THE HANSOM GROUP PLC

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DIRECTORS AND ADVISERS

DIRECTORS

Alasdair J D Locke
(Executive Chairman)

John A Warwick FCA
(Finance Director)

Adrian M Palmer
(Non-Executive Director)

COMPANY SECRETARY

John A Warwick FCA

REGISTERED OFFICE

Cumberland House
80 Scrubs Lane
London NW10 6RF
Registered No. 2967020

REGISTERED AUDITORS

PricewaterhouseCoopers
1 Embankment Place
London WC2N 6NN

REGISTRARS

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

BANKERS

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

NOMINATED ADVISOR

English Trust Company Limited
12a Charterhouse Square
London EC1 6NA

NOMINATED BROKER

Rathbone Neilson Cobbold Limited
Port of Liverpool Building
Pier Head
Liverpool L3 1NW

CHAIRMAN'S STATEMENT

The Group results for the year ended 31 March 2000 show a consolidated turnover and profit on ordinary activities before taxation of £1,625,000 and £63,000 respectively. Before exceptional items which mainly relate to the disposal of Datacab Limited, the profit before tax for the period was £7,000. The turnover and loss before taxation in the previous year were £7,086,000 and £11,000 respectively. The earnings per share for the year were a loss of 0.58p (1999: 0.05p loss). No dividend is proposed.

DATACAB

On 14 July 1999 the Hansom Group disposed of Datacab Limited, its remaining business, for a profit after tax of £1,273,000 before write back of goodwill of £1,525,000 previously written off to reserves.

REDUCTION OF SHARE PREMIUM ACCOUNT TO WRITE OFF ACCUMULATED LOSSES

During the year, following shareholders' approval, the High Court granted the Hansom Group permission to reduce the adverse balance on the profit and loss account to enable it to commence the payment of dividends out of future profits.

POTENTIAL ACQUISITION

Since Datacab's disposal the Board has been seeking a major acquisition to reverse into the Company.

A large number of prospects have been investigated, and pursued where appropriate. During this period, stockmarket hype made many prospects appear superficially enticing. A number were seriously considered but ultimately judged unsuitable.

The Board is, however, mindful of the passage of time and the need to consummate an attractive acquisition. The return of relative normality to the stockmarket is providing a more favourable climate to achieve this end.

Alasdair Locke

Chairman

DIRECTORS' REPORT

for the year ended 31 March 2000

The directors present their report and the audited financial statements for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Group is that of a cash shell. The business providing a booking service for licensed taxicabs to cash and account customers was sold during the year.

The consolidated profit and loss account is set out on page 7.

A review of the Group's activity during the year is contained in the Chairman's statement.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend. The loss after taxation is £229,000 (1999: loss of £21,000) and will be transferred to the Group's reserves.

DIRECTORS AND THEIR INTERESTS

John A Warwick will retire by rotation at the forthcoming Annual General Meeting in accordance with the provisions of the Company's Articles of Association relating to retirement by rotation and, being eligible, offers himself for re-election. Alasdair J D Locke was appointed a director and chairman on 25 July 2000. As this was after the last Annual General Meeting, he will retire in accordance with the Articles of Association and will offer himself for election at the forthcoming Annual General Meeting. Jonathan P Mervis resigned as a director on 25 July 2000.

All three present directors are employed subject to three months' notice by the company.

The directors of the company at 31 March 2000 and their beneficial interests in the ordinary shares of the company at 31 March 2000 and 31 March 1999 were:

	31 March 2000 Ordinary Shares	**31 March 2000 Options**	31 March 1999 Ordinary Shares	31 March 1999 Options
Jonathan P Mervis	3,491,172	2,000,000	3,191,172	2,000,000
John A Warwick	363,636	400,000	363,636	400,000
Adrian M Palmer	—	—	—	2,000,000

The options granted may be exercised at 5.5p per share between 4 December 1997 and 4 December 2001. The market price of the Company's shares on 31 March 2000 was 18.75p and the high and low prices during the year were 23.25p and 5.5p.

FIXED ASSETS

Details of tangible fixed assets and capital expenditure are shown in Note 13 to the financial statements on page 16.

EMPLOYEES

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

DIRECTORS' REPORT

(continued)

CREDITOR PAYMENT POLICY

The Group's current policy is to settle its liabilities to creditors within agreed credit periods. The Group's average creditor period at 31 March 2000 was 5 days (1999: 28 days).

YEAR 2000

The Group participated in a full review of Year 2000 issues. To date Hansom has not suffered any detrimental effect of the Year 2000 event and believes that its Year 2000 programme was fully successful. The company estimates that the total cost of its Year 2000 programme was insignificant and does not envisage any further material expenditure or exposure in this area.

SHARE CAPITAL AUTHORITIES

Resolution 5 - renewal of authority to disapply statutory pre-emption rights

Resolution 5 will be proposed as a special resolution at the forthcoming Annual General Meeting to authorise the Directors to allot equity securities for cash (otherwise than prorata to existing shareholders) in connection with an offer by way of rights which does not strictly comply with section 89 Companies Act 1985 or otherwise up to a maximum aggregate nominal value of £20,144 (representing approximately 5 per cent. of the ordinary share capital of the Company presently in issue). This authority replaces the authority given to the Directors on 1st September 1999 and will expire at the conclusion of next year's Annual General Meeting or fifteen months after the passing of the resolution (whichever is the earlier). The resolution will enable the Directors, at their discretion, to allot a limited number of equity securities for cash and will also provide the Directors with greater flexibility to take advantage of business opportunities as they arise.

AUDITORS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

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

By order of the board
John A Warwick

John A Warwick

Company Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF THE HANSOM GROUP PLC

We have audited the financial statements on pages 7 to 24 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report. As described on Page 5, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom's Companies Act. We also report to you, if in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions is not disclosed.

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

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the Group at 31 March 2000 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

London

4 August 2000

THE HANSOM GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2000

	Notes	2000 £'000	1999 £'000
Turnover			
Discontinued operations		**1,625**	7,086
Total turnover	2	**1,625**	7,086
Cost of sales	3	**(1,385)**	(5,971)
Gross profit		**240**	1,115
Net operating costs	4	**(361)**	(791)
Operating (loss) on continuing operations		**(230)**	(242)
Operating profit on discontinued operations		**109**	566
Operating (loss)/profit		**(121)**	324
Exceptional item: profit/(loss) on sale of subsidiaries			
- discontinued operations	5	**56**	(297)
(Loss)/profit on ordinary activities before interest		**(65)**	27
Net interest receivable/(payable)	6	**128**	(38)
Profit/(loss) on ordinary activities before taxation	9	**63**	(11)
Taxation on profit/(loss) on ordinary activities	10	**(292)**	(10)
(Loss) for the financial year	21	**(229)**	(21)
(Loss) per Ordinary share-basic	12	**(0.58)p**	(0.05)p

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

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

THE HANSOM GROUP PLC

BALANCE SHEETS

at 31 March 2000

		2000		1999	
		Group	**Company**	Group	Company
	Notes	**£'000**	**£'000**	£'000	£'000
Fixed assets					
Tangible assets	13	**–**	**–**	290	–
Investments	14	**238**	**238**	238	1,448
		238	**238**	528	1,448
Current assets					
Stocks	15	**–**	**–**	3	–
Debtors	16	**995**	**995**	1,447	822
Cash at bank and in hand		**2,773**	**2,773**	942	939
		3,768	**3,768**	2,392	1,761
Creditors: amounts falling due within one year	17	**(338)**	**(338)**	(658)	(96)
Net current assets		**3,430**	**3,430**	1,734	1,665
Net assets		**3,668**	**3,668**	2,262	3,113
Capital and reserves					
Called up share capital	20	**403**	**403**	383	383
Share premium	21	**2,820**	**2,820**	4,784	4,784
Profit and loss account	21	**445**	**445**	(2,905)	(2,054)
Equity shareholders' funds	22	**3,668**	**3,668**	2,262	3,113

The financial statements on pages 7 to 24 were approved by the board of directors on 4 August 2000 and were signed on its behalf by:

John A Warwick

John A Warwick
Finance Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2000

	Notes	2000 £'000	1999 £'000
Net cash inflow from operating activities	23	**819**	484
Returns on investments and servicing of finance			
Interest received		**112**	7
Interest paid		**–**	(16)
Interest element of hire purchase obligations		**–**	(29)
Net cash inflow/(outflow) from returns on investments and servicing of finance		**112**	(38)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**–**	(108)
Sale of tangible fixed assets		**–**	163
Net cash inflow from capital expenditure and financial investment		**–**	55
Acquisitions and disposals			
Disposal of operations	25	**944**	922
Cash disposed of with subsidiary	25	**(154)**	(32)
Net cash inflow from acquisitions and disposals	24	**790**	890
Cash inflow before financing		**1,721**	1,391
Financing			
Issue of shares for cash		**110**	–
Principal payments under hire purchase obligations		**–**	(411)
Repayment in respect of factored receivables		**–**	(170)
Net cash inflow/(outflow) from financing		**110**	(581)
Increase in cash in year	24	**1,831**	810

The operation disposed of had a net cash inflow of £150,000 during the period made up as follows:

Net cash inflow from operating activities	**150**

CONSOLIDATED CASH FLOW STATEMENT

(continued)

Reconciliation of net cash flow to movement in net funds

	2000	**2000**	1999	1999
	£'000	**£'000**	£'000	£'000
Increase in cash in period	**1,831**		810	
Cash outflow from decrease in debt and hire purchase financing	–		833	
Change in net funds resulting from cash flows		**1,831**		1,643
Movement in net funds in period		**1,831**		1,643
Net funds/(debt) at 1 April 1999		**942**		(701)
Net funds at 31 March 2000 (Note 24)		**2,773**		942

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

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

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2000. Intra-group sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary or business, all of the assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the assets acquired. Goodwill arising on the acquisition of subsidiaries had previously been debited to a goodwill write-off reserve in the balance sheet. Under the transitional provisions of FRS 10, this reserve has been transferred to the profit and loss account reserve in the balance sheet.

Investments

Investments are carried at cost less provision, where necessary, for impairment in value.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition, or fair value on acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Plant and machinery	10 - 25
Fixtures and fittings	15

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Operating leases

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

Deferred taxation

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

NOTES TO THE FINANCIAL STATEMENTS

(continued)

Turnover

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

Related party transactions

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

2. TURNOVER

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

3. COST OF SALES

	2000	1999
	£'000	£'000
Cost of sales:		
Discontinued operations	**1,385**	5,971
	1,385	5,971

4. NET OPERATING COSTS

	2000	1999
	£'000	£'000
Administrative expenses:		
Continuing operations	**230**	242
Discontinued operations	**131**	549
	361	791

NOTES TO THE FINANCIAL STATEMENTS

(continued)

5. EXCEPTIONAL ITEM

	2000	1999
	£'000	£'000
Profit on disposal of Datacab before goodwill and corporation tax	**1,565**	–
Profit on disposal of Richmond Road Cab Centre before goodwill	**16**	15
	1,581	15
Goodwill written off (Note 21)	**(1,525)**	(312)
Profit/(loss) on disposal of subsidiaries	**56**	(297)
Taxation thereon (Note 10)	**292**	–

6. NET INTEREST RECEIVABLE/(PAYABLE) AND SIMILAR CHARGES

	2000	1999
	£'000	£'000
On hire purchase contracts	–	(29)
Factoring interest	–	(16)
Interest receivable	**128**	7
	128	(38)

7. DIRECTORS' EMOLUMENTS

	2000	1999
	£'000	£'000
Aggregate emoluments	**121**	123

Highest paid director

	2000	1999
	£'000	£'000
Aggregate emoluments	**81**	83

One director exercised options granted under the 1996 Share Option Scheme. The gain made on this exercise, calculated on the difference between the option price and the mid-market price on the date of the option maturity, was £80,000.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

8. EMPLOYEE INFORMATION

The average weekly number of persons (including executive directors) employed during the year was:

	2000 Number	1999 Number
Taxifleet operations	–	12
Radio operations	6	26
Management	4	4
	10	42

	2000 £'000	1999 £'000
An analysis of staff costs is set out below:		
Wages and salaries	295	776
Social security costs	31	71
Other pension costs	–	3
	326	850

9. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £'000	1999 £'000
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation charge:		
Tangible owned fixed assets	25	184
Tangible fixed assets held under hire purchase contracts	–	128
Auditors' remuneration for:		
Audit (Company £15,000; 1999 : £8,000)	15	16
Operating lease rentals:		
Land and buildings	13	54
Plant and machinery	–	10
Loss on disposal of fixed assets	–	18
And after crediting:		
Profit on disposal of fixed assets	–	(18)
Rent receivable	–	(25)

NOTES TO THE FINANCIAL STATEMENTS

(continued)

10. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2000	1999
	£'000	£'000
Corporation tax current year at 30% (1999: 21%)	292	10
	292	10

The taxation charge for the year has arisen following the disposal of subsidiaries as disclosed in Note 5.

11. (LOSS) FOR THE FINANCIAL YEAR

As permitted by section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The parent company's profit for the year was £445,000 (1999: £413,000).

12. EARNINGS PER SHARE

The calculation of earnings per share on the net basis is based on the loss on ordinary activities after taxation, namely £229,000 (1999: loss £21,000) and on 39,065,809 (1999: 38,289,858) Ordinary shares being the weighted average number of Ordinary shares in issue and ranking for dividend during the year.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

13. TANGIBLE FIXED ASSETS

Group

	Plant and machinery	Fixtures and fittings	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 1999	440	102	542
Disposals on sale of a subsidiary	(440)	(102)	(542)
At 31 March 2000	–	–	–
Depreciation			
At 1 April 1999	164	88	252
Charge for year	16	9	25
Eliminated on disposals on sale of a subsidiary	(180)	(97)	(277)
At 31 March 2000	–	–	–
Net book value			
At 31 March 2000	–	–	–
At 31 March 1999	276	14	290

The company has no tangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

14. FIXED ASSET INVESTMENT

The company has shares and loans as follows:

	2000		1999	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Shares in and loans to group undertakings	**–**	**–**	–	1,210
Unlisted securities	**238**	**238**	238	238
	238	**238**	238	1,448

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

During the year Cellular Mobile Systems Limited, which was the parent company of Datacab Limited, was put into member's voluntary liquidation.

The company has shares in and loans to subsidiary undertakings as follows:

	2000	1999
	£'000	£'000
Cost on 1 April 1999	**1,571**	3,678
Disposals in year	**(1,571)**	(1,869)
Transferred to Unlisted securities	–	(238)
Cost – 31 March 2000	**–**	1,571
Provisions on 1 April 1999	**361**	2,468
Provisions on disposals in year	**(361)**	(2,107)
Provisions – 31 March 2000	**–**	361
Net book value	**–**	1,210

NOTES TO THE FINANCIAL STATEMENTS

(continued)

15. STOCKS

	2000	1999
	£'000	£'000
Group		
Consumables	–	3
	–	3

The company has no stocks

16. DEBTORS

	2000		1999	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Trade debtors	–	–	1,130	–
Amounts owed by subsidiary undertakings	–	–	–	616
Other debtors	**983**	**983**	276	198
Prepayments and accrued income	**12**	**12**	41	8
	995	**995**	1,447	822

Other debtors of the Group and company include £146,000 falling due in more than one year (1999: Group and company £160,000).

17. CREDITORS

	2000		1999	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Amounts falling due within one year				
Trade creditors	–	–	497	–
Corporation tax payable	**292**	**292**	10	–
Other taxation and social security	**5**	**5**	49	37
Other creditors and accruals	**41**	**41**	102	59
	338	**338**	658	96

NOTES TO THE FINANCIAL STATEMENTS

(continued)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

Objective, policies and strategies

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

Interest rate risk

The Group has historically financed its operations through a mixture of capital, retained profits and hire purchase contracts. Following the disposal of all subsidiary undertakings the Group no longer has the need to finance its operations through such contracts. The Group has previously managed its exposure to such contracts by agreeing short term fixed rates of interest on such finance.

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

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

Liquidity risk

The Group continues to prepare budgets, cash flow analysis and forecasts, which enables the directors to assess the levels of borrowings required in future periods. This detail is used to ensure that the appropriate facilities are put in place to finance the future planned operations of the Group.

As noted above the Group's policy has been and continues to be one where finance for its operations is achieved mainly through retained earnings and hire purchase contracts with such liabilities being secured on the assets concerned. At the year-end the Group had no borrowings.

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

Short-term flexibility is achieved through bank overdraft facilities.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

Numerical discosures

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

Financial assets

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

	Currency	Total	Floating rate Financial assets	Fixed rate Financial assets
		£'000	£'000	£'000
Cash	Sterling	23	23	–
Short term deposits	Sterling	2,750	–	2,750
Total		2,773	23	2,750

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

At 31 March 2000 the floating rate of interest for cash deposits was 1.9 per cent per annum.

At 31 March 2000 the weighted average rate of interest on fixed rate short term deposits was 5.8 per cent per annum and the weighted average period for which the rate was fixed was 1 month.

The Group's financial assets include a balance of £146,000 falling due after more than one year. The Group earns no interest on this asset.

The interest rate profile of the Group's financial assets at 31 March 1999 was:

	Currency	Total	Floating rate Financial assets	Fixed rate Financial assets
		£'000	£'000	£'000
Cash	Sterling	57	57	–
Short term deposits	Sterling	885	–	885
Total		942	57	885

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

At 31 March 1999 the floating rate of interest for cash deposits was 1.9 per cent per annum.

At 31 March 1999 the weighted average rate of interest on fixed rate short term deposits was 4.8 per cent per annum and the weighted average period for which the rate was fixed was 1 month.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

Financial liabilities

At 31 March 2000 and 31 March 1999 the Group had no financial liabilities

Currency risk exposures

At 31 March 2000 and 31 March 1999 the Group had no currency risk exposures.

Borrowing facilities

At 31 March 2000 and 31 March 1999 the Group had no committed borrowing facilities.

19. PROVISIONS FOR LIABILITIES AND CHARGES

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

20. CALLED-UP SHARE CAPITAL

	2000	1999
	£'000	£'000
Authorised:		
60,000,000 Ordinary shares of 1p each	**600**	600
Allotted, called up and fully paid:		
40,289,858 (1999: 38,289,858) Ordinary shares of 1p each	**403**	383

During the year 2,000,000 shares were issued to directors who exercised their share options.

21. SHARE PREMIUM ACCOUNT AND RESERVES

Group

	Share premium account £'000	Profit and loss account £'000
At 1 April 1999	4,784	(2,905)
Shares issued during the year	90	–
Amount transferred to profit and loss account	(2,054)	–
Loss for the year	–	(229)
Write back of goodwill previously written off to reserves (Note 5)	–	1,525
Amount transferred from share premium account	–	2,054
At 31 March 2000	**2,820**	**445**

Cumulative goodwill written off to reserves is £NIL (1999: £1,525,000).

NOTES TO THE FINANCIAL STATEMENTS

(continued)

Company

	Share premium account £'000	Profit and loss account £'000
At 1 April 1999	4,784	(2,054)
Shares issued during the year	90	–
Amount transferred to profit and loss account	(2,054)	–
Profit for the year	–	445
Amount transferred from share premium account	–	2,054
At 31 March 2000	**2,820**	**445**

On 27 October 1999, the company obtained the Court's approval to reduce the adverse balance on the profit and loss account by means of a transfer from the share premium account. A condition of the approval is that the profit for the year of £445,000 will not be distributable until all creditors existing at 27 October 1999 have been settled.

22. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2000 £'000	1999 £'000
Opening shareholders' funds	**2,262**	1,971
(Loss) for the financial year	**(229)**	(21)
New share capital issued	**110**	–
Write back of goodwill previously written off to reserves	**1,525**	312
Closing shareholders' funds	**3,668**	2,262

23. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £'000	1999 £'000
Operating (loss)/profit	**(121)**	324
Depreciation of tangible fixed assets	**25**	312
(Profit) on disposal of tangible fixed assets	–	(18)
Loss on disposal of tangible fixed assets	–	18
(Increase) in trade debtors	**(25)**	(151)
Decrease/(increase) in prepayments and other debtors	**85**	(34)
Increase in trade creditors	**889**	51
(Decrease) in other creditors and accruals	**(32)**	(4)
(Decrease) in other taxation	**(2)**	(14)
Net cash inflow from operating activities	**819**	484

NOTES TO THE FINANCIAL STATEMENTS

(continued)

24. ANALYSIS OF NET FUNDS

	1 April 1999 £'000	Cash flow £'000	Disposal of subsidiary £'000	**31 March 2000 £'000**
Net cash:				
Cash at bank and in hand	942	1,041	790	**2,773**

25. DISPOSAL OF OPERATIONS

	2000 £'000
Net assets disposed of:	
Fixed assets	**265**
Stock	**3**
Debtors	**1,213**
Cash	**154**
Trade creditors	**(539)**
Other creditors	**(922)**
Corporation tax	**(10)**
Goodwill	**1,525**
Profit on disposal or termination	**56**
	1,745
Satisfied by:	
Cash	**965**
Disposal costs	**(21)**
	944
Deferred payment	**(4)**
Deferred consideration	**805**
	1,745

NOTES TO THE FINANCIAL STATEMENTS

(continued)

The deferred consideration comprises (i) £508,000 which has been received since 31 March 2000, (ii) £200,000 in respect of a potential taxation liability of Datacab Limited which will be paid to The Hansom Group if the Inland Revenue determines that no such taxation is payable and (iii) £97,000 in respect of a potential taxation liability of Datacab Limited which will be paid to The Hansom Group on 1 January 2001 or earlier if the Inland Revenue determines that no such taxation is payable.

26. CAPITAL COMMITMENTS

The Group had capital commitments at 31 March 2000 amounting to £NIL (1999: £NIL).

27. FINANCIAL COMMITMENTS

At 31 March 2000 the Group had annual commitments under non–cancellable operating leases as follows:

	2000		1999	
	Land and buildings	**Other**	Land and buildings	Other
	£'000	**£'000**	£'000	£'000
Expiring within one year	5	–	–	–
Expiring between two and five years inclusive	–	–	33	4
	5	–	33	4

The company had commitments of £5,000 under non–cancellable operating leases expiring within one year at 31 March 2000 (1999: £NIL).

THE HANSOM GROUP PLC

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of THE HANSOM GROUP PLC will be held at Cumberland House, 80 Scrubs Lane, London NW10 6RF on 12 September 2000 at 12 noon for the following purposes:

1. To receive and adopt the financial statements for the year ended 31 March 2000 together with the directors' and auditors' reports thereon.

2. To re-appoint Mr John A Warwick as a director.

3. To re-appoint Mr Alasdair J D Locke as a director.

4. To re-appoint PricewaterhouseCoopers as auditors to the Company until the conclusion of the next general meeting before which financial statements of the Company are laid and to authorise the directors to fix their remuneration.

   To transact any other ordinary business of the Company.

   To transact the following special business of the Company:

5. That the Directors be and are hereby generally empowered in accordance with Section 95 of the Companies Act 1985 ("the Act") to allot equity securities (as defined in Section 94(2) of the Act) of the Company for cash pursuant to the authority conferred at the 1997 Annual General Meeting as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

   i) the allotment of equity securities in connection with an offer by way of rights in favour of the holders of equity securities in proportion (as nearly as may be possible) to the respective number of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems in respect of overseas holders or otherwise; and

   ii) the allotment of equity securities (otherwise than pursuant to (i) above) up to an aggregate nominal amount of £20,144; and this power shall expire at the date of the annual general meeting of the Company to be held in 2001, provided that the Company may make an offer or agreement before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.

Dated the 4 August 2000

Registered Office:
Cumberland House
80 Scrubs Lane
London NW10 6RF

By Order of the Board

John A Warwick
Secretary

Notes:

1. Only holders of ordinary shares are entitled to attend and vote at the Annual General Meeting. Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote in his stead. A proxy need not be a member of the Company. Completion of a form of proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.

2. A form of proxy is enclosed. Any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, in order to be valid, must reach the Company's Registrars, Capita IRG plc, Balfour House, 390-398 High Road, Ilford, Essex, IG1 1NQ not less than 48 hours before the time of the meeting.