

RUST RESOURCES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

Company Registration Number 02704357

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RUST RESOURCES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 SEPTEMBER 2013

The board of directors	Mr D C Edwards Mr G Lennox Mr D Spencer Mr R Fielding Mrs L Guiliano
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	Baker Tilly UK Audit LLP Chartered Accountants The Poynt 45 Wollaton Street Nottingham NG1 5FW

RUST RESOURCES LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 SEPTEMBER 2013

The directors present their report and the financial statements of the company for the year ended 30 September 2013.

Principal activity

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

Directors

The directors who served the company during the year were as follows:

Mr D C Edwards
Mr G Lennox
Mr D Spencer
Mr R Fielding

Mrs L Guiliano was appointed as a director on 31 March 2014.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

RUST RESOURCES LIMITED
DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 SEPTEMBER 2013

Auditor

Baker Tilly Audit Limited ceased trading on 31st March 2014. The directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. In accordance with the Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as Auditor will be put to the members.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the directors



D Spencer
Director

Approved by the directors on 27 June 2014

RUST RESOURCES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUST
RESOURCES LIMITED
YEAR ENDED 30 SEPTEMBER 2013

We have audited the financial statements of Rust Resources Limited for the year ended 30 September 2013 on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' 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 2013

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Baker Tilly UK Audit LLP

Richard Eccles, Senior Statutory Auditor
For and on behalf of

Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

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RUST RESOURCES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2013

	Note	2013 £	2012 £
Turnover	2	2,327,237	2,234,939
Cost of sales		(2,201,722)	(2,118,330)
Gross profit		<u>125,515</u>	<u>116,609</u>
Administrative expenses		(625,168)	(1,064,144)
Other operating income		378,240	279,543
Operating loss	3	<u>(121,413)</u>	<u>(667,992)</u>
Attributable to:			
Operating loss before exceptional items		(121,413)	(113,148)
Exceptional items	3	<u>—</u>	<u>(554,844)</u>
		(121,413)	(667,992)
Interest receivable		9	8
Interest payable and similar charges		(6,180)	(4,104)
Loss on ordinary activities before taxation		<u>(127,584)</u>	<u>(672,088)</u>
Tax on loss on ordinary activities		—	—
Loss for the financial year		<u><u>(127,584)</u></u>	<u><u>(672,088)</u></u>

The notes on pages 8 to 12 form part of these financial statements.

RUST RESOURCES LIMITED

Registered Number 02704357

BALANCE SHEET**30 SEPTEMBER 2013**

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	6	7,851	2,888
Current assets			
Debtors	7	1,515,284	927,377
Cash at bank		406,551	69,545
		<u>1,921,835</u>	<u>996,922</u>
Creditors: amounts falling due within one year	8	<u>(1,387,525)</u>	<u>(330,065)</u>
Net current assets		534,310	666,857
Total assets less current liabilities		<u>542,161</u>	<u>669,745</u>
Capital and reserves			
Called-up share capital	11	100	100
Profit and loss account	12	542,061	669,645
Shareholders' funds		<u>542,161</u>	<u>669,745</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved by the directors and authorised for issue on 27 June 2014, and are signed on their behalf by:


D Spencer
Director

The notes on pages 8 to 12 form part of these financial statements.

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

During the year, the company generated a loss of £127,584, (2012: £672,088) and at the balance sheet date it had net assets of £542,161, (2012: £669,745).

The company relies on the shareholders of its parent company, Rust Resources Holdco Limited for financial support. These shareholders have undertaken to maintain the existing financial support to enable the company to meet its debts as they fall due. Accordingly, the financial statements have been prepared on a going concern basis. Rust Resources Holdco Limited and Rust Resources Inc have agreed to support this company and to not recall any debts until the company is able to afford repayment.

Turnover

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

Fixed assets and depreciation

All fixed assets are initially recorded at cost.

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:

Fixtures, fittings and office equipment	- 25% straight line
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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 2013

1. Accounting policies (continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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:

	2013	2012
	£	£
United Kingdom	1,311,383	1,142,291
Europe	594,454	913,843
Rest of the world	421,400	178,805
	<u>2,327,237</u>	<u>2,234,939</u>

3. Operating loss

Operating loss is stated after charging:

	2013	2012
	£	£
Depreciation of owned fixed assets	3,784	6,074
Loss on disposal of fixed assets	—	588
Net loss on foreign currency translation	20,530	37,316
Auditor's remuneration	12,500	12,500
Loan waiver	—	554,844
	<u> </u>	<u> </u>
	2013	2012
	£	£
Auditor's remuneration - audit of the financial statements	<u>12,500</u>	<u>12,500</u>

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2013

4. Particulars of employees

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

	2013	2012
	No	No
Number of contractors	2	2
Number of administrative staff	5	5
Number of directors	4	4
	<u>11</u>	<u>11</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	530,774	468,620
Social security costs	63,384	61,670
Other pension costs	3,895	2,918
	<u>598,053</u>	<u>533,208</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Aggregate remuneration	<u>24,000</u>	<u>15,000</u>

6. Tangible fixed assets

	Fixtures, fittings and office furniture £
Cost	
At 1 October 2012	20,800
Additions	8,747
At 30 September 2013	<u>29,547</u>
Depreciation	
At 1 October 2012	17,912
Charge for the year	3,784
At 30 September 2013	<u>21,696</u>
Net book value	
At 30 September 2013	<u>7,851</u>
At 30 September 2012	<u>2,888</u>

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2013

7. Debtors

	2013 £	2012 £
Trade debtors	235,795	362,654
Amounts owed by group undertakings	957,927	355,270
Other debtors	321,562	209,453
	<u>1,515,284</u>	<u>927,377</u>

8. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	238,343	165,756
Amounts owed to group undertakings	1,084,838	86,519
Other taxation and social security	17,922	16,249
Other creditors	46,422	61,541
	<u>1,387,525</u>	<u>330,065</u>

9. Deferred taxation

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

	2013 £	2012 £
Excess of depreciation over taxation allowances	2,501	5,265
Tax losses available	70,943	52,970
	<u>73,444</u>	<u>58,235</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.

10. 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 company is a wholly owned subsidiary.

11. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

RUST RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2013

12. Profit and loss account

	2013	2012
	£	£
Balance brought forward	669,645	1,341,733
Loss for the financial year	(127,584)	(672,088)
Balance carried forward	<u>542,061</u>	<u>669,645</u>

13. Ultimate parent company

The ultimate parent undertaking is Rust Resources Holdco Limited, a company registered in England and Wales. The financial statements of Rust Resources Holdco Limited can be obtained from Companies House.

The Directors do not consider there to be one ultimate controlling party.