

RUST RESOURCES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2000



Company Number 02704357

RUST RESOURCES LIMITED

**REPORTS AND ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2000**

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RUST RESOURCES LIMITED

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 30 SEPTEMBER 2000

The director presents his report and audited financial statements for the year ended 30 September 2000.

PRINCIPAL ACTIVITIES

The activity of the company is that of a contractor to the engineering industry in the UK and overseas.

REVIEW OF THE COMPANY'S ACTIVITIES

The profit and loss account for the period is set out on page 4. The company suffered a significant downturn in trade during the year following the loss of a major contract. The company has obtained a number of contracts in the UK and overseas which provides a good foundation for future trading.

The retained profit for the year is to be transferred to reserves.

The director does not recommend the payment of a dividend.

DIRECTORS

The director who held office during the year and his beneficial interest in the shares of the company are as follows :

	At 30.9.00 No.	At 30.9.99 No.
D C Edwards	-	-

FIXED ASSETS

The movements of fixed assets are set out in note 7 to the financial statements.

AUDITORS

The auditors Morison Stoneham have transferred their audit business to Blueprint Audit Limited. In accordance with section 26 of the Companies Act 1989 Blueprint Audit Limited trading as Morison Blueprint have been appointed as auditors to succeed Morison Stoneham and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

ABBREVIATED ACCOUNTS

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

BY ORDER OF THE BOARD

P A Edwards

Secretary



23/01/2001

RUST RESOURCES LIMITED

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTOR

Company law requires the director to prepare financial statements for each financial year which 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 director is required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

RUST RESOURCES LIMITED

AUDITORS' REPORT TO RUST RESOURCES LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 12, together with the financial statements of the company for the year ended 30 September 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 12 are properly prepared in accordance with that provision.

805 Salisbury House
31 Finsbury Circus
LONDON EC2M 5SQ

3 May 2001


MORISON BLUEPRINT

Registered Auditors
Chartered Accountants

Morison Blueprint is a trading name of Blueprint Audit Limited, a Registered Auditor

RUST RESOURCES LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2000**

	Note	2000 £	1999 £
GROSS PROFIT		204,222	550,191
Administrative expenses		(201,256)	(574,116)
Other operating income		169,391	49,671
		<hr/>	<hr/>
OPERATING PROFIT		172,357	25,746
Interest receivable	2	73,797	84,292
Interest payable	3	(33,120)	(65,632)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	213,034	44,406
Taxation	6	-	9,852
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		213,034	34,554
PROFIT AND LOSS ACCOUNT AS AT 1 OCTOBER 1999		845,527	810,973
		<hr/>	<hr/>
PROFIT AND LOSS ACCOUNT AS AT 30 SEPTEMBER 2000		£1,058,561	£845,527
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

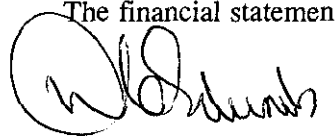
RUST RESOURCES LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	7		2,920		10,462
Investments	8		4,743		4,743
			<hr/>		<hr/>
			7,663		15,205
CURRENT ASSETS					
Debtors	9	965,526		923,464	
Cash at bank and in hand		827,798		770,468	
		<hr/>		<hr/>	
		1,793,324		1,693,932	
CREDITORS: Amounts falling due within one year	10	742,326		863,510	
		<hr/>		<hr/>	
NET CURRENT ASSETS			1,050,998		830,422
			<hr/>		<hr/>
			£1,058,661		£845,627
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Profit and loss account			1,058,561		845,527
			<hr/>		<hr/>
EQUITY SHAREHOLDERS' FUNDS	12		£1,058,661		£845,627
			<hr/>		<hr/>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act relating to medium sized companies.

The financial statements were approved by the Director on


D C Edwards

23rd April 2001
Director

RUST RESOURCES LIMITED

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2000

		2000	1999
	Note	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14	(30,633)	689,591
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		73,797	84,292
Bank interest paid		(33,120)	(65,632)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		40,677	18,660
TAXATION			
Tax paid		(3,320)	(48,537)
INVESTING ACTIVITIES			
Payments to acquire fixed assets		(1,345)	(616)
Receipts from sale of fixed assets		-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(1,345)	(616)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15	£5,379	£659,098

RUST RESOURCES LIMITED

NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

1. ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements have been prepared on an historical cost basis and in accordance with applicable accounting standards.

1.2 Depreciation

Depreciation is charged at rates calculated to write off fixed assets over their anticipated useful lives as follows:

Motor vehicles	- 25 % straight line
Fixtures and fittings	- 25 % straight line
Office equipment	- 25 % straight line

1.3 Turnover

Turnover represents the gross amounts billed on contracts earned net of value added tax.

1.4 Foreign Currencies

Foreign currency transactions are recorded in sterling at the rate ruling at the end of the month of transaction.

The foreign currency balances existing at the balance sheet date are converted at the rates ruling at that date.

1.5 Deferred Taxation

Deferred taxation is provided only where a liability for such payment is expected to arise in the foreseeable future. At the balance sheet date no liability arises.

1.6 Change in Accounting Policy

A number of direct costs associated with the employment of contracts previously included in Administrative Expenses have been included this year in Cost of Sales. The comparative figures have been re-stated to take account of this change.

The change in policy has no impact on reported profits.

1.7 Consolidated Financial Statements

These financial statements present information about the company as an individual undertaking.

The company is exempt from the obligations to prepare group financial statements as the group qualifies as a medium-sized group as defined by Section 249 of the Companies Act 1985.

RUST RESOURCES LIMITED

NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000 - continued

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Loan interest	42,389	49,836
Bank interest	31,408	34,456
Other interest	-	-
	<hr/>	<hr/>
	£73,797	£84,292

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Bank overdrafts and other loans wholly repayable within five years (not by instalments)	20,993	40,104
Other interest	12,127	25,528
	<hr/>	<hr/>
	£33,120	£65,632

4. PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
This is stated after charging the following items of expenditure:		
Depreciation	8,887	13,440
Auditors' remuneration	9,000	9,800
Director's remuneration - sole director	-	29,095
	<hr/>	<hr/>

5. STAFF INFORMATION

	2000 £	1999 £
Staff costs (excluding directors)		
Wages and salaries	746,073	1,898,014
Social security costs	69,604	176,740
Other pension costs	4,526	32,520
	<hr/>	<hr/>
	£820,203	£2,107,274

The average weekly number of employees during
the year was made up as follows:

	Number	Number
Administration	8	9
Contractors	12	42
	<hr/>	<hr/>
	20	51

RUST RESOURCES LIMITED

NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000 - continued

6. TAXATION

	2000	1999
	£	£
Corporation tax charge		
- UK @ 31%	-	9,852
	<hr/>	<hr/>
	£-	£9,852
	<hr/>	<hr/>

7. TANGIBLE FIXED ASSETS

	Fixtures, fittings and office equipment £
Cost brought forward	66,225
Additions	1,345
Disposals	
	<hr/>
Cost carried forward	67,570
	<hr/>
Depreciation brought forward	55,763
Charge for year	8,887
Disposals	
	<hr/>
Depreciation carried forward	64,650
	<hr/>
Net Book Value	
At 30.9.00	£2,920
	<hr/>
Net Book Value	
At 30.9.99	£10,462
	<hr/>

RUST RESOURCES LIMITED

NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000 - continued

8. INVESTMENTS	2000	1999
Group undertaking	£4,743	£4,743

The investment represents :

Name incorporation	Country of capital held	Proportion of share business	Nature of
Rust A/S	Norway	100%	Contractors

	Aggregate share capital and reserves £	Loss after taxation £
Rust A/S	25,691	(2,073)

The aggregate amount of total investment in share of the subsidiaries under the equity method of valuation is £25,691

9. DEBTORS	2000 £	1999 £
Trade debtors	249,796	364,936
Amount owed by group undertakings	666,057	490,455
Other debtors	5,408	4,579
Prepayments and accrued income	36,016	48,713
Corporation tax recoverable	8,249	14,781
	<u>£965,526</u>	<u>£923,464</u>

10. CREDITORS - Amounts falling due within one year

	2000 £	1999 £
Bank overdraft (secured)	321,312	269,361
Trade creditors	134,688	260,096
Amount owed to group undertakings	-	86,341
Other creditors	213,859	123,585
Corporation tax	-	9,852
Social security and other taxes	37,465	64,676
Accruals	35,002	49,599
	<u>£742,326</u>	<u>£863,510</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

RUST RESOURCES LIMITED

NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000 - continued

11. SHARE CAPITAL

	2000	1999
Authorised		
100,000 Ordinary shares of £1 each	£100,000	£100,000
Issued and fully paid		
100 Ordinary shares of £1 each	£100	£100

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000	1999
All Equity:	£	£
Profit for the financial year	213,034	34,554
Shareholders' funds at 30 September 1999	845,627	811,073
Shareholders' funds at 30 September 2000	£1,058,661	£845,627

13. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in a trustee administered fund. The pension cost for the year was £10,026 (1999: £45,720). Included in the balance sheet at 30 September 2000 are outstanding contributions of £nil (1999: £nil).

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2000	1999
	£	£
Operating profit	172,357	25,746
Depreciation	8,887	13,440
Profit on disposal of fixed assets	-	14,691
Decrease/(increase) in debtors	(48,594)	1,201,777
(Decrease)/increase in creditors	(163,283)	(566,063)
	£(30,633)	£689,591

RUST RESOURCES LIMITED

NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000 - continued

15. ANALYSIS OF CHANGES IN NET DEBT

	Balance at 1.10.99 £	Movements in the year £	Balance at 30.9.00 £
Cash at bank and in hand	770,468	57,330	827,798
Bank overdrafts	(269,361)	(51,951)	(321,312)
	<hr/>	<hr/>	<hr/>
	£501,107	£5,379	£506,486
	<hr/>	<hr/>	<hr/>

16. RELATED PARTY TRANSACTIONS

The ultimate parent undertaking is Rust Services Limited, a company registered in England and Wales. The ultimate controlling party is Mr DC Edwards and his spouse Mrs PA Edwards who together own 90% of the share capital of the parent undertaking.