

RUST RESOURCES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009
Company Registration Number 02704357

RSM Tenon Limited
66 Chiltern Street
London
W1U 4JT

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RUST RESOURCES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2009

CONTENTS	PAGES
Officers and professional advisers	1
The director's report	2 to 3
Independent auditor's report to the members	4 to 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 to 13
The following pages do not form part of the statutory financial statements	
Detailed profit and loss account	15
Notes to the detailed profit and loss account	16 to 17

RUST RESOURCES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 SEPTEMBER 2009

The director	D C Edwards
Company secretary	P A Edwards
Business address	Ferric House 34 Anyards Surrey KT11 2LA
Registered office	1st Floor 31 High Street Cobham Surrey KT11 3DP
Auditor	RSM Tenon Audit Limited 66 Chiltern Street London W1U 4JT
Accountants	RSM Tenon Limited 66 Chiltern Street London W1U 4JT

RUST RESOURCES LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 30 SEPTEMBER 2009

The director presents his report and the financial statements of the company for the year ended 30 September 2009

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 obtained a number of new contracts in the UK and overseas which provide a good foundation for future trading

Director

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

D C Edwards

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 2009

Auditor

Our auditors have changed their name to RSM Tenon Audit Limited and have signed the audit report in their new name

The Company has been 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
1st Floor
31 High Street
Cobham
Surrey
KT11 3DP

Signed by



P A EDWARDS

Company Secretary

Approved by the director on *21st June 2010*

RUST RESOURCES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUST
RESOURCES LIMITED

YEAR ENDED 30 SEPTEMBER 2009

We have audited the financial statements of Rust Resources Limited for the year ended 30 September 2009 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 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.

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 2009 and of its profit 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 2009

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

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

Date - *21-06-10*

RUST RESOURCES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2009

	Note	2009 £	2008 £
Turnover	2	1,822,533	1,744,756
Cost of sales		(1,670,482)	(1,635,698)
Gross profit		<u>152,051</u>	<u>109,058</u>
Administrative expenses		(2,574,197)	(512,504)
Other operating income	3	3,891,170	500,000
Operating profit	4	<u>1,469,024</u>	<u>96,554</u>
Interest receivable and similar income		375	20,287
Interest payable and similar charges		(11,799)	(10,778)
Profit on ordinary activities before taxation		<u>1,457,600</u>	<u>106,063</u>
Tax on profit on ordinary activities	6	(417,921)	7,324
Profit for the financial year		<u>1,039,679</u>	<u>113,387</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

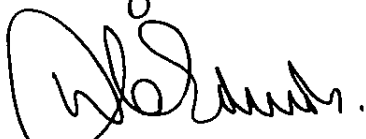
BALANCE SHEET**30 SEPTEMBER 2009**

	Note	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	7		16,919		6,066
Current assets					
Debtors	8	3,715,303		940,815	
Cash at bank and in hand		101,333		176,034	
		<u>3,816,636</u>		<u>1,116,849</u>	
Creditors. Amounts falling due within one year	9	<u>(2,112,360)</u>		<u>(441,399)</u>	
Net current assets			1,704,276		675,450
Total assets less current liabilities			<u>1,721,195</u>		<u>681,516</u>
Capital and reserves					
Called-up share capital	14		100		100
Profit and loss account	15		1,721,095		681,416
Shareholders' funds	16		<u>1,721,195</u>		<u>681,516</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

21st June 2010



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 2009

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 2009

2. Turnover

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

An analysis of turnover is given below

	2009 £	2008 £
United Kingdom	994,858	1,018,734
Europe	703,924	588,053
Asia/USA	123,751	137,969
	<u>1,822,533</u>	<u>1,744,756</u>

3 Other operating income

	2009 £	2008 £
Other operating income	<u>3,891,170</u>	<u>500,000</u>

4. Operating profit

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Director's remuneration	—	—
Depreciation of owned fixed assets	10,342	4,540
Operating lease costs		
-Other	49,694	32,477
Net profit on foreign currency translation	(56,780)	(62,909)
Auditor's remuneration	<u>9,200</u>	<u>9,000</u>

	2009 £	2008 £
Auditor's remuneration - audit of the financial statements	<u>9,200</u>	<u>9,000</u>

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2009

5. Particulars of employees

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

	2009	2008
	No	No
Number of contractors	7	5
Number of administrative staff	10	7
	<u>17</u>	<u>12</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	1,212,553	894,514
Social security costs	131,756	92,897
Other pension costs	3,406	3,407
	<u>1,347,715</u>	<u>990,818</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2009	2008
	£	£
UK Corporation tax based on the results for the year at 28% (2008 - 29%)	417,921	-
Over provision in prior year	-	(7,324)
	<u>417,921</u>	<u>(7,324)</u>

The company has an unrecognised deferred tax asset of £8,790 (2008 £2,838)

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2009

6. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 29%)

	2009 £	2008 £
Profit on ordinary activities before taxation	1,457,600	106,063
Profit on ordinary activities by rate of tax	408,128	30,758
Effects of		
Prior year adjustment	-	(7,324)
Expenses not deductible for tax purposes	329	276
Group relief	-	(30,798)
Depreciation in excess of capital allowances	9,464	(120)
Other short term timing differences	-	(116)
Total current tax (note 6(a))	417,921	(7,324)

7 Tangible fixed assets

	Property Lease £	Equipment £	Total £
Cost			
At 1 October 2008	7,500	29,778	37,278
Additions	-	21,195	21,195
At 30 September 2009	7,500	50,973	58,473
Depreciation			
At 1 October 2008	6,231	24,981	31,212
Charge for the year	849	9,493	10,342
At 30 September 2009	7,080	34,474	41,554
Net book value			
At 30 September 2009	420	16,499	16,919
At 30 September 2008	1,269	4,797	6,066

8. Debtors

	2009 £	2008 £
Trade debtors	290,507	392,595
Amounts owed by group undertakings	3,178,745	509,631
VAT recoverable	150,341	-
Other debtors	9,208	296
Prepayments and accrued income	86,502	38,293
	3,715,303	940,815

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2009

9. Creditors: Amounts falling due within one year

	2009		2008
	£	£	£
Trade creditors		128,805	96,284
Amounts owed to group undertakings		1,348,973	82,250
Other creditors including taxation and social security			
Corporation tax	417,921		—
PAYE and social security	33,877		70,285
VAT	—		4,930
Other creditors	139,862		138,781
Accruals and deferred income	42,922		48,869
		<u>634,582</u>	<u>262,865</u>
		<u>2,112,360</u>	<u>441,399</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

	2009	2008
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>8,790</u>	<u>2,838</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 2009 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2009 £	Land and buildings 2008 £
Operating leases which expire Within 2 to 5 years	<u>31,200</u>	<u>28,475</u>

12 Contingencies

The company has given a cross guarantee in support of a joint overdraft facility with fellow group undertakings. At 30 September 2009 the level of overdraft was £nil (2008 £nil).

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.

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2009

14. Share capital

Authorised share capital:

	2009	2008
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2009		2008
	No	£	No
	100	100	100
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

15. Profit and loss account

	2009	2008
	£	£
Balance brought forward	681,416	568,029
Profit for the financial year	<u>1,039,679</u>	<u>113,387</u>
Balance carried forward	<u>1,721,095</u>	<u>681,416</u>

16. Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Profit for the financial year	1,039,679	113,387
Opening shareholders' funds	<u>681,516</u>	<u>568,129</u>
Closing shareholders' funds	<u>1,721,195</u>	<u>681,516</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.

