

RUST RESOURCES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

Company Registration Number 02704357

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RUST RESOURCES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

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RUST RESOURCES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 SEPTEMBER 2011

The director	D C Edwards
Company secretary	P A Edwards
Business address	Locke King House 2 Balfour Road Weybridge Surrey KT13 8HD
Registered office	Locke King House 2 Balfour Road Weybridge Surrey KT13 8HD
Auditor	RSM Tenon Audit Limited 66 Chiltern Street London W1U 4JT

RUST RESOURCES LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 30 SEPTEMBER 2011

The director presents his report and the financial statements of the company for the year ended 30 September 2011

Principal activities and business review

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

The profit and loss account for the period is set out on page 6. The company has placed additional staff on existing contracts in the UK and overseas which provides a good foundation for future trading

Director

The director who served the company during the year was as follows

D C Edwards

The company is a wholly owned subsidiary and the interests of the group director are disclosed in the financial statements of the parent company

Director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless they are satisfied that they 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, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. 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

In so far as the director is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

RUST RESOURCES LIMITED
THE DIRECTOR'S REPORT *(continued)*
YEAR ENDED 30 SEPTEMBER 2011

Auditor

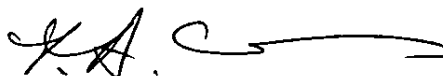
The Company has through an elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 487(2) of the Companies Act 2006. Therefore, the auditors, RSM Tenon Audit Limited, will be deemed to be reappointed for each succeeding financial year.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office
Locke King House
2 Balfour Road
Weybridge
Surrey
KT13 8HD

Signed by order of the director



P A Edwards
Company Secretary

Approved by the director on 29 March 2012

RUST RESOURCES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUST
RESOURCES LIMITED
YEAR ENDED 30 SEPTEMBER 2011

We have audited the financial statements of Rust Resources Limited for the year ended 30 September 2011 on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

RUST RESOURCES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUST
RESOURCES LIMITED *(continued)*

YEAR ENDED 30 SEPTEMBER 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to prepare the financial statements and the director's report in accordance with the small companies regime

Malcolm Pirouet, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
66 Chiltern Street
London
W1U 4JT

30 March 2012

RUST RESOURCES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2011

	Note	2011 £	2010 £
Turnover	2	2,006,987	1,357,659
Cost of sales		(1,894,382)	(1,270,713)
Gross profit		<u>112,605</u>	<u>86,946</u>
Administrative expenses		(792,126)	(2,506,563)
Other operating income	3	584,122	2,103,852
Operating loss	4	<u>(95,399)</u>	<u>(315,765)</u>
Interest receivable		26	78
Interest payable and similar charges		(11,757)	(10,057)
Loss on ordinary activities before taxation		<u>(107,130)</u>	<u>(325,744)</u>
Tax on loss on ordinary activities	6	–	53,512
Loss for the financial year		<u>(107,130)</u>	<u>(272,232)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 13 form part of these financial statements

RUST RESOURCES LIMITED

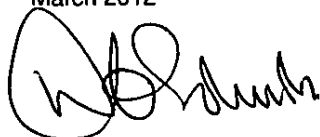
Registered Number 02704357

BALANCE SHEET**30 SEPTEMBER 2011**

	Note	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	7		8,815		14,131
Current assets					
Debtors	8	1,532,519		2,848,582	
Cash at bank		232,681		274,540	
		<u>1,765,200</u>		<u>3,123,122</u>	
Creditors. Amounts falling due within one year	9	<u>(432,182)</u>		<u>(1,688,290)</u>	
Net current assets			1,333,018		1,434,832
Total assets less current liabilities			<u>1,341,833</u>		<u>1,448,963</u>
Capital and reserves					
Called-up share capital	14		100		100
Profit and loss account	15		1,341,733		1,448,863
Shareholders' funds	16		<u>1,341,833</u>		<u>1,448,963</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved and signed by the director and authorised for issue on 29 March 2012



D C Edwards
Director

The notes on pages 8 to 13 form part of these financial statements

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

Turnover represents amounts receivable in the year, exclusive of Value Added Tax, in relation to services performed during the accounting period

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	- term of lease (8 years 10 months)
Fixtures, fittings and office equipment	- 25% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	1,506,413	612,239
Europe	500,574	745,420
	<u>2,006,987</u>	<u>1,357,659</u>

3 Other operating income

	2011 £	2010 £
Other operating income	<u>584,122</u>	<u>2,103,852</u>

4. Operating loss

Operating loss is stated after charging

	2011 £	2010 £
Director's remuneration	–	–
Depreciation of owned fixed assets	6,618	8,812
Operating lease costs		
-Other	30,618	63,185
Net loss on foreign currency translation	61,983	68,626
Auditor's remuneration	<u>9,000</u>	<u>9,200</u>
	<u>2011</u>	<u>2010</u>
	£	£
Auditor's remuneration - audit of the financial statements	<u>9,000</u>	<u>9,200</u>

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2011	2010
	No	No
Number of contractors	3	4
Number of administrative staff	7	10
	<u>10</u>	<u>14</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	624,688	1,001,713
Social security costs	70,451	117,635
Other pension costs	3,407	3,407
	<u>698,546</u>	<u>1,122,755</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2011	2010
	£	£
Corporation tax	-	-
Losses carried back	-	(53,512)
	<u>-</u>	<u>(53,512)</u>

The company has an unrecognised deferred tax asset of £6,114 (2010 £6,770)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2010 - 28%)

	2011	2010
	£	£
Loss on ordinary activities before taxation	(107,130)	(325,744)
Loss on ordinary activities by rate of tax	(29,996)	(91,208)
Effects of		
Expenses not deductible for tax purposes	3,331	1,652
Depreciation in excess of capital allowances	(156)	(2,242)
Group relief	26,821	38,286
Total current tax (note 6(a))	<u>-</u>	<u>(53,512)</u>

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

7. Tangible fixed assets

	Property Lease £	Fixtures, fittings and office furniture £	Total £
Cost			
At 1 October 2010	7,500	30,736	38,236
Additions	–	1,302	1,302
Disposals	(7,500)	(4,477)	(11,977)
At 30 September 2011	<u>–</u>	<u>27,561</u>	<u>27,561</u>
Depreciation			
At 1 October 2010	7,500	16,605	24,105
Charge for the year	–	6,618	6,618
On disposals	(7,500)	(4,477)	(11,977)
At 30 September 2011	<u>–</u>	<u>18,746</u>	<u>18,746</u>
Net book value			
At 30 September 2011	<u>–</u>	<u>8,815</u>	<u>8,815</u>
At 30 September 2010	<u>–</u>	<u>14,131</u>	<u>14,131</u>

8. Debtors

	2011 £	2010 £
Trade debtors	182,846	172,436
Amounts owed by group undertakings	1,168,574	2,465,377
Corporation tax repayable	–	53,512
VAT recoverable	16,624	–
Other debtors	27,395	24,182
Prepayments and accrued income	137,080	133,075
	<u>1,532,519</u>	<u>2,848,582</u>

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

9 Creditors Amounts falling due within one year

	2011		2010
	£	£	£
Trade creditors	142,411		91,190
Amounts owed to group undertakings	37,679		1,389,526
Other creditors including taxation and social security			
PAYE and social security	18,686	28,293	
VAT	—	3,375	
Other creditors	95,000	95,000	
Directors current accounts	100,000	—	
Other creditors	14,248	28,043	
Accruals and deferred income	24,158	52,863	
	<u>252,092</u>		<u>207,574</u>
	<u>432,182</u>		<u>1,688,290</u>

The bank has a fixed and floating charge over the assets of the company

10. Deferred taxation

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows

	2011	2010
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>6,114</u>	<u>6,770</u>

The deferred tax asset has not been recognised in accordance with FRS 19 as it is currently not more likely than not that it will be realised in the foreseeable future. This potential deferred tax asset will be recoverable in the event that the company's trade begins generating sufficient taxable trade profits to relieve its accumulated trade losses.

11. Commitments under operating leases

At 30 September 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2011 £	Land and buildings 2010 £
Operating leases which expire		
Within 2 to 5 years	<u>20,000</u>	<u>20,000</u>

12. Contingencies

The company has given a cross guarantee in support of a joint overdraft facility with fellow group undertakings. At 30 September 2011 the level of overdraft was £nil (2010 £nil).

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

13. Related party transactions

The company has taken advantage of the exemption under FRS 8 Related Parties to not disclose transactions with related parties on the basis that group accounts are prepared

14. Share capital

Authorised share capital.

	2011 £	2010 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid.

	2011 No	£	2010 No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

15. Profit and loss account

	2011 £	2010 £
Balance brought forward	1,448,863	1,721,095
Loss for the financial year	(107,130)	(272,232)
Balance carried forward	<u>1,341,733</u>	<u>1,448,863</u>

16. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Loss for the financial year	(107,130)	(272,232)
Opening shareholders' funds	1,448,963	1,721,195
Closing shareholders' funds	<u>1,341,833</u>	<u>1,448,963</u>

17. Ultimate parent company

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