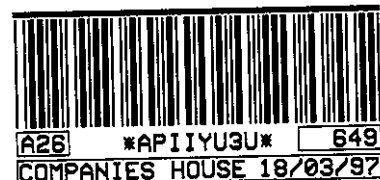


2654606

Reports and Financial Statements

Farebase Limited

Year Ended 31st October 1996



FAREBASE LIMITED

**INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1996**

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COMPANY NUMBER:- 2654606

FAREBASE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST OCTOBER 1996

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31st October 1996.

Results and Dividends

The profit for the year after taxation was £10,338.

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 the distribution of travel fare data.

The results show that the company is now trading profitably and the directors are confident of a further improvement in the forthcoming year.

Directors and their Interests

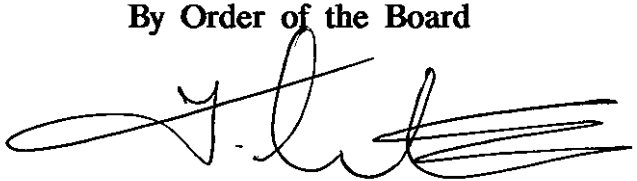
The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	Number of shares	
	31st October 1996	1st November 1995
Mr J J Constantine	8400	8400
Mr B Stevens	-	-
Mr A J Felton (Resigned 1/1/96)	-	-

Fixed Assets

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

By Order of the Board



Mr J J Constantine
Secretary

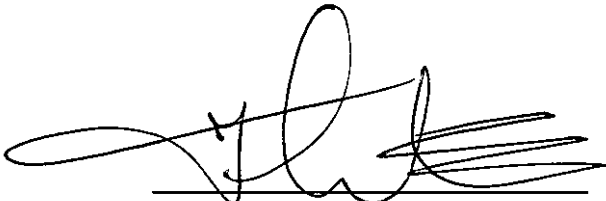
14/3/ 1997

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.

A handwritten signature in black ink, appearing to be 'J J Constantine', written over a horizontal line.

Mr J J Constantine

AUDITORS' REPORT TO THE MEMBERS OF FAREBASE LIMITED

We have audited the financial statements on pages 4 to 12 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

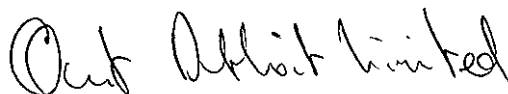
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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.

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements as shown in note 13 and 14. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st October 1996 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

14/3/1997

FAREBASE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 1996

		1996	1995
	Notes	£	£
Turnover	2	367,687	328,813
Cost of Sales		61,438	62,048
Gross Profit		306,249	266,765
Distribution costs		33,431	22,024
Administrative expenses		260,111	259,485
		(293,542)	(281,509)
Interest receivable	3	12,707 172	(14,744) -
Operating Profit/(Loss)	4/5	12,879	(14,744)
Interest payable	6	(2,499)	(2,976)
Profit/(Loss) on Ordinary Activities before Taxation		10,380	(17,720)
Tax on Ordinary Activities	7	42	-
Retained Profit/(Loss) for the Year		10,338	(17,720)
Accumulated deficit brought forward		(83,060)	(65,340)
Accumulated (Deficit) Carried Forward		£ (72,722)	£ (83,060)

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. There have been no movements in shareholders' funds other than the retained profit for the year.

FAREBASE LIMITED
BALANCE SHEET AT 31ST OCTOBER 1996

	Notes	£	1996 £	£	1995 £
Fixed Assets					
Tangible assets	8		30,119		32,023
Current Assets					
Debtors	9	13,275		15,420	
Cash at bank and in hand		13,644		7,915	
		<u>26,919</u>		<u>23,335</u>	
Creditors - amounts falling due within one year	10	<u>(108,760)</u>		<u>(116,064)</u>	
Net Current (Liabilities)			<u>(81,841)</u>		<u>(92,729)</u>
Total Assets less Current Liabilities			<u>(51,722)</u>		<u>(60,706)</u>
Creditors - amounts falling due after more than one year	11		-		(1,354)
Net (Liabilities)			<u>£ (51,722)</u>		<u>£ (62,060)</u>

Financed by:

Capital and Reserves

Called up share capital	12	21,000	21,000
Profit and loss account		(72,722)	(83,060)
		<u>£ (51,722)</u>	<u>£ (62,060)</u>


Mr J J Constantine
Director

Dated: 14/3/ 1997

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1996

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 straight line 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.

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1996

2. Turnover

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

The turnover arises entirely in the U.K.

3. Interest Receivable

	1996	1995
	£	£
Interest receivable	172	-
	<u>£ 172</u>	<u>£ -</u>

4. Operating Profit/(Loss)

	1996	1995
	£	£

This is stated after charging:

Staff costs (see note 5)	144,581	105,425
Auditors' remuneration	1,600	-
Depreciation	7,435	9,262
Adjustment on disposal of fixed assets	-	3,528
Hire of equipment	8,132	5,199
	<u>161,748</u>	<u>123,414</u>

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1996

5. Employee Information	1996	1995
	£	£
5.1 Staff costs:		
Wages and salaries	132,370	96,810
Social security costs	12,211	8,615
	<u>£ 144,581</u>	<u>£ 105,425</u>
5.2 The average weekly number of employees (including directors) during the year was made up as follows:		
	No.	No.
Administration and selling	<u>10</u>	<u>8</u>
5.3 Directors' emoluments:		
Fees and salaries	<u>25,000</u>	<u>25,000</u>
	<u>£ 25,000</u>	<u>£ 25,000</u>
6. Interest Payable	1996	1995
	£	£
On bank overdraft	697	483
On lease and hire purchase contracts	1,802	2,493
	<u>£ 2,499</u>	<u>£ 2,976</u>
7. Taxation	1996	1995
	£	£
7.1 The tax charge on the profit/(loss) on ordinary activities for the year was as follows:		
U.K corporation tax at 25%	<u>£ 42</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 1996

8. Tangible Fixed Assets

	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost:				
At 1st November 1995	20,951	18,019	8,495	47,465
Additions	195	5,337	-	5,532
Disposals	-	-	-	-
	<u>21,146</u>	<u>23,356</u>	<u>8,495</u>	<u>52,997</u>
Depreciation:				
At 1st November 1995	7,194	5,328	2,921	15,443
Charge for year	2,410	3,167	1,858	7,435
	<u>9,604</u>	<u>8,495</u>	<u>4,779</u>	<u>22,878</u>
Net book value at 31st October 1996	<u>£ 11,542</u>	<u>£ 14,861</u>	<u>£ 3,716</u>	<u>£ 30,119</u>
Net book value at 31st October 1995	<u>£ 13,757</u>	<u>£ 12,691</u>	<u>£ 5,574</u>	<u>£ 32,022</u>

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1996

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:

	Finance leases (Equipment)	Hire purchase contracts (Vehicle)
Cost:		
At 1st November 1995	£ 7,863	£ 8,495
At 31st October 1996	£ -	£ 8,495
Accumulated depreciation:		
At 1st November 1995	£ 3,272	£ 2,921
At 31st October 1996	£ -	£ 4,779
Depreciation charged during year	£ -	£ 1,858
Net book value:		
At 31st October 1996	£ -	£ 3,716
31st October 1995	<u>£ 4,591</u>	<u>£ 5,574</u>
9. Debtors	1996	1995
	£	£
Trade debtors	8,920	8,459
Prepayments	4,355	6,961
	<u>£ 13,275</u>	<u>£ 15,420</u>

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1996

10. Creditors - Amounts Falling Due Within One Year

	1996	1995
	£	£
Bank overdraft	-	12,315
Obligations under lease and hire purchase contracts	1,690	4,445
Trade creditors	14,089	27,951
Corporation tax	42	-
Other taxes and social security costs	15,527	12,734
Directors' current accounts	43,020	27,679
Other creditors	30,907	20,000
Accruals	3,485	10,940
	<u>£ 108,760</u>	<u>£ 116,064</u>

11. Creditors - Amounts Falling Due After More Than One Year

	1996	1995
	£	£
Obligations under lease and hire purchase contracts	<u>-</u>	<u>1,354</u>

12. Share Capital

	Authorised	Allotted, Issued and fully paid	
	1996	1995	
	£	£	£
Ordinary shares of £1 each	<u>500,000</u>	<u>21,000</u>	<u>21,000</u>

13. 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.

FAREBASE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1996

14. Inherent Uncertainty

Although the results show a substantial improvement in the company's trading for the year, the balance sheet continues to be in deficit. As a result, the company requires the support of the directors and shareholders for the foreseeable future.

15. Future Lease Commitments

At the balance sheet date the company was committed to property rental payments of £16,000 during the forthcoming year.