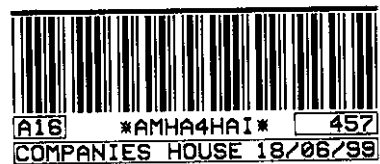


IWM Business Services Limited

Directors' report and financial statements

31 December 1998

Registered number 2731563



Directors' report and financial statements

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Company information

Incorporated in England and Wales on 15 July 1992.

Chairman	JB Carter
Other directors	DW Easthope MR Hewitt P Johnston (appointed 10 June 1998) D MacKrill GH Prentice (resigned 29 June 1998) KA Simmonite (appointed 3 November 1998) D Timmins CI Tunaley (resigned 8 June 1998)
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 & Colclutt Castilian Chambers 2 Castilian Street Northampton NN1 1JX
Bankers	HSBC Midland 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 1998.

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 satisfactory result. This year, the associated conference attracted more delegates than the previous year. The overall exhibition attendance number was significant and provides evidence that this is the premier waste management exhibition in the United Kingdom.

The Best Value seminar held in the Autumn proved to be an excellent event.

Training continued being a success, with an increase in delegate numbers and profitability, with total income of £306,300 (1997: £283,501), an increase of 8%.

The IWM Journal continued to develop through the year, with advertising revenue increasing by 16% to £336,781 from £289,780.

Several major technical publications were produced including guidance documents on monitoring of landfill gas, environmental management systems and anaerobic digestion.

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 £477,884 an increase of 16.5% over 1997.

Expenditure on management and administration increased by 6%, which is lower than the increase in total turnover when compared to the previous year. The company has benefited during the year from last year's major improvements in its information technology systems.

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 (1997: £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	
MR Hewitt	
P Johnston	(appointed 10 June 1998)
D MacKrill	
GH Prentice	(resigned 29 June 1998)
KA Simmonite	(appointed 3 November 1998)
D Timmins	
CI Tunaley	(resigned 8 June 1998)

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)

Year 2000

The company has actions in hand for ensuring that computer systems employed in the business should continue to operate in the year 2000. Taking into account these actions, the directors have considered the implications of the millennium date change. They do not anticipate that the operational and business issues 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

9 March 1999

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

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 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 1998 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

13 April 1999

Profit and loss account

for the year ended 31 December 1998

	<i>Note</i>	1998 £	1997 £
Turnover		1,694,801	1,511,693
Cost of sales		(637,896)	(582,510)
Gross profit		1,056,905	929,183
Administrative expenses		(604,143)	(533,971)
Operating profit		452,762	395,212
Interest receivable and similar income	5	25,122	14,915
Deed of covenant	6	(477,884)	(410,127)
Profit on ordinary activities before taxation	2-4	-	-
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.

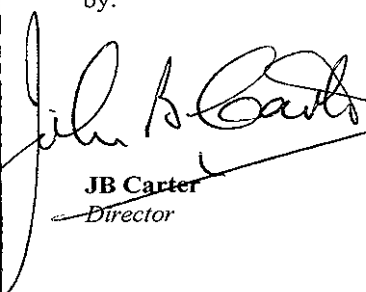
The notes on pages 8 to 11 form part of these financial statements.

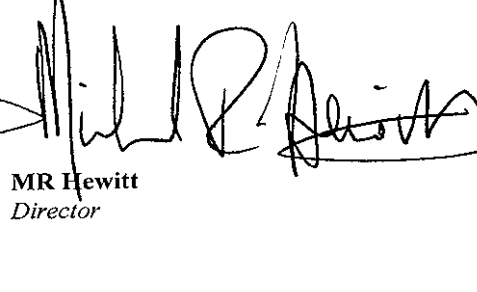
Balance sheet
at 31 December 1998

	Note	1998		1997	
		£	£	£	£
Fixed assets					
Tangible assets	7		-		-
Current assets					
Debtors	8	547,868		446,933	
Cash at bank and in hand		198,529		223,129	
		<u>746,397</u>		<u>670,062</u>	
Creditors: amounts falling due within one year	9	<u>(746,395)</u>		<u>(670,060)</u>	
Net current assets			2		2
Total assets less current liabilities			<u>2</u>		<u>2</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account			-		-
Equity shareholders' funds	11		<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 9 March 1999 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.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	-	50% on cost
Fixtures and fittings	-	33 1/3% on cost

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

	1998 £	1997 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Auditors' remuneration	5,500	5,250
Re-charges paid to Institute of Wastes Management	240,914	192,170
Re-charges received from Institute of Wastes Management	(101,468)	(92,735)
Depreciation of tangible fixed assets	-	308
	<hr/> <hr/>	<hr/> <hr/>

3 Remuneration of directors

	1998 £	1997 £
<i>Directors' emoluments:</i>		
Fees	-	2,500
	<hr/> <hr/>	<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:

	1998 Number	1997 Number
Office and management	12	12

The aggregate payroll costs of these persons were as follows:

	1998 £	1997 £
Wages and salaries	216,311	186,044
Social security costs	20,914	18,316
Personal pension plan costs	7,142	855
	<u>244,367</u>	<u>205,215</u>

5 Interest receivable and similar income

	1998 £	1997 £
Bank deposit interest receivable	25,122	14,915

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 £477,884 (1997: £410,127) were made under deed of covenant during the year.

7 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost</i>			
At beginning and end of year	27,949	1,992	29,941
<i>Depreciation</i>			
At beginning and end of year	(27,949)	(1,992)	(29,941)
<i>Net book value</i>			
At 31 December 1998	-	-	-
At 31 December 1997	-	-	-

Notes (continued)

8	Debtors	1998	1997
		£	£
	Amounts falling due within one year:		
	Trade debtors	447,696	389,886
	Amounts owed by parent undertaking	83,062	53,203
	Prepayments and accrued income	17,110	3,844
		<hr/>	<hr/>
		547,868	446,933
		<hr/>	<hr/>
9	Creditors: amounts falling due within one year	1998	1997
		£	£
	Trade creditors	11,307	29,267
	Income tax payable	115,000	105,800
	Other creditors including taxation and social security:		
	Other creditors	86,683	75,560
	Taxation and social security	69,882	56,152
		<hr/>	<hr/>
		156,565	131,712
	Accruals	42,435	20,641
	Deferred income	421,088	382,640
		<hr/>	<hr/>
		746,395	670,060
		<hr/>	<hr/>
10	Share capital	1998	1997
		£	£
	<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/>

Notes *(continued)*

11 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year (before Deed of Covenant)	477,884	410,127
Appropriated to parent company by Deed of Covenant	(477,884)	(410,127)
	<hr/>	<hr/>
Net change in shareholders' funds	-	-
Opening shareholders' funds	2	2
	<hr/>	<hr/>
Closing shareholders' funds	2	2
	<hr/> <hr/>	<hr/> <hr/>

12 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 13 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.

13 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 1998

	1998 £	1997 £
Turnover		
Delegate fees	230,055	202,003
Exhibition fees	770,857	632,348
Seminars and meetings	14,405	46,652
Events - Other income	-	23,576
Journal subscriptions	30,781	29,316
Advertising - Journal and other	336,781	289,780
Publications	5,622	4,517
Training courses	306,300	283,501
	<hr/> 1,694,801	<hr/> 1,511,693
Cost of sales		
Conference and exhibitions	382,357	278,378
Seminars and meetings	7,224	54,904
Journal/publication	199,701	195,858
Less: Recovery from IWM	(101,468)	(92,735)
Training courses	150,082	146,105
	<hr/> (637,896)	<hr/> (582,510)
Gross profit	<hr/> 1,056,905	<hr/> 929,183
Recharges from IWM	240,914	192,170
Administrative expenses	363,229	341,801
	<hr/> (604,143)	<hr/> (533,971)
Net trading profit	<hr/> 452,762	<hr/> 395,212
Bank deposit interest receivable	25,122	14,915
Net profit for period	<hr/> 477,884	<hr/> 410,127

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

Profit and loss account

for the year ended 31 December 1998 (continued)

	1998	1997
	£	£
Administrative expenses		
Salaries and wages	216,311	186,044
National insurance	20,914	18,316
Personal pension plan costs	7,142	855
Healthcare	5,478	4,854
Recruitment costs	6,495	11,259
Training costs	2,850	5,035
Postage and telephone	23,595	20,873
General office expenses	3,950	3,037
Staff travel and accommodation	15,354	9,252
Board meeting costs	6,634	11,605
Promotion and marketing	7,928	3,043
Bank charges	1,286	1,239
Legal and professional	12,770	8,964
Depreciation	-	308
Bad debts	3,574	20,033
Equipment maintenance and repairs	1,721	3,951
Printing and stationery	19,261	22,465
Photocopying costs	7,966	10,621
Miscellaneous	-	47
Total administrative expenses	363,229	341,801

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