purchased for £9.895 million the entire share capital of Rippon Homes Limited, a Nottinghamshire based housebuilder that had been producing approximately one hundred homes a year and with a land bank of over three hundred units. The non-core joinery business was sold for a small profit. In the fourteen months ended 31 March 2001, the Company sold a total of one hundred and seven houses at an average price of £118,000. Planned production of homes has been increased to one hundred and twenty units for 2001/02.

ARTISAN PROPERTY HOLDINGS PLC

During the year the Artisan Property Group purchased offices for resale in Central London for £3 million plus two small provincial retail investments, and sold an industrial estate in London for £5.125 million and three commercial properties in Newcastle for £3.1 million at satisfactory margins.

Net rental income was £998,000 for the year which substantially exceeded the interest on the mortgages raised to

fund the portfolio. However, the Directors have confirmed their commitment to a policy of gradual realisation with the sale of the London offices and offices in St Albans for a combined £4.55 million, after the year-end.

LIVING HERITAGE HOLDINGS LIMITED

Artisan retained its 50% interest in Living Heritage Holdings Limited throughout the year and provided project finance in return for fee earnings to directly finance its development programme.

During the year, the Living Heritage Group sold twenty four units and purchased land for a further fifty two units on new sites in Birkdale, Cricklade and Tring, to add to those in Warwick, Putteridge Bury, Brackley, Codicote and Haywards Heath which were purchased in the previous year and developed during the twelve months under review to provide stock for sale in the current year.

CONTRACTING DISPOSALS

The last twelve months have been a busy period for the Contracting Division culminating in the disposal of Bickerton Construction Limited and Driver Construction Limited. Our efforts will now be concentrated in specialist contracting with Speymill Contracts Limited in the leisure sector.

SPEYMILL CONTRACTS LIMITED

Speymill continued to expand its operation with turnover up 29% to £16.3 million. The turnover for the Leeds office was £4.6 million which is in line with last years' expectations and your Board see this as an area that will continue to expand as this regional office establishes itself in the North of England. Profits are up some 61% to £690,000.

In addition, the leisure industry continues to see changes with mergers and acquisitions which suggests continued growth within this sector. The core business of Speymill Contracts Limited remains bars, public houses, restaurants, nightclubs and hotels, and covers all aspects of construction whether it is refurbishments, fit out of contractors' shells or new build projects.



OPERATIONS REVIEW

Speymill continues to develop and maintain relationships with its clients with a higher percentage of repeat business.

Regular clients include the Old Monk Pub Company with Springbok concepts at Cardiff and Newquay, and several of the pub refurbishments; Yates' Wine Lodges, with their lodges at Weymouth, Woking, Margate and their flagship at Leicester Square; SFI with their Litten Tree, Bar Med and Havana concepts at Dudley, Birmingham, Altringham, Liverpool, Leeds, Macclesfield, Redditch and also their For Your Eyes Only club in Mayfair, London. Additionally, substantial projects have been carried out for Scottish and Newcastle. Projects in the current year include a £1.8 million new build, 83 bedroom Premier Lodge at Crawley and the recently completed 100 bedroom fit-out at Dover.

Speymill also continue to carry out regular work for Pizza Express, Eldridge Pope, Charles Wells, and have recently added Regent Inns with their Walkabout concept at Bristol and award winning Walkabout Jongeulers Comedy Club at Glasgow.

Speymill Contracts Limited is ideally suited both geographically and operationally to continue with its success in this sector.

MARTYN FREEMAN

Operations Director

Developments

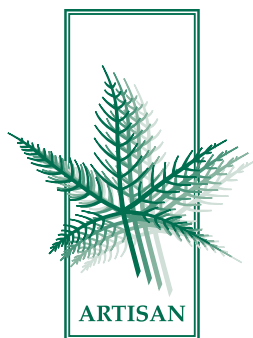
9 July 2001

ALAN BROOKES

Operations Director

Contracting

9 July 2001



DIRECTORS' REPORT

The Directors present the annual report and the Group accounts for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activities of the Group during the year were property related services which included residential house building, commercial property development, the provision of property refurbishment services, and property management.

The Chairman's statement, operations and financial reviews are set out on pages 6 to 9 and contain details of the Group's progress during the year together with an indication of future developments.

RESULTS AND DIVIDENDS

The Group profit for the year after taxation amounted to £6,849,263 (2000: £2,867,283).

The Directors propose to pay a final dividend of £1,005,245, being 0.35 pence per share, making the aggregate ordinary dividend for the year £3,916,440 (2000: £1,066,485).

POST BALANCE SHEET EVENTS

On 24 May 2001 the Group disposed of its entire interests in Bickerton Construction Limited, Driver Construction Limited, Gryphon Estates Limited and Yeadon Air Structures Limited for consideration in excess of book value.

On 27 June 2001, the Group disposed of its investment in enterpriseAsia.com plc for £3,240,073. The loss on disposal has been included within the results to 31 March 2001.

DIRECTORS

The following Directors have held office during the year.

Stephen Dean
Christopher Musselle
Alan Brookes
Martyn Freeman (appointed 6 November 2000)
Norman Saunders

DIRECTORS' SHAREHOLDINGS

The Directors at 31 March 2001 and their interests in the share capital (beneficially held) of the Company at the dates stated were as follows:

	31 Mar 01	31 Mar 00	31 Mar 01	31 Mar 00
	Ordinary Shares	Ordinary Shares	Options	Options
Stephen Dean	27,585,001	23,510,001	3,000,000	–
Christopher Musselle	298,853	238,353	3,530,000	530,000
Alan Brookes	104,333	83,333	3,550,000	550,000
Martyn Freeman	29,000	–	3,000,000	–
Norman Saunders	46,666	46,666	–	–

There have been no other movements in the above Directors' interests since 31 March 2001.

SUBSTANTIAL SHAREHOLDERS

At 9 July 2001 the Company had not been notified of any other interests in its issued share capital pursuant to Part VI of the Companies Act 1985.

CREDITORS' PAYMENT POLICY

Group operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with all relevant terms and conditions. Creditor days for the trading members of the Group have been calculated at 49 days (2000: 43 days).

For the property trading members of the group, creditor days have been calculated as nil, as payment for current asset investments will usually occur on the completion date.

INTRODUCTION OF THE EURO

The directors have considered the introduction of the euro and do not anticipate any directly attributable impact on the Company's business or expect to incur any significant costs as a result of that introduction.



DIRECTORS' REPORT

SPECIAL BUSINESS AT THE ANNUAL GENERAL MEETING

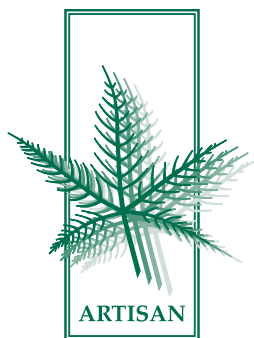
The Annual General Meeting of the Company will be held at Butchers Hall, 87 Bartholomew Close, London EC1A 9HP, on Tuesday 4 September 2001 at 11.30 a.m. Notice of the Annual General Meeting is separately enclosed with the distribution of the Report and Accounts.

AUDITORS

A resolution to reappoint Spokes & Company as auditors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

PHILIP SPEER
Company Secretary
9 July 2001



C O R P O R A T E G O V E R N A N C E

The Directors' acknowledge the importance of the principles set out in The Combined Code issued by the Committee on Corporate Governance. These have been applied during the year as follows:

The Board of Directors

During the year to 31 March 2001 the Board comprised an Executive Chairman, a Finance Director, two Executive Directors and an independent non-executive Director. The Board will always include non-executive directors of sufficient calibre and number to bring independent judgement on the key issues facing the Group.

The Board meets regularly and is responsible for strategy, performance, approval of major capital projects and the framework of internal controls. The Board has a formal schedule of matters specifically reserved to it for decision. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

A nominations committee is not considered appropriate because of the small size of the Board but all appointments or potential appointments are fully discussed by all Board members. All new directors and senior management are given a comprehensive introduction to the Group's business, including visits to the principal sites and meetings with senior management. Any training necessary will be provided at the Company's expense.

The Articles of Association provide that Directors will be subject to re-election at the first opportunity after their appointment and will then submit to re-election at intervals of three years.

Audit Committee

The Audit Committee currently consists of the non-executive Director, Norman Saunders, and meetings are also attended by relevant Executive Directors. The Audit Committee meets at least twice a year and considers the appointment and fees of the external auditors and discusses the scope of the audit and its findings. The Committee is also responsible for monitoring compliance with accounting and legal requirements and for reviewing the annual and interim financial statements prior to their submission for approval by the Board.

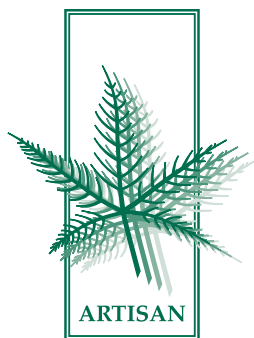
Remuneration Committee

The Remuneration Committee currently comprises the non-executive Director, Norman Saunders, and the Chairman. The Committee's role is to consider and approve the remuneration and benefits of the Executive Directors. In framing the Company's remuneration policy, the Remuneration Committee has given full consideration to Section B of The Combined Code. The Report on Directors' Remuneration is set out on page 14.

Internal Financial Control

The Board is responsible for establishing and maintaining the Group's system of internal financial control and places importance on maintaining a strong control environment. The key procedures which the Directors have established with a view to providing effective internal financial control are as follows:

- The Group's organisational structure has clear lines of responsibility.
- The Group prepares a comprehensive annual budget that is approved by the Board. Monthly results are reported against the budget and variances are closely monitored by the finance departments and the Directors.
- The Board is responsible for identifying the major business risks faced by the Group and for determining the appropriate courses of action to manage those risks.



C O R P O R A T E G O V E R N A N C E

- Oversight of and involvement in regular individual subsidiary company board meetings, complete with structured operational reporting requirements.

The Directors recognise, however, that such a system of internal financial control can only provide reasonable, not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the system of internal financial control as it operated during the year to 31 March 2001.

Relations with Shareholders

Communications with shareholders are given high priority. There is a regular dialogue with shareholders including presentations after the Company's preliminary announcement of the year end results and at the half year.

The Board uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation. The Chairman aims to ensure that the Chairmen of the Audit and Remuneration Committees are available at Annual General Meetings to answer questions.

Established procedures ensure the timely release of share price sensitive information and the publication of financial results and regulatory financial statements.

Statement by Directors on Compliance with the Provisions of the Combined Code

The Company has been in compliance with the provisions of The Combined Code throughout the year to 31 March 2001. The Board consider that they have complied as far as practicable and appropriate for a relatively small public company in accordance with the recommendations on corporate governance of the City Group for Smaller Companies.

Directors' Responsibilities for the Financial Statements

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 of the Group and of the profit or loss of the Group for that year. In preparing those financial statements, the directors are required to:

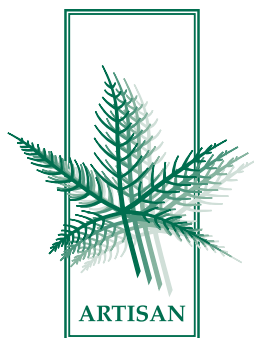
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

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

The Directors confirm that they have complied with the above requirements in preparing these financial statements.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.



REPORT ON DIRECTORS' REMUNERATION

The Remuneration Committee is responsible for determining and reviewing the terms of appointment and the remuneration of Executive Directors. The Committee also review the decisions of the Executive Directors on the remuneration of the other senior executives to ensure that reasonable and consistent criteria are applied to the management and review of all senior executive benefits packages. The Committee takes external advice, as appropriate, on remuneration issues and takes cognisance of major surveys covering all aspects of the pay and benefits of Directors and senior executives in many companies.

The Committee aims to provide base salaries and benefits which are competitive in the relevant external market and which take account of company and individual performance thus enhancing the Group's ability to recruit and to retain individuals of the calibre required for its continuing business success. It is the policy of the Committee to provide financial incentives and to reward superior performance over the medium and long term by creating opportunities to enable senior executives to earn cash bonuses and share-related payments which result from achievement of stretching performance targets.

The Remuneration Committee currently consists of the non-executive Director, Norman Saunders, and the Chairman.

SERVICE CONTRACTS

Stephen Dean, Christopher Musselle, Alan Brookes and Martyn Freeman all have service contracts which require not more than twelve month's notice of termination. The remuneration packages consist of fees or basic salary, pension contributions, benefits for car, fuel, private healthcare, life assurance and performance related bonus arrangements. The services of Stephen Dean are provided by Clayworth Holdings S.A. and Silverhall Holdings Limited.

The non-executive Director has a contract with the Company terminable at one month's notice.

PENSIONS

Pension contributions are paid on a money purchase basis to the personal pension schemes of the Executive Directors. These arrangements are continually reviewed to ensure that they are appropriate. There is no intention to set up an occupational pension scheme.

NON-EXECUTIVE DIRECTORS

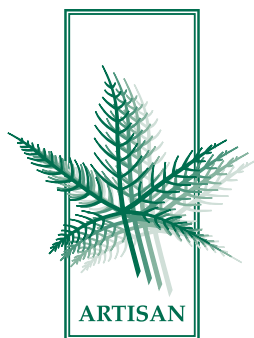
The fees of non-executive directors are set by the Board.

DIRECTORS' REMUNERATION

	Salary & Fees	Bonus	Benefits	Pension	Total	Total
Executives	£	£	£	Contributions £	31 Mar 2001 £	31 Mar 2000 £
STEPHEN DEAN	141,250	12,500	–	28,117	181,867	253,837
CHRISTOPHER MUSSELLE	95,000	42,500	11,800	9,833	159,133	114,609
ALAN BROOKES	87,250	32,500	11,099	8,725	139,574	115,564
MARTYN FREEMAN	42,796	40,000	5,664	4,280	92,740	–
Non-Executives						
NORMAN SAUNDERS	17,875	–	1,322	–	19,197	18,706
FORMER DIRECTORS	–	–	–	–	–	8,000
Total 2001	384,171	127,500	29,885	50,955	592,511	510,716
Total 2000	303,938	118,000	25,701	63,077	510,716	

The value of benefits received during the year relates principally to the provision of company cars, life assurance and private healthcare.

The above details are in respect of the year ended 31 March 2001. In the case of Martyn Freeman, the details relate to the period from his appointment as a Director on 6 November 2000. The amounts attributed to Stephen Dean represent fees paid to Clayworth Holdings S.A.. In addition Stephen Dean holds a material interest in Silverhall Holdings Limited, which is referred to in note 30 to the accounts.



REPORT ON DIRECTORS' REMUNERATION

SHARE OPTIONS

The Company believes that share ownership by Executive Directors and senior executives strengthens the links between their personal interest and those of investors.

At 31 March 2001 options were outstanding to Directors under the terms of the share option schemes to subscribe for ordinary shares as follows:

Approved scheme

	31 Mar 00	Number Granted	Number Exercised	Number Surrendered	31 Mar 01	Exercise price	Date from which Exercisable	Expiry Date
ALAN BROOKES	300,000	–	–	–	300,000	4.083p	15/1/2002	15/1/2009
	250,000	–	–	–	250,000	7.00p	10/9/2002	10/9/2009
	550,000				550,000			
CHRISTOPHER MUSSELLE	250,000	–	–	–	250,000	4.083p	15/1/2002	15/1/2009
	280,000	–	–	–	280,000	7.00p	10/9/2002	10/9/2009
	530,000				530,000			

Unapproved scheme

	31 Mar 00	Number Granted	Number Exercised	Number Surrendered	31 Mar 01	Date Granted	Exercise price	Date from which Exercisable	Expiry Date
STEPHEN DEAN	–	3,000,000	–	–	3,000,000	18/5/00	16p	17/5/2003	18/5/2010
CHRISTOPHER MUSSELLE	–	3,000,000	–	–	3,000,000	18/5/00	16p	17/5/2003	18/5/2010
ALAN BROOKES	–	3,000,000	–	–	3,000,000	18/5/00	16p	17/5/2003	18/5/2010
MARTYN FREEMAN	–	3,000,000	–	–	3,000,000	3/11/00	16p	17/5/2003	18/5/2010

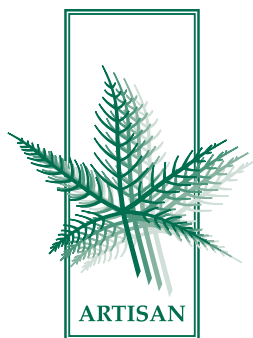
The closing mid-market price of the Company's shares on 31 March 2001 was 10p per share and the high and low prices during the year were 18.5p and 9.75p respectively. The average share price over the 10 business days prior to the date of grant of options was 15.6p per share in respect of the options granted on 18 May 2000 and 15.875p in respect of the options granted on 3 November 2000. 1,500,000 of the options granted to each Executive Director, are subject to performance conditions related to increases in the companies earnings per share over the 3 years ending 31 March 2003.

DIRECTORS' INTERESTS

The Directors' interests in the ordinary shares of the Company are set out in the Directors' Report on page 10 and details of the options outstanding are set out above.

On behalf of the Remuneration Committee

NORMAN SAUNDERS
9 July 2001



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTISAN (UK) PLC

We have audited the financial statements of Artisan (UK) plc for the year ended 31 March 2001 which comprise the Group Profit and Loss Account, the Group Balance Sheet, the Company Balance Sheet, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility as independent auditors, are established by statute, the Auditing Standards Board, the Listing Rules of the London Stock Exchange and by our profession's ethical guidance.

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 or the Listing Rules regarding Directors' remuneration and transactions with the company and other members of the Group is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with those provisions of the Combined Code specified for our review by the Stock Exchange, and we report if it does not. We are not required to form an opinion on the effectiveness of the Group's Corporate Governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We 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 Group'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 as at 31 March 2001 and of the Group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

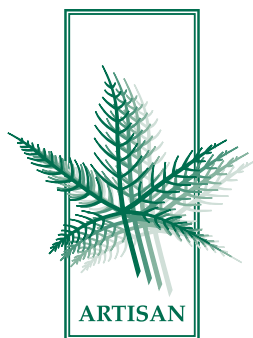
SPOKES & COMPANY

Chartered Accountants

Registered Auditor

Hilden Park House, 79 Tonbridge Road, Hildenborough, Kent TN11 9BH

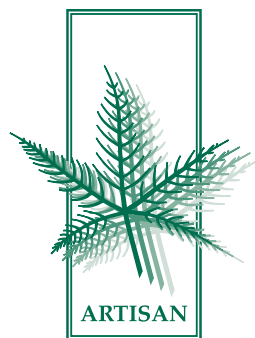
9 July 2001



G R O U P P R O F I T A N D L O S S A C C O U N T

For The Year Ended 31 March 2001

NOTES	31 Mar 2001 £	31 Mar 2000 £
1 TURNOVER		
CONTINUING OPERATIONS – EXISTING	55,175,066	29,254,320
– ACQUISITIONS	2,084,838	–
	57,259,904	29,254,320
DISCONTINUED ACTIVITIES	24,104,616	5,567,197
GROUP TURNOVER	81,364,520	34,821,517
GROUP'S SHARE OF ASSOCIATE'S TURNOVER		
– ALL CONTINUING	(3,287,934)	(4,938,078)
	78,076,586	29,883,439
1 COST OF SALES	(61,981,183)	(22,774,159)
1 GROSS PROFIT	16,095,403	7,109,280
1 ADMINISTRATIVE EXPENSES	(7,224,929)	(3,409,630)
1 OTHER OPERATING INCOME	1,540,824	44,174
1 GROUP OPERATING PROFIT	10,411,298	3,743,824
CONTINUING OPERATIONS – EXISTING	9,898,791	3,605,483
– ACQUISITIONS	215,416	–
	10,114,207	3,605,483
DISCONTINUED ACTIVITIES	297,091	138,341
GROUP'S SHARE OF OPERATING PROFIT OF ASSOCIATE	256,500	467,246
AMORTISATION OF GOODWILL ARISING ON ACQUISITION OF ASSOCIATE	(46,030)	(29,913)
TOTAL OPERATING PROFIT	10,621,768	4,181,157
EBITDA		
DEPRECIATION OF TANGIBLE ASSETS	344,479	121,870
AMORTISATION OF GOODWILL	656,700	60,225
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION	11,622,947	4,363,252
PROFIT ON DISPOSAL OF FIXED ASSETS	287,277	754
PROFIT ON SALE OF GROUP UNDERTAKING	–	104,957
INTEREST RECEIVABLE & SIMILAR INCOME	712,367	245,939
4 INTEREST PAYABLE	(1,711,977)	(401,211)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	9,909,435	4,131,596
5 TAXATION	(3,060,172)	(1,264,313)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	6,849,263	2,867,283
7 DIVIDENDS	(3,916,440)	(1,066,485)
21 RETAINED FOR THE YEAR	2,932,823	1,800,798
8 BASIC EARNINGS PER SHARE	2.59p	2.16p
8 DILUTED EARNINGS PER SHARE	2.58p	2.13p
8 EBITDA EARNINGS PER SHARE	4.39p	3.28p



GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

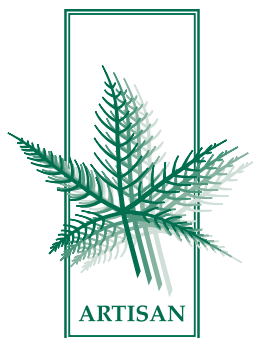
For The Year Ended 31 March 2001

NOTES	31 Mar 2001 £	31 Mar 2000 £
PROFIT FOR THE FINANCIAL YEAR EXCLUDING SHARE OF PROFIT OF ASSOCIATE	6,715,743	2,701,324
SHARE OF ASSOCIATE'S PROFIT FOR THE YEAR	133,520	165,959
	<u>6,849,263</u>	<u>2,867,283</u>
 2 PRIOR YEAR ADJUSTMENT	 <u>—</u>	
TOTAL GAINS AND LOSSES REPORTED SINCE LAST ANNUAL REPORT	<u>6,849,263</u>	

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

For The Year Ended 31 March 2001

	31 Mar 2001 £	31 Mar 2000 £
PROFIT FOR THE YEAR	6,849,263	2,867,283
DIVIDEND	(3,916,440)	(1,066,485)
SHARES ISSUED IN YEAR	5,233,642	14,031,829
MOVEMENT IN MERGER RESERVE	648,105	7,676,517
NET MOVEMENT IN SHAREHOLDERS' FUNDS	<u>8,814,570</u>	<u>23,509,144</u>
OPENING SHAREHOLDERS' FUNDS (ORIGINALLY £17,934,806 BEFORE ADDING PRIOR YEAR ADJUSTMENT OF £7,397,097)	<u>25,331,903</u>	<u>1,822,759</u>
CLOSING SHAREHOLDERS' FUNDS (EQUITY)	<u>34,146,473</u>	<u>25,331,903</u>

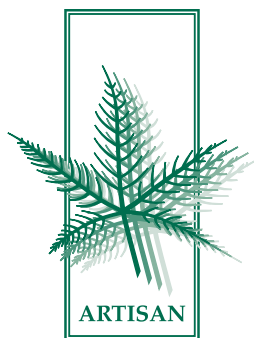


GROUP BALANCE SHEET AS AT 31 MARCH 2001

NOTES	31 Mar 2001 £	31 Mar 2000 £
FIXED ASSETS		
9 INTANGIBLE FIXED ASSETS	14,110,245	10,350,224
10 TANGIBLE FIXED ASSETS	2,433,528	2,201,466
11 INVESTMENT IN ASSOCIATES	1,214,245	804,246
	17,758,018	13,355,936
CURRENT ASSETS		
12 INVESTMENTS	4,157,109	622,865
13 STOCKS & WORK IN PROGRESS	27,385,667	24,162,108
14 DEBTORS	23,868,248	14,132,828
CASH AT BANK & IN HAND	5,375,378	1,796,172
	60,786,402	40,713,973
15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(35,331,379)	(26,119,668)
NET CURRENT ASSETS	25,455,023	14,594,305
TOTAL ASSETS LESS CURRENT LIABILITIES	43,213,041	27,950,241
16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(9,066,568)	(2,488,394)
19 MINORITY INTERESTS	–	(129,944)
NET ASSETS	34,146,473	25,331,903
CAPITAL & RESERVES		
20 CALLED UP SHARE CAPITAL (ALL EQUITY)	1,436,064	1,239,606
21 SHARE PREMIUM ACCOUNT	18,428,211	13,391,027
21 MERGER RESERVE	9,358,749	8,710,644
21 PROFIT & LOSS ACCOUNT	4,923,449	1,990,626
EQUITY SHAREHOLDERS' FUNDS	34,146,473	25,331,903

The financial statements were approved by the Board of Directors on 9 July 2001.

STEPHEN DEAN
Director

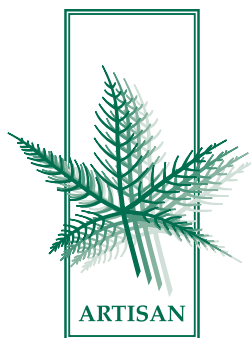


C O M P A N Y B A L A N C E S H E E T A S A T 3 1 M A R C H 2 0 0 1

NOTES	31 Mar 2001 £	31 Mar 2000 £
FIXED ASSETS		
10 TANGIBLE FIXED ASSETS	293,471	143,457
11 INVESTMENTS	5,469,593	15,569,644
	5,763,064	15,713,101
CURRENT ASSETS		
12 INVESTMENTS	4,157,109	–
14 DEBTORS	40,383,090	15,610,782
CASH AT BANK & IN HAND	5,447,812	5,009,950
	49,988,011	20,620,732
15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(21,827,120)	(11,293,954)
NET CURRENT ASSETS	28,160,891	9,326,778
TOTAL ASSETS LESS CURRENT LIABILITIES	33,923,955	25,039,879
16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(3,113,985)	(1,263,471)
NET ASSETS	30,809,970	23,776,408
CAPITAL & RESERVES		
20 CALLED UP SHARE CAPITAL	1,436,064	1,239,606
21 SHARE PREMIUM ACCOUNT	18,428,211	13,391,027
21 MERGER RESERVE	9,574,855	8,926,750
21 PROFIT & LOSS ACCOUNT	1,370,840	219,025
EQUITY SHAREHOLDERS' FUNDS	30,809,970	23,776,408

The financial statements were approved by the Board of Directors on 9 July 2001.

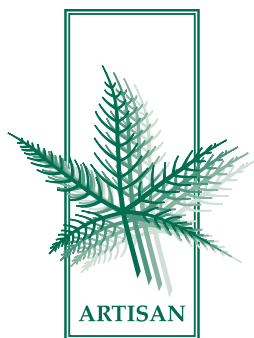
STEPHEN DEAN
Director



GROUP CASH FLOW STATEMENT

For The Year Ended 31 March 2001

NOTES	31 Mar 2001 £	31 Mar 2000 £
23 NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	5,791,772	(6,650,535)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
INTEREST RECEIVED	712,367	245,939
INTEREST PAID	(1,711,977)	(401,211)
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(999,610)	(155,272)
TAXATION		
UK CORPORATION TAX PAID	(1,006,686)	(484,167)
CAPITAL EXPENDITURE & FINANCIAL INVESTMENT		
SALE OF TANGIBLE FIXED ASSETS	1,006,741	110,621
PURCHASE OF TANGIBLE FIXED ASSETS	(676,024)	(195,134)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	330,717	(84,513)
ACQUISITIONS & DISPOSALS		
DISPOSAL OF SUBSIDIARY UNDERTAKING	–	348,827
PURCHASE OF SUBSIDIARY UNDERTAKINGS	(11,847,585)	(3,058,818)
NET CASH ACQUIRED WITH SUBSIDIARY UNDERTAKING	–	310,677
PURCHASE OF SHARE IN ASSOCIATE	(156,479)	(511,790)
NET CASH (OUTFLOW) FROM ACQUISITIONS AND DISPOSALS	(12,004,064)	(2,911,104)
EQUITY DIVIDENDS PAID	(1,061,801)	(574,895)
NET CASH OUTFLOW BEFORE FINANCING	(8,949,672)	(10,860,486)
FINANCING		
ISSUE OF SHARES	2,124,532	14,262,688
COST OF SHARE ISSUES	(127,151)	(434,429)
ADDITIONS TO BORROWING	10,382,092	4,848,797
DEBT ACQUIRED WITH SUBSIDIARY UNDERTAKINGS	–	(5,212,701)
CAPITAL ELEMENT OF FINANCE LEASES	149,405	(33,446)
NET CASH INFLOW FROM FINANCING	12,528,878	13,430,909
24 INCREASE IN CASH	3,579,206	2,570,423



PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results could differ from those estimates. Estimates are used principally when accounting for income and expenditure on contracts and developments, provision for doubtful debts, depreciation and taxes.

BASIS OF CONSOLIDATION

The Group financial statements consolidate those of the Company and of its subsidiary undertakings for the year ended 31 March 2001.

The results of businesses acquired or disposed of during the year have been included from the effective date of acquisition or up until the date of disposal. Profits or losses on intra-group transactions are eliminated in full.

TURNOVER

Turnover represents the value of work done and properties sold excluding VAT. Turnover arises solely in the UK. Profit is recognised on long term work in progress contracts if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract. In respect of sales of property, turnover is recognised when the sale becomes unconditional.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is determined on a purchase cost basis. Work in progress includes materials and labour costs and an appropriate proportion of overheads incurred on incomplete contracts and developments at the year end. Profit is recognised on long term contracts, as stated above.

LAND HELD FOR BUILDING

Land held for building is stated at the lower of cost and net realisable value. Cost comprises land cost and direct materials and labour. Net realisable value is the actual or estimated net selling price.

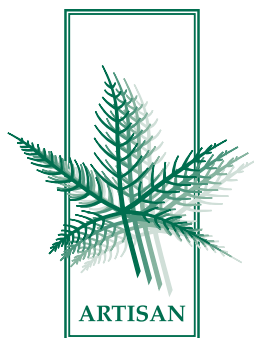
LEASED ASSETS

Finance leases are those which transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised as tangible fixed assets and depreciated over their expected useful lives. Outstanding finance lease obligations, which comprise principal plus accrued interest, are included within creditors. The finance element of the agreements is charged to the profit and loss account over the term of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

TAXATION

The charge for taxation is based on the profit for the year and takes into account deferred taxation. Provision is made for material deferred taxation.



PRINCIPAL ACCOUNTING POLICIES

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold Buildings	2% per annum on the straight line basis
Leasehold Improvements	25% per annum on the straight line basis
Motor Vehicles	20-25% per annum on the straight line basis
Fixtures & Fittings	15-25% per annum on the straight line basis
Office Equipment	25% per annum on the straight line basis
Plant & Machinery	15% per annum on the straight line basis

GOODWILL

Goodwill arising from the purchase of subsidiary undertakings and interests in associates, represents the excess of the fair value of the purchase consideration over the fair value of the net assets acquired.

For acquisitions completed on or after 1 April 1998, the goodwill arising is capitalised as an intangible asset or, if arising in respect of an associate, recorded as part of the related investment. In most cases, the goodwill is amortised on a straight line basis from the time of acquisition over its useful economic life. The economic life is normally presumed to be a maximum of 20 years. For acquisitions on or before 31 March 1998, the goodwill was written off on acquisition against group reserves.

If an undertaking is subsequently divested, the appropriate unamortised goodwill or goodwill written off to reserves is dealt with through the profit and loss account in the period of disposal as part of the gain or loss on divestment.

PENSIONS

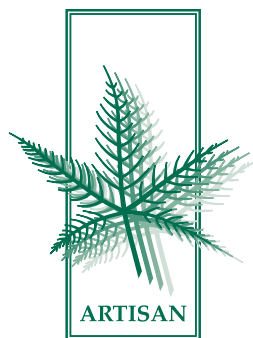
The Group operates defined contributions pension schemes. Contributions paid during the year are charged to the Profit & Loss Account.

FIXED ASSET INVESTMENT

Investments in subsidiary undertakings and associates are stated at cost less amounts written off. Investments in associates are stated in the group balance sheet at the group's share of their net assets, together with any attributable unamortised goodwill on acquisitions arising on or after 1 April 1998. The group's share of profits less losses of associates is included in the group profit and loss account. Investments in other participating interests are stated at cost less amounts written off.

CURRENT ASSET INVESTMENTS

Current asset investments are stated at the lower of cost or net realisable value.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is generated from property-related activities within the UK.

	31 MAR 2001			31 MAR 2000		
	EXISTING OPERATIONS	ACQUI- SITIONS	DISCONTINUED OPERATIONS	EXISTING OPERATIONS	ACQUI- SITIONS	DISCONTINUED OPERATIONS
	£	£	£	£	£	£
COST OF SALES	39,351,542	1,561,817	21,067,824	18,101,436	–	4,672,723
GROSS PROFIT	12,535,590	523,021	3,036,792	6,214,806	–	894,474
ADMINISTRATIVE EXPENSES	4,171,886	307,605	2,745,438	2,653,461	–	756,169
OTHER OPERATING INCOME	1,535,087	–	5,737	44,138	–	36

The acquisition relates to the purchase of Rippon Homes Limited on 22 December 2000.

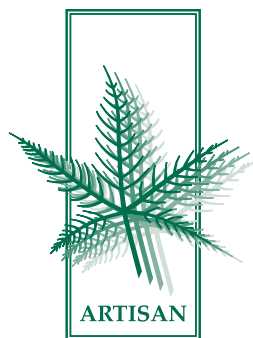
The discontinued operations reflect the disposal of Bernard Ward Limited in February 2000 and the disposal of Bickerton Construction Limited, Driver Construction Limited, Gryphon Estates Limited and Yeadon Air Structures Limited on 24 May 2001. These disposals represent the withdrawal from local authority contracting operations and the comparatives on the Profit and Loss account have been adjusted to reflect this treatment.

Operating profit is stated after charging/(crediting) the following:

	YEAR ENDED 31 MAR 2001	YEAR ENDED 31 MAR 2000
	£	£
DEPRECIATION	344,479	121,870
AMORTISATION OF GOODWILL	610,670	30,312
AMORTISATION OF GOODWILL IN ASSOCIATES	46,030	29,913
AUDITORS' REMUNERATION – AUDIT SERVICES	66,550	42,268
– OTHER SERVICES	40,000	25,000
HIRE OF PLANT AND MACHINERY	354,109	56,067
OTHER OPERATING LEASE RENTALS – VEHICLES	259,608	83,690
– LAND & BUILDINGS	194,400	114,134
RENT RECEIVABLE	(30,603)	–

2 PRIOR YEAR ADJUSTMENT

As announced on 23 February 2001, following a review by the Financial Reporting Review Panel, the directors now consider that it was inappropriate, in the accounts for the year ended 31 March 2000, to write off the goodwill of £7,397,097 arising on the acquisition of Bickerton Group plc and Investment in Heritage plc to the merger reserve arising in respect of that acquisition. The directors believe that their stated policy in respect of goodwill should have applied, and accordingly have now restated the accounts so as to capitalise this goodwill with effect from the effective date of acquisition of 31 March 2000 and amortise it over their estimate of its useful life of 20 years. The effect of this restatement is to increase net assets and shareholders' funds at 31 March 2000 by £7,397,097. The restatement has no effect on the results for the year then ended.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

3 EMPLOYEES

	31 MAR 2001	31 MAR 2000
<i>Staff costs (including Directors) during the year were as follows:</i>	£	£
WAGES & SALARIES	6,000,110	2,958,284
SOCIAL SECURITY COSTS	635,122	253,870
OTHER PENSION COSTS	208,837	90,913
	<u>6,844,069</u>	<u>3,303,067</u>

Details for each Director of remuneration, pension entitlement and interest in share options are set out in the Report on Directors' Remuneration.

The average number of employees of the Group during the year was as follows:

	NUMBER	NUMBER
ADMINISTRATION	93	31
OPERATIONS	128	82
	<u>221</u>	<u>113</u>

4 INTEREST PAYABLE

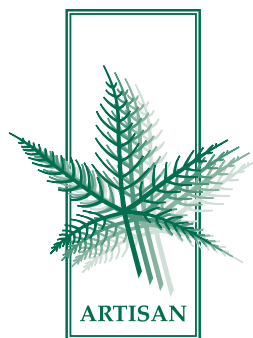
	31 MAR 2001	31 MAR 2000
	£	£
HIRE PURCHASE AND FINANCE LEASES	20,861	10,882
BANK OVERDRAFTS (REPAYABLE OTHERWISE THAN BY INSTALMENTS WITHIN 5 YEARS)	1,082,663	333,010
OTHER INTEREST	608,453	57,319
	<u>1,711,977</u>	<u>401,211</u>

5 TAXATION

	31 MAR 2001	31 MAR 2000
	£	£
CORPORATION TAX CHARGE AT 30% BASED ON THE RESULT FOR THE YEAR	3,284,371	990,996
SHARE OF TAX OF ASSOCIATED UNDERTAKINGS	76,950	271,374
ADJUSTMENT TO PRIOR PERIOD	(1,149)	1,973
DEFERRED TAX	(300,000)	–
	<u>3,060,172</u>	<u>1,264,313</u>

6 PROFIT FOR THE FINANCIAL YEAR

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The profit for the year, dealt with in the profit and loss account of the company and after taking into account dividends from subsidiary undertakings, was £1,151,815 (2000: £1,255,713).



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

7 DIVIDENDS

	31 MAR 2001	31 MAR 2000
	£	£
INTERIM DIVIDEND PAID IN CASH	278,578	283,262
INTERIM DIVIDENDS PAID IN SPECIE	2,632,617	–
	2,911,195	283,262
PROPOSED FINAL DIVIDEND	1,005,245	783,223
	3,916,440	1,066,485

The dividends paid in specie relate to the fair value of Envesta plc shares distributed to shareholders.

8 EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the profit for the financial year attributable to shareholders by the weighted average number of shares in issue. In calculating the diluted earnings per share, share options outstanding have been taken into account. The EBITDA earnings per share were calculated using earnings before interest, taxation, depreciation and amortisation.

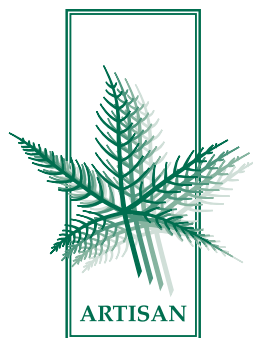
The weighted average number of shares were:

	31 MAR 2001	31 MAR 2000
	NUMBER	NUMBER
BASIC WEIGHTED AVERAGE NUMBER OF SHARES	264,919,700	133,022,474
DILUTIVE POTENTIAL ORDINARY SHARES: EMPLOYEE SHARE OPTIONS	999,338	1,317,622
	265,919,038	134,340,096

9 INTANGIBLE FIXED ASSETS

Intangible fixed assets comprise goodwill arising on consolidation of businesses acquired as follows:

	31 MAR 2001	31 MAR 2000
	£	£
PURCHASED GOODWILL AS PREVIOUSLY STATED	2,983,439	122,358
REINSTATEMENT OF GOODWILL (NOTE 2)	7,397,097	–
AS RESTATED	10,380,536	122,358
ON BUSINESSES ACQUIRED IN YEAR	3,064,084	10,380,536
FURTHER GOODWILL ON PRIOR PERIOD ACQUISITIONS	1,306,607	–
ON BUSINESSES DISPOSED OF	–	(122,358)
PURCHASED GOODWILL AT COST	14,751,227	10,380,536
AMORTISATION BROUGHT FORWARD	30,312	5,000
AMORTISATION CHARGED	610,670	30,312
ON DISPOSALS	–	(5,000)
AMORTISATION CARRIED FORWARD	640,982	30,312
NET INTANGIBLE FIXED ASSETS – AS RESTATED	14,110,245	10,350,224



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

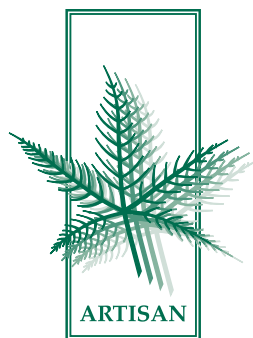
10 TANGIBLE FIXED ASSETS

The Group

	FREEHOLD LAND AND BUILDINGS £	LEASEHOLD IMPROVE- MENTS £	PLANT AND MACHINERY £	MOTOR VEHICLES £	FIXTURES AND FITTINGS £	TOTAL £
COST						
AT 31 MARCH 2000	1,602,418	106,021	127,094	570,652	301,436	2,707,621
ADDITIONS	9,339	618	4,742	317,334	343,991	676,024
ACQUIRED WITH SUBSIDIARY UNDERTAKINGS	458,669	–	362,188	335,180	29,435	1,185,472
DISPOSALS	(571,769)	–	(111,165)	(289,793)	(24,046)	(996,773)
AT 31 MARCH 2001	1,498,657	106,639	382,859	933,373	650,816	3,572,344
DEPRECIATION						
AT 31 MARCH 2000	53,155	16,045	95,295	226,128	115,532	506,155
PROVIDED IN THE YEAR	20,845	40,712	32,365	150,473	100,084	344,479
ACQUIRED WITH SUBSIDIARY UNDERTAKINGS	–	–	292,918	244,248	28,325	565,491
ELIMINATED ON DISPOSAL	(36,732)	–	(109,346)	(125,881)	(5,350)	(277,309)
AT 31 MARCH 2001	37,268	56,757	311,232	494,968	238,591	1,138,816
NET BOOK VALUE						
AT 31 MARCH 2001	1,461,389	49,882	71,627	438,405	412,225	2,433,528
AT 31 MARCH 2000	1,549,263	89,976	31,799	344,524	185,904	2,201,466

The figures above include assets held under finance leases as follows:

	£
NET BOOK VALUE AT 31 MARCH 2001	286,588
31 MARCH 2000	123,660
DEPRECIATION PROVIDED IN THE YEAR 31 MARCH 2001	82,223
31 MARCH 2000	39,804



NOTES TO THE FINANCIAL STATEMENTS

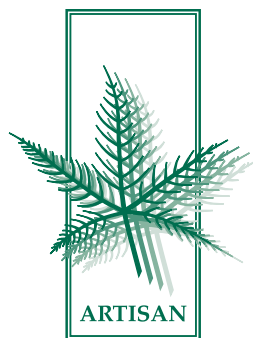
For the Year Ended 31 March 2001

10 TANGIBLE FIXED ASSETS (Continued)

The Company

	LEASEHOLD IMPROVEMENTS £	MOTOR VEHICLES £	EQUIPMENT FIXTURES AND FITTINGS £	TOTAL £
COST				
BALANCE BROUGHT FORWARD	106,021	30,000	58,977	194,998
ADDITIONS	618	236,578	32,044	269,240
DISPOSALS	–	(30,000)	(15,249)	(45,249)
BALANCE CARRIED FORWARD	106,639	236,578	75,772	418,989
DEPRECIATION				
BALANCE BROUGHT FORWARD	16,045	7,500	27,996	51,541
CHARGE	40,712	48,169	3,821	92,702
DISPOSALS	–	(14,375)	(4,350)	(18,725)
	56,757	41,294	27,467	125,518
NET BOOK VALUE				
AT 31 MARCH 2001	49,882	195,284	48,305	293,471
AT 31 MARCH 2000	89,976	22,500	30,981	143,457

The net book value of fixed assets includes an amount of £179,498 (2000: £22,500) in respect of assets held under finance leases. The depreciation charge includes an amount of £39,038 (2000: £7,500) in respect of assets held under finance leases.



NOTES TO THE FINANCIAL STATEMENTS

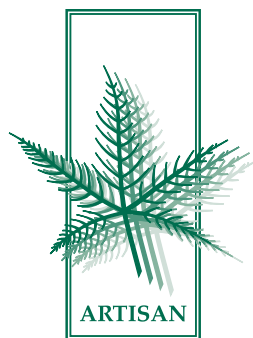
For the Year Ended 31 March 2001

11 FIXED ASSET INVESTMENTS

THE GROUP		ASSOCIATED UNDERTAKINGS		£
BALANCE BROUGHT FORWARD				804,246
ADDITIONS				276,479
SHARE OF PROFIT FOR THE YEAR AFTER TAX AND GOODWILL				133,520
BALANCE CARRIED FORWARD				1,214,245

	SUBSIDIARY UNDERTAKINGS	ASSOCIATED UNDERTAKINGS	TOTAL
	£	£	£
THE COMPANY			
BALANCE BROUGHT FORWARD – AS PREVIOUSLY REPORTED	7,660,757	511,790	8,172,547
– GOODWILL REINSTATED (NOTE 2)	7,397,097	–	7,397,097
– AS RESTATED	15,057,854	511,790	15,569,644
ADDITIONS	12,518,846	276,479	12,795,325
TRANSFERRED TO INTERMEDIATE SUB GROUP HOLDING COMPANIES	(20,901,869)	–	(20,901,869)
TRANSFER OF ENVESTA PLC SHAREHOLDING TO CURRENT ASSET INVESTMENTS	(1,993,507)	–	(1,993,507)
BALANCE CARRIED FORWARD	4,681,324	788,269	5,469,593

In the opinion of the directors the aggregate value of the Company's investments are not less than the amount included in the Balance Sheet.



NOTES TO THE FINANCIAL STATEMENTS

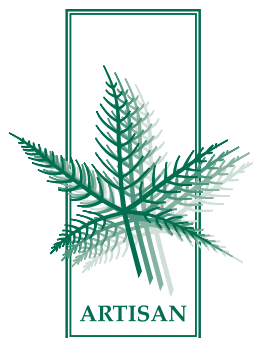
For the Year Ended 31 March 2001

11 FIXED ASSET INVESTMENTS (continued)

At 31 March 2001 the Company held the following interests in subsidiary undertakings all of which are included within the consolidated accounts.

NAME	CLASS OF SHARE CAPITAL HELD	PROPORTION HELD	NATURE OF BUSINESS
ARTISAN INVESTMENTS LIMITED (FORMERLY ARTISAN.COM LIMITED)	ORDINARY	100%	TRADE INVESTMENTS
ARTISAN CONTRACTING LIMITED	ORDINARY	100%	CONTRACTING GROUP HOLDING COMPANY
ARTISAN PROPERTY HOLDINGS PLC (FORMERLY INVESTMENT IN HERITAGE PLC)	ORDINARY 'A' ORDINARY	100% 100%	PROPERTY GROUP HOLDING COMPANY
ARTISAN (UK) DEVELOPMENT HOLDINGS LIMITED (FORMERLY SEVCO 1216 LIMITED)	ORDINARY	100%	DEVELOPMENT GROUP HOLDING COMPANY
DRIVER CONSTRUCTION LIMITED	ORDINARY 'A' ORDINARY	100% 100%	BUILDING AND CONTRACTING
<i>WHOLLY OWNED SUBSIDIARIES OF ARTISAN CONTRACTING LIMITED:</i>			
SPEYMILL CONTRACTS LIMITED	ORDINARY	100%	REFURBISHMENT CONTRACTORS
BICKERTON CONSTRUCTION LIMITED	ORDINARY	100%	BUILDING CONTRACTORS
YEADON AIR STRUCTURES LIMITED	ORDINARY	100%	AIR SUPPORTED STRUCTURES
<i>WHOLLY OWNED SUBSIDIARIES OF ARTISAN PROPERTY HOLDINGS PLC:</i>			
ARTISAN (UK) PROPERTIES LIMITED	ORDINARY	100%	PROPERTY SALES AND LETTING
GRYPHON ESTATES LIMITED	ORDINARY	100%	PROPERTY INVESTMENTS
<i>WHOLLY OWNED SUBSIDIARIES OF ARTISAN (UK) DEVELOPMENT HOLDINGS LIMITED (FORMERLY SEVCO 1216 LIMITED):</i>			
ARTISAN (UK) DEVELOPMENTS LIMITED	ORDINARY	100%	HOUSE BUILDING AND COMMERCIAL DEVELOPMENT
RIPPON HOMES LIMITED	ORDINARY	100%	HOUSE BUILDING
GRYPHON DEVELOPMENTS PLC	ORDINARY	100%	PROPERTY DEVELOPMENT
ARTISAN CHILTERN LIMITED (FORMERLY TAYVIN 209 LIMITED)	ORDINARY	100%	PROPERTY DEVELOPMENT

All the above companies are registered in England and Wales.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

11 **FIXED ASSET INVESTMENTS** *(continued)*

The 50% investment in the ordinary share capital of Living Heritage Holdings Limited is analysed as follows:

	31 MAR 2001	31 MAR 2000
	£	£
ORIGINAL COST OF ACQUISITION OF SHARE OF ASSOCIATE	511,790	511,790
ADDITIONAL COST	331,479	–
GROUP'S SHARE OF PROFIT OF ASSOCIATED UNDERTAKING AFTER TAX	501,919	322,369
LESS GOODWILL AMORTISED	(75,943)	(29,913)
	1,269,245	804,246

The principal activity of Living Heritage Holdings Limited is that of a holding company.

The company is registered in England and Wales.

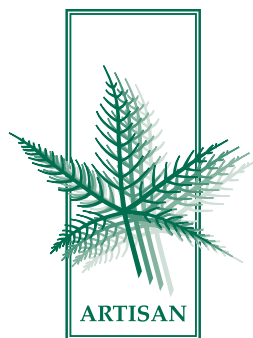
12 **CURRENT ASSET INVESTMENTS**

	THE GROUP		THE COMPANY	
	31 MAR 2001	31 MAR 2000	31 MAR 2001	31 MAR 2000
	£	£	£	£
LISTED INVESTMENTS AT COST	5,157,109	–	5,157,109	–
PROVISION MADE IN THE YEAR	(1,000,000)	–	(1,000,000)	–
UNLISTED INVESTMENTS AT COST	–	622,865	–	–
	4,157,109	622,865	4,157,109	–

The prior year comparatives have been restated to disclose the properties held for resale as stock, rather than as current asset investments.

13 **STOCKS AND WORK IN PROGRESS**

	THE GROUP		THE COMPANY	
	31 MAR 2001	31 MAR 2000	31 MAR 2001	31 MAR 2000
	£	£	£	£
WORK IN PROGRESS	13,319,216	9,432,065	–	–
FINISHED PROPERTIES	14,066,451	14,730,043	–	–
	27,385,667	24,162,108	–	–



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

14 DEBTORS

	THE GROUP		THE COMPANY	
	31 MAR 2001	31 MAR 2000	31 MAR 2001	31 MAR 2000
	£	£	£	£
TRADE DEBTORS	9,255,450	3,878,507	125,540	145,496
AMOUNTS RECOVERABLE ON CONTRACTS	4,462,391	4,621,614	–	–
AMOUNTS OWED FROM SUBSIDIARY UNDERTAKINGS	–	–	32,065,429	14,655,685
AMOUNTS OWED FROM ASSOCIATED UNDERTAKINGS	8,468,694	4,576,175	4,405,818	497,428
OTHER DEBTORS	952,288	739,902	112,657	153,817
DIVIDEND RECEIVABLE	–	–	3,300,000	–
PREPAYMENTS AND ACCRUED INCOME	429,425	316,630	73,646	158,356
DEFERRED TAX	300,000	–	300,000	–
	<u>23,868,248</u>	<u>14,132,828</u>	<u>40,383,090</u>	<u>15,610,782</u>

Included within trade debtors of the Group is an amount of £427,368 (2000: £322,368) that is due after more than one year. The amounts owed from associated undertakings are secured against specific freehold development properties and a debenture.

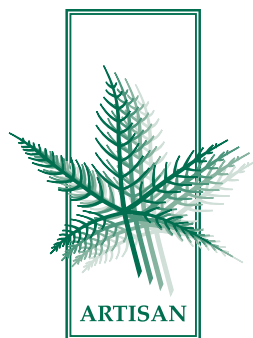
15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:

	THE GROUP		THE COMPANY	
	31 MAR 2001	31 MAR 2000	31 MAR 2001	31 MAR 2000
	£	£	£	£
BANK LOANS	6,699,167	2,927,870	1,100,000	400,000
OTHER LOANS	6,942,275	7,857,580	6,942,275	7,857,580
TRADE CREDITORS	8,291,332	5,117,433	251,262	185,697
AMOUNTS OWED TO SUBSIDIARY UNDERTAKINGS	–	–	11,959,843	1,750,000
CORPORATION TAX	2,870,818	956,232	239,200	–
SOCIAL SECURITY AND OTHER TAXES	542,089	397,398	69,036	13,627
PROPOSED DIVIDENDS	1,005,245	783,223	1,005,245	783,223
OTHER CREDITORS	1,747,128	1,150,799	175,000	153,160
ACCRUALS	7,136,442	6,887,581	37,081	143,175
AMOUNTS DUE UNDER FINANCE LEASES	96,883	41,552	48,178	7,492
	<u>35,331,379</u>	<u>26,119,668</u>	<u>21,827,120</u>	<u>11,293,954</u>

Included in other loans is £4,105,000 (2000: £nil) of convertible loans. All are redeemable by 26 July 2001 for nominal value. The debt may be converted into 24,878,787 ordinary shares before the repayment date, at the option of the holder.

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

	THE GROUP		THE COMPANY	
	31 MAR 2001	31 MAR 2000	31 MAR 2001	31 MAR 2000
	£	£	£	£
BANK LOANS	8,500,000	1,468,900	3,000,000	1,250,000
AMOUNTS DUE UNDER FINANCE LEASES	171,568	77,494	113,985	13,471
TRADE CREDITORS	395,000	942,000	–	–
	<u>9,066,568</u>	<u>2,488,394</u>	<u>3,113,985</u>	<u>1,263,471</u>



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

17 BORROWINGS

Are repayable as follows:

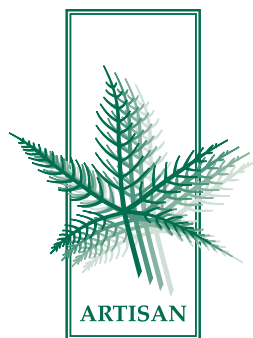
	THE GROUP		THE COMPANY	
	31 MAR 2001	31 MAR 2000	31 MAR 2001	31 MAR 2000
	£	£	£	£
WITHIN ONE YEAR:				
BANK BORROWINGS	6,699,167	2,927,870	1,100,000	400,000
OTHER LOANS AND BORROWINGS	6,942,275	7,857,580	6,942,275	7,857,580
FINANCE LEASES	96,883	41,552	48,178	7,492
AFTER ONE AND WITHIN TWO YEARS:				
BANK BORROWINGS	1,600,000	432,000	1,600,000	400,000
FINANCE LEASES	105,761	41,552	48,178	7,492
AFTER TWO AND WITHIN FIVE YEARS:				
BANK BORROWINGS	6,900,000	946,000	1,400,000	850,000
FINANCE LEASES	65,807	35,942	65,807	5,979
AFTER FIVE YEARS:				
BANK BORROWINGS	–	90,900	–	–
	22,409,893	12,373,396	11,204,438	9,528,543
BORROWINGS REPAYABLE AFTER FIVE YEARS COMPRISE:				
REPAYABLE BY INSTALMENTS				
BANK LOANS AND OTHER BORROWINGS	–	90,900	–	–

The bank loans are secured by a fixed and floating charge over the assets of the Group. Set-off is available to the bank between the Company and its group company members by virtue of the bank holding a debenture from each company together with a cross corporate guarantee. The other loans are secured by fixed charges over specific freehold properties.

18 PROVISIONS FOR LIABILITIES AND CHARGES

Provision for deferred taxation has been made as follows:

	THE GROUP		THE COMPANY	
	31 MAR 2001	31 MAR 2000	31 MAR 2001	31 MAR 2000
	£	£	£	£
FULL POTENTIAL LIABILITY				
ACCELERATED CAPITAL ALLOWANCES	28,810	(15,458)	10,342	–
OTHER TIMING DIFFERENCES	300,000	66,208	300,000	–
	328,810	50,750	310,342	–
AMOUNTS UNPROVIDED	(28,810)	(50,750)	(10,342)	–
AMOUNTS PROVIDED	300,000	–	300,000	–



NOTES TO THE FINANCIAL STATEMENTS

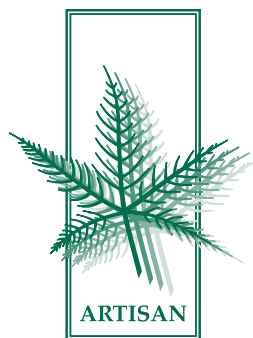
For the Year Ended 31 March 2001

19 MINORITY INTERESTS

The minority interests related to the minority external share interests held in Envesta plc (formerly Bickerton Group plc). At 31 March 2001 the group holding in Envesta plc is now a minority interest itself held as a current asset investment excluded from consolidation, therefore no minority external share interest arises on consolidation.

20 SHARE CAPITAL

	31 MAR 2001 £	31 MAR 2000 £
AUTHORISED:		
400,000,000 Ordinary Shares of 0.5p each	2,000,000	2,000,000
Allotted and called up and fully paid:		
287,212,760 Ordinary Shares of 0.5p each	1,436,064	–
247,921,056 Ordinary Shares of 0.5p each	–	1,239,606
<i>In the year ended 31 March 2001 the movements in Ordinary Shares issued were as follows:</i>		
	NUMBER	NOMINAL VALUE £
Brought forward	247,921,056	1,239,606
15/05/00 Issued for cash at 16.5p	909,091	4,545
06/06/00 Acquisition of investment in enterpriseAsia.com plc	11,500,000	57,500
02/05/00- Further acceptances on acquisitions of 15/09/00 Bickerton Group plc	3,332,614	16,663
05/12/00 Driver Construction Ltd earnout	53,846	269
22/12/00 Issued for cash at 13p each	4,000,000	20,000
22/12/00 Loan Stock conversion at 16.5p each	3,000,000	15,000
03/01/01 Issued for cash at 13.5p each	3,846,153	19,231
30/01/01 Issued for cash at 13p	4,500,000	22,500
12/02/01 Issued for cash at 13p	4,000,000	20,000
02/03/01 Issued for cash at 12p	4,150,000	20,750
	287,212,760	1,436,064



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

20 SHARE CAPITAL (Continued)

CONTINGENT RIGHTS TO THE ALLOTMENT OF SHARES

Options granted, exercised and lapsed under the employee share option scheme were as follows:

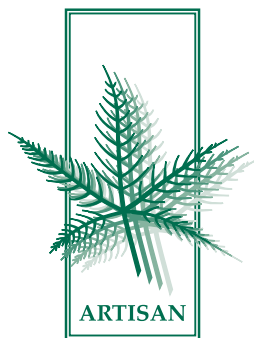
	SHARES	EXERCISE PRICE RANGE	WEIGHTED EXERCISE PRICE
APPROVED SCHEME			
AT 31 MARCH 2000	1,580,000	4.083-7.00p	5.06p
GRANTED 17 APRIL 2000	200,000	15.00p	15.00p
GRANTED 3 NOVEMBER 2000	400,000	15.00p	15.00p
GRANTED 16 JANUARY 2001	850,000	13.083p	13.083p
EXERCISED	—	—	—
LAPSED	(200,000)	4.083-7.00p	5.14p
AT 31 MARCH 2001	2,830,000	4.083-15.00p	9.87p
EXERCISABLE 31 MARCH 2001	—		
EXERCISABLE 31 MARCH 2002	1,350,000		
UNAPPROVED SCHEME			
AT 31 MARCH 2000	—	—	—
GRANTED	12,000,000	16.00p	16.00p
AT 31 MARCH 2001	12,000,000	16.00p	16.00p

The above options are exercisable between 17 May 2003 and 18 May 2010. 6,000,000 of these shares are subject to performance conditions related to increases in the companies earnings per share over the three years ending 31 March 2003.

21 STATEMENT OF MOVEMENT ON RESERVES

	THE GROUP			THE COMPANY		
	SHARE PREMIUM ACCOUNT	MERGER RESERVES	PROFIT AND LOSS ACCOUNT	SHARE PREMIUM ACCOUNT	MERGER RESERVES	PROFIT AND LOSS ACCOUNT
	£	£	£	£	£	£
AT 31 MARCH 2000 – AS PREVIOUSLY REPORTED	13,391,027	1,313,547	1,990,626	13,391,027	1,529,653	219,025
GOODWILL REINSTATED (NOTE 2)	—	7,397,097	—	—	7,397,097	—
– AS RESTATED	13,391,027	8,710,644	1,990,626	13,391,027	8,926,750	219,025
PREMIUM ARISING ON ALLOTMENTS	3,151,835	—	—	3,151,835	—	—
ISSUE COSTS	(127,151)	—	—	(127,151)	—	—
PREMIUM ARISING ON ISSUE OF ORDINARY SHARES FOR ACQUISITIONS	2,012,500	648,105	—	2,012,500	648,105	—
RETAINED PROFIT FOR THE YEAR	—	—	2,932,823	—	—	1,151,815
AT 31 MARCH 2001	18,428,211	9,358,749	4,923,449	18,428,211	9,574,855	1,370,840

The addition to merger reserve in the year relates to the share premium arising in respect of shares issued to satisfy late acceptances in respect of the acquisition of Bickerton Group plc.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

22 ACQUISITION OF SUBSIDIARIES

(a) On 22 December 2000 the Group acquired 100% of the issued share capital of Rippon Homes Limited.

The summarised profit and loss account of Rippon Homes Limited for the period from 1 February 2000, the beginning of its accounting period, to 22 December 2000, the date of acquisition, is as follows:

	£
TURNOVER	10,503,982
OPERATING PROFIT	1,436,258
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,493,298
TAX ON ORDINARY ACTIVITIES	(462,922)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	1,030,376

The assets and liabilities of Rippon Homes Limited as at 22 December 2000 are set out below:

	BOOK VALUE £	FAIR VALUE ADJUSTMENT £	FAIR VALUE £
TANGIBLE FIXED ASSETS	619,981	–	619,981
STOCKS AND WORK IN PROGRESS	8,738,782	(725,000)	8,013,782
DEBTORS	8,787,094	–	8,787,094
CREDITORS	(9,126,849)	217,500	(8,909,349)
NET ASSETS ACQUIRED	9,019,008	(507,500)	8,511,508
GOODWILL			3,064,084
			11,575,592
<i>Satisfied by:</i>			
CASH CONSIDERATION			9,000,000
VENDOR LOAN NOTES			895,000
EXPENSES OF ACQUISITION			1,680,592
			11,575,592

The fair value adjustments relate to adjustments required to bring the profit recognition policies into line with the group and to provide for identified costs as at the acquisition date.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

22 ACQUISITION OF SUBSIDIARIES (continued)

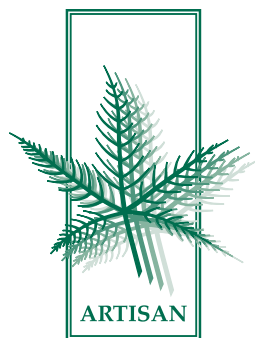
- (b) On 31 March 2000, the group acquired Bickerton Group plc, which was included in the 2000 financial statements with provisional fair values of the assets and liabilities acquired. In accordance with FRS 7 amendments to the provisional values are dealt with in the current financial statements as follows:

	AMENDED VALUE 31 MAR 2001 £	ADJUSTMENT £	PROVISIONAL VALUE 31 MAR 2000 £
Bickerton Group plc			
FIXED ASSETS	890,976		890,976
STOCK	3,144,303	(316,863)	3,461,166
DEBTORS	2,711,606		2,711,606
CASH	21,814		21,814
CREDITORS	(6,025,182)		(6,025,182)
MINORITY INTEREST	(129,944)		(129,944)
	613,573	(316,863)	930,436
GOODWILL	9,513,528	1,107,273	8,406,255
COST OF ACQUISITION	10,127,101	790,410	9,336,691

The adjustment to the provisional fair values arose following a detailed investigation into the work in progress relating to building contracts in progress at the date of acquisition, where the subsequent realisations were at amounts materially different from the provisional fair values attributed. The additional consideration arises from further acceptances of the acquisition by Bickerton Group plc shareholders, plus further incidental costs and stamp duty.

23 NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31 MAR 2001 £	31 MAR 2000 £
OPERATING PROFIT	10,621,768	4,181,157
DEPRECIATION	344,479	121,870
AMORTISATION	656,700	60,225
PROFIT ON SALE OF TRADE INVESTMENTS	(1,347,865)	–
PROFIT RETAINED IN ASSOCIATED COMPANY	(256,500)	(467,246)
(INCREASE) IN TRADE INVESTMENTS	(2,594,188)	(622,865)
DECREASE/(INCREASE) IN STOCK	4,790,223	(10,853,408)
(INCREASE) IN DEBTORS	(980,276)	(6,670,683)
(DECREASE)/INCREASE IN CREDITORS	(5,442,569)	7,600,415
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	5,791,772	(6,650,535)



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

24 RECONCILIATION OF CHANGE IN CASH TO MOVEMENT IN NET FUNDS

	2001 £	2000 £
INCREASE IN CASH IN THE YEAR	3,579,206	2,570,423
CASH (INFLOW)/OUTFLOW FROM CHANGES IN DEBT AND LEASE FINANCING	(10,531,497)	397,350
SHARES ISSUED TO SETTLE LOAN NOTES CONVERTED	495,000	–
LOAN NOTES ISSUED TO ACQUIRE SUBSIDIARY UNDERTAKING	–	(1,942,080)
LOANS GRANTED ON ACQUISITION OF INVESTMENT PROPERTIES	–	(5,915,500)
DEBT ACQUIRED WITH SUBSIDIARY UNDERTAKINGS	–	(5,212,701)
MOVEMENT IN NET FUNDS IN THE YEAR	(6,457,291)	(10,102,508)
OPENING NET FUNDS/(DEBT)	(10,577,224)	(474,716)
CLOSING NET FUNDS/(DEBT)	(17,034,515)	(10,577,224)

25 ANALYSIS OF NET CASH AND DEBT

	31 MAR 2000 £	CASH FLOW £	NON CASH MOVEMENT £	31 MAR 2001 £
CASH AT BANK	1,796,172	3,579,206	–	5,375,378
	1,796,172	3,579,206	–	5,375,378
FINANCE LEASES	(119,046)	(149,405)	–	(268,451)
DEBT DUE WITHIN ONE YEAR	(10,785,450)	(3,350,992)	495,000	(13,641,442)
DEBT DUE AFTER MORE THAN ONE YEAR	(1,468,900)	(7,031,100)	–	(8,500,000)
NET FUNDS/(DEBT)	(10,577,224)	(6,952,291)	495,000	(17,034,515)

26 FINANCIAL INSTRUMENTS

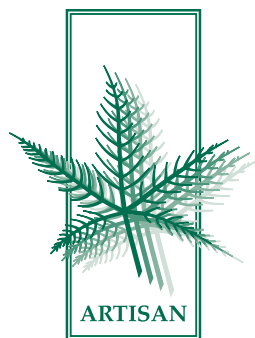
(a) Policies and risks

The Group's financial instruments comprise equity investments, bank loans, finance leases, cash and various items such as trade debtors and trade creditors that arise directly from its operations. Cash and bank loans are used to raise finance for the group's operations and acquisitions. The main purpose of holding equity investments is to achieve capital growth and realise profits on their disposal.

The main risk arising from the Group's financial instruments are interest rate risk, as all of the group's borrowings are at floating rates of interest, and liquidity risk. The group has not entered into any derivative transactions. The equity investments held by the Group are susceptible to changes in value arising from market factors. The performance of each investment is constantly monitored by the directors and its advisers.

The Group is not subject to any foreign exchange risk as no monetary assets or liabilities are denominated in any currency other than sterling.

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



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

26 FINANCIAL INSTRUMENTS (continued)

(b) Interest rate risk profile of financial liabilities

CURRENCY	TOTAL	FIXED RATE FINANCIAL LIABILITIES	FLOATING RATE FINANCIAL LIABILITIES	FINANCIAL LIABILITIES ON WHICH NO INTEREST IS EARNED	WEIGHTED AVERAGE INTEREST RATE	WEIGHTED AVERAGE PERIOD FOR WHICH RATE IS FIXED YEARS
	£	£	£	£	%	
31 MAR 2001						
STERLING	22,804,893	7,210,726	15,199,167	395,000	7.79	1.41
31 MAR 2000						
STERLING	13,315,396	7,976,626	4,396,770	942,000	7.05	1.54

The bank borrowings relate to term loans fully repayable by December 2005. The finance leases all relate to term agreements none of which exceed 4 years. The trade creditor relates to a deferred land acquisition payable in June 2003.

The group's floating rate financial liabilities bear interest at rates based on LIBOR.

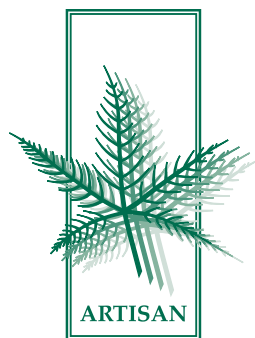
(c) Interest rate risk profile of financial assets

CURRENCY	TOTAL	FLOATING RATE FINANCIAL ASSETS	FINANCIAL ASSETS ON WHICH NO INTEREST IS EARNED
	£	£	£
31 MAR 2001			
STERLING	9,532,487	5,375,378	4,157,109
31 MAR 2000			
STERLING	2,419,037	1,796,172	622,865

Floating rate financial assets comprise cash deposits on money market deposit at 7 day rates. Financial assets on which no interest is paid comprise equity investments in listed and unlisted securities.

(d) Maturity profile of the group's financial liabilities

	31 MAR 2001	31 MAR 2000
	£	£
WITHIN ONE YEAR	13,738,325	10,827,002
AFTER ONE AND WITHIN TWO YEARS	2,100,761	473,552
AFTER TWO AND WITHIN FIVE YEARS	6,965,807	1,923,942
AFTER FIVE YEARS	—	90,900
	22,804,893	13,315,396



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

26 **FINANCIAL INSTRUMENTS** (continued)

(e) Borrowing facilities

The group has undrawn committed facilities as at 31 March as follows:

	31 MAR 2001	31 MAR 2000
	£	£
EXPIRING IN ONE YEAR OR LESS	2,000,000	1,000,000
EXPIRING AFTER ONE YEAR BUT WITHIN TWO YEARS	–	–
EXPIRING IN MORE THAN TWO YEARS	–	–
	2,000,000	1,000,000

(f) Fair value of financial liabilities and financial assets

	31 MAR 2001		31 MAR 2000	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
	£	£	£	£
SHORT-TERM BORROWINGS	13,641,442	13,641,442	10,785,450	10,785,450
LONG-TERM BORROWINGS	8,500,000	8,500,000	1,468,900	1,468,900
LONG-TERM CREDITORS	395,000	395,000	942,000	942,000
FINANCE LEASES	268,451	268,451	119,046	119,046
CASH	5,375,378	5,375,378	1,796,172	1,796,172
CURRENT ASSET INVESTMENTS	4,157,109	4,220,321	622,865	622,865

The fair value of financial liabilities is based on market rates of interest.

The fair values of current asset investments are based on quoted market values or actual disposal transactions after the year end.

27 **CAPITAL COMMITMENTS**

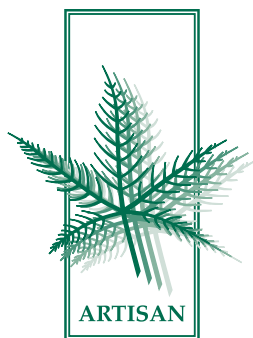
The Group had capital commitments of £nil at 31 March 2001 (2000: £221,557).

28 **CONTINGENT LIABILITIES**

A cross guarantee held by the bank in favour of Artisan (UK) plc and its group company members has been given by the Company for all monies owing.

Artisan (UK) plc have given a guarantee to a mortgage provider in respect of a specific development property held by the associated undertaking.

In the normal course of business the group has given counter indemnities in respect of performance bonds and financial guarantees.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2001

29 LEASING COMMITMENTS

Other lease payments amounting to £437,942 are due within one year (2000: £376,893). The leases to which these amounts relate expire as follows:

	31 MAR 2001		31 MAR 2000	
	LAND AND BUILDINGS	OTHER	LAND AND BUILDINGS	OTHER
	£	£	£	£
WITHIN ONE YEAR	–	50,102	–	86,496
BETWEEN TWO AND FIVE YEARS	41,500	181,940	26,750	176,263
OVER FIVE YEARS	164,400	–	87,384	–

30 RELATED PARTY TRANSACTIONS

Fees of £694,250, principally in respect of corporate advice, were paid during the year to Silverhall Holdings Limited, a company in which Stephen Dean holds a material interest.

During the year 23,000,000 shares in enterpriseAsia.com plc were acquired from Cater Barnard plc, a company in which Stephen Dean is a Director. Trusts in which Stephen Dean holds a material interest are also shareholders in Cater Barnard plc. The consideration for the acquisition was satisfied by the issue of 11,500,000 Artisan (UK) plc shares at 18p each. At the date of the transaction, the market value of each enterpriseAsia.com plc share was 9p.

Fees of £96,455 were charged to Cater Barnard plc for the use of premises and services during the period.

31 POST BALANCE SHEET EVENTS

On 24 May 2001 the Group disposed of its entire interests in Bickerton Construction Limited, Driver Construction Limited, Gryphon Estates Limited and Yeadon Air Structures Limited for consideration in excess of book value. These disposals have been classified as discontinued operations on the Profit and Loss account, although the Directors decision to dispose of these businesses only occurred after the year end.

On 27 June 2001 the Group disposed of its investment in enterpriseAsia.com plc for £3,240,073. The loss on disposal has been included within the results to 31 March 2001.



A N N U A L G E N E R A L M E E T I N G

Notice of the Annual General Meeting is separately enclosed with the distribution of the Report and Accounts. The Annual General Meeting will be held at Butchers Hall, 87 Bartholomew Close, London, EC1A 9HP at 11.30 a.m. on 4 September 2001.



