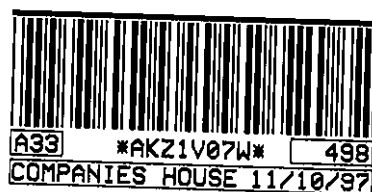


Tomato Limited
Report and Accounts
31 March 1997



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 1997

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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 WN8 6LD

Tomato Limited

DIRECTOR'S REPORT

For the year ended 31 March 1997

The director presents his report and the audited accounts for the year ended 31 March 1997. (The comparative figures for 1996 are for the period from 1 May 1995 to 31 March 1996.)

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 1996	31 March 1997
S S Baker	50	50

Close company status

The company is not a close company as defined by the Income and Corporation Taxes Act 1988.

Share capital

The movements in share capital during the year are set out in Note 9 to the accounts.

Donations

The company made charitable donations of £200 (1996 - £5,240) during the period.

Auditors

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

The director has taken advantage of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985 in the preparation of the director's report.

On behalf of the Board


S S Baker
Chairman

29 September 1997

STATEMENT OF DIRECTOR'S AND AUDITORS' RESPONSIBILITIES in relation to the accounts

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;
- follow applicable accounting standards, 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, 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.

Tomato Limited

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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

MARTIN GREENE RAVDEN

*Chartered Accountants
and Registered Auditors*

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

29 September 1997



Tomato Limited

PROFIT AND LOSS ACCOUNT For the year ended 31 March 1997

	Notes	1997 £	1996 £
Turnover		1,020,225	776,466
Cost of sales		(809,993)	(603,154)
Gross profit		210,232	173,312
Administrative expenses		(224,260)	(179,142)
		(14,028)	(5,830)
Other operating income		32,087	11,523
Operating profit	3	18,059	5,693
Exceptional items	2		
Profit on disposal of fixed assets		-	(3,238)
Profit before interest		18,059	2,455
Interest receivable		1,945	1,538
Interest payable		-	(269)
Profit on ordinary activities before taxation		20,004	3,724
Taxation		(6,005)	(2,408)
Profit for the financial year		13,999	1,316
Retained profit brought forward		2,166	850
Retained profit carried forward		16,165	2,166

All amounts relate to continuing activities.

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

The comparative figures for 1996 are for the period from 1 May 1995 to 31 March 1996.

Tomato Limited

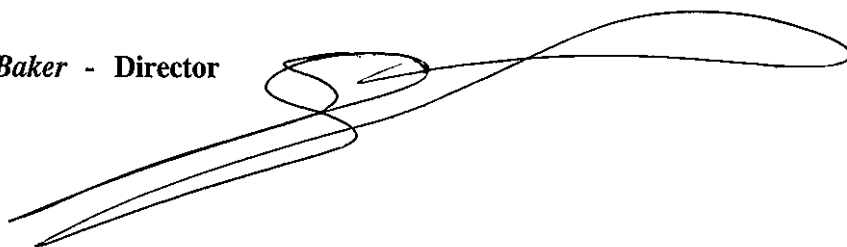
BALANCE SHEET at 31 March 1997

	Notes	£	1997 £	£	1996 £
Fixed assets					
Tangible assets	5		125,116		19,951
Current assets					
Stocks	6	11,311		1,500	
Debtors	7	327,398		112,970	
Cash at bank and in hand		19,802		50,784	
			358,511	165,254	
Creditors due within one year					
Trade and other creditors	8	467,012		182,639	
Net current (liabilities)			(108,501)		(17,385)
Net assets			16,615		2,566
Capital and reserves					
Called up share capital	9		450		400
Profit and loss account			16,165		2,166
Shareholders' funds			16,615		2,566

The director has taken advantage of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985 in the preparation of the accounts and has done so on the grounds that, in his opinion, the company is entitled to those exemptions as a small company.

The accounts were approved by the Board
on 29 September 1997 and signed on its behalf by

S S Baker - Director



Tomato Limited

NOTES TO THE ACCOUNTS

For the year ended 31 March 1997

1. ACCOUNTING POLICIES

1.1 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.

1.2 Turnover

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

1.3 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

1.4 Leasing

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

1.5 Work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.6 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.

1.7 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.

2. EXCEPTIONAL ITEMS

	1997 £	1996 £
Loss on disposal of fixed assets	-	3,238

Tomato Limited

NOTES TO THE ACCOUNTS For the year ended 31 March 1997

3. OPERATING PROFIT

The operating profit is stated after charging:

	1997 £	1996 £
Depreciation of tangible fixed assets	13,988	6,813
Loss on disposal of fixed assets	-	3,238
Property rents	19,733	14,300
Auditors' remuneration	1,500	1,500

4. DIRECTOR'S EMOLUMENTS

	1997 £	1996 £
Management remuneration	-	12,430

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 April 1996	1,463	36,735	38,198
Additions	93,749	25,404	119,153
At 31 March 1997	95,212	62,139	157,351
Depreciation			
At 1 April 1996	1,219	17,028	18,247
Charge for the year	2,711	11,277	13,988
At 31 March 1997	3,930	28,305	32,235
Net book value			
At 31 March 1997	91,282	33,834	125,116
At 31 March 1996	244	19,707	19,951

6. STOCKS

	1997 £	1996 £
Work in progress	11,311	1,500

Tomato Limited

NOTES TO THE ACCOUNTS For the year ended 31 March 1997

7. DEBTORS	1997	1996
	£	£
Due within one year		
Trade debtors	228,455	104,156
Other debtors	98,943	8,814
	<u>327,398</u>	<u>112,970</u>
8. CREDITORS	1997	1996
	£	£
Due within one year		
Bank overdraft	-	26,692
Trade creditors	389,375	118,265
Other creditors	77,637	37,682
	<u>467,012</u>	<u>182,639</u>
9. CALLED UP SHARE CAPITAL	1997	1996
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	400
	<u>1,000</u>	<u>400</u>
Allotted, called up and fully paid		
450 Ordinary shares of £1 each	450	400
	<u>450</u>	<u>400</u>
10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1997	1996
	£	£
Retained profit for the year	13,999	1,316
New share capital subscribed	50	300
	<u>14,049</u>	<u>1,616</u>
Net addition to shareholders' funds	14,049	1,616
Opening shareholders' funds	2,566	950
	<u>16,615</u>	<u>2,566</u>
Closing shareholders' funds	<u>16,615</u>	<u>2,566</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.

Tomato Limited

NOTES TO THE ACCOUNTS

For the year ended 31 March 1997

11. COMMITMENTS UNDER OPERATING LEASES

At 31 March 1997, the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1997	1996
	£	£
On leases expiring:		
After five years	80,000	-

12. 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 £86,090 (1996 - £55,068) in respect of administrative expenses and management fees.