

RUSTS LIMITED

ACCOUNTS

31 JANUARY 2004

Company Registration Number 1397782



RUSTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

CONTENTS	PAGE
Officers and professional advisers	1
Chairman's statement	3
Directors' report	4
Independent auditors' report to the shareholders	6
Profit and loss account	8
Balance sheet	9
Cash flow statement	10
Notes to the accounts	13

RUSTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Board of directors

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

Company secretary

C M Emeny

Registered office

17 Covingham Square
Swindon
Wiltshire
SN3 5AQ

Auditors

Solomon Hare LLP
Chartered Accountants
Registered Auditors
37 Market Place
Chippenham
Wiltshire
SN15 3HT

Bankers

National Westminster Bank plc
73 a Commercial Road
Swindon
SN1 5NX

Alliance & Leicester Commercial Bank Plc
Bridle Road
Bootle
Merseyside
GIR 0AA

RUSTS LIMITED

CHAIRMAN'S STATEMENT

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

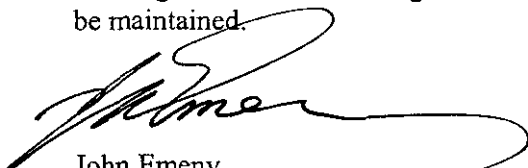
The good summer weather of last year helped sales along, which resulted in an increase over the previous year of 7.5%.

Gross profit recovered over half a percent and this is reflected in a trading profit of £107,683.

The total profit of £428,561 on ordinary activities includes a figure of £320,878 in respect of the sale of the Harlington shop. The successful development of our two recently acquired stores has given us the opportunity to dispose of this store which was under performing.

Efficiency has further been improved with the installation of our second generation EPOS operating system.

Although we are still waiting for the summer to happen, I am confident that our steady progress will be maintained.



John Emeny
Chairman

4 June 2004

RUSTS LIMITED

DIRECTORS' REPORT

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

The directors have pleasure in presenting their report and the accounts of the company for the period from 2 February 2003 to 31 January 2004.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year was that of proprietors and operators of a convenience store chain.

RESULTS AND DIVIDENDS

The trading results for the period, and the company's financial position at the end of the period are shown in the attached accounts.

The directors have recommended the following dividends:

	Period from 2 February 2003 to 31 January 2004 £	Period from 27 January 2002 to 1 February 2003 £
Proposed dividends on ordinary shares at 20p per share (2003 – 10p per share)	84,000	42,000

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

		At 31 January 2004	At 2 February 2003
J A Emeny	Ordinary £1	110,000	110,000
L Beaumont	Ordinary £1	50,000	50,000
J R Cox	Ordinary £1	20,000	–
C M Emeny	Ordinary £1	110,000	110,000
H J Williams	Ordinary £1	50,000	50,000

In addition, Mr & Mrs Emeny have a joint interest in 60,000 ordinary £1 shares.

D C Quilty BA (Hons) resigned as a director on 29 March 2003.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the period and of the profit or loss for the period then ended.

In preparing those accounts, the directors are required to select suitable accounting policies, as described on pages 13 to 14, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

RUSTS LIMITED

DIRECTORS' REPORT *(continued)*

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

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 accounts comply with the Companies Act 1985. The directors 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.

DONATIONS

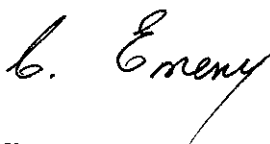
During the period the company made the following contributions:

	Period from 2 February 2003 to 31 January 2004	Period from 27 January 2002 to 1 February 2003
	£	£
Charitable	<u>260</u>	<u>1,075</u>

AUDITORS

Solomon Hare LLP were appointed as auditors on 13 January 2004 and a resolution to re-appoint them as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



C M Emeny
Company Secretary

Approved by the directors on 4 June 2004

RUSTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

We have audited the accounts on pages 8 to 23 which have been prepared under the historical cost convention and the accounting policies set out on pages 13 to 14.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on pages 4 to 5.

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

We report to you our opinion as to whether the accounts 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 Directors' Report is not consistent with the accounts, 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 other information contained in the Annual Report, and consider whether it is consistent with the audited accounts. This other information comprises only the Directors' Report and the Chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

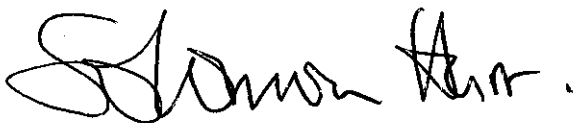
RUSTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 January 2004 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Solomon Hare', is written over the printed name of the firm.

SOLOMON HARE LLP
Chartered Accountants
Registered Auditors
Chippenham

4 June 2004

RUSTS LIMITED**PROFIT AND LOSS ACCOUNT****PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004**

	Note	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
TURNOVER	2	13,024,998	12,108,869
Cost of sales		(10,028,366)	(9,296,830)
GROSS PROFIT		2,996,632	2,812,039
Administrative expenses		(2,935,171)	(2,766,427)
Other operating income		369,803	43,463
OPERATING PROFIT	3	431,264	89,075
Interest receivable		7,815	3,783
Interest payable and similar charges	6	(10,518)	(8,286)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		428,561	84,572
Tax on profit on ordinary activities	7	(72,730)	(22,342)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		355,831	62,230
Dividends	8	(84,000)	(42,000)
RETAINED PROFIT FOR THE FINANCIAL PERIOD		271,831	20,230
Balance brought forward		200,361	180,131
Balance carried forward		472,192	200,361

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 period as set out above.

The notes on pages 12 to 22 form part of these accounts.

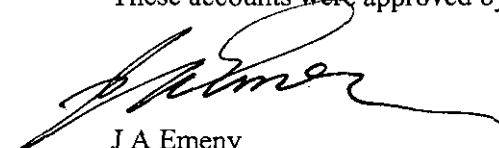
RUSTS LIMITED

BALANCE SHEET

31 JANUARY 2004

	Note	31 Jan 04 £	£	1 Feb 03 £	£
FIXED ASSETS					
Intangible assets	9		241,114		264,456
Tangible assets	10		634,188		710,589
Investments	11		50		—
			<u>875,352</u>		<u>975,045</u>
CURRENT ASSETS					
Stocks	12	477,263		485,129	
Debtors	13	149,228		145,246	
Cash at bank and in hand		470,047		107,246	
		<u>1,096,538</u>		<u>737,621</u>	
CREDITORS: Amounts falling due within one year	14	<u>(883,554)</u>		<u>(877,438)</u>	
NET CURRENT ASSETS/(LIABILITIES)			212,984		(139,817)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,088,336</u>		<u>835,228</u>
CREDITORS: Amounts falling due after more than one year	15		(133,811)		(163,517)
			<u>954,525</u>		<u>671,711</u>
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	16		(12,333)		(21,350)
			<u>942,192</u>		<u>650,361</u>
CAPITAL AND RESERVES					
Called-up equity share capital	19		420,000		400,000
Other reserves	20		50,000		50,000
Profit and loss account			472,192		200,361
SHAREHOLDERS' FUNDS	21		<u>942,192</u>		<u>650,361</u>

These accounts were approved by the directors on the 4 June 2004 and are signed on their behalf by:


J A Emeny
Director

The notes on pages 12 to 22 form part of these accounts.

RUSTS LIMITED**CASH FLOW STATEMENT****PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004**

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	284,206	330,046
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	7,815	3,783
Interest paid	<u>(10,518)</u>	<u>(8,286)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(2,703)	(4,503)
TAXATION	(17,809)	(25,155)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Payments to acquire intangible fixed assets	—	(150,000)
Payments to acquire tangible fixed assets	(223,322)	(353,064)
Receipts from sale of fixed assets	396,002	19,200
Acquisition of Investments brought forward	<u>(50)</u>	<u>—</u>
NET CASH INFLOW/(OUTFLOW) FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	172,630	(483,864)
EQUITY DIVIDENDS PAID	(42,000)	(40,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING	394,324	(223,476)
FINANCING		
Issue of equity share capital	20,000	—
Repayment of bank loans	<u>(51,523)</u>	<u>162,397</u>
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	(31,523)	162,397
INCREASE/(DECREASE) IN CASH	<u>362,801</u>	<u>(61,079)</u>

The notes on pages 12 to 22 form part of these accounts.

RUSTS LIMITED**CASH FLOW STATEMENT** *(continued)***PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004****RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
Operating profit	431,264	89,075
Amortisation	23,250	23,300
Depreciation	206,358	201,090
Profit on disposal of fixed assets	(302,545)	(13,310)
Decrease/(increase) in stocks	7,866	(79,086)
Increase in debtors	(3,982)	(16,342)
(Decrease)/increase in creditors	(78,005)	125,319
Net cash inflow from operating activities	<u>284,206</u>	<u>330,046</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	31 Jan 04 £	1 Feb 03 £
Increase/(decrease) in cash in the period	362,801	(61,080)
Net cash outflow from/(inflow) from bank loans	<u>51,523</u>	<u>(162,396)</u>
	414,324	(223,476)
Change in net funds	414,324	(223,476)
Net debt at 2 February 2003	(109,271)	114,205
Net funds at 31 January 2004	<u>305,053</u>	<u>(109,271)</u>

The notes on pages 12 to 22 form part of these accounts.

RUSTS LIMITED**CASH FLOW STATEMENT** *(continued)***PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004**

ANALYSIS OF CHANGES IN NET FUNDS

	At 2 Feb 2003 £	Cash flows £	At 31 Jan 2004 £
Net cash:			
Cash in hand and at bank	<u>107,246</u>	<u>362,801</u>	<u>470,047</u>
Debt:			
Debt due within 1 year	(53,000)	21,817	(31,183)
Debt due after 1 year	<u>(163,517)</u>	<u>29,706</u>	<u>(133,811)</u>
	<u>(216,517)</u>	<u>51,523</u>	<u>(164,994)</u>
Net funds	<u>(109,271)</u>	<u>414,324</u>	<u>305,053</u>

The notes on pages 12 to 22 form part of these accounts.

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

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, classified as an asset on the Balance Sheet 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.

Amortisation

Amortisation 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:

Goodwill - 5% straight line

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:

Freehold Property	- 2% straight line
Short Leasehold Property	- over term of lease
Fixtures & Fittings	- 10-15% straight line
Motor Vehicles	- 25% straight line
Computer Equipment	- 33 1/3 % straight line

Stocks

Stocks represent goods held for re-sale and are valued at the lower of cost and net realisable value on a first in, first out basis.

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.

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred taxation balance has not been discounted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
Retail sales	12,910,648	12,001,975
Lottery commission	114,350	106,894
	<u>13,024,998</u>	<u>12,108,869</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
Amortisation	23,250	23,300
Depreciation of owned fixed assets	206,358	201,090
Profit on disposal of fixed assets	(302,545)	(13,310)
Auditors' remuneration		
- as auditors	9,493	13,125
Operating lease costs:		
Land and buildings	293,266	258,383
Other	<u>13,051</u>	<u>4,835</u>

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

4. PARTICULARS OF EMPLOYEES

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

	Period from 2 Feb 03 to 31 Jan 04 No	Period from 27 Jan 02 to 1 Feb 03 No
Number of administrative staff	10	8
Number of management staff	5	7
Number of retail staff	189	185
	<u>204</u>	<u>200</u>

The aggregate payroll costs of the above were:

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
Wages and salaries	1,676,080	1,546,787
Social security costs	45,211	42,698
Other pension costs	16,862	11,312
	<u>1,738,153</u>	<u>1,600,797</u>

5. DIRECTORS' EMOLUMENTS

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

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
Emoluments receivable	364,318	341,071
Value of company pension contributions to money purchase schemes	3,367	4,631
	<u>367,685</u>	<u>345,702</u>

Emoluments of highest paid director:

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
Total emoluments (excluding pension contributions):	<u>177,836</u>	<u>171,785</u>

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

5. DIRECTORS' EMOLUMENTS *(continued)*

The number of directors who are accruing benefits under company pension schemes was as follows:

	Period from 2 Feb 03 to 31 Jan 04 No	Period from 27 Jan 02 to 1 Feb 03 No
Money purchase schemes	<u>2</u>	<u>—</u>

The number of directors who exercised share options during the period were as follows:

	Period from 2 Feb 03 to 31 Jan 04 No	Period from 27 Jan 02 to 1 Feb 03 No
Directors who exercised share options	<u>1</u>	<u>—</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
Interest payable on bank borrowing	—	3
Other similar charges payable	10,518	8,283
	<u>10,518</u>	<u>8,286</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
Current tax:		
In respect of the period:		
UK Corporation tax based on the results for the period at 30% (2003 - 19%)	81,747	17,809
Over/under provision in prior year	—	683
Total current tax	<u>81,747</u>	<u>18,492</u>
Deferred tax:		
(Decrease)/Increase in deferred tax provision (note 16)		
Capital allowances	(9,017)	3,850
Tax on profit on ordinary activities	<u>72,730</u>	<u>22,342</u>

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

7. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30% (2003 - 19%).

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
Profit on ordinary activities before taxation	<u>428,561</u>	<u>84,572</u>
Profit/(loss) on ordinary activities by rate of tax	128,568	16,069
Income not taxable - fixed assets	(90,119)	-
Expenses not deductible for tax purposes	1,906	1,281
Capital gains	59,772	-
Marginal relief	(30,922)	-
Depreciation in excess of capital allowances	<u>12,542</u>	<u>459</u>
Total current tax (note 7(a))	<u>81,747</u>	<u>17,809</u>

8. DIVIDENDS

The following dividends have been proposed in respect of the period:

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
Proposed dividend on ordinary equity shares	<u>84,000</u>	<u>42,000</u>

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 2 February 2003	466,000
Disposals	(1,000)
At 31 January 2004	<u>465,000</u>
AMORTISATION	
At 2 February 2003	201,544
Charge for the period	23,250
On disposals	(908)
At 31 January 2004	<u>223,886</u>
NET BOOK VALUE	
At 31 January 2004	<u>241,114</u>
At 1 February 2003	<u>264,456</u>

10. TANGIBLE FIXED ASSETS

	Freehold & Short Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST					
At 2 February 2003	155,039	1,089,142	156,699	31,119	1,431,999
Additions	—	165,132	57,377	813	223,322
Disposals	(75,517)	(58,126)	(27,500)	(1,057)	(162,200)
At 31 January 2004	<u>79,522</u>	<u>1,196,148</u>	<u>186,576</u>	<u>30,875</u>	<u>1,493,121</u>
DEPRECIATION					
At 2 February 2003	59,768	539,955	93,774	27,913	721,410
Charge for the period	2,544	158,363	42,087	3,364	206,358
On disposals	(19,298)	(39,314)	(9,166)	(1,057)	(68,835)
At 31 January 2004	<u>43,014</u>	<u>659,004</u>	<u>126,695</u>	<u>30,220</u>	<u>858,933</u>
NET BOOK VALUE					
At 31 January 2004	<u>36,508</u>	<u>537,144</u>	<u>59,881</u>	<u>655</u>	<u>634,188</u>
At 1 February 2003	<u>95,271</u>	<u>549,187</u>	<u>62,925</u>	<u>3,206</u>	<u>710,589</u>

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

10. TANGIBLE FIXED ASSETS *(continued)*

Land and buildings comprise:	2004 £	2003 £
Net Book Value		
Freehold	—	57,351
Short leasehold	36,508	37,920
	<u>36,508</u>	<u>95,271</u>

11. INVESTMENTS

	Unlisted Investments £
COST	
Additions	50
At 31 January 2004	<u>50</u>
NET BOOK VALUE	
At 31 January 2004	<u>50</u>

12. STOCKS

	31 Jan 04 £	1 Feb 03 £
Goods for re-sale	<u>477,263</u>	<u>485,129</u>

13. DEBTORS

	31 Jan 04 £	1 Feb 03 £
Trade debtors	85,259	82,079
Other debtors	13,277	5,240
Prepayments and accrued income	50,692	57,927
	<u>149,228</u>	<u>145,246</u>

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

14. CREDITORS: Amounts falling due within one year

	31 Jan 04	1 Feb 03
	£	£
Bank loans and overdrafts	31,183	53,000
Trade creditors	547,047	662,124
Corporation tax	81,747	17,809
PAYE and social security	49,607	36,918
VAT	5,352	—
Dividends payable	84,000	42,000
Other creditors	37,695	62,761
Accruals and deferred income	46,923	2,826
	<u>883,554</u>	<u>877,438</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	31 Jan 04	1 Feb 03
	£	£
Bank loans and overdrafts	<u>31,183</u>	<u>53,000</u>

15. CREDITORS: Amounts falling due after more than one year

	31 Jan 04	1 Feb 03
	£	£
Bank loans and overdrafts	<u>133,811</u>	<u>163,517</u>

The bank loans and overdraft are secured by first legal mortgages over leasehold properties at Aldershot, Tilehurst, Great Bookham, Wandsworth, Wokingham, Prestwood, Croxley Green and Chelmsford, and an unscheduled 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% and 1.5% above the banks base rate. A loan with £4,183 outstanding is repayable by 26 March 2004 and the other loan with £160,811 outstanding is repayable by 31 May 2010.

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	31 Jan 04	1 Feb 03
	£	£
Bank loans and overdrafts	<u>133,811</u>	<u>163,517</u>

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

16. DEFERRED TAXATION

	Period from 2 Feb 03 to 31 Jan 04 £	Period from 27 Jan 02 to 1 Feb 03 £
The movement in the deferred taxation provision during the period was:		
Provision brought forward	21,350	17,500
Profit and loss account movement arising during the period	(9,017)	3,850
Provision carried forward	<u>12,333</u>	<u>21,350</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	31 Jan 04 £	1 Feb 03 £
Excess of taxation allowances over depreciation on fixed assets	12,333	21,350
	<u>12,333</u>	<u>21,350</u>

No provision is made for deferred taxation in respect of rollover relief claimed as it is not expected to mature within the foreseeable future. The maximum amount not provided is £43,550 (2003 - £43,550).

17. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	31 Jan 04		1 Feb 03	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	—	11,566	—	—
Within 2 to 5 years	—	—	79,829	—
After more than 5 years	281,364	—	203,035	—
	<u>281,364</u>	<u>11,566</u>	<u>282,864</u>	<u>—</u>

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

18. RELATED PARTY TRANSACTIONS

The company was under the control of Mr & Mrs Emeny throughout the current and previous year. Mr & Mrs Emeny are the managing directors and majority shareholders.

The director Mrs L Beaumont is in a partnership which supplies services to the company on an arms length basis. During the year the company was charged £35,820 (2003 - £34,128) for these services. No amounts were owed by the company at the year end.

Mr G N Randall, a director, supplies legal services to the company on an arms length basis. During the year the company was charged £10,350 (2003 - £10,200) for these services. No amounts were owed by the company at the year end.

19. SHARE CAPITAL

Authorised share capital:

	31 Jan 04	1 Feb 03
	£	£
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	31 Jan 04		1 Feb 03	
	No	£	No	£
Ordinary shares of £1 each	<u>420,000</u>	<u>420,000</u>	<u>400,000</u>	<u>400,000</u>

The following options were exercised during the year:

3 March 2003 20,000 ordinary shares at £1 each

Other options of 10,000 shares at £3 each previously granted under an Executive Share Option Scheme lapsed during the year.

20. OTHER RESERVES

	Period from 2 Feb 03 to 31 Jan 04	Period from 27 Jan 02 to 1 Feb 03
	£	£
Capital redemption reserve	<u>50,000</u>	<u>50,000</u>

RUSTS LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 2 FEBRUARY 2003 TO 31 JANUARY 2004

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Jan 04	1 Feb 03
	£	£
Profit for the financial period	355,831	62,230
Dividends	(84,000)	(42,000)
	<u>271,831</u>	<u>20,230</u>
 New equity share capital subscribed	 20,000	 —
Net addition to funds	291,831	20,230
Opening shareholders' equity funds	650,361	630,131
Closing shareholders' equity funds	<u>942,192</u>	<u>650,361</u>