

**RUST RESOURCES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

**Company Registration Number 02704357**



**RUST RESOURCES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2010**

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**RUST RESOURCES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 30 SEPTEMBER 2010**

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**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 2010**

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The director presents his report and the financial statements of the company for the year ended 30 September 2010

**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

**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

**Auditor**

The Company has by 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

**RUST RESOURCES LIMITED**  
**THE DIRECTOR'S REPORT** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2010**

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**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



P A EDWARDS

Company Secretary

Approved by the director on

28 March 2011

**RUST RESOURCES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUST**  
**RESOURCES LIMITED**  
**YEAR ENDED 30 SEPTEMBER 2010**

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We have audited the financial statements of Rust Resources Limited for the year ended 30 September 2010 on pages 6 to 14. 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.

**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 2010 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 2010**

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**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 - *28 March 2011*

**RUST RESOURCES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER 2010**

	Note	2010 £	2009 £
Turnover	2	1,357,659	1,822,533
Cost of sales		(1,270,713)	(1,670,482)
<b>Gross profit</b>		<u>86,946</u>	<u>152,051</u>
Administrative expenses		(2,506,563)	(2,574,197)
Other operating income	3	2,103,852	3,891,170
<b>Operating (loss)/profit</b>	4	<u>(315,765)</u>	<u>1,469,024</u>
Interest receivable		78	375
Interest payable and similar charges		(10,057)	(11,799)
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(325,744)</u>	<u>1,457,600</u>
Tax on (loss)/profit on ordinary activities	6	53,512	(417,921)
<b>(Loss)/profit for the financial year</b>		<u>(272,232)</u>	<u>1,039,679</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 14 form part of these financial statements



**RUST RESOURCES LIMITED**

Registered Number 02704357

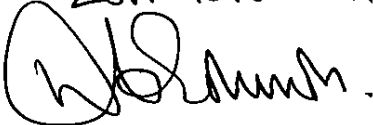
**BALANCE SHEET****30 SEPTEMBER 2010**

	Note	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	7		14,131		16,919
<b>Current assets</b>					
Debtors	8	2,848,582		3,715,303	
Cash at bank		274,540		101,333	
		<u>3,123,122</u>		<u>3,816,636</u>	
<b>Creditors Amounts falling due within one year</b>	9	<u>(1,688,290)</u>		<u>(2,112,360)</u>	
<b>Net current assets</b>			1,434,832		1,704,276
<b>Total assets less current liabilities</b>			<u>1,448,963</u>		<u>1,721,195</u>
<b>Capital and reserves</b>					
Called-up share capital	14		100		100
Profit and loss account	15		1,448,863		1,721,095
<b>Shareholders' funds</b>	16		<u>1,448,963</u>		<u>1,721,195</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

28th March 2011.



D C Edwards  
Director

The notes on pages 8 to 14 form part of these financial statements

**RUST RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2010**

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**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 2010**

**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

	2010 £	2009 £
United Kingdom	612,239	994,858
Europe	745,420	703,924
Asia/USA	-	123,751
	<u>1,357,659</u>	<u>1,822,533</u>

**3 Other operating income**

	2010 £	2009 £
Other operating income	<u>2,103,852</u>	<u>3,891,170</u>

**4. Operating (loss)/profit**

Operating (loss)/profit is stated after charging/(crediting)

	2010 £	2009 £
Director's remuneration	-	-
Depreciation of owned fixed assets	8,812	10,342
Operating lease costs		
-Other	63,185	49,694
Net loss/(profit) on foreign currency translation	68,626	(56,780)
Auditor's remuneration	<u>9,200</u>	<u>9,200</u>

	2010 £	2009 £
Auditor's remuneration - audit of the financial statements	<u>9,200</u>	<u>9,200</u>

**RUST RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2010**

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**5 Particulars of employees**

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

	<b>2010</b>	<b>2009</b>
	<b>No</b>	<b>No</b>
Number of contractors	4	7
Number of administrative staff	10	10
	<u>14</u>	<u>17</u>

The aggregate payroll costs of the above were

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,001,713	1,212,553
Social security costs	117,635	131,756
Other pension costs	3,407	3,406
	<u>1,122,755</u>	<u>1,347,715</u>

**6 Taxation on ordinary activities**

**(a) Analysis of charge in the year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	-	417,921
Losses carried back	(53,512)	-
	<u>(53,512)</u>	<u>417,921</u>

The company has an unrecognised deferred tax asset of £6,770 (2009 £8,790)

**RUST RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2010**

**6. Taxation on ordinary activities (continued)**

**(b) Factors affecting current tax charge**

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
(Loss)/profit on ordinary activities before taxation	<u>(325,744)</u>	<u>1,457,600</u>
(Loss)/profit on ordinary activities by rate of tax	(91,208)	408,128
Effects of		
Expenses not deductible for tax purposes	1,652	329
Depreciation in excess of capital allowances	(2,242)	9,464
Group relief	<u>38,286</u>	<u>-</u>
Total current tax (note 6(a))	<u>(53,512)</u>	<u>417,921</u>

**7 Tangible fixed assets**

	<b>Property</b>	<b>Fixtures, fittings and office furniture</b>	<b>Total</b>
	<b>Lease</b>		
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 October 2009	7,500	50,972	58,472
Additions	-	7,239	7,239
Disposals	-	(27,475)	(27,475)
At 30 September 2010	<u>7,500</u>	<u>30,736</u>	<u>38,236</u>
<b>Depreciation</b>			
At 1 October 2009	7,077	34,476	41,553
Charge for the year	423	8,389	8,812
On disposals	-	(26,260)	(26,260)
At 30 September 2010	<u>7,500</u>	<u>16,605</u>	<u>24,105</u>
<b>Net book value</b>			
At 30 September 2010	<u>-</u>	<u>14,131</u>	<u>14,131</u>
At 30 September 2009	<u>423</u>	<u>16,496</u>	<u>16,919</u>

**RUST RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2010**

**8 Debtors**

	2010	2009
	£	£
Trade debtors	172,436	290,507
Amounts owed by group undertakings	2,465,377	3,178,745
Corporation tax repayable	53,512	—
VAT recoverable	—	150,341
Other debtors	24,182	9,208
Prepayments and accrued income	133,075	86,502
	<u>2,848,582</u>	<u>3,715,303</u>

**9. Creditors: Amounts falling due within one year**

	2010	2009
	£	£
Trade creditors	91,190	128,805
Amounts owed to group undertakings	1,389,526	1,348,973
Other creditors including taxation and social security		
Corporation tax	—	417,921
PAYE and social security	28,293	33,877
VAT	3,375	—
Other creditors	95,000	139,862
Other creditors	28,043	—
Accruals and deferred income	52,863	42,922
	<u>207,574</u>	<u>634,582</u>
	<u>1,688,290</u>	<u>2,112,360</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

	2010	2009
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>6,770</u>	<u>8,790</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.

**RUST RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2010**

**11 Commitments under operating leases**

At 30 September 2010 the company had annual commitments under non-cancellable operating leases as set out below

	<b>Land and buildings 2010 £</b>	<i>Land and buildings 2009 £</i>
Operating leases which expire Within 2 to 5 years	<u>20,000</u>	<u>31,200</u>

**12 Contingencies**

The company has given a cross guarantee in support of a joint overdraft facility with fellow group undertakings. At 30 September 2010 the level of overdraft was £nil (2009 £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

**14. Share capital**

**Authorised share capital:**

	<b>2010 £</b>	<i>2009 £</i>
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

**Allotted, called up and fully paid**

	<b>2010 No</b>	<b>£</b>	<i>2009 No</i>	<i>£</i>
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**15 Profit and loss account**

	<b>2010 £</b>	<i>2009 £</i>
Balance brought forward	1,721,095	681,416
(Loss)/profit for the financial year	<u>(272,232)</u>	<u>1,039,679</u>
Balance carried forward	<u>1,448,863</u>	<u>1,721,095</u>

**16. Reconciliation of movements in shareholders' funds**

	<b>2010 £</b>	<i>2009 £</i>
(Loss)/profit for the financial year	(272,232)	1,039,679
Opening shareholders' funds	<u>1,721,195</u>	<u>681,516</u>
Closing shareholders' funds	<u>1,448,963</u>	<u>1,721,195</u>

**RUST RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2010**

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**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.