

ISSB Limited

Financial Statements for the year ended 30 June 2004

(Company Number 1453049)



ISSB Limited

Financial Statements for the year ended 30 June 2004

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ISSB Limited

Directors and Advisors

Executive Directors

Mr H A F Collyer
Mr S J Mackrell

Non-Executive Directors

Mr P R Siddall (Chairman)
Mr A J Bagshawe
Mr D S Irvine
Mr D Pell
Mr I S Rodgers
Mr S J Rutherford

Secretary and Registered Office

Mr H A F Collyer
1 Carlton House Terrace
London
SW1Y 5DB

Registered Auditors

PricewaterhouseCoopers
First Point
Buckingham Gate
Gatwick
RH6 0PP

Bankers

National Westminster Bank plc

ISSB Limited

Directors' Report for the year ended 30 June 2004

The directors present their report and the audited financial statements for the year 1 July 2003 to 30 June 2004.

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. The directors expect that the present level of activity will be sustained.

3. Dividends

The directors do not recommend the payment of a dividend for the year ended 30 June 2004. (2002 : £nil).

4. Directors

The following directors served during the year:

Mr P R Siddall	-	Chairman
Mr A J Bagshawe		
Mr H A F Collyer		
Mr M Howell		(resigned 23.03.04)
Mr D S Irvine		(appointed 23.03.04)
Mr S J Mackrell		
Mr D Pell		(appointed 23.03.04)
Mr D M Rea		(resigned 31.07.03)
Mr I S Rodgers		
Mr S J Rutherford		

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 2004.

ISSB Limited

6. Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

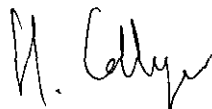
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2004 and that applicable accounting standards have been followed.

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 LLP as auditors of the company will be proposed at the Annual General Meeting.

By Order of the Board



H A F Collyer
Company Secretary

19 October 2004

Independent auditors' report to the members of ISSB Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants & Registered Auditors
Gatwick

26 October 2004.

ISSB Limited

Profit and Loss Account for the year ended 30 June 2004

	<u>Notes</u>	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
Turnover	2	912,900	956,692
Cost of Sales		(907,227)	(952,292)
Operating Profit		5,673	4,400
Interest Receivable		10,724	8,396
Profit on ordinary activities before taxation	6	16,397	12,796
Taxation on ordinary activities	7	(3,537)	1,342
Retained Profit for the financial year	8	12,860	14,138
		=====	=====

All of the transactions above represented continuing operations.

The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

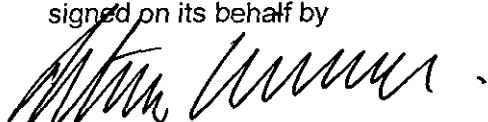
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

ISSB Limited

Balance Sheet at 30 June 2004

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
Fixed Assets			
Tangible assets	9	18,130	231,613
Current Assets			
Debtors	10	106,256	88,859
Cash at bank and in hand		411,782	409,186
		<u>518,038</u>	<u>498,045</u>
Creditors: amounts falling due within one year	11	(113,113)	(315,833)
Net Current Assets		<u>404,925</u>	<u>182,212</u>
Total Assets less Current Liabilities		<u>423,055</u>	<u>413,825</u>
 Provisions for liabilities and charges	12	 -	 (3,630)
Net Assets		<u>423,055</u>	<u>410,195</u>
Capital and Reserves			
Called up Share Capital	13	1,000	1,000
Profit and Loss Account	8	422,055	409,195
Equity Shareholders' funds	14	<u>423,055</u>	<u>410,195</u>

The financial statements on pages 5 to 14 were approved by the Board on 19 October 2004 and were signed on its behalf by



P R Siddall
Chairman

ISSB Limited

Notes to the financial statements for the year ended 30 June 2004

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	33.3
- bespoke software	20
- 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 2004

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.

FRS 17 'Retirement Benefits' has been adopted in this year's financial statements.

Deferred taxation

Deferred tax is recognised in respect of all timing differences arising from the different treatment for accounts and tax purposes of transactions or events recognised in the financial statements of the current and previous financial years. Deferred taxation is calculated at the rates at which it is estimated that tax will arise,

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>2004</u>	<u>2003</u>
	£	£
United Kingdom	810,668	848,586
Rest of the World	102,232	108,106
	<u>912,900</u>	<u>956,692</u>
	=====	=====

3. Directors' Emoluments

Aggregate Emoluments	137,939	2,855
Consideration paid to UK Steel for making available the services of a director (see Note 19)	-	16,666
	<u>137,939</u>	<u>19,521</u>
	=====	=====

Two directors (2003:nil) were members of the defined benefit pension scheme.

ISSB Limited

Notes to the financial statements for the year ended 30 June 2004

4. *Employee information*

The average number of persons (including executive directors) employed by the Company during the year was: 13 (2003:13)

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
<u>Staff costs</u>		
Wages and salaries	393,304	382,533
Social security costs	35,106	30,991
Other pension costs (see note 5)	-	4,841
	<u>428,410</u>	<u>418,365</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 the year were nil (2003: £4,841). 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 2002. For this valuation, the actuarial funding 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, the return on investments would be 6.5% per annum, the increase in equity dividends would be 3%, the increase in the Lower Earnings Limit would be 2.5% per annum and the pension increase would be 2.5% per annum.

The market value of the Scheme's assets at 31 March 2004 was £7,731m. The next formal valuation is being carried out as at 31 March 2005

The last formal valuation of the Scheme was made as at 31 March 2002 and the results were set out in the Actuary's Report, dated 11 February 2003. The Actuary has advised that he considers that the assets of the Scheme are adequate to match the Minimum Funding Requirement and that the contribution rate for the Employer be reduced, as from 1 April 2003, to nil.

ISSB Limited is unable to identify its share of the underlying assets and liabilities of the scheme and is therefore unable to provide the additional disclosure required by FRS 17.

ISSB Limited

Notes to the financial statements for the year ended 30 June 2004

	<u>2004</u> £	<u>2003</u> £
6. Profit on ordinary activities before taxation		
The profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration – audit services	6,450	6,450
– non audit services	2,100	1,200
Hire of other assets -		
Operating leases:		
- Plant and equipment	13,307	13,720
- Office Accommodation	45,004	45,754
Depreciation charge for the year:		
Tangible owned fixed assets	219,232	242,383
7. Taxation on profit on ordinary activities		
<u>Current tax</u>		
UK Corporation tax on the profits of the year	34,005	30,219
Adjustments in respect of previous periods	-	3,755
	<u>34,005</u>	<u>33,974</u>
<u>Deferred tax</u>		
Origination and reversal of timing differences	(30,468)	(35,316)
	<u>(30,468)</u>	<u>(35,316)</u>
Tax on profit on ordinary activities	(3,537)	(1,342)
	=====	=====
Profit on ordinary activities before tax	16,397	12,796
	=====	=====
Profit before tax multiplied by the standard rate of corporation		
Tax at 19%	3,115	2,421
Expenses not deductible for tax purposes	595	256
Depreciation for the period in excess of capital allowances	30,468	27,532
Adjustments to tax in respect of previous periods	-	3,755
Other timing differences	(173)	-
Current tax charge for year	<u>34,005</u>	<u>33,974</u>
	=====	=====

ISSB Limited

Notes to the financial statements for the year ended 30 June 2004

8. Profit and Loss Account

	£
At 1 July 2003	409,195
Retained profit for year	<u>12,860</u>
At 30 June 2004	422,055
	=====

9. Fixed Assets

	Computer Systems £	Fixtures & Fittings £	TOTAL £
Cost			
At 1 July 2003	789,670	31,654	821,324
Additions	5,749	-	5,749
Disposals	-	-	-
At 30 June 2004	795,419	31,654	827,073
Depreciation			
At 1 July 2003	566,638	23,073	589,711
Charges for year	216,066	3,166	219,232
Disposals	-	-	-
At 30 June 2004	782,704	26,239	808,943
Net Book Value			
30 June 2003	223,032	8,581	231,613
	=====	=====	=====
30 June 2004	12,715	5,415	18,130
	=====	=====	=====

10. Debtors: amounts falling due within one year

	2004 £	2003 £
Trade debtors	26,810	31,019
Amounts owed by Corus	28,717	49,446
Other Debtors	1,573	-
Deferred Tax (see note 12)	26,838	-
Staff loans	3,928	4,225
Prepayments & Accrued Income	18,391	4,169
	106,256	88,859
	=====	=====

ISSB Limited

Notes to the financial statements for the year ended 30 June 2004

11. Creditors: amounts falling due within one year

	<u>2004</u>	<u>2003</u>
	£	£
Trade Creditors	20,759	31,938
Loans from Shareholders	-	200,000
Amounts owed to Corus	39,105	34,734
Corporation Tax	36,243	32,457
Other Creditors	-	911
Accruals and deferred income	17,006	15,793
	<u>113,113</u>	<u>315,833</u>
	=====	=====

12. Provisions for liabilities and charges

Opening deferred tax position	3,630	38,946
Decrease in provision during the year	(30,468)	(35,316)
Closing deferred tax provision	<u>(26,838)</u>	<u>3,630</u>
	=====	=====

The deferred tax balance is made up as follows:

Tax effect of timing differences due to accelerated capital allowances	(26,838)	3,630
	<u>(26,838)</u>	<u>3,630</u>
	=====	=====

ISSB Limited

Notes to the financial statements for the year ended 30 June 2004

	<u>2004</u> £	<u>2003</u> £
13. 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
	=====	=====
14. Reconciliation of movements in Shareholders' funds		
Opening Shareholders' funds	410,195	396,057
Profit for the financial year	12,860	14,138
	-----	-----
Closing Shareholders' funds	423,055	410,195
	=====	=====

15. Financial commitments

At 30 June 2004, the company had annual commitments under non-cancellable operating leases as follows:

	Other Assets	Other Assets
Expiring within one year	6,199	-
Expiring between two and five years inclusive	5,954	13,720
	-----	-----
	12,153	13,720
	=====	=====

16. Capital Commitments

The company has no capital commitments at 30 June 2004 (2003 : nil).

ISSB Limited

Notes to the financial statements for the year ended 30 June 2004

17. Controlling Parties

The company was owned jointly by EEF Trustees Ltd, on behalf of UK Steel, and Corus UK Ltd each holding 50% of the shares, during the year ended 30 June 2004.

18. Related Parties Transactions

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

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

	<u>2004</u> £	<u>2003</u> £
Sales (of reports, publications goods and services)	195,900	205,800
Purchases - Director's services	-	16,666

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

Sales (of reports, publications and services)	479,252	490,611
Purchases (of payroll service, & health insurance & storage space)	2,820	4,772

The Company repaid to Corus £ 428,410 (2003 : £418,365) for reimbursement of salary costs paid on its behalf under the terms of the payroll service contract.

Debtor and creditor positions at 30 June 2004 with these related parties are set out in notes 10 and 11.