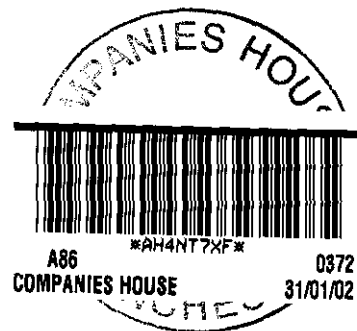


WPM SOLUTIONS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001

REGISTERED NUMBER 2984631



**WPM SOLUTIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2001**

**DIRECTORS**

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

**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 2001**

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	6	Profit and Loss Account
	7	Balance Sheet
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**WPM SOLUTIONS LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2001**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2001.

**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 a year of healthy expansion with a 50% increase in turnover. The investment of the previous year in infrastructure, marketing and human resources supported the growth and provides the base for further growth in the current year and beyond.

The Company returned to profit during the year, but operating profits achieved were offset by continuing investment in the Company's resource pool.

The Company's customer base has expanded and the Board believe that the prospects are good for further substantial growth and increased profits in the short to medium term.

**RESULTS AND DIVIDENDS**

	2001	2000
	£	£
Profit/(Loss) after tax for the year	33,270	(135,400)

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.

**WPM SOLUTIONS LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2001**

**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 (appointed 1 January 2001)  
D. C. Brown (appointed 1 January 2001)

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

	2001 No.	2000 No.
C. M. Weatherstone - A Ordinary shares	1,500	750
A. F. Murray - A Ordinary shares	200	100
- B Ordinary shares	5,000	-
S. McEvoy - A Ordinary shares	100	50
J. A. Earls - A Ordinary shares	100	50
A. G. Gilmour - A Ordinary shares	20	-
- B Ordinary shares	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 25 January 2002 and signed on their behalf.

Signed  
Mrs. C. Weatherstone 

**AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF**  
**WPM SOLUTIONS LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2001**

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 2001 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

25 January 2002

**WPM SOLUTIONS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2001**

	Notes	2001 £	2000 £
<b>TURNOVER</b>	2		
Continuing operations		1,738,941	1,156,662
Cost of sales	3	506,998	321,951
<b>GROSS PROFIT</b>		<u>1,231,943</u>	<u>834,711</u>
Net operating expenses	3	1,185,816	966,098
<b>OPERATING (PROFIT)/LOSS</b>	4		
Continuing operations		46,127	(131,387)
Interest payable and similar charges	6	(12,857)	(10,823)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>33,270</u>	<u>(142,210)</u>
Tax on ordinary activities	7	-	(6,810)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>33,270</u>	<u>(135,400)</u>
<b>RETAINED PROFIT/(LOSS) TRANSFERED TO RESERVES<sup>15</sup></b>		<u>£ 33,270</u>	<u>£ (135,400)</u>

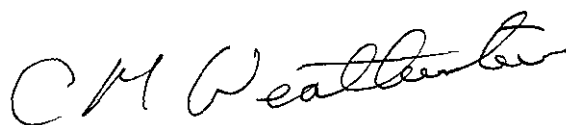
The company made no recognised gains and losses other than those reported in the profit and loss account.

**WPM SOLUTIONS LIMITED**  
**BALANCE SHEET**  
**AT 31 MARCH 2001**

	Note	2001	2000
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	8	33,960	-
Tangible assets	9	137,557	140,689
		<u>171,517</u>	<u>140,689</u>
 <b>CURRENT ASSETS</b>			
Stock	10	5,693	9,004
Debtors	11	633,070	407,248
Cash at bank and in hand		1,469	-
		<u>640,232</u>	<u>416,252</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<b>763,424</b>	<b>542,363</b>
		<u>(123,192)</u>	<u>(126,111)</u>
<b>NET CURRENT LIABILITIES</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>48,325</b>	<b>14,578</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	13	<b>(30,797)</b>	<b>(57,070)</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>£ 17,528</b>	<b>£ (42,492)</b>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	14	21,510	1,000
Share premium account	15	6,240	-
Profit and loss account	15	(10,222)	(43,492)
<b>TOTAL EQUITY SHAREHOLDERS FUNDS</b>		<b>£ 17,528</b>	<b>£ (42,492)</b>

The accounts were approved by the board of directors on 25 January 2002

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 2001**

	2001	2000
	£	£
Profit/(Loss) for the financial year	33,270	(135,400)
New share capital subscribed	20,510	-
Share premium account	6,240	-
Net addition to shareholders' funds	<u>60,020</u>	<u>(135,400)</u>
Opening shareholders' funds	(42,492)	92,908
Closing shareholders' funds	<u>£ 17,528</u>	<u>£ (42,492)</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 2001**

**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.

	2001	2000
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 2001**

**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**

	2001		2000
	£		£
Cost of sales	£ 506,998	£	321,951
Net operating expenses:			
Distribution costs	15,737		12,204
Administrative expenses	1,128,116		919,387
Depreciation	41,963		34,507
	£ 1,185,816	£	966,098

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2001**

**4. OPERATING PROFIT/(LOSS)**

	2001	2000
	£	£
Profit/(Loss) on ordinary activities is stated after charging:		
Auditors' remuneration		
Audit services	800	700
Depreciation and amortisation		
Tangible assets: owned	40,787	34,507
Loss on disposal of tangible assets	1,176	-
Staff costs (note 5)	865,542	676,238
	865,542	676,238

**5. DIRECTORS AND EMPLOYEES**

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:

	2001	2000
	£	£
Wages and salaries	860,773	672,666
Other pension costs	4,769	3,572
	£ 865,542	£ 676,238

Details of directors' remuneration are:

	2001	2000
	£	£
Aggregate emoluments including benefits	186,646	128,901
Pension contributions to money purchase schemes	3,340	2,631
	189,986	131,532

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

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2001	2000
	£	£
On bank loans, overdrafts and other loans		
Repayable within five years, by instalments	2,997	874
Repayable within five years, not by instalments	9,860	9,949
	£ 12,857	£ 10,823

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2001**

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

	<b>2001</b>		<b>2000</b>
	<b>£</b>		<b>£</b>
Corporation tax credit	-		(6,810)
	<hr/>		<hr/>
	<b>£ -</b>		<b>£ (6,810)</b>
	<hr/> <hr/>		<hr/> <hr/>

**8. INTANGIBLE FIXED ASSETS**

	<b>Development Costs</b>		<b>Total</b>
	<b>£</b>		<b>£</b>
<b>Cost</b>			
Additions	33,960		33,960
At 31 March 2001	<hr/>		<hr/>
	33,960		33,960
	<hr/>		<hr/>
<b>Depreciation</b>			
At 31 March 2001	<hr/>		<hr/>
	-		-
	<hr/>		<hr/>
<b>Net Book Amounts</b>			
At 31 March 2001	<hr/>		<hr/>
	<b>£ 33,960</b>		<b>£ 33,960</b>
	<hr/> <hr/>		<hr/> <hr/>

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2001**

**9. TANGIBLE FIXED ASSETS**

	Fixtures & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 April 2000	63,951	130,197	29,744	223,892
Additions	3,042	25,750	14,989	43,781
Disposals	-	-	(12,862)	(12,862)
At 31 March 2001	66,993	155,947	31,871	254,811
<b>Depreciation</b>				
At 1 April 2000	18,597	48,008	16,598	83,203
Disposals	-	-	(6,736)	(6,736)
For the year	9,531	27,938	3,318	40,787
At 31 March 2001	28,128	75,946	13,180	117,254
<b>Net Book Amounts</b>				
At 31 March 2001	£ 38,865	£ 80,001	£ 18,691	£ 137,557
At 31 March 2000	£ 45,354	£ 82,189	£ 13,146	£ 140,689

**Hire Purchase Assets**

Included in fixed assets are assets of net book amount £4,965 (2000: £7,092) held under hire purchase contracts. The amount of depreciation provided in the year on these assets is £2,127 (2000: £3,039).

**10. STOCK**

	2001 £	2000 £
Stock comprises:		
Stock	5,693	9,004
	£ 5,693	£ 9,004

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2001**

**11. DEBTORS**

	2001	2000
	£	£
Trade debtors	590,637	370,348
Tax deducted on interest	90	-
Other debtors	5,450	450
Prepayments	12,088	19,477
Accrued income	22,999	16,973
Deferred commission	1,806	-
	£ 633,070	£ 407,248
	£ 633,070	£ 407,248

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001	2000
	£	£
Bank Loan	27,143	29,249
Loans	-	20,000
Hire purchase	2,342	2,804
Social security and other taxes	105,534	84,319
C. M. Weatherstone	-	5,000
A. F. Murray	4,250	10,000
J. A. Earls	-	10,000
Trade creditors	97,807	98,028
Other creditors	4,903	5,022
Accruals	86,565	13,035
Deferred income	401,559	145,726
Bank Overdraft	33,231	119,180
	£ 763,334	£ 542,363
	£ 763,334	£ 542,363

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 (2000 -£130,000).

**13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	2001	2000
	£	£
Bank loans and overdrafts	26,083	52,028
Hire purchase agreements	4,714	5,042
	£ 30,797	£ 57,070
	£ 30,797	£ 57,070

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2001**

**14. CALLED UP SHARE CAPITAL**

	<b>2001</b>		<b>2000</b>	
	£		£	
Authorised:				
10,000 A Ordinary shares of £1 each	£ 10,000	£	1,000	
50,000 B Ordinary shares of £1 each	£ 50,000	£	-	
	<u>          </u>		<u>          </u>	
Allotted, issued and fully paid:				
1,960 A Ordinary shares of £1 each	£ 1,960	£	1,000	
19,550 B Ordinary shares of £1 each	£ 19,550	£	-	
	<u>          </u>		<u>          </u>	

**15. RESERVES**

	<b>Share premium account</b>		<b>Profit &amp; loss account</b>	
	£		£	
At 1 April 2000	-		(43,492)	
Premium on issue of shares	6,240			
Profit for the year			33,270	
	<u>          </u>		<u>          </u>	
At 31 March 2001	£ 6,240	£	(10,222)	
	<u>          </u>		<u>          </u>	

**16. 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:

	<b>2001</b>		<b>2000</b>	
	£		£	
Land and buildings:				
- within one year	16,000		13,000	
- within two - five years	-		13,000	
	<u>          </u>		<u>          </u>	
	£ 16,000	£	26,000	
	<u>          </u>		<u>          </u>	
Motor vehicles				
- within one year	26,061		37,900	
- within two - five years	6,687		19,983	
	<u>          </u>		<u>          </u>	
	£ 32,748	£	57,883	
	<u>          </u>		<u>          </u>	



**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2001**

**17. RELATED PARTY TRANSACTIONS**

During the year the Company purchased training courses to a value of £27,406 (2000 £17,410) from WPM Training Limited which is under the control of Mr. C. M. Weatherstone. The Company sold services to WPM Training Limited totalling £60,195 (2000 £35,711).

The transactions were in the ordinary course of business.