

IWM Business Services Limited

**Directors' report and financial
statements**

Registered number 2731563

31 December 2002



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Company information

Incorporated in England and Wales on 15 July 1992.

Chairman MR Hewitt CEng FICE FIMech FIIE CCIM FCIWM

Managing Director Mrs MJ Surtees

Non Executive Directors MJ Baker BSc MSc CEng ACGI MICE MCIWM
DT Beadle BA MCIWM
MS Bedford BSc(MEM) MRICS MCIWM
JB Carter FCIWM
D MacKrill JP FCIWM
MJ Philpott AKC BSc(Eng) MICE FCIWM FCIWEM CEng
KA Simmonite FCIWM MCIT Minst TA

Secretary SP Mahoney ACMA ACIS AMIS

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

Auditors KPMG LLP
Altius House
1 North Fourth Street
Milton Keynes
MK9 1NE

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 2002.

Principal activity

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

Business review

The year was an excellent year for the company with all departments producing outstanding performances.

The Training Services department produced an impressive brochure for their published courses and by the end of the year had run some 80 courses with over 640 delegates attending. They were awarded a contract by WRAP to run the pilot trials for the WRAP recycling courses and in addition ran bespoke courses for several companies and organisations. These amounted to a further 28 courses with some 420 delegates in total. During the year, CIWM and ESA merged their training programmes and they will be run jointly next year by IWMBBS.

The Events department were particularly active running some 10 seminars and workshops for CIWM and others in addition to the annual conference at Torbay.

The workshops and seminars covered key topical subjects such as Ozone depleting substances, WEEE, and Landfill Directive implementation, to provide utmost benefit to members.

The annual exhibition continues to be of major importance to IWMBBS and 2002 saw the incorporation of a "recycling village" on to Preston Green. The government sponsored a large delegation of visitors from abroad to the exhibition.

The Journal was re-launched in September and attracted strong advertising revenues throughout the year. Several new features were added that proved popular with members.

Results, dividends and appropriations

The results for the year are shown in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2001: £Nil).

Directors

The directors who served during the year were:

JB Carter
MR Hewitt
MJ Philpott
VJ Martin (resigned 20 May 2002)
D MacKrill
KA Simmonite
MJ Surtees (appointed 20 November 2002)
MJ Baker
DT Beadle
MS Bedford

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

Directors' report *(continued)*

Officers

The officers who served during the year were:

SP Mahoney (Company Secretary)

Auditors

KPMG were re-appointed auditors on 19 March 2002. However, since that date their business was transferred to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors on 5 June 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising. A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'SP Mahoney', with a long horizontal stroke extending to the right.

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.



Altius House
1 North Fourth Street
Central Milton Keynes
Buckinghamshire MK9 1NE
United Kingdom

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

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

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 1985. 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 group 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 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 affairs of the company as at 31 December 2002 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditor

2 April 2003

Profit and loss account

for the year ended 31 December 2002

	Note	2002 £	2001 £
Turnover		2,189,553	1,995,672
Cost of sales		(832,809)	(723,499)
		<hr/>	<hr/>
Gross profit		1,356,744	1,272,173
Administrative expenses		(915,842)	(846,977)
		<hr/>	<hr/>
Operating profit		440,902	425,196
Interest receivable and similar income	5	14,911	22,982
Gift aid/deed of covenant	7	(455,813)	(448,178)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2-4	-	-
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
Retained profit for the year		-	-
Retained profit brought forward		-	-
		<hr/>	<hr/>
Retained profit carried forward		-	-
		<hr/>	<hr/>

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 12 form part of these financial statements.

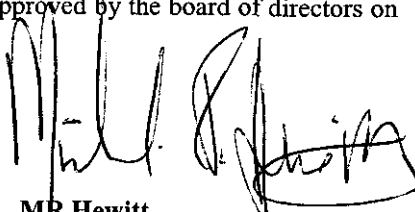
Balance sheet
 at 31 December 2002

	Note	£	2002	£	£	2001	£
Current assets							
Debtors	8	601,105			612,166		
Cash at bank and in hand		356,562			346,313		
		<u>957,667</u>			<u>958,479</u>		
Creditors: amounts falling due within one year	9	<u>(957,665)</u>			<u>(958,477)</u>		
Net current assets				2			2
Total assets less current liabilities				<u>2</u>			<u>2</u>
Capital and reserves							
Called up share capital	11			2			2
Profit and loss account				-			-
Equity shareholders' funds	12			<u>2</u>			<u>2</u>

The notes on pages 8 to 12 form part of these financial statements.

These financial statements were approved by the board of directors on 17/03/03 and were signed on its behalf by:


D MacKrill
 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. The company has adopted, FRS 18 'Accounting policies' and FRS 19 'Deferred tax' in these financial statements.

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.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The company makes pension contributions into independently administered personal funds for certain employees. The amount charged against profits represents the contributions payable in respect of the accounting period.

2 Profit on ordinary activities before taxation

	2002 £	2001 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Auditors' remuneration	6,750	6,500
Re-charges from Chartered Institution of Wastes Management	173,880	-
Re-charges from Institute of Wastes Management	173,880	324,917
Re-charges to Chartered Institution of Wastes Management	(80,588)	-
Re-charges to Institute of Wastes Management	(55,590)	(109,660)
Operating lease rental payments	4,170	7,821
	<hr/>	<hr/>

Notes (continued)

3 Remuneration of directors

	2002 £	2001 £
Directors' fees (non Executive)	-	-
Directors' emoluments	18,354	18,414
Directors' pension	351	842
	<u>18,705</u>	<u>19,256</u>

Directors fees are not paid to members of the board. No directors emoluments are paid to any director/trustee of the parent company.

4 Staff numbers and costs

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

	2002 Number	2001 Number
Office and management	<u>19</u>	<u>18</u>

The aggregate payroll costs of these persons were as follows:

	2002 £	2001 £
Wages and salaries	390,463	346,370
Social security costs	34,649	29,306
Personal pension plan costs	8,299	6,007
	<u>433,411</u>	<u>381,683</u>

No emoluments are paid to any director/trustee of the parent company.

5 Interest receivable and similar income

	2002 £	2001 £
Bank deposit interest receivable	<u>14,911</u>	<u>22,982</u>

Notes (continued)

6 Taxation

Analysis of charge in period

	2002		2001	
	£	£	£	£
<i>UK corporation tax</i>				
Current tax on income for the period	-		-	
Adjustments in respect of prior periods	-		-	
	<hr/>		<hr/>	
Total current tax		-		-
Deferred tax	-		-	
	<hr/>		<hr/>	
		-		-
		<hr/>		<hr/>
Tax on profit on ordinary activities		-		-
		<hr/>		<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2001: lower) than the standard rate of corporation tax in the UK (30%, 2001 : 30%). The differences are explained below.

	2002	2001
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax and gift aid	455,813	448,178
	<hr/>	<hr/>
Current tax at 30% (2001: 30%)	136,744	134,453
<i>Effects of:</i>		
Exempt amount due to Gift Aid	(136,744)	(134,453)
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

7 Gift Aid/Deed of covenant

This represents the payments to the Institute of Wastes Management, and its successor body, the Chartered Institution of Wastes Management, a registered charity, which is the company's ultimate parent company.

Payments totalling £455,813 (2001: £448,178) were made under Gift Aid and Deed of Covenant (2001: Deed of covenant) during the year.

Notes (continued)

8 Debtors

	2002 £	2001 £
Amounts falling due within one year:		
Trade debtors	573,852	567,062
Amounts owed by parent undertaking	7,372	41,205
Prepayments and accrued income	19,881	3,899
	<u>601,105</u>	<u>612,166</u>

9 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	4,592	54,858
Other creditors including taxation and social security:		
Other creditors	79,339	50,681
Taxation and social security	122,463	116,834
Accruals	80,578	65,373
Deferred income	670,693	670,731
	<u>957,665</u>	<u>958,477</u>

10 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2002 £	2001 £
Operating leases which expire:		
In less than one year	-	-
In the second to fifth years inclusive	-	4,019
	<u>-</u>	<u>4,019</u>

11 Share capital

	2002 £	2001 £
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

Notes *(continued)*

12 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year (before Deed of Covenant/Gift Aid)	455,813	448,178
Appropriated to parent company by Deed of Covenant/Gift Aid	(455,813)	(448,178)
	<hr/>	<hr/>
Net change in shareholders' funds	-	-
Opening shareholders' funds	2	2
	<hr/>	<hr/>
Closing shareholders' funds	2	2
	<hr/> <hr/>	<hr/> <hr/>

13 Related party transactions

The company is a wholly owned subsidiary of the Chartered Institution of Wastes Management. The consolidated accounts of the parent undertaking may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.

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.

14 Ultimate parent undertaking

The ultimate parent undertaking of the company is the Chartered Institution of Wastes Management.

Profit and loss account
for the year ended 31 December 2002

	2002 £	2001 £
Turnover		
Delegate fees	215,637	206,963
Exhibition fees	1,007,701	962,036
Seminars and meetings	93,846	63,827
Journal subscriptions	39,623	38,115
Advertising - Journal and other	463,453	435,432
Publications	3,576	5,660
Training courses	350,131	283,639
Other income	15,586	-
	<hr/>	<hr/>
	2,189,553	1,995,672
	<hr/>	<hr/>
Cost of sales		
Conference and exhibitions	456,849	428,250
Business development (direct)	19,901	11,766
Seminars and meetings	59,938	31,850
Journals and publications	302,680	239,495
Less: recovery of journal costs from CIWM/IWM	(136,178)	(109,660)
Training courses	129,619	121,798
	<hr/>	<hr/>
	832,809	723,499
	<hr/>	<hr/>
Gross profit	1,356,744	1,272,173
Recharges from CIWM/IWM	(347,760)	(324,917)
Administrative expenses (see page 14)	(568,082)	(522,060)
	<hr/>	<hr/>
	(915,842)	(846,977)
	<hr/>	<hr/>
Net trading profit	440,902	425,196
Bank deposit interest receivable	14,911	22,982
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Net profit for the year	455,813	448,178
	<hr/>	<hr/>

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

Profit and loss account

for the year ended 31 December 2002 (continued)

	2002	2001
	£	£
Administrative expenses		
Salaries and wages	390,463	346,370
National insurance	34,649	29,306
Personal pension plan costs	8,299	6,007
Healthcare	9,411	7,315
Recruitment costs	19,186	19,031
Training costs	2,592	3,939
Postage and telephone	17,200	16,269
General office expenses	7,847	7,417
Staff travel and accommodation	15,727	10,335
Board meeting costs	11,286	14,959
Promotion and marketing	10,626	13,821
Bank charges	1,447	1,456
Legal and professional	9,091	10,735
Leasing of vehicles	4,170	7,821
Bad debts	3,270	6,372
Computer software licences and support	3,485	4,583
Equipment maintenance and repairs	1,695	896
Printing and stationery	16,127	13,071
Photocopying costs	1,511	2,357
Total administrative expenses (to page 13)	568,082	522,060

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