

Company Number 2984631

**WPM SOLUTIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1998**



**WPM SOLUTIONS LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1998**

**DIRECTORS**

C. M. Weatherstone  
A. F. Murray  
S. McEvoy  
J. A. Earls  
C. G. Gardner

**SECRETARY**

Mrs. C. Weatherstone

**REGISTERED OFFICE**

3 Dale Gardens  
Heswall  
Wirral  
L60 6TQ

**COMPANY NUMBER**

2984631

**BANKERS**

Barclays Bank plc

**AUDITORS**

Bailey, Page & Roper  
Norwich House  
Water Street  
Liverpool

**WPM SOLUTIONS LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1998**

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**WPM SOLUTIONS LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31ST MARCH 1998**

The directors present their report and the audited financial statements of the company for the year ended 31st March 1998.

**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 enjoyed another year of good growth with both turnover and pre-tax profit showing significant improvement.

During the year the Company established its Northern office in Heswall and made further investments in the company fleet and I.T. systems.

The Company's established market for project management and bid management services in the I.T. industry remains healthy, but the Board have decided that the company is sufficiently developed to start exploiting the strength of its services by selling into other industries.

The Company has embarked on a marketing programme to establish a strong corporate identity and to widen its customer base. This has involved considerable investment of time and money on sales and marketing which the Board expect to produce positive results over the next year.

The Board are confident that the Company can sustain growth into the future.

**WPM SOLUTIONS LIMITED  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31ST MARCH 1998**

**RESULTS AND DIVIDENDS**

	1998	1997
	£	£
Profit after tax for the year	60,701	30,110
Interim dividends	-	39,000
	<hr/>	<hr/>
Transfer to reserves	£ 60,701	£ (8,890)
	<hr/> <hr/>	<hr/> <hr/>

**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 (appointed 25 April 1997)  
J. A. Earls (appointed 22 August 1997)  
C. G. Gardner (appointed 1 April 1998)

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

	1998	1997
	No.	No.
C. M. Weatherstone	750	900
A. F. Murray	100	100
S. McEvoy	50	-
J. A. Earls	50	-

**CLOSE COMPANY STATUS**

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

**AUDITORS**

During the year the auditors, Malkin & Company, resigned and Bailey, Page & Roper were appointed to fill the vacancy.

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 June 1998 and signed on their behalf.

*C. M. Weatherstone*

Signed  
Mrs. C. Weatherstone

**WPM SOLUTIONS LIMITED  
AUDITORS' REPORT TO THE SHAREHOLDERS OF WPM SOLUTIONS LIMITED  
FOR THE YEAR ENDED 31ST MARCH 1998**

We have audited the accounts on pages 6 to 15 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 31st March 1998 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.

  
Bailey, Page & Roper  
Chartered Accountants  
Registered Auditor

Norwich House  
Water Street  
Liverpool

29 June 1998

**WPM SOLUTIONS LIMITED  
 PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED 31ST MARCH 1998**

	Note	1998 £	£	1997 £	£
<b>TURNOVER</b>					
Continuing operations	2		782,728		600,255
Cost of sales	3		182,895		220,552
<b>GROSS PROFIT</b>			<u>599,833</u>		<u>379,703</u>
Net operating expenses	3&4		519,600		338,270
<b>OPERATING PROFIT</b>					
Continuing operations	4		80,233		41,433
Interest payable and similar charges	6		(3,726)		(1,071)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<u>76,507</u>		<u>40,362</u>
Tax on ordinary activities	7		15,806		10,252
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL YEAR</b>			<u>60,701</u>		<u>30,110</u>
Dividends	8		-		39,000
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>			<u>£ 60,701</u>		<u>£ (8,890)</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 15 form part of these accounts

WPM SOLUTIONS LIMITED  
BALANCE SHEET  
AT 31ST MARCH 1998

	Notes	1998 £	£	1997 £
<b>FIXED ASSETS</b>				
Tangible assets	9		57,653	<u>48,211</u>
<b>CURRENT ASSETS</b>				
Stock	10	12,405		-
Debtors	11	121,999		<u>104,933</u>
			134,404	104,933
CREDITORS: Amounts falling due within one year	12	<u>127,986</u>		<u>125,113</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>6,418</u>	<u>(20,180)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>64,071</u>	<u>28,031</u>
CREDITORS: Amounts falling due after more than one year	13		<u>1,676</u>	<u>26,337</u>
<b>NET ASSETS</b>			<u>£ 62,395</u>	<u>£ 1,694</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	14		1,000	1,000
Profit and loss account	15		<u>61,395</u>	<u>694</u>
<b>TOTAL CAPITAL EMPLOYED</b>			<u>£ 62,395</u>	<u>£ 1,694</u>

Signed on behalf of the board

*C.M. Weatherstone*

.....  
C. M. Weatherstone  
29 June 1998

The notes on pages 9 to 15 form part of these accounts



WPM SOLUTIONS LIMITED  
 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS  
 FOR THE YEAR ENDED 31ST MARCH 1998

	1998	1997
	£	£
Profit for the financial year	60,701	30,110
Dividends	-	39,000
Net addition to shareholders' funds	<u>60,701</u>	<u>(8,890)</u>
Opening shareholders' funds	1,694	10,584
Closing shareholders' funds	<u>£ 62,395</u>	<u>£ 1,694</u>

The notes on pages 9 to 15 form part of these accounts

**WPM SOLUTIONS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 1998**

**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.

		1998	1997
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.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax authorities) has been calculated on the liability method. Deferred tax is provided on timing differences, which will probably reverse at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse. However, the amount of all deferred tax, including that which will probably not reverse, is shown in note .

**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.

**WPM SOLUTIONS LIMITED  
 NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31ST MARCH 1998**

**1. ACCOUNTING POLICIES (CONTINUED)**

**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.

**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 profit on ordinary activities before taxation are attributable to the principal activity.

**3. COST OF SALES AND NET OPERATING EXPENSES**

	1998 £	1997 £
Cost of sales	£ 182,895	£ 220,552
Net operating expenses:		
Distribution costs	3,212	5,158
Administrative expenses	500,351	319,609
Depreciation	17,942	13,703
Other operating income	(1,905)	(200)
	<u>£ 519,600</u>	<u>£ 338,270</u>

**WPM SOLUTIONS LIMITED  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31ST MARCH 1998**

**4. OPERATING PROFIT**

	1998	1997
	£	£
Profit on ordinary activities is stated after charging:		
Auditors' remuneration		
Audit services	600	500
Non-audit services	400	543
Depreciation and amortisation		
Tangible assets: owned	17,439	13,703
Staff costs (note 5)	371,290	232,787
	<hr/>	<hr/>
and after crediting:		
Other operating income	1,905	200
	<hr/>	<hr/>

**5. DIRECTORS AND EMPLOYEES**

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:	1998	1997
	£	£
Wages and salaries	364,170	225,587
Other pension costs	7,120	7,200
	<hr/>	<hr/>
	£ 371,290	£ 232,787
	<hr/> <hr/>	<hr/> <hr/>

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

	1998	1997
	No.	No.
Management and administration	18	10
	<hr/>	<hr/>

Details of directors' emoluments are:

	1998	1997
	£	£
Aggregate emoluments including benefits	100,603	65,132
Pension contributions to money purchase schemes	7,120	3,600
	<hr/>	<hr/>
	£ 107,723	£ 68,732
	<hr/> <hr/>	<hr/> <hr/>
Number of directors in the year	4	2
	<hr/>	<hr/>

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

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 1998**

<b>6. INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>1998</b>	<b>1997</b>
	£	£
Interest on loans repayable within five years, not by instalments	£ 3,726	£ 1,071
	<u>          </u>	<u>          </u>

<b>7. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>1998</b>	<b>1997</b>
	£	£
Corporation tax at 21%(1997- 24%)	£ 15,806	£ 10,252
	<u>          </u>	<u>          </u>

<b>8. DIVIDENDS</b>	<b>1998</b>	<b>1997</b>
	£	£
Ordinary dividends:- Interim paid	£ -	£ 39,000
	<u>          </u>	<u>          </u>

<b>9. TANGIBLE FIXED ASSETS</b>	<b>Fixtures &amp; Equipment</b>	<b>Computer Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 1st April 1997	14,209	26,438	25,233	65,880
Additions	6,975	13,609	6,800	27,384
Disposals	(629)	(300)	-	(929)
At 31st March 1998	<u>20,555</u>	<u>39,747</u>	<u>32,033</u>	<u>92,335</u>
<b>Depreciation</b>				
At 1st April 1997	3,728	11,176	2,765	17,669
Disposals	(252)	(174)	-	(426)
For the year	2,809	7,738	6,892	17,439
At 31st March 1998	<u>6,285</u>	<u>18,740</u>	<u>9,657</u>	<u>34,682</u>
<b>Net Book Amounts</b>				
At 31st March 1998	<u>£ 14,270</u>	<u>£ 21,007</u>	<u>£ 22,376</u>	<u>£ 57,653</u>
At 31st March 1997	<u>£ 10,481</u>	<u>£ 15,262</u>	<u>£ 22,468</u>	<u>£ 48,211</u>

The net book value of motor vehicles above includes £16,851 (1997: £22,468) attributable to assets held under hire purchase contracts. The depreciation charged in the year on those assets was £5,617 (1997: £2,765).

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 1998**

10. STOCK	1998	1997
	£	£
Stock comprises:		
Stock of corporate brochures	£ 12,405	£ -
	<u>£ 12,405</u>	<u>£ -</u>

11. DEBTORS	1998	1997
	£	£
Trade debtors	95,172	91,029
Other debtors	-	2,000
Prepayments	26,827	11,904
	<u>£ 121,999</u>	<u>£ 104,933</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1998	1997
	£	£
Hire purchase	4,900	5,590
UK corporation tax	15,630	502
ACT on proposed dividends	-	9,750
Social security and other taxes	37,495	34,747
C. M. Weatherstone	15,000	15,250
A. F. Murray	-	3,750
Trade creditors	20,380	25,040
Other creditors	5,102	2,103
Accruals	9,108	21,462
Deferred income	10,060	-
Bank Overdraft	10,311	6,919
	<u>£ 127,986</u>	<u>£ 125,113</u>

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 £100,000 (1997 -£50,000).

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	1998	1997
	£	£
Other loans	-	20,000
Hire purchase agreements	1,676	6,337
	<u>£ 1,676</u>	<u>£ 26,337</u>

**WPM SOLUTIONS LIMITED  
 NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31ST MARCH 1998**

<b>14. CALLED UP SHARE CAPITAL</b>	<b>1998</b>	<b>1997</b>
	£	£
Authorised:		
1000 Ordinary shares of £1 each	£ 1,000	£ 1,000
	<u>          </u>	<u>          </u>
Allotted, issued and fully paid:		
1000 Ordinary shares of £1 each	£ 1,000	£ 1,000
	<u>          </u>	<u>          </u>

<b>15. RESERVES</b>	<b>Profit &amp; loss account</b>
	£
At 1st April 1997	694
Profit for the year	60,701
	<u>          </u>
At 31st March 1998	£ 61,395
	<u>          </u>

**16. LEASE COMMITMENTS**

The company has entered into non-cancellable leases the payments for which extend over a period of up to 3 years.

The minimum annual rentals under the leases are as follows:

	<b>1998</b>	<b>1997</b>
	£	£
Land and buildings:		
- within 1 year	13,000	11,000
- within 2-5 years	-	13,000
	<u>          </u>	<u>          </u>
	£ 13,000	£ 24,000
	<u>          </u>	<u>          </u>
Motor vehicles:	<b>1998</b>	<b>1997</b>
	£	£
- within 1 year	29,165	22,031
- within 2-5 years	32,652	11,397
	<u>          </u>	<u>          </u>
	£ 61,817	£ 33,428
	<u>          </u>	<u>          </u>

**WPM SOLUTIONS LIMITED  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31ST MARCH 1998**

**17. RELATED PARTY TRANSACTIONS**

During the year the Company purchased training courses to a value of £4,566 from WPM Training Limited which is under the control of Mr. C. M. Weatherstone. The transactions were in the ordinary course of business.