

WPM SOLUTIONS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

REGISTERED NUMBER 2984631



WPM SOLUTIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

DIRECTORS

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

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 2003

CONTENTS

<i>Pages</i>	3	<i>Directors' Report</i>
	5	<i>Auditors' Report</i>
	6	<i>Profit and Loss Account</i>
	7	<i>Balance Sheet</i>
	8	<i>Reconciliation of Movements in Shareholders' Funds</i>
	9 to 16	<i>Notes to the Financial Statements</i>

WPM SOLUTIONS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and the audited financial statements of the company for the year ended 31 March 2003.

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 in bid management and project management.

BUSINESS REVIEW

The results show a considerable improvement on the previous year with the Company returning to profit. The effects of restructuring following the downturn after September 11 brought the business into profit for the year with an improvement in the bottom line of over £200,000. The Board expect the improvement to be maintained over the next year.

Revenues fell during the year, but margins improved and overheads were significantly reduced. The Company maintained its core business and is well placed to exploit improving market conditions. The sales focus of the business has moved to consultancy led selling and this has begun to achieve results.

The Board expect the Company to grow steadily in the medium term with emphasis being placed on diversifying the customer base and broadening the range of services delivered. The Directors believe this strategy will provide a more secure base for long term growth with the risks of economic downturns spread over more industries.

RESULTS AND DIVIDENDS

	2003	2002
	£	£
Profit/(Loss) after tax for the year	10,376	(199,139)

The directors do not recommend the payment of a dividend.

WPM SOLUTIONS LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

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 (resigned 16 June 2003)
J. A. Earls
D. Warley
A. Gilmour
D. C. Brown (resigned 14 May 2003)

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

	2003	2002
	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. 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 8 August 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 2003

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 2003 and of its profit 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

8 August 2003

WPM SOLUTIONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
TURNOVER	2		
Continuing operations		1,624,126	1,727,411
Cost of sales	3	315,438	413,449
GROSS PROFIT		<u>1,308,688</u>	<u>1,313,962</u>
Net operating expenses	3	1,293,944	1,512,042
OPERATING (PROFIT)/LOSS	4		
Continuing operations		14,744	(198,080)
Interest receivable and similar income	6	179	4,934
Interest payable and similar charges	7	(4,547)	(5,993)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>10,376</u>	<u>(199,139)</u>
Tax on ordinary activities	8	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>10,376</u>	<u>(199,139)</u>
RETAINED PROFIT/(LOSS) TRANSFERED TO RESERVES 16		<u>£ 10,376</u>	<u>£ (199,139)</u>

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

WPM SOLUTIONS LIMITED
BALANCE SHEET
AT 31 MARCH 2003

	Note	2003 £	£	2002 £
FIXED ASSETS				
Intangible assets	9	8,100		46,293
Tangible assets	10	95,622		135,389
		103,722		181,682
 CURRENT ASSETS				
Stock	11	4,031		1,980
Debtors	12	231,778		58,363
Cash at bank and in hand		47,658		75,133
		283,467		135,476
CREDITORS: Amounts falling due within one year	13	558,424		402,484
NET CURRENT LIABILITIES		(274,957)		(267,008)
TOTAL ASSETS LESS CURRENT LIABILITIES		(171,235)		(85,326)
CREDITORS: Amounts falling due after more than one year	14	-		(96,285)
NET LIABILITIES		£ (171,235)	£	(181,611)
 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	(198,985)		(209,361)
TOTAL EQUITY SHAREHOLDERS FUNDS		£ (171,235)	£	(181,611)

The accounts were approved by the board of directors on 8 August 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 2003

	2003	2002
	£	£
Profit/(Loss) for the financial year	10,376	(199,139)
Net addition to shareholders' funds	<u>10,376</u>	<u>(199,139)</u>
Opening shareholders' funds	(181,611)	17,528
Closing shareholders' funds	<u>£ (171,235)</u>	<u>£ (181,611)</u>

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 2003

1. ACCOUNTING POLICIES

1a. Basis of accounting

The accounts have been prepared under the historical cost convention.

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.

	2003	2002
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 2003

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

3. COST OF SALES AND NET OPERATING EXPENSES

	2003		2002
	£		£
Cost of sales	£ 315,438	£	413,449
Net operating expenses:			
Distribution costs	69,858		72,375
Administrative expenses	1,159,422		1,376,225
Depreciation	67,826		63,442
Other operating income	(3,162)		-
	<u>£ 1,293,944</u>	£	<u>1,512,042</u>

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

4. OPERATING PROFIT/(LOSS)

	2003		2002	
	£		£	
Profit/(Loss) on ordinary activities is stated after charging:				
Auditors' remuneration				
Audit services	700		900	
Depreciation and amortisation				
Other intangible assets	9,860		10,167	
Tangible assets: owned	45,194		51,959	
Loss on disposal of tangible assets	14,439		1,316	
Staff costs (note 5)	899,859		1,101,824	
	<hr/>		<hr/>	
and after crediting:				
Sundry income	3,162		-	
Profit on disposal of intangible assets	1,667		-	
	<hr/>		<hr/>	

5. DIRECTORS AND EMPLOYEES

Particulars of employees (including directors) are shown below:

	2003		2002	
	£		£	
Employee costs during the year amounted to:				
Wages and salaries	784,640		965,581	
Social security costs	86,607		107,567	
Other pension costs	28,612		28,676	
	<hr/>		<hr/>	
	£ 899,859		£ 1,101,824	
	<hr/> <hr/>		<hr/> <hr/>	

Details of directors' remuneration are:

	2003		2002	
	£		£	
Aggregate emoluments including benefits	189,906		201,893	
Pension contributions into money purchase schemes	11,531		14,584	
	<hr/>		<hr/>	
	201,437		216,477	
	<hr/> <hr/>		<hr/> <hr/>	

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003		2002	
	£		£	
Bank interest receivable	179		4,934	
	<hr/>		<hr/>	
	£ 179		£ 4,934	
	<hr/> <hr/>		<hr/> <hr/>	

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
On bank loans, overdrafts and other loans		
Repayable within five years, by instalments	-	298
Repayable within five years, not by instalments	3,467	5,176
Interest element of finance charges	1,080	519
	£ 4,547	£ 5,993
	£ 4,547	£ 5,993

8. TAX ON PROFIT/(LOSS) 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 2002	56,460	56,460
Disposals	(42,960)	(42,960)
At 31 March 2003	13,500	13,500
Depreciation		
At 1 April 2002	10,167	10,167
Disposals	(14,627)	(14,627)
For the year	9,860	9,860
At 31 March 2003	5,400	5,400
Net Book Amounts		
At 31 March 2003	£ 8,100	£ 8,100
At 31 March 2002	£ 46,293	£ 46,293
	£ 46,293	£ 46,293

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

10. TANGIBLE FIXED ASSETS

	Short Leasehold £	Fixtures & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 April 2002	-	67,863	163,801	66,203	297,867
Additions	15,227	10,180	17,381	-	42,788
Disposals	-	-	-	(66,203)	(66,203)
At 31 March 2003	<u>15,227</u>	<u>78,043</u>	<u>181,182</u>	<u>-</u>	<u>274,452</u>
Depreciation					
At 1 April 2002	-	36,111	106,243	20,124	162,478
Disposals	-	-	-	(28,842)	(28,842)
For the year	3,769	8,604	24,103	8,718	45,194
At 31 March 2003	<u>3,769</u>	<u>44,715</u>	<u>130,346</u>	<u>-</u>	<u>178,830</u>
Net Book Amounts					
At 31 March 2003	<u>£ 11,458</u>	<u>£ 33,328</u>	<u>£ 50,836</u>	<u>£ -</u>	<u>£ 95,622</u>
At 31 March 2002	<u>£ -</u>	<u>£ 31,752</u>	<u>£ 57,558</u>	<u>£ 46,079</u>	<u>£ 135,389</u>

Hire Purchase Assets

Included in fixed assets are assets of net book amount £ nil (2002: £2,838) held under hire purchase contracts. The amount of depreciation provided in the year on these assets is £1,042 (2002: £2,127).

11. STOCK

	2003 £	2002 £
Stock comprises:		
Stock	4,031	1,980
	<u>£ 4,031</u>	<u>£ 1,980</u>

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

12. DEBTORS	2003	2002
	£	£
Trade debtors	150,023	27,644
Tax deducted on interest	179	179
Social security and other taxes	-	16,221
Other debtors	17,372	1,800
Prepayments	12,040	10,425
Accrued income	51,057	1,226
Deferred commission	1,107	868
	<u>£ 231,778</u>	<u>£ 58,363</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2003	2002
	£	£
Bank Loan	12,500	13,583
Loans	80,000	68,888
Hire purchase	-	2,342
Social security and other taxes	32,955	56,965
A. F. Murray	4,250	4,250
Trade creditors	174,553	54,752
Other creditors	5,580	7,868
Pension schemes	-	1,540
Accruals	62,389	39,673
Deferred income	186,018	152,623
	<u>£ 558,245</u>	<u>£ 402,484</u>

The company has granted a fixed charge over its book debts and a floating charge on all its over assets to secure bank loan facilities of £12,500l (2002 -£25,000).

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2003	2002
	£	£
Bank loans and overdrafts	-	12,500
Other loans	-	81,413
Hire purchase agreements	-	2,372
	<u>£ -</u>	<u>£ 96,285</u>
 Borrowings due wholly or in part by instalments after five years:		
Other	-	81,413
	<u>-</u>	<u>81,413</u>

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

15. CALLED UP SHARE CAPITAL

	2003		2002
	£		£
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 2002	6,240		(209,361)
Profit for the year			10,376
	<u> </u>		<u> </u>
At 31 March 2003	£ 6,240	£	(198,985)
	<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:

	2003		2002
	£		£
Land and buildings:			
- within one year	24,000		-
- within two to five years	68,500		-
	<u> </u>		<u> </u>
	£ 92,500		-
	<u> </u>		<u> </u>
Motor vehicles			
- within one year	-		6,687
- within two to five years	-		-
	<u> </u>		<u> </u>
	£ -	£	6,687
	<u> </u>		<u> </u>

WPM SOLUTIONS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

18. RELATED PARTY TRANSACTIONS

In the opinion of the directors the Company was controlled throughout the year by Mr. C. M. Weatherstone by virtue of his majority shareholding.

During the year the Company purchased training courses to a value of £3,335 (2002 £3,843) from WPM Training Limited which is under the control of Mr. C. M. Weatherstone. The Company sold services to WPM Training Limited totalling £86,244 (2002 £80,316). The Company sold intangible assets to WPM Training Limited for £30,000. The assets had a book value of £28,333.

During the year the Company purchased training courses to a value of £1,320 from WPM Applications Limited which is under the control of Mr. C. M. Weatherstone. The Company sold services to WPM Applications Limited totalling £38,670 (2002 £nil).

At the year end the Company has a short term loan from WPM Training Limited of £80,000 (2002 £ nil) and had made a short term loan to WPM Applications Limited of £10,000 (2002 £ nil).

The transactions were in the ordinary course of business.