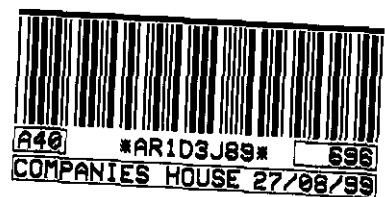

Reports and Financial Statements

Farebase Limited

Year Ended 31st October 1998



FAREBASE LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1998

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COMPANY NUMBER:- 2654606

FAREBASE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST OCTOBER 1998

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31st October 1998.

Results and Dividends

The profit for the year after taxation was £34,038.
The directors do not recommend payment of a dividend for the current year.

Review of the Business

The company's principal activity during the year was the distribution of travel fare data.

The directors are satisfied with the results for the year.

Directors and their Interests

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	Number of Shares	
	31st October 1998	1st November 1997
J J Constantine	8400	8400
B Stevens	-	-

Mr L Woodhams and Mr M Darvish became directors of the company on 1 November 1998 and 1 December 1998 respectively.

Fixed Assets

The movements in fixed assets during the year are set out in note 8 to the financial statements.

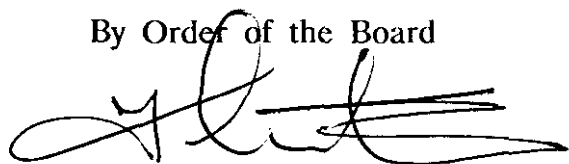
Year 2000 Compliance

The directors have considered whether the company's operations could be adversely affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000 and beyond.

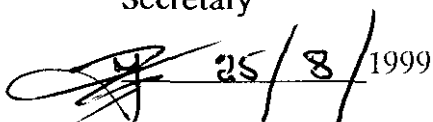
Auditors

It is proposed that the company's present auditors, Quest Duthoit Limited, be reappointed as auditors to the company to hold office for the ensuing year.

By Order of the Board



J J Constantine
Secretary




FAREBASE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



J J Constantine

AUDITORS' REPORT TO THE MEMBERS OF FAREBASE LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

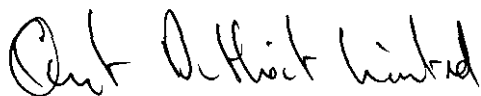
Basis of Opinion

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st October 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Quest Duthoit Limited
Chartered Accountants and Registered Auditor

19 Farncombe Road
Worthing
West Sussex

26/8/ 1999

FAREBASE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 1998

			1998	1997
	Notes	£	£	£
Turnover	2		575,927	472,174
Cost of Sales			95,116	45,277
Gross Profit			<u>480,811</u>	<u>426,897</u>
Distribution costs		72,145		58,343
Administrative expenses		364,882		293,562
			<u>(437,027)</u>	<u>(351,905)</u>
Operating Profit	3/4		43,784	74,992
Interest receivable	5	3,485		1,183
Interest payable	6	(2,093)		(359)
			<u>1,392</u>	<u>824</u>
Profit on Ordinary Activities before Taxation			45,176	75,816
Tax on Ordinary Activities	7		<u>11,138</u>	<u>-</u>
Retained Profit for the Year			34,038	75,816
Accumulated profit/(deficit) brought forward			<u>3,094</u>	<u>(72,722)</u>
Retained Profit Carried Forward			<u>£ 37,132</u>	<u>£ 3,094</u>

1. None of the company's activities were acquired or discontinued during the year.
2. The total of recognised gains and losses during the year comprises only of the profit for the year.
3. The movements in shareholders funds are set out in note 13.

FAREBASE LIMITED
BALANCE SHEET AT 31ST OCTOBER 1998

			1998		1997
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	8		50,159		39,499
Current Assets					
Debtors	9	33,685		25,144	
Cash at bank and in hand		104,022		52,647	
		<u>137,707</u>		<u>77,791</u>	
Creditors - amounts falling due within one year	10	(121,521)		(93,196)	
Net Current Assets/(Liabilities)			<u>16,186</u>		<u>(15,405)</u>
Total Assets less Current Liabilities			66,345		24,094
Creditors - amounts falling due after more than one year	11		(8,213)		-
Net Assets			<u>£ 58,132</u>		<u>£ 24,094</u>

Financed by:

Capital and Reserves

Called up share capital	12	21,000	21,000
Profit and loss account		37,132	3,094
		<u>£ 58,132</u>	<u>£ 24,094</u>



J J Constantine
Director

Dated: 25/8/ 1999

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1998

1. Accounting Policies

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention and comply with applicable Accounting Standards.

1.2 Turnover

This represents the invoiced amounts of goods sold and services provided, *net of value added tax*.

1.3 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures & fittings:	15 % per annum on a straight line basis
Computer equipment:	20 % per annum on a straight line basis
Motor vehicles:	25 % per annum on a reducing balance basis

1.4 Deferred taxation

Provision is made by the liability method for all timing differences which are expected to be reversed in the foreseeable future.

1.5 Leasing and hire commitments

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the instalments is charged to the profit and loss account over the period of the contract.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

1.6 Pensions

Pension contributions are charged to the profit and loss account when paid and pension benefits are determined by the value of the accumulated funds in the scheme.

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1998

2. Turnover

The turnover and pre-tax profit are wholly attributable to the company's main activity.

The turnover arises entirely in the U.K.

3. Operating Profit	1998	1997
	£	£
This is stated after charging:		
Staff costs (see note 4)	235,088	184,636
Auditors' remuneration	1,750	1,750
Depreciation	19,487	9,668
Adjustment on disposal of fixed assets	3,711	-
Hire of equipment	324	400
	<u>235,088</u>	<u>184,636</u>

4. Employee Information	1998	1997
	£	£
4.1 Staff costs:		
Wages and salaries	211,424	168,439
Social security costs	19,416	14,373
Other pension costs	4,248	1,824
	<u>£ 235,088</u>	<u>£ 184,636</u>

4.2 The average monthly number of employees (including directors) during the year was made up as follows:

	No.	No.
Administration and selling	<u>14</u>	<u>12</u>

4.3 Directors' emoluments:

Fees and salaries	50,000	41,583
Pension contributions	2,400	-
	<u>£ 52,400</u>	<u>£ 41,583</u>

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1998

5.	Interest Receivable	1998	1997
		£	£
	Bank interest receivable	3,485	1,183
		<u> </u>	<u> </u>

6.	Interest Payable	1998	1997
		£	£
	On lease and hire purchase contracts	2,093	359
		<u> </u>	<u> </u>
		£ 2,093	£ 359
		<u> </u>	<u> </u>

7.	Taxation	1998	1997
		£	£
7.1	The tax charge on the profit on ordinary activities for the year was as follows:		
	U.K corporation tax at 21% (1997 - 23%)	10,875	-
	Taxation (over)/underprovided in previous years:		
	Corporation tax	263	-
		<u> </u>	<u> </u>
		£ 11,138	£ -
		<u> </u>	<u> </u>

7.2 The company is a close company within the terms of section 414 of the Income and Corporation Taxes Act 1988.

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1998

8. Tangible Fixed Assets

	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost:				
At 1st November 1997	21,146	36,404	14,495	72,045
Additions	4,746	10,287	19,475	34,508
Disposals	-	-	(10,495)	(10,495)
At 31st October 1998	<u>25,892</u>	<u>46,691</u>	<u>23,475</u>	<u>96,058</u>
Depreciation:				
At 1st November 1997	11,335	14,077	7,134	32,546
Charge for year	4,505	9,113	5,869	19,487
Disposals	-	-	(6,134)	(6,134)
At 31st October 1998	<u>15,840</u>	<u>23,190</u>	<u>6,869</u>	<u>45,899</u>
Net book value at 31st October 1998	<u>£ 10,052</u>	<u>£ 23,501</u>	<u>£ 16,606</u>	<u>£ 50,159</u>
Net book value at 31st October 1997	<u>£ 9,811</u>	<u>£ 22,327</u>	<u>£ 7,361</u>	<u>£ 39,499</u>

Included in the amounts for fixed assets above are the following amounts relating to leased assets and assets which are subject to hire purchase contracts:

	Hire purchase contracts (Vehicle)
Cost:	
At 31st October 1998	£ 19,475
Depreciation charged during year	£ 4,869
Net book value: At 31st October 1998	<u>£ 14,606</u>

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1998

9.	Debtors	1998	1997
		£	£
	Trade debtors	15,009	9,905
	Prepayments	18,676	15,239
		<u>£ 33,685</u>	<u>£ 25,144</u>

10.	Creditors - Amounts Falling Due Within One Year	1998	1997
		£	£
	Obligations under lease and hire purchase contracts	5,798	-
	Trade creditors	19,831	25,446
	Corporation tax	10,875	-
	Other taxes and social security costs	15,929	22,158
	Directors' current accounts	-	3,302
	Other creditors	41,775	30,232
	Accruals	27,313	12,058
		<u>£ 121,521</u>	<u>£ 93,196</u>

11.	Creditors - Amounts Falling Due After More Than One Year	1998	1997
		£	£
	Obligations under lease and hire purchase contracts	8,213	-

12.	Share Capital	Authorised	Allotted, Issued and Fully Paid	
			1998	1997
		£	£	£
	Ordinary shares of £1 each	<u>500,000</u>	<u>21,000</u>	<u>21,000</u>

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1998

13. Reconciliation of Movements in Shareholders Funds	1998	1997
	£	£
Balance as at 1st November 1997	24,094	(51,722)
Profit for the financial year	34,038	75,816
	<u>58,132</u>	<u>24,094</u>
At 31st October 1998	<u>58,132</u>	<u>24,094</u>

14. Contingent Liabilities

The company may be subject to a claim of approximately £45,000, relating to one of its consultants. The claim has not yet commenced and the company will strongly contest any such action.

15. Related Party Transactions

Travel & Technology Consultants provided the company with computer consultancy and development work for £20,000. Mr J. Constantine is the sole proprietor of Travel & Technology Consultants.

P. Dendle provided the company with management consultancy services amounting to £10,000 during the year. He is a major shareholder in Travel Software Development Limited, which holds a 50% interest in Farebase Limited.

16. Future Lease Commitments

At the balance sheet date the company was committed to property rental payments of £17,872 during the forthcoming year.