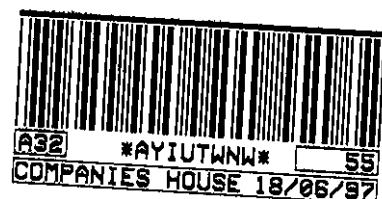


IWM Business Services Limited

Directors' report and financial statements

31 December 1996

Registered number: 2731563



IWM Business Services Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Company information	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes	8 - 12

IWM Business Services Limited

Company information

Incorporated in England on 15 July 1992

Chairman	D MacKrill
Other directors	JB Carter D Easthope MR Hewitt G Prentice D Timmins CI Tunaley
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 Spencer House Cliftonville Road Northampton NN1 5BU
Solicitors	Toller Hales & Colcutt Castilian Chambers 2 Castilian Street Northampton NN1 1JX
Bankers	Midland Bank plc Wood Hill Branch PO Box 14 3 Wood Hill Northampton NN1 2DE

IWM Business Services Limited

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 1996.

Principal activity

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

Business review

The year saw a consolidation of the company's activities to establish a sound foundation for future growth. The annual exhibition which is a key event of the organisation's year produced a satisfying result but the associated conference did not attract the number of delegates anticipated mainly due to the extensive changes in local government and the creation of the new environment agencies in 1996. For 1997 a new format, more appropriate to today's needs, has been developed.

The programme of training courses also started weakly for similar reasons to the annual conference but careful review and the introduction of new subjects brought a strong ending to the year with several courses being over-subscribed.

The IWM Journal continued to develop through the year and met planned targets. Several other technical publications were produced and sales generally were high.

We are pleased to inform you that the trading subsidiary of the Institute of Wastes Management again had an excellent financial year enabling the company to provide a covenant of £362,735, an increase over 1995 of 46%.

Although total income reduced by 6% from £1,447,476 to £1,363,499, there was a reduction in the cost of sales of 20% from £660,865 to £530,922 which, after allowing for prudent provisions, improved the gross profit by 6% from £786,611 to £832,577.

Expenditure on management and administration decreased by 14% from £551,148 to £475,795, reflecting the lower staff costs and the effect of the continued application of financial controls.

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 (1995: £nil).

Results, dividends and appropriations

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

Fixed assets

Changes in fixed assets during the year are set out in note 6 to the financial statements.

IWM Business Services Limited

Directors' report *(continued)*

Directors

The directors who served during the year were:

MR Hewitt
D MacKrill
D Timmins
CI Tunaley
K Bury CBE (resigned 10 June 1996)
G Prentice (appointed 12 June 1996)
JB Carter (appointed 12 June 1996)
D Easthope (appointed 12 June 1996)

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

Officers


The officers who served during the year were:

MJ Philpott (Chief Executive)
Mrs VJ Martin (Assistant Chief Executive)

Auditors

In accordance with Section 385 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

12 March 1997

IWM Business Services Limited

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.



Spencer House
Cliftonville Road
Northampton
NN1 5BU

Auditors' report to the members of IWM Business Services Limited

We have audited the financial statements on pages 6 to 12.

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 1996 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*

12 March 1997

IWM Business Services Limited

Profit and loss account
for the year ended 31 December 1996

	Note	1996 £	1995 £
Turnover	1	1,363,499	1,447,476
Cost of sales		(530,922)	(660,865)
Gross profit		832,577	786,611
Administrative expenses		(475,795)	(551,148)
Operating profit		356,782	235,463
Interest receivable and similar income		5,953	12,066
Deed of covenant	5	(362,735)	(247,529)
Profit on ordinary activities before taxation	2	-	-
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 after taxation as detailed above.

Turnover and operating profits are derived entirely from continuing operations.

IWM Business Services Limited

Balance sheet
at 31 December 1996

	Note	1996	1995
		£	£
Fixed assets			
Tangible assets	6	308	14,947
Current assets			
Stocks	7	10,157	9,852
Debtors	8	441,185	537,198
Cash at bank and in hand		59,481	151,867
		<u>510,823</u>	<u>698,917</u>
Creditors: amounts falling due within one year	9	(511,129)	(713,862)
Net current liabilities		<u>(306)</u>	<u>(14,945)</u>
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		-	-
Shareholders' funds - equity interests	11	<u>2</u>	<u>2</u>

These financial statements were approved by the board of directors on 12 March 1997 and were signed on its behalf by:


D MacKrill
Director


MR Hewitt
Director

IWM Business Services Limited

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 in accordance with applicable accounting standards and under the historical cost convention.

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:

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

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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.

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.

2. Profit on ordinary activities before taxation

	1996	1995
	£	£
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Auditors' remuneration:		
Audit	5,000	5,000
Re-charges paid to Institute of Wastes Management	185,481	199,893
Re-charges received from Institute of Wastes Management	(92,735)	-
Depreciation of tangible fixed assets	14,639	14,273

IWM Business Services Limited

Notes (continued)

3. Remuneration of directors

	1996	1995
<i>Directors' emoluments:</i>	£	£
Fees	1,000	2,000
Consultancy services	-	30,000
	<u> </u>	<u> </u>

Mr MR Hewitt did not provide any consultancy services during the year. Mr MR Hewitt received £30,000 for his consultancy services during the year ended 31 December 1995. The payments were authorised by the Charities' Commission.

The emoluments, excluding pension contributions, of the chairman who was also the highest paid director were £1,000 (1995: £Nil).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following range:

	Number of directors	
	1996	1995
£0 - £5,000	<u>8</u>	<u>5</u>

4. Staff numbers and costs

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

	1996	1995
Office and management	<u>10</u>	<u>11</u>

The aggregate payroll costs of these persons were as follows:

	1996	1995
	£	£
Wages and salaries	172,971	208,076
Social security costs	15,078	14,506
Other pension costs	2,690	3,937
	<u> </u>	<u> </u>
	190,739	226,519

IWM Business Services Limited

Notes (continued)

5. 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 £362,735 were made under deed of covenant during the year (1995:£247,529).

6. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At beginning and end of year	27,949	1,992	29,941
Depreciation			
At beginning of year	13,975	1,019	14,994
Charge for the year	13,974	665	14,639
At end of the year	27,949	1,684	29,633
Net book value			
At 31 December 1996	-	308	308
At 31 December 1995	13,974	973	14,947

7. Stocks

	1996 £	1995 £
Raw materials and consumables	10,157	9,852

IWM Business Services Limited

Notes (continued)

8.	Debtors	1996	1995
		£	£
	Amounts falling due within one year:		
	Trade debtors	327,107	448,376
	Amounts owed by group undertakings	112,697	45,544
	Other debtors	-	16,762
	Prepayments and accrued income	1,381	26,516
		<u>441,185</u>	<u>537,198</u>
	The amounts owed by group undertakings comprise:		
	Parent undertaking	<u>112,697</u>	<u>45,544</u>
9.	Creditors: amounts falling due within one year	1996	1995
		£	£
	Bank overdrafts	-	71,696
	Trade creditors	13,298	61,202
	Income tax payable	96,000	-
	Other creditors including taxation and social security	71,805	58,444
	Accruals	48,856	63,265
	Deferred income	281,170	459,255
		<u>511,129</u>	<u>713,862</u>

IWM Business Services Limited

Notes (continued)

10. Share capital

	1996	1995
	£	£
<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/>

11. Reconciliation of movements in shareholders' funds

	1996	1995
	£	£
Profit for the financial year (before Deed of Covenant)	362,735	247,529
Appropriated to parent company by Deed of Covenant	(362,735)	(247,529)
	<hr/>	<hr/>
Net change in shareholders' funds	-	-
Opening shareholders' funds	2	2
	<hr/>	<hr/>
Closing shareholders' funds	2	2
	<hr/>	<hr/>

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.

13. Capital commitments

There were no capital commitments as at 31 December 1996 (1995: £nil).

14. Pension scheme

The company operates a defined contribution scheme. The pension cost for the period represents contributions payable by the company and amounted to £2,690 (1995: £3,937).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.