Registered No. 1222212

Energy Information Centre Limited

Annual report for the year ended 31 December 2005

ENERGY INFORMATION CENTRE LIMITED

Annual report and financial statements for the year ended 31 December 2005

Directors and advisers

Directors
Metal Bulletin plc
JA Wetton
P Gaskell

Secretary and registered office
G J Moss
Park House
Park Terrace
Worcester Park
Surrey
KT4 7HY

Solicitors
Lawrence Graham LLP
190 Strand
London
WC2R 1JN

Registered auditors
PricewaterhouseCoopers LLP
No 1 Embankment Place
London
WC2N 6RH

Bankers
HSBC Bank plc
9 Wellesley Road
Croydon
Surrey
CR9 2AA

Directors' report for the year ended 31 December 2005

The directors present their annual report and the audited financial statements of Energy Information Centre Limited for the year ended 31 December 2005.

Principal activity
The principal activities of the company comprise the provision of energy information and consultancy services.

Review of business
The results for the year are set out in the income statement on page 5.
Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Results and dividends
The profit for the year after taxation was £152,971 (2004: £146,185).
During the year a dividend of £150,000 was proposed and paid (2004: £140,000).

Principal risks and uncertainties
The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are integrated and managed within the principal risks of Metal Bulletin plc group. These risks are discussed on page 11 and 12 of the Group's Annual Report for the year ended 31 December 2005 which does not form part of this report.

Directors and directors' interests
The directors who served during the year and those who were appointed or who resigned subsequent to the year end are shown below. Apart from Metal Bulletin plc, no director held a beneficial interest in the shares of the company.

T Hempenstall (resigned 30 April 2006)
Metal Bulletin plc
JA Wetton
P Gaskell

T Hempenstall was also director of the ultimate parent company Metal Bulletin plc, and his share interests were disclosed in the accounts of that company.

Political and charitable contributions
The company made no charitable donations in the current or prior year.

Auditors
The auditors, Deloitte & Touche LLP resigned during the year. The directors appointed PricewaterhouseCoopers LLP to the vacancy. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the next annual general meeting.

By order of the board

COLIN JONES

27 FEBRUARY 2007

Statement of 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.

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.
- State that the financial statements comply with International Financial Reporting Standards (IFRS).
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

By order of the board

COLIN JONES

27 FEBRUARY 2007

Independent auditors' report to the members of Energy Information Centre Limited

We have audited the financial statements of Energy Information Centre Limited for the year ended 31 December 2005 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 International Standards on Auditing (UK and Ireland). 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 whether the financial statements have been 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 other transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2005 and of its profit and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

27 February 2007

Income statement
for the year ended 31 December 2005

	Notes	2005	2004
		£	£
Revenue	1	**3,578,322**	3,066,540
Cost of sales		**(386,793)**	(330,506)
Gross profit		**3,191,529**	2,736,034
Administrative expenses		**(2,942,707)**	(2,525,670)
Operating profit		***248,822***	*210,364*
Finance costs	3	**(24,806)**	-
Profit before taxation	4	**224,016**	210,364
Taxation	5	**(71,045)**	(64,179)
Profit for the year	16	**152,971**	146,185

The above results relate to the continuing operations of the company.

The company had no gains or losses other than those included above. Therefore no separate statement of recognised income and expense has been presented.

Balance sheet

At 31 December 2005

	Notes	2005	2004
		£	£
Assets			
Non-current assets			
Other intangible assets	7	**181,467**	34,013
Property, plant & equipment	8	**93,909**	87,589
Investments	9	**53**	-
Other receivables	10	**619,518**	619,518
Deferred tax asset	11	**24,049**	7,355
		918,996	748,475
Current assets			
Inventories	12	**25,000**	32,500
Trade and other receivables	13	**1,069,101**	800,834
Cash and cash equivalents		**195,490**	1,001,890
		1,289,591	1,835,224
Total assets		**2,208,587**	2,583,699
Liabilities			
Current liabilities			
Trade and other payables	14	**(1,246,308)**	(1,627,460)
		(1,246,308)	(1,627,460)
Net assets		**962,279**	956,239
Equity			
Called up share capital	15	**10,000**	10,000
Retained earnings	16	**952,279**	946,239
Total shareholders' equity	17	**962,279**	956,239

The financial statements on pages 5 to 23 were approved by the board of directors on

27TH FEBRUARY 2007 and were signed on its behalf by:

– Director of Metal Bulletin plc

COLIN JONES

Cash flow statement
for the year ended 31 December 2005

	Notes	2005	2004
		£	£
Cash flows from operating activities			
Cash (absorbed by) / generated from operations	18	**(318,535)**	572,011
Interest paid		**(24,806)**	-
Tax paid		**(87,739)**	(77,333)
Net cash from operating activities		**(431,080)**	494,678
Cash flows from investing activities			
Purchase of property, plant & equipment		**(44,899)**	(38,561)
Purchase of computer software		**(180,369)**	(25,548)
Sale of property, plant & equipment		**1**	-
Purchase of investments		**(53)**	-
Net cash used in investing activities		**(225,320)**	(64,109)
Cash flows from financing activities			
Dividends paid	6	**(150,000)**	(140,000)
Net cash used in financing activities		**(150,000)**	(140,000)
Net (decrease) / increase in cash and cash equivalents		**(806,400)**	290,569
Cash and cash equivalents at beginning of the year		**1,001,890**	711,321
Cash and cash equivalents at end of the year		**195,490**	1,001,890

Statement of accounting policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis and in accordance with applicable International Financial Reporting Standards ("IFRS") endorsed by the E.U., and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The principal accounting policies adopted are set out below.

IFRS 1, "First-time Adoption of International Financial Reporting Standards" sets out the procedures that the Company must follow when it adopts IFRS for the first time as the basis for preparing its financial statements. The Company is required to establish its IFRS accounting policies as at 31 December 2004 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at its date of transition, 1 January 2004.

This standard provides a number of optional exceptions to this general principle. The most significant of these are set out below, together with a description in each case of the exception adopted by the Company.

a. Business combinations that occurred before the opening IFRS balance sheet date (IFRS 3, "Business Combinations").

The Company has elected not to apply IFRS 3 to Business combinations prior to 1 January 2004.

a) Intangible fixed assets

Intangible fixed assets, including, but not restricted to computer software (previously included together with the associated computer hardware under tangible fixed assets under UK GAAP), are recorded at cost and amortised on a straight-line basis over their estimated useful life. The useful life of computer software is estimated at three years. Provision is made for any impairment.

b) Property, plant and equipment

Tangible fixed assets are stated at cost net of depreciation and provision for impairment. Depreciation is provided on assets in equal instalments over their estimated useful lives. Rates of depreciation of the main classes of asset are:

• Fixtures & fittings	12.5%
• Office equipment	25% – 50%
• Computer hardware	25% – 50%
• Leasehold property	12.5%

c) Investments

Fixed asset investments are shown at cost less provision for impairment.

d) Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less additional costs to completion and disposal.

e) Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Statement of accounting policies (continued)

f) Taxation

The tax expense represents the sum of tax currently payable and deferred tax.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

g) Revenue recognition

Revenue comprises sales to customers at invoiced amounts less value added tax.

h) Pensions

The Company organises and contributes 5% of participating employees' salaries to a Company Personal Pension plan run by the Skandia Life Company. Contributions to this plan are charged in the year they fall due. For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

i) Share-based Payment

IFRS 2, "Share-based Payment" states that an expense for equity instruments granted should be recognised in the financial statements based on their fair value at the date of grant. This expense, which is primarily in relation to employee option and performance share schemes, is then recognised over the vesting period of the relevant scheme.

The Company has applied IFRS 2 to all instruments granted after 7 November 2002 but not fully vested as at 1 January 2005 and has adopted the Black-Scholes model for the purposes of computing fair value.

Deferred tax is also provided based upon the expected future tax deductions relating to share-based payment transactions, and is recognised over the vesting period of the schemes concerned.

Statement of accounting policies (continued)

j) Foreign currencies

In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

k) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

l) Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and overnight deposits. For the purposes of the cash flow statement, cash and cash equivalents are net of bank overdrafts where the overdrafts are repayable on demand and form an integral part of the Company's cash management.

n) Consolidation

The company has taken advantage of the exemption from preparing Consolidated accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly-owned subsidiary of Metal Bulletin plc which prepares Consolidated financial statements which are publicly available.

Notes to the financial statements for the year ended 31 December 2005

1 Segmental information

The company's turnover is derived from its principal activity, which comprise the provision of energy information and consultancy services. Sales were made in the following geographical markets:

Revenue from continuing operations	2005	2004
	£	£
United Kingdom	3,372,925	2,962,520
Europe	198,831	94,500
USA	873	7,021
Rest of the world	5,693	2,499
	3,578,322	3,066,540

2 Employees

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

	2005	2004
	Number	Number
By activity		
Administration	9	9
Production	29	30
Sales	17	11
	55	50

Staff costs (including directors' emoluments) consist of:

	2005	2004
	£	£
Staff costs (for the above persons)		
Wages and salaries	1,809,394	1,543,019
Social security costs	199,033	169,664
Other pension costs	28,609	45,217
	2,037,036	1,757,900

Directors' emoluments:

	2005	2004
	£	£
Aggregate emoluments	150,018	210,507

The emoluments, excluding pension contributions, of the highest paid director were £118,175 (2004: £100,034). The associated amount contributed to money purchase pension schemes on behalf of the highest paid director was £nil (2004: £nil).

Notes to the financial statements for the year ended 31 December 2005

3 Finance costs

	2005	2004
	£	£
Interest on bank overdrafts	1,923	-
Interest on related entity loans	22,883	-
	24,806	-

4 Profit before taxation

Profit before taxation is stated after charging:	2005	2004
	£	£
Amortisation of intangible assets	32,915	6,734
Depreciation of tangible assets	35,456	70,474
Loss on disposal of fixed assets	3,122	-
Inventories written off	7,500	-
Employee share option scheme		
- value of employee services	3,069	1,667
Operating lease rentals:		
Property	98,931	91,990
Plant and machinery	66,630	55,577

Auditors' remuneration for the current and prior years was borne by the parent company.

5 Income tax expense

Analysis of charge in the year

	2005	2004
	£	£
Continuing operations:		
Current tax	87,739	77,335
Deferred tax (note 11)	(16,694)	(13,156)
Total tax charge on continuing operations	71,045	64,179

Notes to the financial statements for the year ended 31 December 2005

6 *Income tax expense (continued)*

The tax charge on the company's profits differs from the theoretical amount that would arise *from using the standard tax rate applicable of 30% (2004: 30%) applied to the pre-tax profit* for the year as follows:

	2005	2004
	£	£
Profit before tax	**224,016**	210,364
Tax on profit at standard rate	**67,205**	63,109
Expenses not deductible for tax purposes	**3,840**	4,070
Adjustment in respect of previous years – group relief	-	(3,000)
Total taxation	**71,045**	64,179

6 Dividends

	2005	2004
	£	£
Dividend paid of £15 (2004: £14) per ordinary share	**150,000**	140,000

7 Other intangible assets

Computer software	**£**
Cost	
At 1 January 2005	52,089
Additions	180,369
At 31 December 2005	**232,458**
Depreciation	
At 1 January 2005	18,076
Charge for year	32,915
At 31 December 2005	**50,991**
Net book value	
At 31 December 2005	**181,467**

Notes to the financial statements
for the year ended 31 December 2005

7 Other intangible assets (continued)

	£
Cost	
At 1 January 2004	26,541
Additions	25,548
At 31 December 2004	52,089
Depreciation	
At 1 January 2004	11,342
Charge for year	6,734
At 31 December 2004	18,076
Net book value	
At 31 December 2004	34,013

8 Property, plant & equipment

	Leasehold property	Fixtures & fittings	Office Equipment	Computer hardware	Total
	£	£	£	£	£
Cost					
At 1 January 2005	28,919	34,451	183,868	173,096	**420,334**
Additions	3,631	11,466	-	29,802	**44,899**
Disposals	-	-	-	(12,544)	**(12,544)**
At 31 December 2005	32,550	45,917	183,868	190,354	**452,689**
Depreciation					
At 1 January 2005	16,065	24,385	183,868	108,427	**332,745**
Charge for year	6,173	5,055	-	24,228	**35,456**
Disposals	-	-	-	(9,421)	**(9,421)**
At 31 December 2005	22,238	29,440	183,868	123,234	**358,780**
Net book value					
At 31 December 2005	**10,312**	**16,477**	-	**67,120**	**93,909**

Notes to the financial statements for the year ended 31 December 2005

8 Property, plant & equipment (continued)

	Leasehold property	Fixtures & fittings	Office Equipment	Computer hardware	Total
	£	£	£	£	£
Cost					
At 1 January 2004	28,919	32,285	183,868	136,701	**381,773**
Additions	-	2,166	-	36,395	**38,561**
At 31 December 2004	28,919	34,451	183,868	173,096	**420,334**
Depreciation					
At 1 January 2004	11,097	15,982	148,975	86,217	**262,271**
Charge for year	4,968	8,403	34,893	22,210	**70,474**
At 31 December 2004	16,065	24,385	183,868	108,427	**332,745**
Net book value					
At 31 December 2004	***12,854***	***10,066***	-	***64,669***	***87,589***

9 Investments

	Subsidiary undertakings
	£
Cost and net book value	
Balance at 1 January 2005	-
Additions (relating to EIC Ireland Limited)	53
Balance at 31 December 2005	53
Balance at 31 December 2004	-

Holdings in subsidiary undertaking incorporated in Eire:

Name of company	Nature of business	Class of shares held	Proportion of class held	Capital and reserves	Loss for the period
Energy Information Centre – Ireland	Provision of energy information and consultancy services for Irish market.	Ordinary	80%	£67	£1,611

Notes to the financial statements for the year ended 31 December 2005

10 Other receivables

	2005	2004
	£	£
Amounts owed by Group undertakings	**619,518**	619,518
	619,518	619,518

These loans to EIC (2001) Limited are non-interest bearing and unsecured and there are no specific terms of repayment.

11 Deferred tax asset

	Accelerated capital allowances	Short-term timing differences	Total
Movement	£	£	£
As at 1 January 2004	(8,035)	2,234	**(5,801)**
Income statement credit	10,106	3,050	**13,156**
At 31 December 2004	2,071	5,284	**7,355**
Income statement credit	12,774	3,920	**16,694**
At 31 December 2005	**14,845**	**9,204**	**24,049**

12 Inventories

	2005	2004
	£	£
Finished goods	-	7,500
Work in progress	**25,000**	25,000
	25,000	32,500

13 *Trade and other receivables*

	2005	2004
	£	£
Amounts falling due within one year		
Gross trade debtors	***764,356***	*674,531*
Less: Impairment of trade receivables	**(25,000)**	(15,000)
Trade debtors	**739,356**	659,531
Amounts owed by Group undertakings	**105,337**	-
Other debtors	**6,100**	-
Prepayments	**218,308**	141,303
	1,069,101	800,834

Notes to the financial statements for the year ended 31 December 2005

14 Trade and other payables

	2005	2004
	£	£
Trade payables	**48,819**	72,108
Owed to Group undertakings	**594,700**	783,510
Other taxes and social security	**91,325**	81,157
Accruals	**177,220**	257,965
Income received in advance	**334,244**	432,720
	1,246,308	1,627,460

Included above under Owed to Group undertakings are inter-company balances of £486,052 (2004: £nil) that bear interest at 6.6% per annum. These balances are repayable on demand.

15 Called up share capital

	2005	2004
	£	£
Authorised		
10,000 ordinary shares of £1 each	**10,000**	10,000
Allotted, called up and fully paid		
10,000 ordinary shares of 10p each	**10,000**	10,000

16 Retained earnings

	2005	2004
	£	£
As at 1 January	**946,239**	938,387
Retained profit for the year	**152,971**	146,185
Dividend paid	**(150,000)**	(140,000)
Employee share option scheme		
- value of employee services	**3,069**	1,667
	952,279	946,239

Notes to the financial statements

for the year ended 31 December 2005

17 Shareholders' funds and statement of changes in shareholders' equity

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2005	10,000	946,239	**956,239**
Profit for the year	-	152,971	**152,971**
Dividend paid	-	(150,000)	**(150,000)**
Employee share option scheme			
- value of employee services	-	3,069	**3,069**
Balance at 31 December 2005	**10,000**	**952,279**	**962,279**

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2004	10,000	938,387	**948,387**
Profit for the year	-	146,185	**146,185**
Dividend paid	-	(140,000)	**(140,000)**
Employee share option scheme			
- value of employee services	-	1,667	**1,667**
Balance at 31 December 2004	**10,000**	**946,239**	**956,239**

Notes to the financial statements

for the year ended 31 December 2005

18 Cash flow from operating activities

Reconciliation of profit from operations to net cash inflow from operating activities

	2005	2004
Cash generated from operations	**£**	£
Net profit	**152,971**	146,185
Taxation	**71,045**	64,179
Finance costs	**24,806**	-
Depreciation of property, plant & equipment	**35,456**	70,474
Amortisation of intangible assets	**32,915**	6,734
Loss on disposal of property, plant & equipment	**3,122**	-
Non-cash share based payment	**3,069**	1,667
Operating cash flows before movements in working capital	**323,384**	289,239
Decrease in inventories	**7,500**	13,250
Increase in receivables	**(268,267)**	(254,969)
(Decrease)/increase in payables	**(381,152)**	524,491
Cash (absorbed by) / generated from operations	**(318,535)**	572,011

19 Operating lease commitments

	2005		2004	
	Property	**Other**	Property	Other
	£	**£**	£	£
Annual commitments under operating leases expiring:				
Later than one year to five years	**99,728**	**63,849**	89,797	62,736

20 Pensions

The company contributed £35,376 (2004: £22,377) to the pension funds of serving employees during the year, as part of the defined contribution scheme. There were no amounts outstanding in prepayments or accruals at the year end.

In compliance with legislation, all UK employees have access to a stakeholder pension scheme after completion of three months service.

21 Share based payments

The employee share purchase plans are open to almost all employees and provide for a purchase price equal to the daily average market price on the date of grant, less 15 percent. The shares allocated are generally placed in the employee share savings plan for a 5 year period. No performance criteria are attached to the exercise of options granted under either the 1994 Employee (Savings Related) Share Option Scheme or the 2004 Employee (Savings Related) Share Option Scheme.

Options were valued using the Black-Scholes option-pricing model.

The fair value per option granted and the assumptions used in the calculation are set out in detail in note 22 of Metal Bulletin plc Annual report and financial statements 2005.

Notes to the financial statements
for the year ended 31 December 2005

22 Related party disclosures

Relationship:

EIC Limited's immediate parent is EIC (2001) Limited and its ultimate parent and controlling party is Metal Bulletin plc. Both EIC (2001) Limited and Metal Bulletin plc are incorporated in Great Britain. The largest and smallest group in which the results of EIC Limited are consolidated is that headed by Metal Bulletin plc. Copies of these consolidated financial statements may be obtained from Metal Bulletin plc, Park House, Park Terrace, Worcester Park, Surrey, KT4 7HY.

EIC Limited has an 80% interests in a subsidiary, EIC Ireland Limited. Refer to note 9 for further information.

Key management personnel:	**2005**	2004
	Number	Number
Key management personnel comprises directors and key department heads	**2**	3
	2005	2004
Aggregate emoluments for these people are made up as follows:	**£**	£
Short-term employee benefits	**145,091**	137,374
Post-employment benefits	**4,927**	15,227
Other long-term benefits	**-**	-
Termination benefits	**-**	57,906
Total aggregate emoluments for these people:	**150,018**	210,507

Transactions and balances:	**2005**	2004
	£	£
a) During the year EIC Limited:		
incurred net direct cost, other overhead recharges and shared services recharges from its ultimate parent	**125,158**	114,625
paid dividends to its ultimate parent	**150,000**	140,000
incurred interest charges at 6.6% per annum on ultimate parent loans	**22,883**	-
No other transactions (other than those specifically set out below) occurred with a related party.		
b) Year end balances arising from related party transactions are:	**2005**	2004
	£	£
Long term loan receivable from related party entities (immediate parent entity)		
Non-interest bearing and unsecured:		
EIC (2001) Limited	**619,518**	619,518
Short term loan payable to related party entities (ultimate parent entity)		
Non-interest bearing and unsecured:		
Metal Bulletin plc	**108,648**	783,511
Interest bearing and unsecured:		
Metal Bulletin plc	**486,052**	-
Short term loan receivable from related party entities (subsidiary entity)		
Non-interest bearing and unsecured:		
EIC Ireland Limited	**105,337**	-

Notes to the financial statements
for the year ended 31 December 2005

23 Reconciliation of UK GAAP to IFRS

Key impact analysis

The analysis below sets out the most significant adjustments arising from the transition to IFRS.

1. Deferred and current taxes
The scope of IAS 12, "Income Taxes" is wider than the corresponding UK GAAP standards, and requires deferred tax to be provided on all temporary differences rather than just timing differences under UK GAAP.

2. Share-based payment
IFRS 2, "Share-based Payment" requires that an expense for equity instruments granted be recognised in the financial statements based on their fair value at the date of grant. This expense, which is in relation to employee option and performance share schemes, is recognised over the vesting period of the scheme.

IFRS 2 has been applied to all options granted after 7 November 2002 and not fully vested by 1 January 2005.The Group has adopted the Black Scholes model for the purposes of computing fair value under IFRS.

a. Reconciliation of income statement for the year ended 31 December 2004

	UKGAAP	IFRS 2	IFRS
	£	£	£
Revenue	3,066,540	-	3,066,540
Cost of sales	(330,506)	-	(330,506)
Gross profit	**2,736,034**	-	**2,736,034**
Administrative expenses	(2,524,003)	(1,667)	(2,525,670)
Profit before taxation	**212,031**	**(1,667)**	**210,364**
Taxation	(64,679)	500	64,179
Profit for the year	**147,352**	**(1,167)**	**146,185**

Notes to the financial statements
for the year ended 31 December 2005

23 *Reconciliation of UK GAAP to IFRS (continued)*

b. Reconciliation of equity at 1 January 2004 (date of transition)

	UKGAAP	IAS 12	IAS 38	IFRS
	£	£	£	£
Assets				
Non-current assets				
Other intangibles	-	-	15,199	**15,199**
Property, plant & equipment	134,701	-	(15,199)	**119,502**
Other receivables	619,518	-	-	**619,518**
	754,219	-	-	**754,219**
Current assets				
Inventories	45,750	-	-	**45,750**
Trade and other receivables	621,496	-	-	**621,496**
Cash and cash equivalents	711,321	-	-	**711,321**
	1,378,567	-	-	**1,378,567**
Liabilities				
Current liabilities				
Trade and other payables	(1,178,598)	-	-	**(1,178,698)**
Non-current liabilities				
Deferred tax	(6,085)	284	-	**(5,801)**
Total liabilities	(1,184,683)	284	-	**(1,184,401)**
Net assets	948,103	284	-	**948,387**
Equity				
Share capital	10,000	-	-	**10,000**
Retained earnings	938,103	284	-	**938,387**
Total shareholders' equity	955,455	284	-	**948,387**

Notes to the financial statements

for the year ended 31 December 2005

23 Reconciliation of UK GAAP to IFRS (continued)

c. Reconciliation of equity at 31 December 2004

	UKGAAP	IAS 12	IAS 38	IFRS
	£	£	£	£
Assets				
Non-current assets				
Other intangibles	-	-	34,013	34,013
Property, plant & equipment	121,602	-	(34,013)	87,589
Other receivables	619,518	-	-	619,518
Deferred tax asset	6,571	784	-	7,355
	976	784	-	748,475
Current assets				
Inventories	32,500	-	-	32,500
Trade and other receivables	800,834	-	-	800,834
Cash and cash equivalents	1,001,890	-	-	1,001,890
	1,835,224	-	-	1,835,224
Liabilities				
Current liabilities				
Trade and other payables	(1,627,460)	-	-	(1,627,460)
Net assets	955,455	784	-	956,239
Equity				
Share capital	10,000	-	-	10,000
Retained earnings	945,455	784	-	946,239
Total shareholders' equity	955,455	784	-	956,239