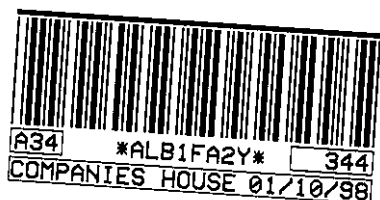


2573431
Cos House

Tomato Limited
Report and Accounts
31 March 1998

MARTIN GREENE RAVDEN
*Chartered Accountants
and Registered Auditors*
55 Loudoun Road
St John's Wood
London NW8 0DL



Company No. 2573431

Tomato Limited

REPORT AND ACCOUNTS **For the year ended 31 March 1998**

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Tomato Limited

COMPANY INFORMATION

Director	S S Baker
Secretary	K Rainford
Business address	29-35 Lexington Street London W1R 3HQ
Registered office	55 Loudoun Road St John's Wood London NW8 0DL
Auditors	Martin Greene Ravden Chartered Accountants and Registered Auditors 55 Loudoun Road St John's Wood London NW8 0DL
Solicitors	The Simkins Partnership 45-51 Whitfield Street London W1P 6AA
Principal bankers	National Westminster Bank plc 15 The Concourse Skelmersdale Lancashire WN8 6LD

Tomato Limited

DIRECTOR'S REPORT

For the year ended 31 March 1998

The director presents his report and the audited accounts for the year ended 31 March 1998.

Statement of director's responsibilities

A statement of the director's responsibilities in relation to the accounts is set out on page 3.

Principal activities

The principal activities of the company are those of advertising and graphic design consultants.

Director and his interest

The director who held office during the year and his beneficial interest in the company's share capital was as follows:

	Number of £1 Ordinary Shares at	
	1 April 1997	31 March 1998
S S Baker	50	50

Share capital

The movements in share capital during the year are set out in Note 8 to the accounts.

Donations

The company made charitable donations of £3,586 (1997 - £200) during the year.

Auditors

A resolution to re-appoint the auditors, Martin Greene Ravden, will be proposed at the forthcoming annual general meeting.

The director has prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



S S Baker
Chairman

23 September 1998

STATEMENT OF DIRECTOR'S AND AUDITORS' RESPONSIBILITIES **in relation to the accounts for the year ended 31 March 1998**

The following statement is made with a view to distinguishing for shareholders the respective responsibilities of the director and of the auditors in relation to the accounts.

Director's responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of the profit or loss for that period. In preparing those accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. The director is 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.

The director confirms that the accounts comply with these requirements.

The director, having prepared the accounts, is required to provide to the auditors such information and explanations as the auditors think necessary for the performance of their duty.

Auditors' responsibilities

The auditors are required to form an independent opinion on the accounts presented by the director, based on their audit, and to report their opinion to the shareholders. The Companies Act 1985 also requires the auditors to report to shareholders if the following requirements are not met:

- that the company has maintained proper accounting records;
- that the accounts are in agreement with the accounting records;
- that the director's emoluments and other transactions with the director are properly disclosed in the accounts; and
- that the auditors have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purpose of their audit.

The Companies Act 1985 requires the auditors to report to shareholders if the matters contained in the director's report are inconsistent with the accounts.

AUDITORS' REPORT

to the shareholders of Tomato Limited

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of director and auditors

As described on page 3, the company's director is responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion, the accounts give a true and fair view of the state of the company's affairs at 31 March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MARTIN GREENE RAVDEN

*Chartered Accountants
and Registered Auditors*

55 Loudoun Road
St John's Wood
London NW8 0DL

23 September 1998



Tomato Limited

PROFIT AND LOSS ACCOUNT For the year ended 31 March 1998

	Notes	1998 £	1997 £
Turnover		1,110,746	1,020,225
Cost of sales		(797,494)	(809,993)
Gross profit		<u>313,252</u>	<u>210,232</u>
Administrative expenses		(453,962)	(224,260)
		<u>(140,710)</u>	<u>(14,028)</u>
Other operating income		77,256	32,087
Operating (loss) profit	3	<u>(63,454)</u>	<u>18,059</u>
Interest receivable		3,408	1,945
(Loss) profit on ordinary activities before taxation		<u>(60,046)</u>	<u>20,004</u>
Taxation		6,005	(6,005)
(Loss) profit for the financial year		<u>(54,041)</u>	<u>13,999</u>
Retained profit brought forward		16,165	2,166
Balance carried forward		<u><u>(37,876)</u></u>	<u><u>16,165</u></u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

Tomato Limited

BALANCE SHEET at 31 March 1998

	Notes	1998 £	1997 £
Fixed assets			
Tangible assets	4	<u>110,029</u>	<u>125,116</u>
Current assets			
Stocks	5	51,526	11,311
Debtors (due within one year)	6	184,013	287,398
Debtors (due after one year)	6	40,000	40,000
Cash at bank and in hand		<u>1,187</u>	<u>19,802</u>
		276,726	358,511
Creditors due within one year			
Trade and other creditors	7	<u>(424,181)</u>	<u>(467,012)</u>
Net current liabilities		<u>(147,455)</u>	<u>(108,501)</u>
Net (liabilities) assets		<u>(37,426)</u>	<u>16,615</u>
Capital and reserves			
Called up share capital	8	450	450
Profit and loss account		<u>(37,876)</u>	<u>16,165</u>
Shareholders' balance		<u>(37,426)</u>	<u>16,615</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the Board
on 23 September 1998 and signed on its behalf by



S S Baker - Director

NOTES TO THE ACCOUNTS

For the year ended 31 March 1998

1. BASIS OF PREPARATION OF THE ACCOUNTS

Going concern basis

At 31 March 1998, the company's liabilities exceeded its assets by £37,426.

The company meets its day to day working capital requirements from the support of its shareholders. At 31 March 1998, £238,398 (1997 - £176,848) was owed to them. They have confirmed that the amounts owed will continue to be made available.

On the assumption that the company will continue to receive such support, the director considers that it is appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would result if the shareholders withdrew their financial support.

2. ACCOUNTING POLICIES

2.1 Basis of accounting

The accounts are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

2.2 Turnover

Turnover represents the invoiced value of services supplied by the company net of value added tax.

2.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	straight line over the length of the lease
Furniture, fittings and equipment	25% reducing balance

2.4 Leasing

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

2.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

2.6 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences arising in the normal course of trade are included in the profit and loss account.

Tomato Limited

NOTES TO THE ACCOUNTS

For the year ended 31 March 1998

2. ACCOUNTING POLICIES

2.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes to the extent that a liability to taxation is likely to crystallise.

3. OPERATING (LOSS) PROFIT

	1998 £	1997 £
The operating (loss) profit is stated after charging:		
Depreciation of tangible fixed assets	22,247	13,988
Operating lease rentals		
Property rents	90,000	19,733
Auditors' remuneration	2,000	1,500
	<u> </u>	<u> </u>

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 April 1997	95,212	62,139	157,351
Additions	2,545	4,615	7,160
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1998	97,757	66,754	164,511
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 April 1997	3,930	28,305	32,235
Charge for the year	12,635	9,612	22,247
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1998	16,565	37,917	54,482
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 March 1998	81,192	28,837	110,029
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1997	91,282	33,834	125,116
	<u> </u>	<u> </u>	<u> </u>

5. STOCKS

	1998 £	1997 £
Stocks and work in progress	51,526	11,311
	<u> </u>	<u> </u>

Tomato Limited

NOTES TO THE ACCOUNTS For the year ended 31 March 1998

6. DEBTORS	1998	1997
	£	£
Due within one year		
Trade debtors	133,652	228,455
Other debtors	50,361	58,943
	<u>184,013</u>	<u>287,398</u>
Due after one year		
Other debtor	40,000	40,000
	<u>224,013</u>	<u>327,398</u>
	<u><u>224,013</u></u>	<u><u>327,398</u></u>
 7. CREDITORS	 1998	 1997
	£	£
Due within one year		
Trade creditors	274,968	389,375
Other creditors	149,213	77,637
	<u>424,181</u>	<u>467,012</u>
	<u><u>424,181</u></u>	<u><u>467,012</u></u>
 8. CALLED UP SHARE CAPITAL	 1998	 1997
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
450 Ordinary shares of £1 each	450	450
	<u>450</u>	<u>450</u>
	<u><u>450</u></u>	<u><u>450</u></u>
 At an extraordinary general meeting held on 28 October 1996, the authorised share capital of the company was increased from £400 to £1,000 by the creation of an additional 600 ordinary shares of £1 each.		
 On 28 October 1996, 50 ordinary shares of £1 each were issued for cash at par.		
 9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' BALANCE	 1998	 1997
	£	£
(Loss) retained profit for the year	(54,041)	13,999
New share capital subscribed	-	50
	<u>(54,041)</u>	<u>14,049</u>
(Net deduction from) net addition to shareholders' funds	(54,041)	14,049
 Opening shareholders' funds	16,615	2,566
	<u>16,615</u>	<u>2,566</u>
Closing shareholders' balance	<u>(37,426)</u>	<u>16,615</u>
	<u><u>(37,426)</u></u>	<u><u>16,615</u></u>

Tomato Limited

NOTES TO THE ACCOUNTS

For the year ended 31 March 1998

10. COMMITMENTS UNDER OPERATING LEASES

At 31 March 1998, the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1998	1997
	£	£
On leases expiring:		
Between one and two eyars	12,500	-
After five years	80,000	80,000
	<hr/>	<hr/>
	92,500	80,000
	<hr/>	<hr/>

10. TRANSACTIONS WITH THE DIRECTOR

Mr S S Baker is a director and major shareholder of Steve Baker Management Limited. During the year, Steve Baker Management Limited invoiced the company with amounts totalling £111,972 (1997 - £86,090) in respect of administrative expenses and management fees.

11. CONTROLLING PARTY

There is no single controlling party. The company is controlled by the director and the other shareholders.