

IWM Business Services Limited

**Directors' report and financial
statements**

Registered number 2731563

31 December 1999



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Company information

Incorporated in England and Wales on 15 July 1992.

Chairman	JB Carter
Other directors	DW Easthope (resigned 9 June 1999) MR Hewitt P Johnston D MacKrill KA Simmonite D Timmins (resigned 9 June 1999)
Officers	MJ Philpott (Chief Executive) Mrs VJ Martin (Assistant Chief Executive)
Secretary	SP Mahoney
Registered office	9 Saxon Court St Peter's Gardens Northampton NN1 1SX
Auditors	KPMG Norfolk House Silbury Boulevard Central Milton Keynes MK9 2HA
Solicitors	Toller Hales & Colcutt Castilian Chambers 2 Castilian Street Northampton NN1 1JX
Bankers	HSBC Bank plc Wood Hill Branch PO Box 14 3 Wood Hill Northampton NN1 2DE

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 1999.

Principal activity

The principal activity of the company is organising exhibitions, training courses, seminars and conferences, producing journals and publications, and selling advertising to the wastes management industry.

Business review

The annual exhibition at Torbay, which is the key event of the organisation's year produced a very satisfactory result. This year, the associated conference attracted more delegates than the previous year, in particular a significant number from overseas. The overall exhibition attendance numbers was high and provides evidence that this is the premier waste management exhibition in the United Kingdom.

A number of "Best Value Workshops" were held during the Summer throughout the country, which were well attended and served to introduce the Best Value publication.

Training continued being a success, with an increase in delegate numbers and profitability. The training department has made extensive use this year of holding courses at headquarters, Northampton, which in turn has reduced costs significantly.

The IWM Journal continued to develop through the year, with advertising revenue increasing with expectations.

Several major technical publications were produced including guidance documents on Best Value and Environmental Management Systems in Europe.

As the trading subsidiary of the Institute of Wastes Management, the company has again achieved excellent financial results, enabling it to covenant to the Institute an amount of £493,301 an increase of 3% over 1998.

Continued application of stringent financial controls have helped to keep costs, whether direct or administrative expenses, as low as possible, thus reflecting in the final results.

As all of the profit on ordinary activities is transferred to the Institute of Wastes Management, under a deed of covenant, the retained profit for the year is £nil (1998: £nil).

Results, dividends and appropriations

The results for the year are shown in the profit and loss account on page 6.

Directors

The directors who served during the year were:

JB Carter
DW Easthope (resigned 9 June 1999)
MR Hewitt
P Johnston
D MacKrill
KA Simmonite
D Timmins (resigned 9 June 1999)

None of the directors had any beneficial interests in the share capital of the company.

Directors' report *(continued)*

Officers

The officers who served during the year were:

MJ Philpott (Chief Executive)
Mrs VJ Martin (Assistant Chief Executive)
SP Mahoney (Company Secretary)

Millennium date change

The company has not encountered any significant events, errors or failures arising as a result of the millennium date change. It is still possible that some errors or failures may still arise and the company has actions in hand for ensuring that any future events, errors or failures will be identified and resolved. Taking into account these actions, the directors have considered the implications of the millennium date change. They do not anticipate any future effects of the date change will have a significant impact on the company, although given the complexities of the issue, complete certainty on this is not possible. Any costs incurred in addressing these issues will be charged directly to the profit and loss account.

Auditors

In accordance with Section 384 of the Companies Act 1985, the re-appointment of KPMG as auditors of the company will be considered at the forthcoming Annual General Meeting.

By order of the Board



SP Mahoney
Secretary

Registered office:
9 Saxon Court
St Peter's Gardens
Northampton
NN1 1SX

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Norfolk House
Silbury Boulevard
Central Milton Keynes
MK9 2HA

Report of the auditors to the members of IWM Business Services Limited

We have audited the financial statements on pages 6 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 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 affairs of the company as at 31 December 1999 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

hmcg

Chartered Accountants
Registered Auditors

14 April 2000.

Profit and loss account
for the year ended 31 December 1999

	<i>Note</i>	1999 £	1998 £
Turnover		1,732,973	1,694,801
Cost of sales		(596,043)	(637,896)
Gross profit		1,136,930	1,056,905
Administrative expenses		(663,282)	(604,143)
Operating profit		473,648	452,762
Interest receivable and similar income	<i>5</i>	19,653	25,122
Deed of covenant	<i>6</i>	(493,301)	(477,884)
Profit on ordinary activities before taxation	<i>2-4</i>	-	-
Tax on profit on ordinary activities		-	-
Retained profit for the year		-	-
Retained profit brought forward		-	-
Retained profit carried forward		-	-

The company had no recognised gains or losses in either year other than the profit on ordinary activities as detailed above. Turnover and operating profits are derived entirely from continuing operations.

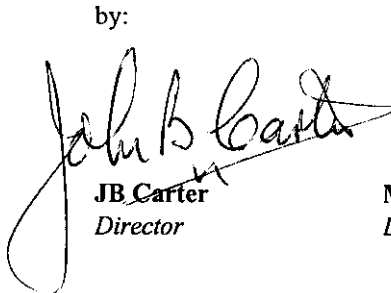
The notes on pages 8 to 11 form part of these financial statements.

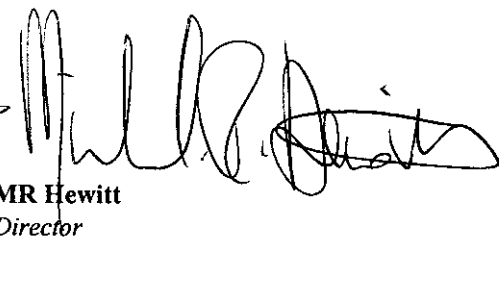
Balance sheet
at 31 December 1999

	Note	1999	1998
		£	£
Current assets			
Debtors	7	502,481	547,868
Cash at bank and in hand		427,446	198,529
		<u>929,927</u>	<u>746,397</u>
Creditors: amounts falling due within one year	8	<u>(929,925)</u>	<u>(746,395)</u>
Net current assets		<u>2</u>	<u>2</u>
Total assets less current liabilities		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account		-	-
Equity shareholders' funds	10	<u>2</u>	<u>2</u>

The notes on pages 8 to 11 form part of these financial statements.

These financial statements were approved by the board of directors on 20/3/00 and were signed on its behalf by:


JB Carter
Director


MR Hewitt
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention.

Cash flow statement

The company has taken advantage of the exemption contained within Financial Reporting Standard No 1 from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company as defined by the provisions of the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

Taxation

The taxation charge or credit is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Profit on ordinary activities before taxation

	1999 £	1998 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Auditors' remuneration	5,750	5,500
Re-charges paid to Institute of Wastes Management	259,100	240,914
Re-charges received from Institute of Wastes Management	(99,488)	(101,468)
	<hr/>	<hr/>

3 Remuneration of directors

	1999 £	1998 £
<i>Directors' emoluments:</i>		
Fees	-	-
	<hr/>	<hr/>

As recommended by the Charities' Commission, the board elected to suspend directors' fees as from 11 June 1997.

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the company (including executive directors) during the year was:

	1999 Number	1998 Number
Office and management	14	12

The aggregate payroll costs of these persons were as follows:

	1999 £	1998 £
Wages and salaries	254,679	216,311
Social security costs	22,956	20,914
Personal pension plan costs	6,130	7,142
	<u>283,765</u>	<u>244,367</u>

5 Interest receivable and similar income

	1999 £	1998 £
Bank deposit interest receivable	19,653	25,122

6 Deed of covenant

This represents the gross payment to the Institute of Wastes Management, a registered charity, which is the company's ultimate parent company.

Payments totalling £493,301 (1998: £477,884) were made under deed of covenant during the year.

7 Debtors

	1999 £	1998 £
Amounts falling due within one year:		
Trade debtors	464,093	447,696
Amounts owed by parent undertaking	12,401	83,062
Prepayments and accrued income	25,987	17,110
	<u>502,481</u>	<u>547,868</u>

Notes (continued)

8	Creditors: amounts falling due within one year	1999	1998
		£	£
	Trade creditors	13,119	11,307
	Income tax payable	115,000	115,000
	Other creditors including taxation and social security:		
	Other creditors	51,974	86,683
	Taxation and social security	68,240	69,882
	Accruals	17,067	42,435
	Deferred income	664,525	421,088
		<hr/>	<hr/>
		929,925	746,395
		<hr/>	<hr/>
9	Share capital	1999	1998
		£	£
	<i>Authorised</i>		
	Ordinary shares of £1 each	100	100
		<hr/>	<hr/>
	<i>Allotted, called up and fully paid</i>		
	Ordinary shares of £1 each	2	2
		<hr/>	<hr/>
10	Reconciliation of movements in shareholders' funds	1999	1998
		£	£
	Profit for the financial year (before Deed of Covenant)	493,301	477,884
	Appropriated to parent company by Deed of Covenant	(493,301)	(477,884)
		<hr/>	<hr/>
	Net change in shareholders' funds	-	-
	Opening shareholders' funds	2	2
		<hr/>	<hr/>
	Closing shareholders' funds	2	2
		<hr/>	<hr/>

Notes *(continued)*

11 Related party transactions

The company is a wholly owned subsidiary of the Institute of Wastes Management. The consolidated accounts of the parent undertaking may be obtained from the address given in note 12 below.

The company has taken advantage of the exemption contained within Financial Reporting Standard No 8 'Related Party Transactions' from the requirement to disclose related party transactions on the grounds that it is a wholly owned subsidiary and its results are consolidated into those of the parent company.

12 Ultimate parent undertaking

The ultimate parent undertaking of the company is the Institute of Wastes Management, which is a company registered in England and Wales. Consolidated accounts are prepared and are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.

Profit and loss account

for the year ended 31 December 1999

	1999 £	1998 £
Turnover		
Delegate fees	189,820	230,055
Exhibition fees	821,875	770,857
Seminars and meetings	37,036	14,405
Journal subscriptions	34,709	30,781
Advertising - Journal and other	335,159	336,781
Publications	4,926	5,622
Training courses	309,448	306,300
	<hr/>	<hr/>
	1,732,973	1,694,801
Cost of sales		
Conference and exhibitions	349,831	382,357
Seminars and meetings	22,687	7,224
Journal/publication	187,458	199,701
Less: Recovery from IWM	(99,488)	(101,468)
Training courses	135,555	150,082
	<hr/>	<hr/>
	(596,043)	(637,896)
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Gross profit	1,136,930	1,056,905
Recharges from IWM	259,100	240,914
Administrative expenses	404,182	363,229
	<hr/>	<hr/>
	(663,282)	(604,143)
	<hr/>	<hr/>
Net trading profit	473,648	452,762
Bank deposit interest receivable	19,653	25,122
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Net profit for period	493,301	477,884
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This page does not form part of the audited financial statements.

Profit and loss account

for the year ended 31 December 1999 (continued)

	1999 £	1998 £
Administrative expenses		
Salaries and wages	254,679	216,311
National insurance	22,956	20,914
Personal pension plan costs	6,130	7,142
Healthcare	6,024	5,478
Recruitment costs	11,858	6,495
Training costs	3,522	2,850
Postage and telephone	24,993	23,595
General office expenses	5,469	3,950
Staff travel and accommodation	12,316	15,354
Board meeting costs	6,051	6,634
Promotion and marketing	17,153	7,928
Bank charges	1,840	1,286
Legal and professional	9,088	12,770
Bad debts	288	3,574
Equipment maintenance, repairs, licenses and support	5,442	1,721
Printing and stationery	12,914	19,261
Photocopying costs	3,459	7,966
Total administrative expenses	404,182	363,229

This page does not form part of the audited financial statements.