

**WPM SOLUTIONS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2005**

**REGISTERED NUMBER 2984631**



**WPM SOLUTIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**

**DIRECTORS**

C. M. Weatherstone

**SECRETARY**

J. A. Earls

**REGISTERED OFFICE**

Ashton House  
Chadwick Street  
Moreton  
Wirral  
CH46 7TE

**COMPANY NUMBER**

2984631

**BANKERS**

National Westminster Bank plc

**ACCOUNTANTS**

Malkin & Company  
Chartered Accountants  
Registered Auditor  
Whitfield Buildings  
192 - 200 Pensby Road  
Heswall  
Wirral  
CH60 7RJ

**WPM SOLUTIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**

**CONTENTS**

Pages	3	Directors' Report
	5	Independent Accountants' Report to the shareholders
	6	Profit and Loss Account
	7	Balance Sheet
	8 to 14	Notes to the Financial Statements

**WPM SOLUTIONS LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2005**

The directors present their report and the financial statements of the company for the year ended 31 March 2005.

**PRINCIPAL ACTIVITIES**

The principal activities of the company are the supply of professional services in bid management and project management.

**BUSINESS REVIEW**

During the year the company suffered a significant loss of business following a change in business strategy at a major customer. *The fall in turnover led to trading losses and significant redundancy costs.*

The company has been restructured to operate with minimal overheads and to make a profit on reduced income streams. The Board believe that the company can now trade profitably for the foreseeable future and will apply the profits made to reducing the company's liabilities.

**RESULTS AND DIVIDENDS**

	2005	2004
	£	£
(Loss)/Profit after tax for the year	(266,118)	125,461

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 2005**

**DIRECTORS**

The directors who served during the year are shown below:

C. M. Weatherstone  
A. F. Murray (resigned 3 September 2004)  
J. A. Earls (resigned 8 August 2005)  
D. Warley (resigned 8 August 2005)  
A. Gilmour (resigned 30 November 2004)

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

	<b>2005</b>	<b>2004</b>
	<b>No.</b>	<b>No.</b>
C. M. Weatherstone - A Ordinary shares	1,460	1,460
A. F. Murray - A Ordinary shares	240	240
- B Ordinary	9,850	9,850
J. A. Earls - A Ordinary	100	100
A. Gilmour - A Ordinary	20	20
- B Ordinary	4,850	4,850

**REPORTING ACCOUNTANTS**

The directors consider that for the year ended 31 March 2005 the company was entitled to exemption from a Statutory Audit under section 249A of the Companies Act 1985. The Accountants' Report is shown on page 5.


This report was approved by the board on 20 January 2006 and signed on their behalf.



Signed  
J. A. Earls

**ACCOUNTANTS' REPORT**  
**ON THE UNAUDITED ACCOUNTS TO THE SHAREHOLDERS OF**  
**WPM SOLUTIONS LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2005**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 2005, set out on pages 6 to 14, and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

  
Malkin & Company  
Chartered Accountants  
Registered Auditor.

Whitfield Buildings  
192 - 200 Pensby Road  
Heswall  
Wirral  
CH60 7RJ

20 January 2006

**WPM SOLUTIONS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2005**

	Notes	2005 £	2004 £
<b>TURNOVER</b>	2	<b>1,026,657</b>	<b>1,698,441</b>
Cost of sales		<u>394,734</u>	<u>510,473</u>
<b>GROSS PROFIT</b>		<b>631,923</b>	<b>1,187,968</b>
Net operating expenses	3	<u>891,714</u>	<u>1,056,840</u>
<b>OPERATING (LOSS)/PROFIT</b>	4	<b>(259,791)</b>	<b>131,128</b>
Interest receivable and similar income	6	301	399
Interest payable and similar charges	7	<u>(6,628)</u>	<u>(6,066)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(266,118)</b>	<b>125,461</b>
Tax on ordinary activities	8	<u>-</u>	<u>-</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(266,118)</b>	<b>125,461</b>
<b>RETAINED (LOSS)/PROFIT TRANSFERED TO RESERVES</b>	16	<b>£ (266,118)</b>	<b>£ 125,461</b>

The notes on pages 8 to 14 form part of these financial statements

**WPM SOLUTIONS LIMITED**  
**BALANCE SHEET**  
**AT 31 MARCH 2005**

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Intangible assets	9	2,700	5,400
Tangible assets	10	-	76,963
		<u>2,700</u>	<u>82,363</u>
<b>CURRENT ASSETS</b>			
Stock	11	-	4,410
Debtors	12	111,956	420,454
Cash at bank and in hand		3,594	12,439
		<u>115,550</u>	<u>437,303</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>380,292</u>	<u>487,590</u>
<b>NET CURRENT LIABILITIES</b>		<u>(264,742)</u>	<u>(50,287)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(262,042)</u>	<u>32,076</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14	<u>(35,000)</u>	<u>(63,000)</u>
<b>NET LIABILITIES</b>		<u>£ (297,042)</u>	<u>£ (30,924)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	36,100	36,100
Share premium account	16	6,500	6,500
Profit and loss account	16	(339,642)	(73,524)
<b>TOTAL EQUITY SHAREHOLDERS FUNDS</b>		<u>£ (297,042)</u>	<u>£ (30,924)</u>

In approving these financial statements as directors of the company we hereby confirm that:

a) for the year in question the company was entitled to exemption under section 249A(1) of the Companies Act 1985;

b) no notice has been deposited under section 249B(2) requesting that an audit be conducted for the year ended 31 March 2005; and

c) we acknowledge our responsibilities for:

- i) ensuring that the company keeps accounting records which comply with section 221, and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its loss for the financial year then ended in accordance with the requirements of section 226; and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as applicable to the company.

The accounts were approved by the board of directors on 20 January 2006



C. M. Weatherstone, Director

The notes on pages 8 to 14 form part of these financial statements



**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**

**1. ACCOUNTING POLICIES**

**1a. Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The directors are currently involved in negotiations with the Inland Revenue and Customs & Excise with regard to settlement of arrears of PAYE and VAT. The directors have prepared cash flow information for the year ending 31 December 2005. On the basis of the cash flow information the directors consider the company will be able to offer an appropriate settlement arrangement to the Inland Revenue and Customs and Excise. On this basis the directors consider it appropriate to prepare financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the non-acceptance by the Inland Revenue of the directors' proposals.

**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.

	2005	2004
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. Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in the year.

**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.

The notes on pages 8 to 14 form part of these financial statements

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2005**

**2. TURNOVER**

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

**3. NET OPERATING EXPENSES**

	2005	2004
	£	£
Net operating expenses:		
Distribution costs	49,121	52,358
Administrative expenses	777,763	970,721
Depreciation	64,830	33,761
	<hr/>	<hr/>
	£ 891,714	£ 1,056,840
	<hr/>	<hr/>

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

	2005	2004
	£	£
(Loss)/Profit on ordinary activities is stated <i>after charging:</i>		
Depreciation and amortisation		
Other intangible assets	3,843	2,700
Tangible assets: owned	17,712	31,061
Loss on disposal of tangible assets	43,275	-
Staff costs (note 5)	516,809	725,941
	<hr/>	<hr/>

The notes on pages 8 to 14 form part of these financial statements

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2005**

**5. DIRECTORS AND EMPLOYEES**

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:

	2005	2004
	£	£
Wages and salaries	441,847	628,614
Social security costs	46,649	68,930
Health insurance	8,576	-
Other pension costs	19,737	28,397
	<u>£ 516,809</u>	<u>£ 725,941</u>

Details of directors' remuneration are:

	2005	2004
	£	£
Aggregate emoluments including benefits	109,167	164,693
Pension contributions into money purchase schemes	10,208	12,761
	<u>119,375</u>	<u>177,454</u>
	<u>119,375</u>	<u>177,454</u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2005	2004
	£	£
Bank interest receivable	301	399
	<u>£ 301</u>	<u>£ 399</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2005	2004
	£	£
On bank loans, overdrafts and other loans		
Repayable within five years, by instalments	552	2,643
Repayable within five years, not by instalments	6,076	3,423
	<u>£ 6,628</u>	<u>£ 6,066</u>

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

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

The notes on pages 8 to 14 form part of these financial statements

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2005**

**9. INTANGIBLE FIXED ASSETS**

	<b>Development Costs £</b>	<b>Web-site etc. £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2004 ..	13,500	-	13,500
Additions	-	5,198	5,198
Disposals	-	(5,198)	(5,198)
	<hr/>	<hr/>	<hr/>
At 31 March 2005	13,500	-	13,500
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 April 2004	8,100	-	8,100
Disposals	-	(1,143)	(1,143)
For the year	2,700	1,143	3,843
	<hr/>	<hr/>	<hr/>
At 31 March 2005	10,800	-	10,800
	<hr/>	<hr/>	<hr/>
<b>Net Book Amounts</b>			
At 31 March 2005	£ 2,700	£ -	£ 2,700
	<hr/>	<hr/>	<hr/>
At 31 March 2004	£ 5,400	£ -	£ 5,400
	<hr/>	<hr/>	<hr/>

The notes on pages 8 to 14 form part of these financial statements

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2005**

**10. TANGIBLE FIXED ASSETS**

	Short Leasehold £	Fixtures & Equipment £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 April 2004	15,227	83,265	188,362	286,854
Additions	-	-	1,049	1,049
Disposals	(15,227)	(83,265)	(189,411)	(287,903)
At 31 March 2005	-	-	-	-
<b>Depreciation</b>				
At 1 April 2004	8,793	52,371	148,727	209,891
Disposals	(12,143)	(56,819)	(158,641)	(227,603)
For the year	3,350	4,448	9,914	17,712
At 31 March 2005	-	-	-	-
<b>Net Book Amounts</b>				
At 31 March 2005	£ -	£ -	£ -	£ -
At 31 March 2004	£ 6,434	£ 30,894	£ 39,635	£ 76,963

**11. STOCK**

	2005 £	2004 £
Stock comprises:		
Stock	-	4,410
	£ -	£ 4,410

**12. DEBTORS**

	2005 £	2004 £
Trade debtors	57,867	324,069
Tax deducted on interest	179	179
Other debtors	2,906	2,158
Prepayments	3,955	15,528
Accrued income	47,049	77,739
Deferred commission	-	781
	£ 111,956	£ 420,454

The notes on pages 8 to 14 form part of these financial statements

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2005**

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

	2005	2004
	£	£
Bank Loan	-	2,500
MSIF Loan	10,000	10,000
Bank Loan	12,000	6,000
Loans	-	12,848
Social security and other taxes	103,030	68,778
A. F. Murray	6,555	14,400
J. A. Earls	6,500	8,500
D. Warley	20,000	20,000
Trade creditors	203,055	209,684
Other creditors	3,538	7,015
Pension schemes	-	2,683
Accruals	15,139	93,833
Deferred income	-	30,997
Bank Overdraft	296	173
	<u>£ 380,113</u>	<u>£ 487,411</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 £12,500 (2004 -£12,500).

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

	2005	2004
	£	£
Bank loans and overdrafts	30,000	48,000
Other loans	5,000	15,000
	<u>£ 35,000</u>	<u>£ 63,000</u>

**15. CALLED UP SHARE CAPITAL**

	2005	2004
	£	£
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>£ 60,000</u>	<u>£ 60,000</u>
Allotted, issued and fully paid:		
1,960 A Ordinary shares of £1 each	£ 2,000	£ 2,000
34,550 B Ordinary shares of £1 each	£ 34,100	£ 34,100
	<u>£ 36,100</u>	<u>£ 36,100</u>

The notes on pages 8 to 14 form part of these financial statements

**WPM SOLUTIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2005**

**16. RESERVES**

	Share premium account £	Profit & loss account £
At 1 April 2004	6,500	(73,524)
Loss for the year		(266,118)
At 31 March 2005	<u>£ 6,500</u>	<u>£ (339,642)</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:

	2005 £	2004 £
Land and buildings:		
- within one year	13,000	24,000
- within two to five years	31,500	44,500
	<u>£ 44,500</u>	<u>£ 68,500</u>

**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 £3,005 (2004 £17,047) from WPM Training Limited which is under the control of Mr. C. M. Weatherstone. The Company sold services to WPM Training Limited totalling £87,804 (2004 £112,084).

During the year the Company purchased services to a value of £61,534 (2004 £18,404) from WPM Applications Limited which is under the control of Mr. C. M. Weatherstone. The Company sold services to WPM Applications Limited totalling £3,723 (2004 £16,066).

During the year the Company sold services to WPM Group Limited, which is under the control of Mr. C. M. Weatherstone totalling £16,807 (2004: £nil). The Company purchased services from WPM Group Limited to a value of £519 (2004: £nil).

At the year end the Company has a short term loan from WPM Training Limited of £nil (2004 £ 12,848).

The transactions were in the ordinary course of business.

The notes on pages 8 to 14 form part of these financial statements