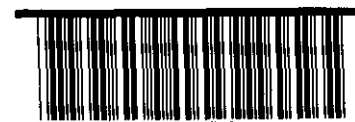


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ISSB Limited

Financial Statements
for the year ended
30 June 2000



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(Company Number 1453049)

ISSB Limited

Financial Statements for the year ended 30 June 2000

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ISSB Limited

Directors and Advisors

Executive Director

Mr D M Rea

Non-Executive Directors

Mr P R Siddall (Chairman)
Mr R P F Barber
Mr A J Bagshawe
Mr D Fletcher
Mr A Kirkcaldy
Mr A P Pedder

Secretary and Registered Office

Mr A L Wright
Millbank Tower
21/24 Millbank
London
SW1P 4QP

Registered Auditors

PricewaterhouseCoopers
Melrose House
42 Dingwall Road
Croydon
CRO 2NE

Bankers

National Westminster Bank plc

ISSB Limited

Directors' Report for the year ended 30 June 2000

The directors present their report and the audited financial statements for the year 1 July 1999 to 30 June 2000.

1. Principal activities

The Company carries on the business of supplying statistical services, primarily to the steel industry.

2. Review of business and future developments

The Company traded satisfactorily throughout the year and the results are shown in the profit and loss account on page 5. Although the profit and loss account shows a loss for the year of £68,273 this is after depreciation charges of £169,223. The directors expect that the present level of activity will be sustained and there remains potential for the scope to be widened in the foreseeable future, which should be aided by the significant investment in new computer facilities.

3. Dividends

The directors do not recommend the payment of a dividend for the year ended 30 June 2000. (1999 : £nil).

4. Directors

The following directors served during the year:

Mr D M Rea	-	Chief Executive
Mr R A Douglas	-	Chairman (resigned 09.12.1999)
Mr P R Siddall	-	Chairman (from 09.12.1999)
Mr A J Bagshawe	-	(appointed 09.12.1999)
Mr R P F Barber		
Mr D Fletcher		
Mr A Kirkcaldy		
Mr A P Pedder	-	(appointed 08.02.2000)
Mr W M Robson	-	(resigned 09.12.1999)

ISSB Limited

5. Directors' interests in shares of the Company

The directors had no interest, as defined by the Companies Act 1985, in the shares of the Company during the year ended 30 June 2000.

6. Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 June 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

7. Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors, will be proposed at the Annual General Meeting.

By Order of the Board



Mr A L Wright
Company Secretary

7 November 2000

Auditors' report to the members of ISSB Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing financial statements in accordance with applicable United Kingdom Accounting Standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 the company's affairs at 30 June 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants & Registered Auditors
Croydon

7 November 2000

ISSB Limited

Profit and Loss Account for the year ended 30 June 2000

	<u>Notes</u>	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
Turnover	2	1,137,141	1,408,954
Cost of Sales		(1,226,386)	(1,271,580)
Operating (Loss)/Profit		<u>(89,245)</u>	<u>137,374</u>
Interest Receivable		11,983	11,767
(Loss)/Profit on ordinary activities before taxation	6	<u>(77,262)</u>	<u>149,141</u>
Taxation on (Loss)/Profit on ordinary activities	7	8,989	(24,224)
Retained (Loss)/Profit for the financial year	8	<u>(68,273)</u> =====	<u>124,917</u> =====

All of the transactions above represented continuing operations.

The Company has no recognised gains and losses other than the (loss)/profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the year stated above, and their historical cost equivalents.

ISSB Limited

Balance Sheet at 30 June 2000

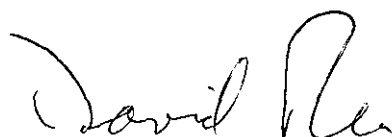
	Notes	2000 £	1999 £
Fixed Assets			
Tangible assets	9	734,275	476,618
Current Assets			
Debtors	10	91,113	353,443
Cash at bank and in hand		206,090	188,689
		<u>297,203</u>	<u>542,132</u>
Creditors: amounts falling due within one year	11	(223,404)	(683,414)
Net Current Assets/(Liabilities)		<u>808,074</u>	<u>(141,282)</u>
Creditors: amounts falling due in more than one year	12	(550,000)	-
Provisions for liabilities and charges	13	(22,327)	(31,316)
Net Assets		<u>235,747</u>	<u>304,020</u>
Capital and Reserves			
Called up Share Capital	14	1,000	1,000
Profit and Loss Account	8	234,747	303,020
Equity Shareholders' funds	15	<u>235,747</u>	<u>304,020</u>

The financial statements on pages 5 to 13 were approved by the Board on 7 November 2000 and were signed on its behalf by:

P R Siddall
Chairman



D M Rea
Chief Executive



ISSB Limited

Notes to the financial statements for the year ended 30 June 2000

1. *Principal accounting policies*

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies which have been consistently applied, is set out below.

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

Turnover

Turnover, which excludes value-added tax and trade discounts, represents the invoiced value of goods and services supplied.

Fixed Assets

- (a) individual items of capital expenditure not exceeding a cost of £1,000 are written off in the profit and loss account of the company in the financial year in which the relevant capital expenditure is incurred; and
- (b) capital expenditure with a cost exceeding £1,000 is capitalised in the financial statements and is depreciated so as to write off the cost of the tangible fixed assets, on a straight line basis over the expected useful economic lives of the assets concerned.

The principal annual rates used for this purpose are:

	%
- computer equipment	25
- bespoke software	15
- fixtures and fittings	10

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. There are no assets held under finance leases.

ISSB Limited

Notes to the financial statements for the year ended 30 June 2000

Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction is entered into. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Pension costs

Pension costs are accounted for on the basis of charging the expected costs of providing pensions over the period during which the Company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

The company provides no other post retirement benefits to its employees.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Cash Flow

The Company qualifies as a small company under the provisions of Section 247 of the Companies Act 1985.

As a consequence it is exempt from the requirement to publish a cash flow statement.

2. *Turnover*

Geographical Analysis of Turnover by Destination

	<u>2000</u> £	<u>1999</u> £
United Kingdom	1,056,715	1,338,558
Rest of the World	80,426	70,396
	<u>1,137,141</u>	<u>1,408,954</u>

3. *Directors' Emoluments*

Aggregate Emoluments, being consideration paid to UK Steel Association for making available the services of directors (see note 20)

34,871	33,697
--------	--------

No directors (1999:0) were members of the group defined benefit pension scheme.

ISSB Limited

Notes to the financial statements for the year ended 30 June 2000

4. *Employee information*

The average number of persons (including executive directors) employed by the Company during the year was: 17 (1999:17)

	<u>2000</u> £	<u>1999</u> £
<u>Staff costs</u>		
Wages and salaries	473,218	464,571
Social security costs	40,944	38,875
Other pension costs (see note 5)	10,877	19,928
	<u>525,039</u> =====	<u>523,374</u> =====

5. *Pension Costs*

The Company participates in the British Steel Pension Scheme (1990) (the 'Scheme'). This is a defined benefit scheme providing benefits based on final pay and service at retirement. The Scheme is operated under trust and its assets are invested independently.

The total pension costs of the Company for 1999/2000 were £10,877 (1998/99: £19,928). The decrease was due to the reduction in the company's contribution rate advised by the Actuary from 5% to 2% in order to spread the surplus of the scheme over the expected service lives of the employees. The costs of the Scheme were assessed in accordance with the advice of independent qualified actuaries and have been based on an actuarial valuation of the Scheme as at 31 March 1999. For this valuation, the actuarial method adopted was the projected unit method and the main actuarial assumptions used were that wages and salaries would increase on average by 4.25% per annum, that the return on investments would be 6.5% per annum and the pension increase would be 2.5% per annum.

The valuation showed the actuarial value of the assets to be sufficient to cover 115% of the actuarial value of the accrued benefits after allowing for expected future increases in pay and pensions. The market value of the Scheme's assets at 31 March 1999 was £8,765m. The next formal valuation is being carried out as at 31 March 2002.

The last formal valuation of the Scheme was made as at 31 March 1999 and the results were set out in the Actuary's Report, dated 28 January 2000. Following submission of summary data of the Scheme as at 31 March 2000, the Actuary has advised that he considers that the assets of the Scheme are adequate to match the Minimum Funding Requirement and there is no need to review the contribution rates set following the formal valuation.

ISSB Limited

Notes to the financial statements for the year ended 30 June 2000

	<u>2000</u> £	<u>1999</u> £	
6. (Loss)/Profit on ordinary activities before taxation			
The (loss)/profit on ordinary activities before taxation is stated after charging:			
Auditors' remuneration	5,750	5,250	
Hire of other assets -			
Operating leases:			
- Plant and equipment	11,350	11,837	
Office Accommodation	135,000	130,079	
Depreciation charge for the year:			
Tangible owned fixed assets	169,223	38,793	
7. Taxation on (loss)/profit on ordinary activities			
United Kingdom corporation tax charge to March 1999 @ 21%; thereafter @ 20%	-	(792)	
Over provision in respect of prior years	-	(6,300)	
Deferred tax charge @ 20%	(8,989)	31,316	
	(8,989)	24,224	
8. Profit and Loss Account			
	£		
At 1 July 1999	303,020		
Retained loss for year	(68,273)		
At 30 June 2000	234,747		
9. Fixed Assets			
	Computer Systems £	Fixtures & Fittings £	<u>TOTAL</u> £
Cost			
At 1 July 1999	622,091	24,560	646,651
Additions	426,880	-	426,880
At 30 June 2000	1,048,971	24,560	1,073,531
Depreciation			
At 1 July 1999	158,202	11,831	170,033
Charges for year	166,767	2,456	169,223
At 30 June 2000	324,969	14,287	339,256
Net Book Value			
30 June 1999	463,889	12,729	476,618
30 June 2000	724,002	10,273	734,275

ISSB Limited

Notes to the financial statements for the year ended 30 June 2000

	<u>2000</u> £	<u>1999</u> £
10. Debtors: amounts falling due within one year		
Trade debtors	10,308	14,703
Amounts owed by Corus	27,408	61,318
Amounts owed by UK Steel Association	32,837	234,858
Corporation Tax	-	7,092
Staff loans	7,113	7,947
Other debtors	13,447	27,525
	<u>91,113</u> =====	<u>353,443</u> =====
11. Creditors: amounts falling due within one year		
Loans from Shareholders	150,000	420,000
Amounts owed to Corus	40,507	47,116
Amounts owed to UK Steel Association	-	1,829
Corporation Tax	-	-
Other Creditors	20,251	198,114
Accruals and deferred income	12,646	16,355
	<u>223,404</u> =====	<u>683,414</u> =====
12. Creditors: amounts falling due after more than one year		
The balance is repayable as follows:		
In one to two years	175,000	-
In two to five years	375,000	-
	<u>700,000</u> =====	<u>-</u> =====
13. Provisions for liabilities and charges		
Opening deferred tax position	31,316	-
(Decrease)/Increase in provision during the year	(8,989)	31,316
Closing deferred tax provision	<u>22,327</u> =====	<u>31,316</u> =====

ISSB Limited

Notes to the financial statements for the year ended 30 June 2000

	<u>2000</u> £	<u>1999</u> £
14. Called up Share Capital		
Authorised		
1,000 Ordinary shares at £1	1,000	1,000
	=====	=====
Allotted called up and fully paid		
1,000 ordinary shares at £1	1,000	1,000
	=====	=====
15. Reconciliation of movements in Shareholders' funds		
Opening Shareholders' funds	304,020	179,103
(Loss)/Profit for the financial year	(45,946)	124,917
	-----	-----
Closing Shareholders' funds	258,074	304,020
	=====	=====

16. Financial commitments

At 30 June 2000, the company had annual commitments under non-cancellable operating leases as follows:

	2000		1999
	Land and buildings £	Other Assets £	Land and Buildings £
Expiring within one year	—	5,704	—
Expiring between two and five years inclusive	—	—	11,837
	-----	-----	-----
	—	5,704	—
	=====	=====	=====
			11,837
			=====

17. Capital Commitments

The company has no capital commitments at end June 2000 (1999 : £264,495).

ISSB Limited

Notes to the financial statements for the year ended 30 June 2000

18. *Deferred taxation*

The total potential deferred tax is as follows:

	Amount provided		Amount unprovided	
	2000 £	1999 £	2000 £	1999 £
Tax effect of timing differences due to accelerated capital allowances	47,279	31,316	—	—
Other short term timing differences	(24,952)	—	—	—
	<u>22,327</u>	<u>31,316</u>	<u>—</u>	<u>—</u>
	=====	=====	=====	=====

19. *Controlling Parties*

The company is owned jointly by BISPA Ltd, on behalf of the UK Steel Association, and Corus UK Ltd each holding 50% of the shares.

20. *Related Parties Transactions*

The following amounts are disclosed under the terms of FRS8, Related Party Transactions.

The total value of transactions with UK Steel Association, the company's joint controlling party were:

	<u>2000</u> £	<u>1999</u> £
Sales (of reports, publications goods and services)	429,052	687,943
Purchases (of Director's services & office accommodation)	192,618	183,624

The total value of transactions with Corus, also the company's joint controlling party were:

Sales (of reports, publications and services)	512,202	531,588
Purchases (of storage space)	48	64

The Company also purchased a payroll service totalling £2,000 (1999 : £2,000) and health insurance totalling £339 (1999 : £720) from Corus and repaid £525,039 (1999 : £523,374) to them for reimbursement of salary costs paid on its behalf under the terms of that service contract.

Debtor and creditor positions at 30 June 2000 with these related parties are set out in notes 10 and 11.