

WPM SOLUTIONS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

REGISTERED NUMBER 2984631



WPM SOLUTIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

DIRECTORS

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

SECRETARY

J. A. Earls

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 2002

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WPM SOLUTIONS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and the audited financial statements of the company for the year ended 31 March 2002.

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 had a difficult year with the downturn in the I.T. and telecoms sectors impacting on revenue and profit.

The success in growing the business in 2001 led to further investment in staff resources in the first half of the year to meet predicted demand from our major customers. However, the events of September 11 brought a rapid change to the markets we operate in and a rate of change that could not have been predicted.

The company has taken action to remedy the situation, but the speed of the downturn resulted in trading losses while restructuring took place. There have been substantial reductions in overheads, but the need to restructure in a controlled manner that did not impact on our ability to deliver services to customers meant that losses continued for a short period after the year end.

In addition to the trading losses there has been a cost of restructuring reflected in the results for the year. Since the year end the company has returned to profit and the Board consider that there the prospects the business in the near future are very good with continuing profits from current income streams and signs of growth over the next year.

WPM SOLUTIONS LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

RESULTS AND DIVIDENDS

	2002	2001
	£	£
(Loss)/Profit after tax for the year	(199,139)	33,270
The directors do not recommend the payment of a dividend.		

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
D. Warley
A. G. Gilmour
D. C. Brown

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

	2002	2001
	No.	No.
C. M. Weatherstone - A Ordinary shares	1,500	1,500
A. F. Murray - A Ordinary shares	200	200
- B Ordinary shares	5,000	5,000
S. McEvoy - A Ordinary shares	100	100
J. A. Earls - A Ordinary shares	100	100
A. G. Gilmour - A Ordinary shares	20	20
- B Ordinary shares	4,850	4,850

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 2003 and signed on their behalf.


Signed
J. A. Earls

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
WPM SOLUTIONS LIMITED
FOR THE YEAR ENDED 31 MARCH 2002

We have audited the accounts on pages 6 to 16 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 2002 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 2003

WPM SOLUTIONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
TURNOVER	2		
Continuing operations		1,727,411	1,738,941
Cost of sales	3	<u>413,449</u>	<u>506,998</u>
GROSS PROFIT		1,313,962	1,231,943
Net operating expenses	3	<u>1,512,042</u>	<u>1,185,816</u>
OPERATING LOSS/(PROFIT)	4		
Continuing operations		(198,080)	46,127
Interest receivable and similar income	6	4,934	-
Interest payable and similar charges	7	<u>(5,993)</u>	<u>(12,857)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(199,139)	33,270
Tax on ordinary activities	8	<u>-</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(199,139)	33,270
RETAINED (LOSS)/PROFIT TRANSFERED TO RESERVES¹⁶		<u>£ (199,139)</u>	<u>£ 33,270</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 16 form part of these financial statements

WPM SOLUTIONS LIMITED
BALANCE SHEET
AT 31 MARCH 2002

	Note	2002 £	£	2001 £
FIXED ASSETS				
Intangible assets	9	46,293		33,960
Tangible assets	10	135,389		137,557
		181,682		171,517
 CURRENT ASSETS				
Stock	11	1,980		5,693
Debtors	12	58,363		633,070
Cash at bank and in hand		75,133		1,469
		135,476		640,232
CREDITORS: Amounts falling due within one year	13	402,484		763,424
NET CURRENT LIABILITIES		(267,008)		(123,192)
TOTAL ASSETS LESS CURRENT LIABILITIES		(85,326)		48,325
CREDITORS: Amounts falling due after more than one year	14	(96,285)		(30,797)
NET (LIABILITIES)/ASSETS		£ (181,611)	£	17,528
 CAPITAL AND RESERVES				
Called up share capital	15	21,510		21,510
Share premium account	16	6,240		6,240
Profit and loss account	16	(209,361)		(10,222)
TOTAL EQUITY SHAREHOLDERS FUNDS		£ (181,611)	£	17,528

The accounts were approved by the board of directors on 29 January 2003

C. M. Weatherstone, Director



The notes on pages 9 to 16 form part of these financial statements

WPM SOLUTIONS LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MARCH 2002

	2002	2001
	£	£
(Loss)/Profit for the financial year	(199,139)	33,270
	<hr/>	<hr/>
New share capital subscribed	(199,139)	33,270
Share premium account	-	20,510
	<hr/>	<hr/>
Net addition to shareholders' funds	(199,139)	60,020
Opening shareholders' funds	17,528	(42,492)
	<hr/>	<hr/>
Closing shareholders' funds	£ (181,611)	£ 17,528
	<hr/>	<hr/>

The notes on pages 9 to 16 form part of these financial statements

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES

1a. Basis of accounting

The accounts have been prepared under the historical cost convention.

Going concern

The accounts have been prepared on a going concern basis as, in the opinion of the directors, the company can meet its liabilities as they fall due.

1b. Intangible fixed assets: research and development

Development expenditure is normally written off in the year of expenditure, however expenditure incurred on specific projects is capitalised when recoverability can be foreseen with reasonable certainty and is amortised in relation to sales from such projects.

1c. 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.

	2002	2001
Motor vehicles - % on cost	25	25
Fixtures and equipment- % on cost	20	20
Computer Equipment - % on cost	35	35

1d. 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.

1e. 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.

1f. 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 31 MARCH 2002

1. ACCOUNTING POLICIES (CONTINUED)

1g. 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.

1h. 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

	2002		2001
	£		£
Cost of sales	£ 413,449	£	506,998
Net operating expenses:			
Distribution costs	72,375		15,737
Administrative expenses	1,376,225		1,128,116
Depreciation	63,442		41,963
	£ 1,512,042	£	1,185,816

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

4. OPERATING (LOSS)/PROFIT

	2002	2001
	£	£
<i>(Loss)/Profit on ordinary activities is stated after charging:</i>		
Auditors' remuneration		
Audit services	900	800
Depreciation and amortisation		
Other intangible assets	10,167	-
Tangible assets: owned	51,959	40,787
Loss on disposal of tangible assets	1,316	1,176
Staff costs (note 5)	1,101,823	865,542
	1,101,823	865,542

5. DIRECTORS AND EMPLOYEES

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:

	2002	2001
	£	£
Wages and salaries	1,073,147	860,773
Other pension costs	28,676	4,769
	1,101,823	865,542

Details of directors' remuneration are:

	2002	2001
	£	£
Aggregate emoluments including benefits	227,011	186,646
Pension contributions into money purchase schemes	14,584	3,340
	241,595	189,986

6. INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest receivable

	2002	2001
	£	£
Bank interest receivable	4,934	-
	4,934	-

7. INTEREST PAYABLE AND SIMILAR CHARGES

On bank loans, overdrafts and other loans
 Repayable within five years, by instalments
 Repayable within five years, not by instalments
 Interest element of finance charges

	2002	2001
	£	£
On bank loans, overdrafts and other loans		
Repayable within five years, by instalments	298	2,997
Repayable within five years, not by instalments	5,176	9,860
Interest element of finance charges	519	-
	5,993	12,857

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

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

There is no taxation liability on the result on ordinary activities.

9. INTANGIBLE FIXED ASSETS

	Development Costs	Total
	£	£
Cost		
At 1 April 2001	33,960	33,960
Additions	22,500	22,500
	56,460	56,460
At 31 March 2002		
Depreciation		
For the year	10,167	10,167
	10,167	10,167
At 31 March 2002		
Net Book Amounts		
At 31 March 2002	£ 46,293	£ 46,293
At 31 March 2001	£ 33,960	£ 33,960

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

10. TANGIBLE FIXED ASSETS

	Fixtures & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 2001	66,993	155,947	31,871	254,811
Additions	870	7,854	47,482	56,206
Disposals	-	-	(13,150)	(13,150)
At 31 March 2002	67,863	163,801	66,203	297,867
Depreciation				
At 1 April 2001	28,128	75,946	13,180	117,254
Disposals	-	-	(6,735)	(6,735)
For the year	7,983	30,297	13,679	51,959
At 31 March 2002	36,111	106,243	20,124	162,478
Net Book Amounts				
At 31 March 2002	£ 31,752	£ 57,558	£ 46,079	£ 135,389
At 31 March 2001	£ 38,865	£ 80,001	£ 18,691	£ 137,557

Hire Purchase Assets

Included in fixed assets are assets of net book amount £2,838 held under hire purchase contracts. The amount of depreciation provided in the year on these assets is £2,127.

11. STOCK

	2002 £	2001 £
Stock comprises:		
Stock	1,980	5,693
	£ 1,980	£ 5,693

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

12. DEBTORS	2002	2001
	£	£
Trade debtors	27,644	590,637
Tax deducted on interest	179	90
Social security and other taxes	16,221	-
Other debtors	1,800	5,450
Prepayments	10,425	12,088
Accrued income	1,226	22,999
Deferred commission	868	1,806
	<hr/>	<hr/>
	£ 58,363	£ 633,070
	<hr/>	<hr/>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Bank Loan	13,583	27,143
Loans	68,888	-
Hire purchase	2,342	2,342
Social security and other taxes	56,965	105,534
A. F. Murray	4,250	4,250
Trade creditors	54,752	97,807
Other creditors	7,868	4,903
Pension schemes	1,540	-
Accruals	39,673	86,565
Deferred income	152,623	401,559
Bank Overdraft	-	33,231
	<hr/>	<hr/>
	£ 402,484	£ 763,334
	<hr/>	<hr/>

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 £nil (2001 -£130,000).

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2002	2001
	£	£
Bank loans and overdrafts	12,500	26,083
Other loans	81,413	-
Hire purchase agreements	2,372	4,714
	<hr/>	<hr/>
	£ 96,285	£ 30,797
	<hr/>	<hr/>
Borrowings due wholly or in part by instalments after five years:		
Other	81,413	-
	<hr/>	<hr/>
	81,413	-
	<hr/>	<hr/>

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

15. CALLED UP SHARE CAPITAL

	2002		2001	
	£		£	
Authorised:				
10,000 A Ordinary shares of £1 each	£ 10,000	£	10,000	
50,000 B Ordinary shares of £1 each	£ 50,000	£	50,000	
	<u> </u>		<u> </u>	
Allotted, issued and fully paid:				
1,960 A Ordinary shares of £1 each	£ 1,960	£	1,960	
19,550 B Ordinary shares of £1 each	£ 19,550	£	19,550	
	<u> </u>		<u> </u>	

16. RESERVES

	Share premium account		Profit & loss account	
	£		£	
At 1 April 2001	6,240		(10,222)	
Loss for the year			(199,139)	
	<u> </u>		<u> </u>	
At 31 March 2002	£ 6,240	£	(209,361)	
	<u> </u>		<u> </u>	

17. 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:

	2002		2001	
	£		£	
Land and buildings:				
- within one year	-		16,000	
- within two - five years	-		-	
	<u> </u>		<u> </u>	
	£ -	£	16,000	
	<u> </u>		<u> </u>	
Motor vehicles				
- within one year	6,687		26,061	
- within two - five years	-		6,687	
	<u> </u>		<u> </u>	
	£ 6,687	£	32,748	
	<u> </u>		<u> </u>	