

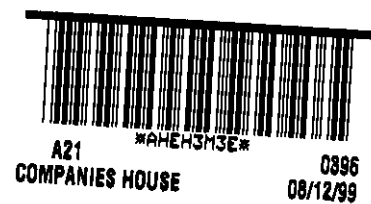
**IMC GROUP HOLDINGS LIMITED**

**Company no. 2532140**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST MARCH 1999**



**IMC GROUP HOLDINGS LIMITED**

**Company no. 2532140**

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**IMC GROUP HOLDINGS LIMITED**

**Company no. 2532140**

**FIVE YEAR RECORD**

for the years ending 31st March

	<b><u>1999</u></b> <b>£000</b>	<b><u>1998</u></b> <b>£000</b>	<b><u>1997</u></b> <b>£000</b>	<b><u>1996</u></b> <b>£000</b>	<b><u>1995</u></b> <b>£000</b>
Turnover (excludes joint ventures & associated companies)	35,779	33,487	32,913	28,194	19,800
Profit before Taxation	660	1,380	2,134	2,070	1,947
Taxation	160	350	529	660	546
Profit after Tax	500	1,030	1,605	1,410	1,401
Shareholders' Funds	5,881	5,392	4,813	3,658	2,672

**IMC GROUP HOLDINGS LIMITED**

**Company no. 2532140**

**DIRECTORS AND OFFICERS**

Chairman	D R T Waring JP
Directors	J B Lott A S Keane W E Hindmarsh R Austen M Elstob Dr J C Whitehead C J Davies
Secretary	D Craze
Registered Office	P O Box 18 Mill Lane Huthwaite Nottinghamshire NG17 2NS
Auditors	Myrus Smith Times House Throwley Way Sutton, Surrey, SM1 4AF
Bankers	National Westminster Bank Plc PO Box 23 Portland Square Sutton in Ashfield Nottinghamshire NG17 1AS

## **IMC GROUP HOLDINGS LIMITED REPORT OF THE DIRECTORS**

### **INTRODUCTION**

The Directors submit their annual report and the audited Financial Statements of the Group for the year ended 31st March 1999.

### **RESULTS AND DIVIDEND**

The IMC Group results in 1998/99 showed a turnover of £35,779,000 and an operating profit of £1,225,000 mitigated by exceptional reorganisation and rationalisation costs of £192,000. The net worth of the group increased from £5,392,000 to £5,881,000.

Group profit on ordinary activities after taxation, was £500,000 (1998 £1,030,000 as restated).

The directors recommend payment of a dividend of £45,000 for the year (1998 £450,000). The retained profit for the year to 31st March 1999 has been transferred to reserves.

### **ACTIVITIES AND BUSINESS REVIEW**

The group's main activities are in international minerals and mining consultancy, technical services and geophysical contracting.

IMC Geophysics Limited continued to grow strongly, enhancing its reputation as a seismic survey contractor to the international oil, gas and energy sector. During the year, seismic surveys were undertaken in the UK, Germany, Morocco, Georgia and Uganda.

IMC Consulting Limited also continued to grow its management and economic consulting business, working mainly on industry restructuring, enterprise development and social supported institutional development projects in the former controlled states of Eastern Europe. Principal activities have concentrated in Russia, Ukraine, Poland, Kazakhstan and Uzbekistan. Assignments have been funded by the EC, World Bank and DFID.

IMC Technical Services Limited has seen a substantial growth in its Environmental and Certification service businesses and has continued to be active in Health and Safety, Combustion, Process and Control activities.

The IMC Consulting Engineers Limited Mining and Minerals Division suffered difficult trading circumstances in the year, primarily due to the low world-wide coal and minerals prices. The Engineering Division continued to provide support to the Coal Authority and experienced growth in environmental activities.

The overseas consultancies in USA, Canada, Australia, Chile and South Africa generally performed well, although difficult economic and trading conditions mitigated some returns.

### **THE COMPANY'S SHARE INTERESTS AND ACTIVITIES**

The Company has maintained its interest in the following subsidiaries, and associated companies during the year:

	Percentage of share capital held
<b><u>Companies registered in England &amp; Wales</u></b>	
- IMC Group Consulting Limited	100%
- IMC Geophysics Limited	100%
- IMC Technical Services Limited	100%
- Rock Mechanics Technology Limited	50%

**IMC GROUP HOLDINGS LIMITED**  
**REPORT OF THE DIRECTORS**  
**(continued)**

**THE COMPANY'S SHARE INTERESTS AND ACTIVITIES (continued)**

	Percentage of share capital held
<b><u>Companies registered overseas</u></b>	
- <b>International Mining Consultants Incorporated (USA)</b> trading as Weir International Mining Consultants	100%
- <b>International Mining Consultants Pty Limited (Australia)</b>	100%
- <b>Associated Mining Consultants Limited (Canada)</b>	50%
- <b>IMC Knight Piesold Mining Pty Limited (South Africa)</b>	50%

In addition, the company has a 60% interest, while the group holds a 100% interest in IMC Consultores Limitada, a limited liability partnership registered in Chile.

Further details concerning these entities are provided in Note 13 to the financial statements.

**CHARITABLE AND POLITICAL DONATIONS**

The donations made by the group during the year for charitable purposes were £356 (1998 £3,395).

**FUTURE DEVELOPMENTS**

The directors are aware of the Year 2000 problem and will continue to take adequate measures to minimise any adverse impact that it may have on the company's operations. The directors do not believe the problem will affect the going concern of the company barring any unforeseen external factors that are out of the company's control.

All expenses to deal with this issue will be written off to the profit and loss account apart from those expenses which are of a capital nature which will be capitalised as fixed assets.

**DIRECTORS**

None of the Directors hold any beneficial interest in the shares of the Company or of the Group.

The following directors held office during the year:

D R T Waring	
J B Lott	
R C Yates	(resigned 11 November 1998)
A S Keane	(appointed 24 November 1998)
W E Hindmarsh	
R Austen	(appointed 1 June 1998)
M Elstob	(appointed 24 November 1998)
Dr J C Whitehead	(appointed 24 November 1998)
C J Davies	(appointed 24 November 1998)
W B Sketchley	(resigned 31 August 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 the affairs of the Company and of the Group and of the profit and loss of the Group for that period. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently

**IMC GROUP HOLDINGS LIMITED**  
**REPORT OF THE DIRECTORS**  
**(continued)**

**DIRECTORS' RESPONSIBILITIES (continued)**

- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**EMPLOYMENT POLICIES**

The group operates an equal opportunities policy regarding the employment of disabled people, and recognises the need to maintain and develop careers for them. If an employee becomes disabled whilst in employment and, as a result, is unable to perform his or her duties, every effort is made to offer suitable alternative employment and to assist with retraining.

The group respects the rights of its employees to choose for themselves whether or not they wish to be represented collectively.

Information about the group is provided to all employees via a newsletter.

The directors wish to record their particular thanks to the management and staff of the Group for their considerable contribution and commitment to the continuing growth and development of the business, without which all that we have achieved during the year would not have been possible.

**AUDITORS**

The auditors, Myrus Smith Chartered Accountants, have indicated their willingness to be re-appointed at the forthcoming Annual General Meeting.

Registered Office of the Company:  
PO Box 18  
Mill Lane  
Huthwaite  
Sutton in Ashfield  
Nottinghamshire NG17 2NS

Approved and Signed on behalf of the Board



D Craze  
Secretary

15 October 1999

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
IMC GROUP HOLDINGS LIMITED**

We have audited the Financial Statements on pages 7 to 23 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 13.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on pages 4 and 5, the Company's Directors are responsible for the preparation of the Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those Financial Statements and to report our opinion to you.

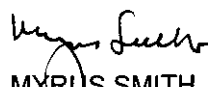
**BASIS OF OPINION**

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 Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements 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 Financial Statements.

**OPINION**

In our opinion the Financial Statements give a true and fair view of the state of the affairs of the Company and of the Group as at 31st March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
MYRUS SMITH

Chartered Accountants and  
Registered Auditor

Times House  
Throwley Way  
Sutton, Surrey  
SM1 4AF

15 October 1999



**IMC GROUP HOLDINGS LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH 1999**

	Note	<u>1999</u>	<u>1998</u>
		<u>£000</u>	<u>As restated</u>
			<u>£000</u>
TURNOVER: Group and share of joint ventures		37,567	35,171
Less: Share of joint ventures' turnover		(1,788)	(1,684)
<b>GROUP TURNOVER</b>	2	<u>35,779</u>	<u>33,487</u>
External charges		17,530	17,441
Staff costs		12,904	11,873
Depreciation of tangible fixed assets		807	682
Loss/(profit) on disposal of tangible fixed assets		3	(14)
Other operating charges		<u>3,310</u>	<u>2,042</u>
<b>GROUP OPERATING PROFIT BEFORE</b>			
<b>EXCEPTIONAL ITEMS</b>	3	1,225	1,463
Exceptional items	6	<u>(192)</u>	<u>-</u>
<b>GROUP OPERATING PROFIT AFTER</b>			
<b>EXCEPTIONAL ITEMS</b>		1,033	1,463
Share of operating profits of joint ventures		<u>14</u>	<u>96</u>
		1,047	1,559
Interest Receivable			
Group		70	158
Interest Payable			
Group	7	(455)	(335)
Joint ventures		<u>(2)</u>	<u>(2)</u>
<b>PROFIT ON ORDINARY ACTIVITIES</b>			
<b>BEFORE TAXATION</b>		660	1,380
Taxation	8	<u>160</u>	<u>350</u>
<b>PROFIT ON ORDINARY ACTIVITIES</b>			
<b>AFTER TAXATION</b>	9	500	1,030
Proposed Dividend	10	<u>45</u>	<u>450</u>
<b>RETAINED PROFIT FOR GROUP AND</b>			
<b>ITS SHARE OF JOINT VENTURES</b>	23	<u><u>455</u></u>	<u><u>580</u></u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

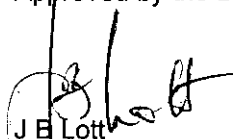
		<u>1999</u>	<u>1998</u>
		<u>£000</u>	<u>As restated</u>
			<u>£000</u>
Profit retained in the year		455	<u>580</u>
Translation differences	23	(2)	
Prior year adjustment	23	<u>(368)</u>	
Total gains and losses recognised since last annual report		<u><u>85</u></u>	

None of the Company's activities were acquired or discontinued during the above financial year.  
All profits or losses have been accounted for on an historical cost basis.  
The notes on pages 11 to 23 form part of these Financial Statements.

**IMC GROUP HOLDINGS LIMITED**  
**CONSOLIDATED BALANCE SHEET - 31ST MARCH 1999**

	Note	<u>1999</u> £000	<u>1998</u> As restated £000
<b>FIXED ASSETS</b>			
Intangible Assets	11	29	-
Tangible Assets	12	4,186	2,771
Investments	13	453	392
		<u>4,668</u>	<u>3,163</u>
<b>CURRENT ASSETS</b>			
Stock	14	84	-
Debtors	15	15,524	14,662
Cash at Bank and in Hand		499	1,299
		<u>16,107</u>	<u>15,961</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	13,255	13,216
<b>NET CURRENT ASSETS</b>		<u>2,852</u>	<u>2,745</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,520	5,908
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	1,247	51
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18 & 19	392	465
<b>NET ASSETS</b>		<u>5,881</u>	<u>5,392</u>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	20	433	433
Merger Reserve	21	276	276
Other Reserves	22	317	281
Profit and Loss Account	23	4,855	4,402
<b>EQUITY SHAREHOLDERS' FUNDS</b>	24	<u>5,881</u>	<u>5,392</u>

Approved by the Board on 15 October 1999

  
J B Lott  
Managing Director

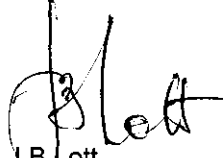
Signed on behalf of the Board

The notes on pages 11 to 23 form part of these Financial Statements.

**IMC GROUP HOLDINGS LIMITED**  
**BALANCE SHEET - 31ST MARCH 1999**

	Note	<u>1999</u> £000	<u>1998</u> £000
<b>FIXED ASSETS</b>			
Intangible Assets	11	29	-
Tangible Assets	12	416	426
Investments	13	775	2,131
		<u>1,220</u>	<u>2,557</u>
<b>CURRENT ASSETS</b>			
Debtors	15	2,611	1,363
Cash at Bank and in Hand		13	-
		<u>2,624</u>	<u>1,363</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	1,310	1,723
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>1,314</u>	<u>(360)</u>
<b>NET ASSETS</b>		<u><u>2,534</u></u>	<u><u>2,197</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	20	433	433
Profit and Loss Account	23	2,101	1,764
<b>EQUITY SHAREHOLDERS' FUNDS</b>	24	<u><u>2,534</u></u>	<u><u>2,197</u></u>

Approved by the Board on 15 October 1999

  
J.B. Lott

Managing Director

Signed on behalf of the Board

The notes on pages 11 to 23 form part of these Financial Statements.

**IMC GROUP HOLDINGS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST MARCH 1999**

	Note	1999 £000	1998 As restated £000
<b>Cash inflow from operating activities</b>	I	1,870	748
Returns on investments and servicing finance	II	(304)	55
Taxation		(684)	(343)
Capital expenditure and financial investment	III	(2,395)	(1,128)
Equity dividends paid		(450)	(450)
<b>Cash outflow before the use of liquid resources and financing</b>		<u>(1,963)</u>	<u>(1,118)</u>
Financing:			
Increase in finance leases (net of repayments)		1,480	88
(Decrease)/increase in short term borrowings		(317)	1,348
<b>(Decrease)/increase in cash in the period</b>		<u>(800)</u>	<u>318</u>
<b>Reconciliation of net cash flow to movement in net debt:</b>			
(Decrease)/increase in cash in the period		(800)	318
Increase in finance leases (net of repayments)		(1,480)	(88)
(Decrease)/increase in short term borrowings		317	(1,348)
<b>Movement in net debt in period</b>		<u>(1,963)</u>	<u>(1,118)</u>
Net debt at 31 March 1998		(2,068)	(950)
<b>Net debt at 31 March 1999</b>	IV	<u>(4,031)</u>	<u>(2,068)</u>
<b>I RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATIONS</b>			
Operating Profit		1,225	1,463
Exceptional items		(192)	-
Prior year adjustment		-	368
Depreciation		807	682
Loss/(Profit) on Sale of Fixed Assets		3	(14)
Change in Stocks		(84)	-
Change in Debtors		(439)	(2,276)
Change in Creditors		550	525
<b>Net Cash Inflow from Operating Activities</b>		<u>1,870</u>	<u>748</u>
<b>II RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest Received		76	158
Interest Paid		(455)	(333)
Dividends Received from Joint Ventures		75	230
<b>Net Cash (Outflow)/Inflow from Returns on Investments and Servicing of Finance</b>		<u>(304)</u>	<u>55</u>
<b>III CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of Tangible Fixed Assets		(2,497)	(1,214)
Sale of Tangible Fixed Assets		274	33
Purchase of fixed asset investments		(154)	(12)
(Advance)/Repayment of loans from Joint Ventures		(18)	65
<b>Net Cash Outflow from Capital Expenditure and Financial Investment</b>		<u>(2,395)</u>	<u>(1,128)</u>
<b>IV ANALYSIS OF NET DEBT</b>			
	1999	1998	Change
	£000	£000	£000
Cash at Bank and in Hand	499	1,299	(800)
Bank Loans and Overdraft	(2,962)	(3,279)	317
Finance Leases	(1,568)	(88)	(1,480)
	<u>(4,031)</u>	<u>(2,068)</u>	<u>(1,963)</u>

**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1999**

**1. ACCOUNTING POLICIES**

**Basis of Accounting**

These Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important policies, which have been consistently applied, is set out below.

**Basis of Consolidation**

The consolidated accounts of the company and its subsidiaries include all the profits and losses for the year attributable to the members of the holding company. The financial periods of the subsidiaries in the Group are co-terminus, with the exception of IMC Consultores Limitada. This limited liability partnership is based in Chile, and has a year end of 31 December to allow sufficient time for accounts to be prepared.

The Profit and Loss Account includes the results of the Company and of its Subsidiaries. As permitted by Section 230 of the Companies Act 1985, the Holding Company's Profit and Loss Account has not been included in these Financial Statements.

**Results of Joint Ventures and Associated Companies**

The results of the joint ventures and associated companies have been incorporated into the financial statements in compliance with FRS 9.

**Fixed Assets**

Tangible Assets have been stated at cost, after adjusting for additions and disposals during the year, less accumulated depreciation to date.

Depreciation is calculated on a straight line basis so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The rates used are:

Motor Vehicles	20%
Plant & Equipment	10% - 33%
Furniture and Fittings	10% - 20%
Office Equipment	20%
Leasehold Land & Buildings	Over remaining life of lease
Freehold Buildings	2%

Investments are stated at cost plus the Company's share of accumulated profits for Joint Ventures.

**Goodwill**

For acquisitions up to 31 March 1998 the underlying goodwill in the cost of investments in subsidiary and associated companies has been written off to reserves. From that date, purchased goodwill has been capitalised and amortised in accordance with FRS 10.

**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1999**  
**(Continued)**

**1. ACCOUNTING POLICIES (continued)**

**Stocks**

Stocks are valued at the lower of cost or net realisable value.

**Amounts Recoverable on Contracts**

Attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

In accordance with the provisions of SSAP 9 (revised), Amounts Recoverable on Contracts represents the value of work done at the lower of cost plus attributable profit and net realisable value, for which no invoice has been raised, but which is reflected within activity in the profit and loss account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

**Foreign Currencies**

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year, except where the transactions are covered by forward exchange contracts, when the contracted rate is used. All exchange differences are dealt with in the Profit and Loss Account, except gains or losses on the opening net investment in foreign enterprises which are written off to reserves.

**Turnover**

Turnover represents the value of all activity undertaken during the year, including expenses, and excluding Value Added Tax.

**Pensions**

The Group operates a number of pension schemes.

The largest scheme in the group is the ICF Group pension scheme which is open to eligible employees and is a defined benefit pension scheme. The company contribution rate of 13.5% of salary paid to the ICF Group pension scheme has been determined on the advice of a qualified actuary.

The group also operates money purchase schemes, the costs of which are charged directly to the profit and loss account.

	<u>1999</u>	<u>1998</u>
	<u>£000</u>	<u>£000</u>
Company pension contributions:		
Defined benefit	828	777
Equitable Life scheme	132	137
	<hr/>	<hr/>
Total	960	914
	<hr/>	<hr/>

**Leasing**

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 the 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.

**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1999**  
**(Continued)**

**1. ACCOUNTING POLICIES (continued)**

**Provision for losses in Group Companies**

Provision is made for amounts owing from and investments in Group Companies with net liabilities.

**Deferred Taxation**

Deferred taxation is provided for under the liability method using the rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability will crystallise.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

**2. TURNOVER**

In accordance with paragraph 55(5), schedule 4 Companies Act 1985, an analysis of the turnover by geographical markets has not been presented.

Turnover includes directly attributable expenses.

**3. OPERATING PROFIT**

Operating Profit is stated after charging/(crediting):

	<b>1999</b>	<b>1998</b>
	<b>£000</b>	<b>£000</b>
Auditors' Remuneration	53	37
Amounts paid to auditors in respect of non-audit services	9	4
Depreciation - owned assets	711	669
Depreciation - assets held under hire purchase or finance lease	96	13
Hire of plant and machinery - operating leases	1,129	923
Loss/(profit) on disposal of fixed assets	3	(14)
(Profit)/loss on foreign exchange	(42)	13
	<hr/> <hr/>	<hr/> <hr/>

**4. DIRECTORS' EMOLUMENTS**

The aggregate emoluments paid to directors, excluding pension contributions, in the year were £597,040 (1998 £324,846). Six directors are members of a defined benefit pension scheme. One of the directors received £20,000 by way of compensation for loss of office during the year. Contributions to money purchase pension schemes of £8,360 were paid in the year.

The emoluments of the highest paid director, excluding pension contributions were £144,175. At the year end, the director had accrued a pension of £18,640 p.a. from the defined benefit pension scheme.

**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1999**  
**(Continued)**

**5 EMPLOYEES**

The average number of persons employed by the Group during the year was as follows:-

	<u>1999</u>	<u>1998</u>
	<b>Number</b>	<b>Number</b>
Directors	8	5
Administrative	87	96
Technical and Technical Support	320	271
	<u>415</u>	<u>372</u>

An analysis of the overall employment costs, (including all Directors), is as follows:-

	<u>£000</u>	<u>£000</u>
Gross Salaries / Secondment Fees Payable	11,052	10,101
Employer's National Insurance contributions	892	858
Employer's Pension contributions	960	914
	<u>12,904</u>	<u>11,873</u>

**6. EXCEPTIONAL ITEMS**

	<u>£000</u>	<u>£000</u>
Redundancy costs resulting from the rationalisation of the Group's activities	192	-

**7. INTEREST PAYABLE**

	<u>£000</u>	<u>£000</u>
<b>Group</b>		
Bank loans and overdrafts	430	333
Hire purchase & finance lease interest	25	2
	<u>455</u>	<u>335</u>
<b>Joint Ventures</b>		
Bank loans and overdrafts	2	2



**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1999**  
**(Continued)**

	<u>1999</u> <u>£000</u>	<u>1998</u> <u>£000</u>
<b>8. TAXATION</b>		
Company and its subsidiaries:		
Corporation Tax based on the results of the year at the rate of 31% (1998 31%)	157	302
Corporation tax - prior year	(57)	-
Double Taxation Relief	-	(36)
Overseas Tax	-	(10)
Withholding tax paid	2	17
Deferred Taxation	52	45
Share of Taxation Charge of Joint Ventures	6	32
	<u>160</u>	<u>350</u>
 <b>9. PROFIT FOR THE FINANCIAL YEAR</b>		
Dealt with in the Financial Statements of the Holding Company	337	1,073
Retained by Subsidiary Companies	163	(43)
	<u>500</u>	<u>1,030</u>
 <b>10. DIVIDENDS</b>		
The following dividends are proposed in respect of the year:		
<b>Equity</b>		
Ordinary 'A' and 'B' shares:		
Final proposed dividend of £0.104 per share (1998 £1.04)	<u>45</u>	<u>450</u>
 <b>11. INTANGIBLE ASSETS</b>		
<b>Goodwill - Group &amp; Parent Company</b>		
<b>Cost:</b>		
At 1 April 1998	-	-
Arising in year	30	-
At 31 March 1999	<u>30</u>	<u>-</u>
 <b>Amortisation:</b>		
At 1 April 1998	-	-
Charge for year	1	-
At 31 March 1999	<u>1</u>	<u>-</u>
 <b>Net Carrying Value at 31 March 1999</b>	<u>29</u>	<u>-</u>

The goodwill arising in the year relates to the acquisition of a consultancy practice in Chile for £30,365.

**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1999**  
(Continued)

<b>12. TANGIBLE ASSETS</b>	<b>Freehold Land and Buildings £000</b>	<b>Long Leasehold £000</b>	<b>Motor Vehicles £000</b>	<b>Furniture Plant and Equipment £000</b>	<b>Total £000</b>
<b>Group Cost</b>					
At 1st April 1998	461	-	339	5,695	6,495
Reclassification	-	-	135	(135)	-
Additions	-	10	96	2,391	2,497
Currency translation	-	-	-	9	9
Disposals	-	-	(215)	(423)	(638)
At 31st March 1999	<u>461</u>	<u>10</u>	<u>355</u>	<u>7,537</u>	<u>8,363</u>
<b>Depreciation</b>					
At 1st April 1998	50	-	171	3,503	3,724
Reclassification	-	-	85	(85)	-
Currency translation	-	-	-	7	7
Charge for year	13	-	76	718	807
Released on Disposal	-	-	(59)	(302)	(361)
At 31st March 1999	<u>63</u>	<u>-</u>	<u>273</u>	<u>3,841</u>	<u>4,177</u>
<b>Net Book Value</b>					
At 31st March 1999	<u>398</u>	<u>10</u>	<u>82</u>	<u>3,696</u>	<u>4,186</u>
At 31st March 1998	<u>411</u>	<u>-</u>	<u>168</u>	<u>2,192</u>	<u>2,771</u>

The net book value of fixed assets includes an amount of £1,749,092 (1998 £99,422) in respect of assets held under finance leases.

At 31st March 1999 there were capital commitments of £60,000 which had not been provided in the Financial Statements (1998 £37,000).

**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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(Continued)

<b>12. TANGIBLE ASSETS</b>	<b>Freehold Land and Buildings £000</b>	<b>Motor Vehicles £000</b>	<b>Furniture Plant and Equipment £000</b>	<b>Total £000</b>
<b>Parent Company</b>				
<b>Cost</b>				
At 1st April 1998	461	17	-	478
Reclassification	-	(5)	5	-
Additions	-	30	5	35
Transfers from group companies	-	51	-	51
Disposals	-	(73)	-	(73)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1999	461	20	10	491
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1st April 1998	50	2	-	52
Reclassification	-	-	-	-
Charge for year	12	9	1	22
Transfers from group companies	-	30	-	30
Released on Disposal	-	(29)	-	(29)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1999	62	12	1	75
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
At 31st March 1999	399	8	9	416
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1998	411	15	-	426
	<hr/>	<hr/>	<hr/>	<hr/>
<b>13. INVESTMENTS</b>				
	<u><b>1999</b></u>	<u><b>1999</b></u>	<u><b>1998</b></u>	<u><b>1998</b></u>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Group</b>				
Shares at cost				
At 1st April 1998	193		246	
Loans advanced/(repaid)	18		(65)	
Amounts written off	(12)		-	
Shares purchased	125		12	
At 31st March 1999	<hr/>	324	<hr/>	193
Share of Post-Acquisition Profits				
At 1st April 1998	199		376	
Profit for year after taxation	8		61	
Currency translation	(3)		(8)	
Dividends received	(75)		(230)	
At 31st March 1999	<hr/>	129	<hr/>	199
		<hr/>		<hr/>
		453		392
		<hr/>		<hr/>

**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1999**  
**(Continued)**

	<u>1999</u>	<u>1998</u>
	<u>£000</u>	<u>£000</u>
<b>13. INVESTMENTS (continued)</b>		
<b>Parent Company</b>		
1) Investments in Joint Ventures		
At 1st April 1998	193	246
Loans advanced	17	-
Amount written off	(12)	(53)
	<hr/>	<hr/>
At 31st March 1999	198	193
	<hr/>	<hr/>
2) Investments in Subsidiaries		
At 1st April 1998	1,938	1,917
Additions	69	21
Amount written off	(104)	-
Loans repaid	(1,326)	-
	<hr/>	<hr/>
At 31st March 1999	577	1,938
	<hr/>	<hr/>
Total Investments at 31st March 1999	<u>775</u>	<u>2,131</u>

The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length. The following information relates to those subsidiary undertakings whose results or financial position, in the opinion of the directors, principally affected the figures of the Group. All are involved in the provision of consultancy services.

	<b>Country of Incorporation</b>	<b>Percentage of Share Capital Held</b>
<b>3) Subsidiary Companies included in Consolidation</b>		
Registered in England and Wales		
IMC Group Consulting Limited		100%
IMC Consulting Limited		100%
IMC Consulting Engineers Limited		100%
IMC Geophysics Limited		100%
IMC Technical Services Limited		100%
International Mining Consultants Limited		100%
Mackay & Schnellmann (Chile) Limited		100%
Overseas		
International Mining Consultants Pty Limited	Australia	100%
Weir International Mining Consultants	USA	100%
<b>4) Shares in Joint Ventures</b>		
Associated Mining Consultants Limited	Canada	50%
Rock Mechanics Technology Limited	Great Britain	50%
IMC Knight Piesold Mining Pty Limited	South Africa	50%

The proportion of voting rights are equal to the percentage of capital held.

In addition, the company has a 60% interest, while the group holds a 100% interest, in IMC Consultores Limitada, a limited liability partnership registered in Chile and also engaged in the provision of consultancy services.

**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1999**  
(Continued)

	<u>1999</u> £000	<u>1998</u> £000
<b>14. STOCKS</b>		
Goods for resale	<u>84</u>	<u>-</u>
<b>15. DEBTORS</b>		
<b>Amounts falling due within one year - Group</b>		
Trade Debtors	6,787	9,741
Amount Recoverable on Contracts	7,086	4,661
Amounts Due from Associated Companies	90	58
Other Debtors	586	-
Prepayments and Accrued Income	552	202
Corporation Tax recoverable	423	-
	<u>15,524</u>	<u>14,662</u>
<b>Amounts falling due within one year - Company</b>		
Due from Group Companies	2,573	1,363
Amounts Due from Associated Companies	20	-
Corporation Tax Recoverable	16	-
Prepayments and Accrued Income	2	-
Due from Group Companies	<u>2,611</u>	<u>1,363</u>
<b>16. CREDITORS</b>		
<b>Amounts falling due within one year - Group</b>		
Bank Loans and Overdrafts	2,962	3,279
Payments Received on Account	2,418	2,532
Trade Creditors	3,932	3,161
Amounts Owed to Parent Company	597	659
Amounts Owed to Associated Companies	164	-
Corporation Tax	419	578
Other Taxes & Social Security	521	234
Dividend	45	450
Finance Leases	321	37
Other Creditors	1,025	372
Accruals and Deferred Income	851	1,914
	<u>13,255</u>	<u>13,216</u>

Amounts owed under finance leases are secured upon the assets to which they relate.

**Bank Loans and Overdrafts - Group**

Bank loans and overdrafts are repayable as follows:

In one year or less, or on demand	<u>2,962</u>	<u>3,279</u>
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**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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(Continued)

	<u>1999</u> £000	<u>1998</u> £000
<b>16. CREDITORS (continued)</b>		
<b>Amounts falling due within one year - Company</b>		
Bank Loans and Overdrafts	-	655
Due to Parent Company	597	-
Due to Group Companies	466	502
Corporation tax	33	46
Other Taxes & Social Security	13	-
Dividend	45	450
Subsidiary Loss Provision	110	-
Other Creditors & Accruals	46	70
	<u>1,310</u>	<u>1,723</u>

**Bank Loans and Overdrafts - Company**

Bank loans and overdrafts are repayable as follows:

In one year or less, or on demand	<u>-</u>	<u>655</u>
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The bank loans and overdraft are secured by a charge over the assets of the UK operating subsidiaries of the Group.

**17. CREDITORS**

**Amounts falling due after one year - Group**

Finance leases	<u>1,247</u>	<u>51</u>
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**18. DEFERRED TAXATION**

**Group**

Deferred taxation provided in the financial statements is set out below.

Accelerated capital allowances	<u>97</u>	<u>45</u>
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There is no unprovided deferred taxation at 31st March 1999 or 31st March 1998.

**19. PROVISIONS FOR LIABILITIES AND CHARGES**

**Group**

	Deferred Restructuring Pensions & Relocation £000	£000
At 1 April 1998	347	73
Released to Profit & Loss Account	<u>(52)</u>	<u>(73)</u>
At 31 March 1999	<u>295</u>	<u>-</u>

**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**(Continued)**

	<u>1999</u>	<u>1998</u>
	£	£
<b>20. SHARE CAPITAL</b>		
<b>Authorised, allotted, issued and fully paid</b>		
<b>Equity shares</b>		
216,600 'A' ordinary shares of £1.00 each	216,600	216,600
216,600 'B' ordinary shares of £1.00 each	<u>216,600</u>	<u>216,600</u>
	<u>433,200</u>	<u>433,200</u>
	<b>£000</b>	<b>£000</b>
<b>21. GROUP MERGER RESERVE</b>		
At 1st April 1998 and at 31st March 1999	<u>276</u>	<u>276</u>
<b>22. GROUP OTHER RESERVES</b>		
Brought forward	281	281
Negative goodwill arising from acquisitions in previous years	<u>36</u>	<u>-</u>
Carried forward	<u>317</u>	<u>281</u>
<b>23. PROFIT AND LOSS ACCOUNT</b>		
<b>Group</b>		
Brought forward as previously stated	4,770	3,822
Prior year adjustment	(368)	-
Exchange difference on opening reserves	(2)	-
Profit for the year	<u>455</u>	<u>580</u>
Carried forward	<u>4,855</u>	<u>4,402</u>
<p>During the year it became apparent that the carrying value of certain balances recoverable on were overvalued in one of the subsidiary companies. A full review was carried out which showed significant errors and these have been rectified by way of a prior year adjustment, and comparative figures have been restated accordingly.</p>		
<b>Parent Company</b>		
Brought forward	1,764	1,141
Profit for the year	<u>337</u>	<u>623</u>
Carried forward	<u>2,101</u>	<u>1,764</u>

**IMC GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>1999</u> <u>£000</u>	<u>1999</u> <u>£000</u>	<u>1998</u> <u>£000</u>
<b>Group</b>			
Retained Profit for the year		500	1,030
Exchange difference on opening reserves		(2)	-
Increase in capital reserve re CRE Group Ltd acquisition		36	-
Dividends		(45)	(450)
Net addition to Shareholders' Funds		<u>489</u>	<u>580</u>
Opening shareholders' funds as previously stated	5,760		4,812
Prior year adjustment	<u>(368)</u>		-
As restated		<u>5,392</u>	-
Closing Shareholders' Funds		<u><u>5,881</u></u>	<u><u>5,392</u></u>
<b>Company</b>			
Retained Profit for the year		382	1,073
Dividends payable		(45)	(450)
Net addition to shareholders' funds		<u>337</u>	<u>623</u>
Opening shareholders' funds		<u>2,197</u>	<u>1,574</u>
Closing Shareholders' Funds		<u><u>2,534</u></u>	<u><u>2,197</u></u>

**25. OPERATING LEASE RENTALS**

At 31st March 1999, the Group had annual commitments under operating leases as set out below:

	<u>1999</u> <u>Land and</u> <u>Buildings</u> <u>£000</u>	<u>1999</u> <u>Other</u> <u>£000</u>	<u>1998</u> <u>Land and</u> <u>Buildings</u> <u>£000</u>	<u>1998</u> <u>Other</u> <u>£000</u>
Leases which expire:				
Next year	15	12	-	277
2 - 5 years	152	50	-	8
Over 5 years	<u>-</u>	<u>-</u>	<u>50</u>	<u>1</u>
	<u><u>167</u></u>	<u><u>62</u></u>	<u><u>50</u></u>	<u><u>286</u></u>

**26. FINANCE LEASE CREDITOR**

At 31st March 1999 the Group had creditors arising from finance leases due as follows:

	<u>1999</u> <u>£000</u>	<u>1998</u> <u>£000</u>
Within one year	321	37
Between two and five years	<u>1,247</u>	<u>51</u>
	<u><u>1,568</u></u>	<u><u>88</u></u>



**IMC GROUP HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
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**27. CONTINGENT LIABILITIES**

The company has guaranteed the borrowings of subsidiary companies to a maximum value of £6,412,000. Amounts outstanding under these guarantees at the year end totalled £3,640,000.

The Group has issued bonds and guarantees to the value of £3.9m (1998 £4.3m) in the ordinary course of business. No liability is expected to arise from these bonds and guarantees.

**28. PARENT COMPANY**

The ultimate parent company is ICF Group Limited, a company registered in England and Wales. The financial statements for ICF Group Limited can be obtained from the Secretary, ICF Group Limited, 450 London Road, North Cheam, Surrey, SM3 8HZ.