

REGISTERED NUMBER: 1397782 (England and Wales)

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD  
1 FEBRUARY 2004 TO 30 JANUARY 2005  
FOR  
RUSTS LIMITED**

Dennis & Turnbull  
Chartered Accountants & Registered Auditors  
Swatton Barn  
Badbury  
Swindon  
Wiltshire  
SN4 0EU



# **RUSTS LIMITED**

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# **RUSTS LIMITED**

## **COMPANY INFORMATION** **for the period 1 February 2004 to 30 January 2005**

**DIRECTORS:**

J A Emeny  
L Beaumont  
J R Cox  
C M Emeny  
H J Williams  
G N Randall

**SECRETARY:**

C M Emeny

**REGISTERED OFFICE:**

17 Covingham Square  
Swindon  
Wiltshire  
SN3 5AQ

**REGISTERED NUMBER:**

1397782 (England and Wales)

**AUDITORS:**

Dennis & Turnbull  
Chartered Accountants & Registered Auditors  
Swatton Barn  
Badbury  
Swindon  
Wiltshire  
SN4 0EU

**BANKERS:**

National Westminster Bank Plc  
84 Commercial Road  
Swindon  
Wiltshire  
SN1 5NW

**RUSTS LIMITED**

**CHAIRMAN'S REPORT**  
**for the period 1 February 2004 to 30 January 2005**

A 7% drop in sales, plus an increase on the minimum wage, is reflected in our net profit.

The fall in sales has resulted from the increased competition from a recently enlarged supermarket, and the disposal of one of our stores at the end of the previous year.

We are still facing pressure on sales but with increasing investment in our fresh food operation, we are confident that this will shortly be reversed.

The management team has been strengthened with the appointment of a very experienced General Manager and his knowledge of greengrocery and chilled food should help us to progress these important elements of our business.

We are in the process of increasing the facilities and sales area of one of our key stores and this should further enhance our ability to develop profitable sales.

I am confident that we will at least maintain our level of profit during the current year.

A handwritten signature in black ink, appearing to be 'J. Palmer', with a long horizontal flourish extending to the right.

## **RUSTS LIMITED**

### **REPORT OF THE DIRECTORS for the period 1 February 2004 to 30 January 2005**

The directors present their report with the financial statements of the company for the period 1 February 2004 to 30 January 2005.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of proprietors and operators of a convenience store chain.

#### **REVIEW OF BUSINESS**

The results for the period and financial position of the company are as shown in the annexed financial statements.

#### **DIVIDENDS**

No interim dividend was paid during the period. The directors recommend a final dividend of 5p per share.

The total distribution of dividends for the period ended 30 January 2005 will be £21,000.

#### **DIRECTORS**

The directors during the period under review were:

J A Emeny  
L Beaumont  
J R Cox  
C M Emeny  
H J Williams  
G N Randall

The beneficial interests of the directors holding office on 30 January 2005 in the issued share capital of the company were as follows:

	30.1.05	1.2.04
<b>Ordinary £1 shares</b>		
J A Emeny	110,000	110,000
L Beaumont	50,000	50,000
J R Cox	20,000	20,000
C M Emeny	110,000	110,000
H J Williams	50,000	50,000
G N Randall	-	-

In addition, J A and C M Emeny jointly have a non-beneficial interest in 60,000 ordinary £1 shares.

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the period the company made charitable contributions amounting to £1,000.

## **RUSTS LIMITED**

### **REPORT OF THE DIRECTORS**

**for the period 1 February 2004 to 30 January 2005**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors 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 directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

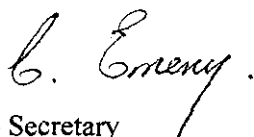
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

On 18 April 2005, Solomon Hare LLP resigned as auditors of Rusts Limited and Dennis & Turnbull were appointed.

Dennis & Turnbull will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

#### **ON BEHALF OF THE BOARD:**



C M Emeny - Secretary

20 May 2005

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF RUSTS LIMITED**

We have audited the financial statements of Rusts Limited for the period ended 30 January 2005 on pages seven to twenty one. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

As described on page four the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
RUSTS LIMITED**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 January 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Dennis & Turnbull  
Chartered Accountants & Registered Auditors  
Swatton Barn  
Badbury  
Swindon  
Wiltshire  
SN4 0EU

20 May 2005



# RUSTS LIMITED

## PROFIT AND LOSS ACCOUNT for the period 1 February 2004 to 30 January 2005

		Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
Notes			
<b>TURNOVER</b>		12,085,344	13,024,998
Cost of sales		9,242,430	10,028,366
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		2,842,914	2,996,632
Administrative expenses		2,850,838	2,632,626
		<hr/>	<hr/>
		(7,924)	364,006
Other operating income		62,781	67,258
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	3	54,857	431,264
Interest receivable and similar income		22,259	7,815
		<hr/>	<hr/>
		77,116	439,079
Interest payable and similar charges	4	10,297	10,518
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		66,819	428,561
Tax on profit on ordinary activities	5	29,197	72,730
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION</b>		37,622	355,831
Dividends	6	21,000	84,000
		<hr/>	<hr/>
<b>RETAINED PROFIT FOR THE PERIOD</b>		<u>16,622</u>	<u>271,831</u>

### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous periods.

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current or previous periods.

The notes form part of these financial statements

# RUSTS LIMITED

## BALANCE SHEET 30 January 2005

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Intangible assets	7	217,933	241,114
Tangible assets	8	599,515	634,188
Investments	9	-	50
		<u>817,448</u>	<u>875,352</u>
<b>CURRENT ASSETS</b>			
Stocks	10	503,633	477,263
Debtors	11	122,010	149,228
Cash at bank and in hand		527,496	470,047
		<u>1,153,139</u>	<u>1,096,538</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>895,798</u>	<u>883,554</u>
<b>NET CURRENT ASSETS</b>		<u>257,341</u>	<u>212,984</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,074,789</u>	<u>1,088,336</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(107,834)	(133,811)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	17	(8,141)	(12,333)
		<u>958,814</u>	<u>942,192</u>

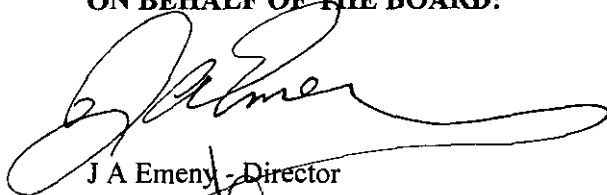
The notes form part of these financial statements


# RUSTS LIMITED

## BALANCE SHEET - continued 30 January 2005

	Notes	2005 £	2004 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	420,000	420,000
Capital redemption reserve	19	50,000	50,000
Profit and loss account	19	488,814	472,192
<b>SHAREHOLDERS' FUNDS</b>	21	<u>958,814</u>	<u>942,192</u>

### ON BEHALF OF THE BOARD:

  
J A Emeny - Director

  
J R Cox - Director

Approved by the Board on 20 May 2005

# RUSTS LIMITED

## CASH FLOW STATEMENT for the period 1 February 2004 to 30 January 2005

	Notes	Period 1.2.04 to 30.1.05		Period 2.2.03 to 31.1.04	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	1		331,270		284,206
<b>Returns on investments and servicing of finance</b>	2		11,962		(2,703)
<b>Taxation</b>			(34,005)		(17,809)
<b>Capital expenditure and financial investment</b>	2		(137,458)		172,630
<b>Equity dividends paid</b>			(84,000)		(42,000)
			87,769		394,324
<b>Financing</b>	2		(30,320)		(31,523)
<b>Increase in cash in the period</b>			57,449		362,801
<hr/>					
<b>Reconciliation of net cash flow to movement in net funds</b>	3				
Increase in cash in the period		57,449		362,801	
Cash outflow from decrease in debt		30,320		51,523	
Change in net funds resulting from cash flows			87,769		414,324
<b>Movement in net funds in the period</b>			87,769		414,324
<b>Net funds/(debt) at 1 February</b>			305,053		(109,271)
<b>Net funds at 30 January</b>			392,822		305,053

The notes form part of these financial statements

# RUSTS LIMITED

## NOTES TO THE CASH FLOW STATEMENT for the period 1 February 2004 to 30 January 2005

### 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
Operating profit	54,857	431,264
Depreciation charges	211,135	229,608
Profit on disposal of fixed assets	(15,773)	(302,545)
(Increase)/Decrease in stocks	(26,370)	7,866
Decrease/(Increase) in debtors	27,218	(3,982)
Increase/(Decrease) in creditors	80,203	(78,005)
<b>Net cash inflow from operating activities</b>	<u>331,270</u>	<u>284,206</u>

### 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
<b>Returns on investments and servicing of finance</b>		
Interest received	22,259	7,815
Interest paid	(10,297)	(10,518)
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	<u>11,962</u>	<u>(2,703)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(153,281)	(223,322)
Purchase of fixed asset investments	-	(50)
Sale of tangible fixed assets	-	396,002
Sale of fixed asset investments	15,823	-
<b>Net cash (outflow)/inflow for capital expenditure and financial investment</b>	<u>(137,458)</u>	<u>172,630</u>

The notes form part of these financial statements

# RUSTS LIMITED

## NOTES TO THE CASH FLOW STATEMENT for the period 1 February 2004 to 30 January 2005

### 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
<b>Financing</b>		
Loan repayments in year	(30,320)	(51,523)
Share issue	-	20,000
	<u>(30,320)</u>	<u>(31,523)</u>
<b>Net cash outflow from financing</b>	<u><u>(30,320)</u></u>	<u><u>(31,523)</u></u>

### 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.2.04 £	Cash flow £	At 30.1.05 £
<b>Net cash:</b>			
Cash at bank and in hand	470,047	57,449	527,496
	<u>470,047</u>	<u>57,449</u>	<u>527,496</u>
<b>Debt:</b>			
Debts falling due within one year	(31,183)	4,343	(26,840)
Debts falling due after one year	(133,811)	25,977	(107,834)
	<u>(164,994)</u>	<u>30,320</u>	<u>(134,674)</u>
<b>Total</b>	<u><u>305,053</u></u>	<u><u>87,769</u></u>	<u><u>392,822</u></u>

## **RUSTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the period 1 February 2004 to 30 January 2005**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

##### **Turnover**

The turnover shown in the profit and loss account represents retail sales and commissions received during the year, exclusive of value added tax.

##### **Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- over the remaining period of the lease
Fixtures and fittings	- at varying rates on cost
Motor vehicles	- 25% straight line basis

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

##### **Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

#### **2. STAFF COSTS**

	Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
Wages and salaries	1,617,800	1,676,080
Social security costs	46,362	45,211
Other pension costs	16,109	16,862
	<u>1,680,271</u>	<u>1,738,153</u>

# RUSTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 February 2004 to 30 January 2005

### 2. STAFF COSTS - continued

The average monthly number of employees during the period was as follows:

	Period 1.2.04 to 30.1.05	Period 2.2.03 to 31.1.04
Number of administrative staff	8	10
Number of management staff	5	5
Number of retail staff	165	189
	<u>178</u>	<u>204</u>

### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
Hire of plant and machinery	9,403	13,052
Other operating leases	286,593	293,266
Depreciation - owned assets	187,954	206,358
Profit on disposal of fixed assets	(15,773)	(302,545)
Goodwill amortisation	23,181	23,250
Auditors remuneration	16,800	9,493
	<u>390,028</u>	<u>364,318</u>
Directors' emoluments	390,028	364,318
Directors' pension contributions to money purchase schemes	<u>3,050</u>	<u>3,367</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>2</u>
------------------------	----------	----------

No directors exercised share options during the period (2004 - one directors).

Information regarding the highest paid director is as follows:

	Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
Emoluments etc	<u>207,603</u>	<u>177,836</u>



# **RUSTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **for the period 1 February 2004 to 30 January 2005**

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

	Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
Bank interest	<u>10,297</u>	<u>10,518</u>

### **5. TAXATION**

#### **Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the period was as follows:

	Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
Current tax:		
UK corporation tax	22,846	81,747
Under provision prior periods	<u>10,543</u>	<u>-</u>
Total current tax	33,389	81,747
Deferred tax	<u>(4,192)</u>	<u>(9,017)</u>
Tax on profit on ordinary activities	<u>29,197</u>	<u>72,730</u>

# RUSTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 February 2004 to 30 January 2005

### 5. TAXATION - continued

#### Factors affecting the tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
Profit on ordinary activities before tax	<u>66,819</u>	<u>428,561</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2004 - 30%)	12,696	128,568
Effects of:		
Depreciation in excess of capital allowances	8,860	12,542
Expenses not deductible for tax purposes	1,303	1,906
Income not taxable - fixed assets	(2,997)	(90,119)
Capital gains	2,984	59,772
Marginal relief	-	(30,922)
Under provision prior periods	<u>10,543</u>	<u>-</u>
Current tax charge	<u><u>33,389</u></u>	<u><u>81,747</u></u>

### 6. DIVIDENDS

	Period 1.2.04 to 30.1.05 £	Period 2.2.03 to 31.1.04 £
Equity shares:		
Final	<u><u>21,000</u></u>	<u><u>84,000</u></u>

# RUSTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 February 2004 to 30 January 2005

### 7. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 February 2004	
and 30 January 2005	465,000
<b>AMORTISATION</b>	
At 1 February 2004	223,886
Amortisation for period	23,181
At 30 January 2005	247,067
<b>NET BOOK VALUE</b>	
At 30 January 2005	217,933
At 31 January 2004	241,114

### 8. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 February 2004	79,522	1,227,023	186,576	1,493,121
Additions	-	153,281	-	153,281
At 30 January 2005	79,522	1,380,304	186,576	1,646,402
<b>DEPRECIATION</b>				
At 1 February 2004	43,014	689,224	126,695	858,933
Charge for period	1,392	162,219	24,343	187,954
At 30 January 2005	44,406	851,443	151,038	1,046,887
<b>NET BOOK VALUE</b>				
At 30 January 2005	35,116	528,861	35,538	599,515
At 31 January 2004	36,508	537,799	59,881	634,188

# RUSTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 February 2004 to 30 January 2005

### 9. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>COST</b>	
At 1 February 2004	50
Disposals	(50)
	<hr/>
At 30 January 2005	-
	<hr/>
<b>NET BOOK VALUE</b>	
At 30 January 2005	-
	<hr/>
At 31 January 2004	50
	<hr/>

### 10. STOCKS

	2005 £	2004 £
Finished goods	503,633	477,263
	<hr/>	<hr/>

### 11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade debtors	62,866	85,259
Other debtors	-	13,277
VAT	1,946	-
Prepayments	57,198	50,692
	<hr/>	<hr/>
	122,010	149,228
	<hr/>	<hr/>

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank loans and overdrafts (see note 14)	26,840	31,183
Trade creditors	620,700	547,047
Corporation tax	81,131	81,747
Social security and other taxes	64,033	49,607
VAT	-	5,352
Proposed dividends	21,000	84,000
Other creditors	32,156	37,695
Accrued expenses	49,938	46,923
	<hr/>	<hr/>
	895,798	883,554
	<hr/>	<hr/>

# RUSTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 February 2004 to 30 January 2005

### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005	2004
	£	£
Bank loans (see note 14)	<u>107,834</u>	<u>133,811</u>

### 14. LOANS

An analysis of the maturity of loans is given below:

	2005	2004
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>26,840</u>	<u>31,183</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>27,500</u>	<u>26,840</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>80,334</u>	<u>106,971</u>

### 15. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2005	2004	2005	2004
	£	£	£	£
Expiring:				
Within one year	-	-	5,200	11,566
Between one and five years	9,250	-	-	-
In more than five years	274,864	281,364	-	-
	<u>284,114</u>	<u>281,364</u>	<u>5,200</u>	<u>11,566</u>

# **RUSTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **for the period 1 February 2004 to 30 January 2005**

### **16. SECURED DEBTS**

The following secured debts are included within creditors:

	2005	2004
	£	£
Bank loans	<u>134,674</u>	<u>164,994</u>

The bank loans and overdrafts are secured by a first legal mortgage over leasehold properties at Aldershot, Tilehurst, Great Bookham, Wandsworth, Wokingham, Prestwood, Croxley Green and Chelmsford, and an unsecured mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company.

Interest on the loans are charged at 2% above the banks base rate and is repayable by 31 May 2010.

### **17. PROVISION FOR LIABILITIES AND CHARGES**

	2005	2004
	£	£
Deferred tax	<u>8,141</u>	<u>12,333</u>
		Deferred tax
		£
Balance at 1 February 2004		12,333
Accelerated capital allowances		(4,192)
Balance at 30 January 2005		<u>8,141</u>

### **18. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	2005	2004
			£	£
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005	2004
			£	£
420,000	Ordinary	£1	<u>420,000</u>	<u>420,000</u>

# RUSTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 February 2004 to 30 January 2005

### 19. RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 February 2004	472,192	50,000	522,192
Retained profit for the period	16,622	-	16,622
At 30 January 2005	<u>488,814</u>	<u>50,000</u>	<u>538,814</u>

### 20. RELATED PARTY DISCLOSURES

During the period the company entered into transactions with the following related parties. The price charged was the normal market price in the case of each individual transaction.

Name of related party	Nature of relationship	Transaction details	Expense £	Creditor £
L Beaumont	Director of the company	Cleaning costs	34,106	-
G N Randall	Director of the company	Legal services	12,000	-

### 21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial period	37,622	355,831
Dividends	(21,000)	(84,000)
	<u>16,622</u>	<u>271,831</u>
Ordinary shares issued	-	20,000
	<u>16,622</u>	<u>291,831</u>
Opening shareholders' funds	942,192	650,361
	<u>958,814</u>	<u>942,192</u>
Closing shareholders' funds	<u>958,814</u>	<u>942,192</u>
Equity interests	<u>958,814</u>	<u>942,192</u>

### 22. ULTIMATE CONTROLLING PARTY

The company was under the control of J A Emeny and C M Emeny throughout the current and previous period. J A Emeny and C M Emeny are the directors and majority shareholders.