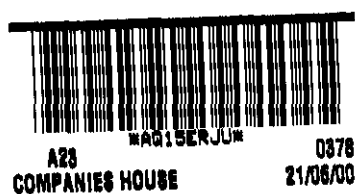


**RUST RESOURCES LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**Company Number 02704357**



**RUST RESOURCES LIMITED**

**REPORTS AND ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

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# **RUST RESOURCES LIMITED**

## **REPORT OF THE DIRECTOR FOR THE YEAR ENDED 30 SEPTEMBER 1999**

The director presents his report and audited financial statements for the year ended 30 September 1999.

### **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 4. The management is satisfied with the performance during the year. 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 £34,554.

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 :

	<b>At 30.9.99</b>	<b>At 30.9.98</b>
	<b>No.</b>	<b>No.</b>

D C Edwards	-	-
-------------	---	---

### **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.

### **ABBREVIATED ACCOUNTS**

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

**BY ORDER OF THE BOARD**

P A Edwards

Secretary

**03 MAY** 2000

## **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 UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 12, together with the financial statements of the company for the year ended 30 September 1999 prepared under section 226 of the Companies Act 1985.

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

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts delivered are properly prepared in accordance with that provision and to report our opinion to you.

#### **Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 12 are properly prepared in accordance with that provision.

805 Salisbury House  
31 Finsbury Circus  
LONDON EC2M 5SQ

5 May 2000

  
MORISON STONEHAM

Registered Auditors  
Chartered Accountants

**RUST RESOURCES LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

	Note	1999 £	1998 £
<b>GROSS PROFIT</b>		550,191	955,044
Administrative expenses		(574,116)	(811,895)
Other operating income		49,671	81,616
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		25,746	224,765
Interest receivable	2	84,292	66,188
Interest payable	3	(65,632)	(82,257)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	44,406	208,396
Taxation	6	9,852	101,330
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		34,554	107,066
<b>PROFIT AND LOSS ACCOUNT AS AT 1 OCTOBER 1998</b>		810,973	703,907
		<hr/>	<hr/>
<b>PROFIT AND LOSS ACCOUNT AS AT 30 SEPTEMBER 1999</b>		<u>£845,527</u>	<u>£810,973</u>

All amounts relate to continuing activities.

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

# RUST RESOURCES LIMITED

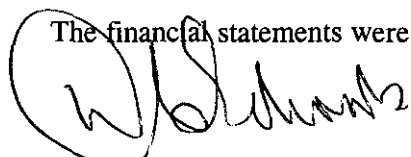
## ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 1999

	Note	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	7	10,462	37,977
Investments	8	4,743	4,743
		<hr/>	<hr/>
		15,205	42,720
<b>CURRENT ASSETS</b>			
Debtors	9	923,464	2,110,460
Cash at bank and in hand		770,468	743,272
		<hr/>	<hr/>
		1,693,932	2,853,732
<b>CREDITORS:</b> Amounts falling due within one year	10	863,510	2,085,379
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		830,422	768,353
		<hr/>	<hr/>
		£845,627	£811,073
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account		845,527	810,973
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12	£845,627	£811,073
		<hr/>	<hr/>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act relating to medium sized companies.

The financial statements were approved by the Director on

**03 MAY 2000**



D C Edwards

Director

# **RUST RESOURCES LIMITED**

## **CASHFLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 1999**

		1999	1998
	Note	£	£
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	14	689,591	203,641
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		84,292	66,188
Bank interest paid		(65,632)	(82,557)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		18,660	(16,369)
<b>TAXATION</b>			
Tax paid		(48,537)	8,416
<b>INVESTING ACTIVITIES</b>			
Payments to acquire fixed assets		(616)	(6,396)
Receipts from sale of fixed assets		-	-
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		(616)	(6,396)
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	15	£659,098	£189,292



**RUST RESOURCES LIMITED**  
**NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1998**

**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% straight line
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

**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 Change in Accounting Policy**

A number of direct costs associated with the employment of contracts previously included in Administrative Expenses have been included this year in Cost of Sales. The comparative figures have been re-stated to take account of this change.

The change in policy has no impact on reported profits.

**1.7 Consolidated Financial Statements**

These 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 1999 - continued

### 2. INTEREST RECEIVABLE AND SIMILAR INCOME

	1999 £	1998 £
Loan interest	49,836	58,847
Bank interest	34,456	6,107
Other interest	-	1,234
	<hr/>	<hr/>
	£84,292	£66,188

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Bank overdrafts and other loans wholly repayable within five years (not by instalments)	40,104	58,876
Other interest	25,528	11,784
	<hr/>	<hr/>
	£65,632	£70,660

### 4. PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
--	-----------	-----------

This is stated after charging the following items of expenditure:

Depreciation	13,440	24,945
Auditors' remuneration	9,800	9,800
Director's remuneration - sole director	29,095	7,200
	<hr/>	<hr/>

### 5. STAFF INFORMATION

	1999 £	1998 £
--	-----------	-----------

Staff costs (excluding directors)

Wages and salaries	1,898,014	3,666,162
Social security costs	176,740	336,851
Other pension costs	32,520	68,443
	<hr/>	<hr/>
	£2,107,274	£4,071,456

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

	Number	Number
Administration	9	8
Contractors	42	61
	<hr/>	<hr/>
	51	69

# RUST RESOURCES LIMITED

## NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999 - continued

### 6. TAXATION

	1999 £	1998 £
Corporation tax charge - UK @ 33%	9,852	42,045
Payment for group relief	-	94,527
Over provision of prior year tax	-	(35,242)
	<u>£9,852</u>	<u>£101,330</u>

### 7. TANGIBLE FIXED ASSETS

	Fixtures, fittings and office equipment £	Motor Vehicles £	Total £
Cost brought forward	65,609	39,175	104,784
Additions	616	-	616
Disposals	-	(39,175)	(39,175)
	<u>£66,225</u>	<u>£-</u>	<u>£66,225</u>
Depreciation brought forward	47,219	19,588	66,807
Charge for year	8,544	4,896	13,440
Disposals	-	(24,484)	(24,484)
	<u>£55,763</u>	<u>£-</u>	<u>£55,763</u>
<b>Net Book Value</b>			
At 30.9.99	<u>£10,462</u>	<u>£-</u>	<u>£10,462</u>
<b>Net Book Value</b>			
At 30.9.98	<u>£18,390</u>	<u>£19,587</u>	<u>£37,977</u>

# RUST RESOURCES LIMITED

## NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999 - continued

8. INVESTMENTS	1999	1998
Group undertaking	£4,743	£4,743

The investment represents :

Name incorporation	Country of capital held	Proportion of share business	Nature of
Rust A/S	Norway	100%	Contractors

	Aggregate share capital and reserves £	Profit after taxation £
Rust A/S	29,714	41,878

The aggregate amount of total investment in share of the subsidiaries under the equity method of valuation is £29,714.

9. DEBTORS	1999 £	1998 £
Trade debtors	364,936	1,243,220
Amount owed by group undertakings	490,455	669,441
Other debtors	4,579	51,542
Prepayments and accrued income	48,713	146,257
Corporation tax recoverable	14,781	-
	£923,464	£2,110,460

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

	1999 £	1998 £
Bank overdraft (secured)	269,361	901,263
Trade creditors	260,096	261,329
Amount owed to group undertakings	86,341	490,392
Other creditors	123,585	106,426
Corporation tax	9,852	33,756
Social security and other taxes	64,676	165,064
Accruals	49,599	127,149
	£863,510	£2,085,379

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

# **RUST RESOURCES LIMITED**

## **NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999 - continued**

### **11. SHARE CAPITAL**

	<b>1999</b>	<b>1998</b>
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	£100,000	£100,000
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	£100	£100

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

	<b>1999</b>	<b>1998</b>
<b>All Equity:</b>	<b>£</b>	<b>£</b>
Profit for the financial year	34,554	107,066
Shareholders' funds at 30 September 1998	811,073	704,007
Shareholders' funds at 30 September 1999	£845,627	£811,073

### **13. 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 £45,720 (1998: £76,501). Included in the balance sheet at 30 September 1999 are outstanding contributions of £nil (1998: £nil).

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

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Operating profit	25,746	224,765
Depreciation	13,440	24,945
Profit on disposal of fixed assets	14,691	-
Decrease/(increase) in debtors	1,201,777	(279,562)
(Decrease)/increase in creditors	(566,063)	233,493
	£689,591	£203,641

# RUST RESOURCES LIMITED

## NOTES FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999 - continued

### 15. ANALYSIS OF CHANGES IN NET DEBT

	Balance at 1.10.98 £	Movements in the year £	Balance at 30.9.99 £
Cash at bank and in hand	743,272	27,196	770,468
Bank overdrafts	(901,263)	631,902	(269,361)
	<hr/>	<hr/>	<hr/>
	£(157,991)	£659,098	£501,107
	<hr/>	<hr/>	<hr/>

### 16. RELATED PARTY TRANSACTIONS

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

During the year the company undertook the following transactions with Related parties:-

The company made sales during the year totalling £391,874 (1998 - £534,250) to fellow subsidiary companies.