

**RUST RESOURCES LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1995**



# **RUST RESOURCES LIMITED**

## **REPORTS AND ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995**

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# **RUST RESOURCES LIMITED**

## **REPORT OF THE DIRECTOR FOR THE YEAR ENDED 30 SEPTEMBER 1995**

The director presents his report and audited financial statements for the year ended 30 September 1995.

### **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 5. The management is satisfied with the performance in the second period of trading. 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 to be transferred to reserves is £194,063.

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 30.9.95 No.	At 30.9.94 No.
D C Edwards	-	45

### **FIXED ASSETS**

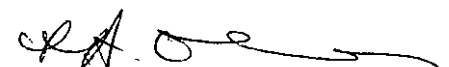
The movements of fixed assets are set out in note 7 to the financial statements.

### **AUDITORS**

A resolution to re-appoint the auditors, Morison Stoneham will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

P A Edwards



Secretary

4 July 1996

## **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 PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages 5 to 14 together with the financial statements of Rust Resources Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 September 1995.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 6 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

#### **Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

#### **Opinion**

In our opinion the company is entitled under sections 246, 247 and 249 of the Companies Act 1985 to the exemption conferred by Section B, Part III of Schedule 8 to that Act, in respect of the year ended 30 September 1995, and the abbreviated financial statements on pages 5 to 14 have been properly prepared in accordance with that Schedule.

#### **Other information**

On 4 July 1996 we reported as auditors of Rust Resources Limited Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 September 1995, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **Respective responsibilities of directors and auditors**

As described on page 2, the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

# **RUST RESOURCES LIMITED**

## **AUDITORS' REPORT TO RUST RESOURCES LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

### **Other information - continued**

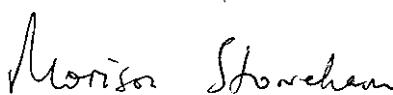
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

805 Salisbury House  
31 Finsbury Circus  
LONDON EC2M 5SQ

24 July 1996

  
MORISON STONEHAM

Registered Auditors  
Chartered Accountants

# **RUST RESOURCES LIMITED**

## **ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1995**

	Note	1995 £	1994 £
<b>GROSS PROFIT</b>		892,631	835,292
Administrative expenses		(593,743)	(613,764)
Other operating income		42,686	33,597
<b>OPERATING PROFIT</b>		341,574	255,125
Interest receivable	2	41,655	435
Interest payable	3	(78,663)	(43,319)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	304,566	212,241
Taxation	6	110,503	71,000
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		194,063	141,241
<b>PROFIT AND LOSS ACCOUNT AS AT 1 OCTOBER 1994</b>		109,036	(32,205)
<b>PROFIT AND LOSS ACCOUNT AS AT 30 SEPTEMBER 1995</b>		<u>£303,099</u>	<u>£109,036</u>

All amounts relate to continuing activities.

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

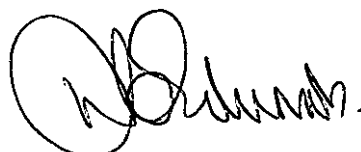
# RUST RESOURCES LIMITED

## ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 1995

		1995	1994
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible assets	7	43,677	27,458
Investments	8	4,743	4,743
		<u>48,420</u>	<u>32,201</u>
<b>CURRENT ASSETS</b>			
Debtors	9	1,886,237	1,507,859
Cash at bank and in hand		153,170	103,829
		<u>2,039,407</u>	<u>1,611,688</u>
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>1,634,628</u>	<u>1,534,753</u>
<b>NET CURRENT ASSETS</b>		<u>404,779</u>	<u>76,935</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		453,199	109,136
<b>CREDITORS: Amounts falling due after more than one year</b>	11	150,000	-
		<u>£303,199</u>	<u>£109,136</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100	100
Profit and loss account		303,099	109,036
<b>EQUITY SHAREHOLDER'S FUNDS</b>	13	<u>£303,199</u>	<u>£109,136</u>

The director has taken advantage of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 and has done so on the grounds that, in his opinion, the company qualifies as a medium-sized company.

The financial statements were approved by the Director on  1996.



D C Edwards

Director



# **RUST RESOURCES LIMITED**

## **CASHFLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 1995**

	Note	1995 £	1994 £
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	16	(230,832)	293,651
<b>RETURN ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest received		41,655	435
Bank interest paid		(78,663)	(43,319)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(37,008)	(42,884)
<b>TAXATION</b>			
Tax paid		(35,059)	-
<b>INVESTING ACTIVITIES</b>			
Payments to acquire fixed assets		(30,778)	(15,774)
Receipts from sale of fixed assets		-	280
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		(30,778)	(15,494)
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		(333,677)	235,273
<b>FINANCING</b>			
Repayment of loan		(30,000)	-
<b>NET CASH OUTFLOW FROM FINANCING</b>	19	(30,000)	-
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	17	£(363,677)	£235,273

# **RUST RESOURCES LIMITED**

## **NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995**

### **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% reducing balance
Fixtures and fittings	- 25% reducing balance
Office equipment	- 25% reducing balance

#### **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 Consolidated Financial Statements**

There 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 1995 - continued**

### **2. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Loan interest (inter-company)	38,457	-
Bank interests	3,198	435
	<u>£41,655</u>	<u>£435</u>

### **3. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Bank overdrafts and other loans wholly repayable within five years (not by instalments)	45,130	43,263
Other interest	33,533	56
	<u>£78,663</u>	<u>£43,319</u>

### **4. PROFIT ON ORDINARY ACTIVITIES**

	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
This is stated after charging the following items of expenditure:		
Depreciation	14,559	9,151
Auditors' remuneration	10,300	10,000
Director's remuneration - sole director	53,406	40,367
	<u></u>	<u></u>

# **RUST RESOURCES LIMITED**

## **NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995 - continued**

### **5. STAFF INFORMATION**

	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Staff costs (excluding directors)		
Wages and salaries	3,147,065	2,418,574
Social security costs	304,001	249,111
Other pension costs	2,020	29,040
	<u>£3,453,086</u>	<u>£2,696,725</u>

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

	<b>Number</b>	<b>Number</b>
Administration	5	5
Contractors	49	51
	<u>54</u>	<u>56</u>

### **6. TAXATION**

	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Corporation tax charge		
- UK & 33%	101,117	71,000
Other overseas tax	75,498	-
UK double tax relief	(65,863)	-
Over provision of prior year tax	(249)	-
	<u>£110,503</u>	<u>£71,000</u>

# **RUST RESOURCES LIMITED**

## **NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995 - continued**

### **7. TANGIBLE FIXED ASSETS**

	<b>Fixtures, fittings and office equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
Cost brought forward	26,059	15,100	41,159
Additions	4,000	36,833	40,833
Disposals	-	(15,100)	(15,100)
	<u>30,059</u>	<u>36,833</u>	<u>66,892</u>
Depreciation brought forward	8,656	5,045	13,701
Charge for year	5,351	9,208	14,559
Disposals	-	(5,045)	(5,045)
	<u>14,007</u>	<u>9,208</u>	<u>23,215</u>
Net Book Value At 30.9.95	<u>£16,052</u>	<u>£27,625</u>	<u>£43,677</u>
Net Book Value At 30.9.94	<u>£17,403</u>	<u>£10,055</u>	<u>£27,458</u>

### **8. INVESTMENTS**

	<b>1995</b>	<b>1994</b>
Group undertaking	<u>£4,743</u>	<u>£4,743</u>
The investment represents :		
<b>Name</b>	<b>Country of incorporation</b>	<b>Proportion of share capital held</b>
<b>Nature of business</b>		
Rust A/S	Norway	100%
Contractors		

# **RUST RESOURCES LIMITED**

## **FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995 - continued**

### **8. INVESTMENTS - continued**

	<b>Aggregate capital and reserves £</b>	<b>Profit after taxation £</b>
Rust A/S	48,380	30,395

The aggregate amount of total investment in shares of the subsidiaries under the equity method of valuation is £48,380.

### **9. DEBTORS**

	<b>1995 £</b>	<b>1994 £</b>
Trade debtors	1,260,613	1,298,185
Amount owed by group undertaking	412,570	-
Other debtors	55,157	44,133
Prepayments and accrued income	157,897	165,541
	<u>£1,886,237</u>	<u>£1,507,859</u>

### **10. CREDITORS - Amounts falling due within one year**

	<b>1995 £</b>	<b>1994 £</b>
Bank overdraft (secured)	570,401	157,383
Trade creditors	267,222	388,666
Amount owed to group undertaking	157,843	6,242
Other creditors	101,819	284,636
Corporation tax	146,443	71,000
Social security and other taxes	245,694	453,483
Accruals	145,206	173,343
	<u>£1,634,628</u>	<u>£1,534,753</u>

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

### **11. CREDITORS: Amounts falling due after more than one year**

	<b>1995 £</b>	<b>1994 £</b>
Other creditors	<u>150,000</u>	<u>-</u>

## **RUST RESOURCES LIMITED**

### **NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995 - continued**

#### **12. SHARE CAPITAL**

	<b>1995</b>	<b>1994</b>
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	<u>£100,000</u>	<u>£100,000</u>
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>

#### **13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>1995</b>	<b>1994</b>
<b>All Equity:</b>	<b>£</b>	<b>£</b>
Profit for the financial year	194,063	141,241
Shareholders' funds at 30 September 1994	<u>109,136</u>	<u>(32,105)</u>
Shareholders' funds at 30 September 1995	<u>£303,199</u>	<u>£109,136</u>

#### **14. 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 £10,020 (1994: £35,040). Included in the balance sheet at 30 September 1995 are outstanding contributions of £ - (1994: £4,860).

#### **15. ULTIMATE HOLDING COMPANY**

The ultimate holding company is Rust Services Limited, a company registered in England.

#### **16. RECONCILIATION OF PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Operating profit	341,574	255,125
Depreciation	14,559	9,151
Increase in debtors	(378,378)	(1,166,898)
Decrease in creditors	(208,587)	1,196,273
	<u>£(230,832)</u>	<u>£293,651</u>

# **RUST RESOURCES LIMITED**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1995 - continued**

### **17. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR**

	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Balance at 1 October 1994	(53,554)	(288,827)
Net cash inflow/(outflow)	(363,677)	235,273
	<u>          </u>	<u>          </u>
Balance at 30 September 1995	<u>£(417,231)</u>	<u>£(53,554)</u>

### **18. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET**

	<b>Balance at 1.10.94 £</b>	<b>Movements in the year £</b>	<b>Balance at 30.9.95 £</b>
Cash at bank and in hand	103,829	49,341	153,170
Bank overdrafts	(157,383)	(413,018)	(570,401)
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>£(53,554)</u>	<u>£(363,677)</u>	<u>£(417,231)</u>

### **19. ANALYSIS OF CHANGES IN FINANCE DURING THE YEAR**

	<b>1995</b>	
	<b>Share capital £</b>	<b>Loan £</b>
Balance at 1 October 1994	100	180,000
Repayment of loan	-	(30,000)
	<u>          </u>	<u>          </u>
Balance at 30 September 1995	<u>£100</u>	<u>£150,000</u>