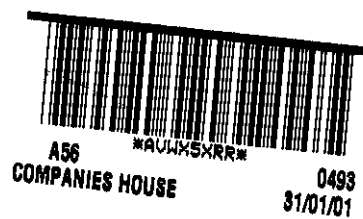


WPM SOLUTIONS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

REGISTERED NUMBER 2984631



WPM SOLUTIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

DIRECTORS

C. M. Weatherstone
A. F. Murray
S. McEvoy
J. A. Earls
D. Warley

SECRETARY

Mrs. C. Weatherstone

REGISTERED OFFICE

3 Dale Gardens
Heswall
Wirral
CH60 6TQ

COMPANY NUMBER

2984631

BANKERS

Barclays Bank plc

AUDITORS

Bailey, Page & Roper
Chartered Accountants
Registered Auditor
Norwich House
Water Street
Liverpool

WPM SOLUTIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

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	5	Auditors' Report
	6	Profit and Loss Account
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	9 to 14	Notes to the Financial Statements

WPM SOLUTIONS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2000

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

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:-

- 1) select suitable accounting policies and then apply them consistently.
- 2) make judgements and estimates that are reasonable and prudent.
- 3) 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.

PRINCIPAL ACTIVITIES

The principal activities of the company are the supply of professional services to the information technology industry.

BUSINESS REVIEW

The Company went through a year of significant change with a major investment in the I.T infrastructure and the management and administration of the business.

After a successful first quarter the Board decided that planned future growth required the Company to improve its capacity to manage revenue earning resources and to improve communications and operational facilities with a fully integrated I.T. system.

The investment involved substantial capital expenditure on equipment and increased staff levels in management and support services.

Although turnover grew in the year the investment, together with a slowdown in the sale of retail services, gave rise to a significant operating loss.

Since the year end the Company has returned to profit and has experienced a large growth in revenue. This would not have been possible without the investment during the year. The Board believes the Company is now in a position to sustain its planned growth for the foreseeable future.

RESULTS AND DIVIDENDS

	2000	1999
	£	£
(Loss)/Profit after tax for the year	(135,400)	30,513

The directors do not recommend the payment of a dividend.

WPM SOLUTIONS LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2000

FIXED ASSETS

Acquisition and disposal of fixed assets during the year are shown in the notes to the accounts.

DIRECTORS

The directors who served during the year are shown below.

C. M. Weatherstone
A. F. Murray
S. McEvoy
J. A. Earls
C. G. Gardner (resigned 18 August 1999)
C. C. L. Hollingsworth (resigned 16 November 1999)
D. Warley (appointed 1 March 2000)

The directors beneficial interests in the issued ordinary share capital were as follows:

	2000	1999
	No.	No.
C. M. Weatherstone	750	750
A. F. Murray	100	100
S. McEvoy	50	50
J. A. Earls	50	50


AUDITORS

The auditors, Bailey, Page & Roper, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 29 January 2001 and signed on their behalf.

Signed

Mrs. C. Weatherstone



AUDITORS' REPORT
TO THE SHAREHOLDERS OF
WPM SOLUTIONS LIMITED
FOR THE YEAR ENDED 31 MARCH 2000

We have audited the accounts on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

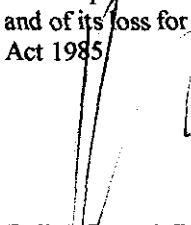
Basis of opinion

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 directors 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 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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Bailey, Page & Roper
Chartered Accountants
Registered Auditor

Norwich House
Water Street
Liverpool

29 January 2001

WPM SOLUTIONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2000

	Notes	2000 £	1999 £
TURNOVER	2		
Continuing operations		1,156,662	1,057,731
Cost of sales	3	<u>317,951</u>	<u>327,643</u>
GROSS PROFIT		838,711	730,088
Net operating expenses	3	<u>970,098</u>	<u>683,942</u>
OPERATING LOSS/(PROFIT)	4		
Continuing operations		(131,387)	46,146
Interest payable and similar charges	6	<u>(10,823)</u>	<u>(7,583)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(142,210)	38,563
Tax on ordinary activities	7	<u>(6,810)</u>	<u>8,050</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(135,400)	30,513
RETAINED (LOSS)/PROFIT TRANSFERED TO RESERVES¹⁴		<u>£ (135,400)</u>	<u>£ 30,513</u>

The company made no recognised gains and losses other than those reported in the profit and loss account.

The notes on pages 9 to 14 form part of these financial statements

WPM SOLUTIONS LIMITED
BALANCE SHEET
AT 31 MARCH 2000

	Note	2000 £	£	1999 £
FIXED ASSETS				
Tangible assets	8	140,689		55,368
CURRENT ASSETS				
Stock		9,004		4,000
Debtors	10	407,248		293,687
		416,252		297,687
CREDITORS: Amounts falling due within one year	11	542,363		252,853
NET CURRENT (LIABILITIES)/ASSETS		(126,111)		44,834
TOTAL ASSETS LESS CURRENT LIABILITIES		14,578		100,202
CREDITORS: Amounts falling due after more than one year	12	(57,070)		(7,294)
NET (LIABILITIES)/ASSETS		£ (42,492)		£ 92,908
CAPITAL AND RESERVES				
Called up share capital	13	1,000		1,000
Profit and loss account	14	(43,492)		91,908
TOTAL EQUITY SHAREHOLDERS FUNDS		£ (42,492)		£ 92,908

The accounts were approved by the board of directors on 29 January 2001

C. M. Weatherstone, Director



The notes on pages 9 to 14 form part of these financial statements

WPM SOLUTIONS LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MARCH 2000

	2000	1999
	£	£
(Loss)/Profit for the financial year	(135,400)	30,513
Net addition to shareholders' funds	<u>(135,400)</u>	<u>30,513</u>
Opening shareholders' funds	92,908	62,395
Closing shareholders' funds	<u>£ (42,492)</u>	<u>£ 92,908</u>

The notes on pages 9 to 14 form part of these financial statements

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2000

1. ACCOUNTING POLICIES

1a. Basis of accounting

The accounts have been prepared under the historical cost convention.

1b. Tangible fixed assets

Fixed assets are shown at historical cost.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

	2000	1999
Motor vehicles - % on cost	25	25
Fixtures and equipment- % on cost	20	20
Computer Equipment - % on cost	35	35

1c. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is based on purchase cost on a first-in, first-out basis, including transport.

1d. Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Advance corporation tax payable on dividends paid or provided for in the year is written off.

1e. Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes and trade discounts) of goods and services in the normal course of business.

1f. Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

The notes on pages 9 to 14 form part of these financial statements

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2000

1. ACCOUNTING POLICIES (CONTINUED)

1g. Cash flow statement

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

2. TURNOVER

Turnover and loss on ordinary activities before taxation are attributable to the principal activity.

3. COST OF SALES AND NET OPERATING EXPENSES

	2000		1999	
	£		£	
Cost of sales	£ 317,951		£ 327,643	
Net operating expenses:				
Distribution costs	12,204		14,596	
Administrative expenses	923,387		651,532	
Depreciation	34,507		17,814	
	£ 970,098		£ 683,942	

4. OPERATING (LOSS)/PROFIT

	2000		1999	
	£		£	
(Loss)/Profit on ordinary activities is stated after charging:				
Auditors' remuneration				
Audit services	450		400	
Non-audit services	650		600	
Depreciation and amortisation				
Tangible assets: owned	34,507		16,325	
Loss on disposal of tangible assets	-		1,489	
Staff costs (note 5)	676,238		460,911	
	£ 676,238		£ 460,911	

The notes on pages 9 to 14 form part of these financial statements

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2000

5. DIRECTORS AND EMPLOYEES

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:

	2000	1999
	£	£
Wages and salaries	672,666	451,245
Other pension costs	3,572	9,666
	£ 676,238	£ 460,911

The average numbers of employees during the year were as follows:

	2000	1999
	No.	No.
Management and administration	28	25

Details of directors' remuneration are:

	2000	1999
	£	£
Aggregate emoluments including benefits:	128,901	103,420
Pension contributions to money purchase schemes	2,631	7,120
	131,532	107,723
Number of directors in the year	5	6

Pension contributions were paid to money purchase schemes on behalf of three directors.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
On bank loans, overdrafts and other loans		
Repayable within five years, by instalments	874	-
Repayable within five years, not by instalments	9,949	7,583
	£ 10,823	£ 7,583

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

	2000	1999
	£	£
Corporation tax at 20%	-	8,050
Corporation tax credit	(6,810)	-
	£ (6,810)	£ 8,050

The notes on pages 9 to 14 form part of these financial statements

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2000

8. TANGIBLE FIXED ASSETS

	Fixtures & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 1999	22,494	56,326	25,244	104,064
Additions	41,457	73,871	4,500	119,828
At 31 March 2000	63,951	130,197	29,744	223,892
Depreciation				
At 1 April 1999	9,480	26,621	12,595	48,696
For the year	9,117	21,387	4,003	34,507
At 31 March 2000	18,597	48,008	16,598	83,203
Net Book Amounts				
At 31 March 2000	£ 45,354	£ 82,189	£ 13,146	£ 140,689
At 31 March 1999	£ 13,014	£ 29,705	£ 12,649	£ 55,368

Hire Purchase Assets

Included in fixed assets are assets of net book amount £7,092 (1999: £12,649) held under hire purchase contracts. The amount of depreciation provided in the year on these assets is £3,039 (1999: £5,249).

9. STOCK

	2000 £	1999 £
Stock comprises:		
Stock	£ 9,004	£ 4,000

10. DEBTORS

	2000 £	1999 £
Trade debtors	370,348	274,327
Other debtors	450	1,340
Prepayments	19,477	18,020
Accrued income	16,973	-
	£ 407,248	£ 293,687

The notes on pages 9 to 14 form part of these financial statements

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2000

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Bank Loan	29,249	-
Loans	20,000	30,000
Hire purchase	2,804	3,511
UK corporation tax	-	6,810
Social security and other taxes	84,319	62,819
C. M. Weatherstone	5,000	-
A. F. Murray	10,000	-
J. A. Earls	10,000	-
Trade creditors	98,028	25,265
Other creditors	5,022	1,690
Accruals	13,035	7,770
Deferred income	145,726	26,380
Bank Overdraft	119,180	88,608
	£ 542,363	£ 252,853

The company has granted a fixed charge over its book debts and a floating charge on all its over assets to secure bank overdraft facilities of £130,000 (1999 -£100,000).

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2000	1999
	£	£
Bank loans and overdrafts	52,028	-
Hire purchase agreements	5,042	7,294
	£ 57,070	£ 7,294

13. CALLED UP SHARE CAPITAL

	2000	1999
	£	£
Authorised:		
1000 Ordinary shares of £1 each	£ 1,000	£ 1,000
Allotted, issued and fully paid:		
1000 Ordinary shares of £1 each	£ 1,000	£ 1,000

The notes on pages 9 to 14 form part of these financial statements

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2000

14. RESERVES

	Profit & loss account £
At 1 April 1999	91,908
Loss for the year	(135,400)
At 31 March 2000	£ (43,492)

15. LEASE COMMITMENTS

The company has entered into non-cancellable leases in respect of plant and machinery, the payments for which extend over a period of up to 2 years.

The minimum annual rentals under the leases are as follows:

	2000		1999
	£		£
Land and buildings:			
- within one year	13,000		13,000
- within two - five years	13,000		26,000
	£ 26,000	£	39,000
Motor vehicles			
- within one year	37,900		47,635
- within two - five years	19,983		41,227
	£ 57,883	£	88,862

16. RELATED PARTY TRANSACTIONS

During the year the Company purchased training courses to a value of £17,410 (1999 £4, 566) from WPM Training Limited which is under the control of Mr. C. M. Weatherstone. The Company sold services to WPM Training Limited totalling £35,711 (1999 £13,500)

The transactions were in the ordinary course of business.