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Tomato Limited
Report and financial statements
31 December 2002



Martin Greene Ravden
*Chartered Accountants
and Registered Auditors*
55 Loudoun Road
St John's Wood
London NW8 0DL

Company Registration No. 2573431
(England and Wales)

Tomato Limited
Report and financial statements
For the year ended 31 December 2002

Company information

Director	S Baker
Secretary	K Rainford
Company number	2573431
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
Business address	13-14 Great Sutton Street London EC1V 0BX
Bankers	National Westminster Bank plc 15 The Concourse Skelmersdale Lancashire WN8 6LD
Solicitors	The Simkins Partnership 45-51 Whitfield Street London W1P 6AA

Tomato Limited
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For the year ended 31 December 2002

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Tomato Limited
Director's report
For the year ended 31 December 2002

The director presents his report and financial statements for the year year ended 31 December 2002.

Principal activities and business review

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

During the year the company, in common with others in the advertising and design industry, experienced a fall off in business. However, a move to less expensive premises together with a reduction in the workforce has enabled the company to make a profit of £52,843 before tax.

Director

The following director has held office since 1 January 2002:

S Baker

Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 December 2002	1 January 2002
S Baker	-	-

The director's shareholding in Tomato Holdings Limited, the ultimate holding company, is disclosed in that company's accounts.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Martin Greene Ravden be reappointed as auditors of the company will be put to the Annual General Meeting.

Director's responsibilities

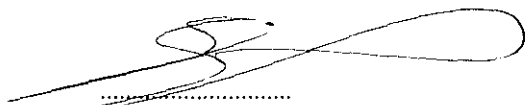
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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 financial statements comply with the Companies Act 1985. He 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.

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

On behalf of the board



.....
S Baker

Director
10/10/03

Tomato Limited
Independent auditors' report
to the shareholders of Tomato Limited

We have audited the financial statements of Tomato Limited on pages 3 to 9 for the year ended 31 December 2002. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. We also report to you if, in our opinion, the director's 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 information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 director 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 as at 31 December 2002 and of its profit 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



10 October 2003

Tomato Limited
Profit and loss account
For the year ended 31 December 2002

	Notes	2002 £	2001 £
Turnover		908,654	1,062,805
Cost of sales		(507,423)	(762,180)
Gross profit		<u>401,231</u>	<u>300,625</u>
Administrative expenses		(380,908)	(649,281)
Other operating income		32,519	77,986
Operating profit/(loss)	2	<u>52,842</u>	<u>(270,670)</u>
Other interest receivable and similar income		1	1,618
Profit/(loss) on ordinary activities before taxation		<u>52,843</u>	<u>(269,052)</u>
Tax on profit/(loss) on ordinary activities		-	9,642
Profit/(loss) on ordinary activities after taxation	9	<u><u>52,843</u></u>	<u><u>(259,410)</u></u>

Tomato Limited
Balance Sheet
As at 31 December 2002

	Notes	2002 £	2001 £
Fixed assets			
Intangible assets	3	8,312	6,694
Tangible assets	4	10,655	16,058
Investments	5	66	66
		<u>19,033</u>	<u>22,818</u>
Current assets			
Stocks		40,935	19,073
Debtors	6	255,834	163,987
Cash at bank and in hand		17,124	41,140
		<u>313,893</u>	<u>224,200</u>
Creditors: amounts falling due within one year	7	<u>(442,361)</u>	<u>(409,296)</u>
Net current liabilities		<u>(128,468)</u>	<u>(185,096)</u>
Total assets less current liabilities		<u>(109,435)</u>	<u>(162,278)</u>
Capital and reserves			
Called up share capital	8	450	450
Profit and loss account	9	(109,885)	(162,728)
Shareholders' funds		<u>(109,435)</u>	<u>(162,278)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 10/10/03



S Baker
 Director

Tomato Limited
Notes to the financial statements
For the year ended 31 December 2002

1 ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Going concern

The company meets its day to day working capital requirements through extended credit from certain of its producers who are shareholders in Tomato Holdings Limited, its parent company. The producers have confirmed that they will continue to finance the company and the director has prepared projected cash flow information for the year ending 31 December 2003 based on this.

On the basis of this cash flow information, the director considers that the company will continue to trade. On this basis, the director considers it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of this finance.

1.3 Cash flow statement

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.

1.4 Turnover

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

1.5 Trademarks

Trademarks are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.6 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 less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	straight line over the length of the lease
Equipment	25% reducing balance
Fixtures and fittings	25% reducing balance

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Stock and work in progress

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

1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Tomato Limited

Notes to the financial statements

For the year ended 31 December 2002

1 ACCOUNTING POLICIES

1.12 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise part of a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 OPERATING PROFIT/(LOSS)	2002	2001
	£	£
Operating profit/(loss) is stated after charging:		
Amortisation of intangible assets	1,086	816
Depreciation of tangible assets	6,344	42,510
Auditors' remuneration	4,000	4,000
	<u> </u>	<u> </u>

3 INTANGIBLE FIXED ASSETS

	Trademarks
	£
Cost	
At 1 January 2002	8,157
Additions	2,704
	<u> </u>
At 31 December 2002	10,861
	<u> </u>
Amortisation	
At 1 January 2002	1,463
Charge for year	1,086
	<u> </u>
At 31 December 2002	2,549
	<u> </u>
Net book value	
At 31 December 2002	8,312
	<u> </u>
At 31 December 2001	6,694
	<u> </u>

Tomato Limited

Notes to the financial statements

For the year ended 31 December 2002

4 TANGIBLE FIXED ASSETS

	£
Cost	
At 1 January 2002	43,145
Additions	1,309
Disposals	(738)
	<hr/>
At 31 December 2002	43,716
	<hr/>
Depreciation	
At 1 January 2002	27,087
On disposals	(370)
Charge for the year	6,344
	<hr/>
At 31 December 2002	33,061
	<hr/>
Net book value	
At 31 December 2002	10,655
	<hr/> <hr/>
At 31 December 2001	16,058
	<hr/> <hr/>

5 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 January 2002 & at 31 December 2002	66
	<hr/> <hr/>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Tomato Films Limited	England & Wales	Ordinary	66

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Tomato Films Limited	53,023	(65,913)
	<hr/> <hr/>	<hr/> <hr/>

Tomato Limited

Notes to the financial statements

For the year ended 31 December 2002

6	DEBTORS	2002 £	2001 £
	Trade debtors	163,084	74,834
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	28,817	43,334
	Other debtors	63,933	45,819
		<u>255,834</u>	<u>163,987</u>

Debtors include an amount of £4,400 (2001 - £4,400) which is due after more than one year.

7	CREDITORS: Amounts falling due within one year	2002 £	2001 £
	Bank loans and overdrafts	2,884	-
	Trade creditors	168,512	195,248
	Taxation and social security	5,885	3,512
	Other creditors	265,080	210,536
		<u>442,361</u>	<u>409,296</u>

8	SHARE CAPITAL	2002 £	2001 £
	Authorised		
	1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	450 Ordinary shares of £ 1 each	<u>450</u>	<u>450</u>

9 STATEMENT OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	£
Balance at 1 January 2002	(162,728)
Retained profit for the year	52,843
Balance at 31 December 2002	<u>(109,885)</u>

Tomato Limited
Notes to the financial statements
For the year ended 31 December 2002

10 FINANCIAL COMMITMENTS

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002	2001
	£	£
Expiry date:		
Within one year	28,000	28,000

11 TRANSACTIONS WITH DIRECTORS

Mr S Baker is a director and major shareholder of Steve Baker Management Limited. During the period, Steve Baker Management invoiced the company with amounts totalling £32,855 (2001 - £71,560) in respect of administrative expenses and management fees. At 31 December 2002, the net balance owed to Steve Baker Management Limited was £32,426 (2001 - £8,320).

12 CONTROL

The ultimate parent company is Tomato Holdings Limited. There is no controlling party.

13 RELATED PARTY TRANSACTIONS

During the year, the company made sales of £66,345 (2001 - £140,482) and purchases of £nil (2001 - £20,047) with its subsidiary undertaking Tomato Films Limited, on normal commercial terms. At 31 December 2002, the net balance owed to Tomato Limited was £8,077 (2001 - £42,964).

The company is entitled to the first £75,000 of the pre-tax profits, on an annual basis, from its subsidiary undertaking Tomato Films Limited. The amount of profit allocated to Tomato Limited in the period under review amounted to £nil (2001 - £nil).

During the year, the company paid various expenses for Tomato (New York) Limited, a fellow subsidiary. At the year end the balance owed by Tomato (New York) Limited to the company was £175 (2001: £nil).

During the year, the company paid various expenses for Tomato Interactive Limited, a fellow subsidiary. At the year end the balance owed by Tomato Interactive Limited to the company was £185 (2001: £nil).

During the year various inter company loans were made between the company and the holding company Tomato Holdings Limited. At the year end the balance owed by Tomato Holdings Limited to the company was £20,365 (2001: nil).