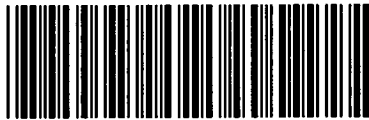


REGISTERED NUMBER: SC074125 (Scotland)

Companies House

RICHARD AUSTIN ALLOYS LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

TUESDAY



SA1DEI4B

SCT

30/03/2021

#16

COMPANIES HOUSE

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

	Page
Company Information	1
Group Strategic Report	2 to 3
Report of the Directors	4 to 5
Report of the Independent Auditors	6 to 8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Company Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12 to 13
Company Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Notes to the Consolidated Statement of Cash Flows	16 to 17
Notes to the Consolidated Financial Statements	18 to 36

RICHARD AUSTIN ALLOYS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

DIRECTORS:	Sean Terence Kelly James Robertson Johnston Anthony James McHale Gary Higgins Paul Rawlinson Andrew James Finlay John Murdoch Lee Hall
SECRETARY:	John Murdoch
REGISTERED OFFICE:	Dunivaig Road Easter Queenslie Industrial Estate Glasgow G33 4TP
REGISTERED NUMBER:	SC074125 (Scotland)
AUDITORS:	Milne Craig Chartered accountants Statutory auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA
BANKERS:	Royal Bank of Scotland plc Corporate Banking Kirkstane House 139 St. Vincent Street Glasgow G2 5JF

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their strategic report of the company and the group for the year ended 31 March 2020.

The principal activity of the company in the year under review was that of stockholders of non-ferrous metals. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

REVIEW OF BUSINESS

The key financial highlights are as follows:

	2020 £	2019 £	2018 £
Turnover	168,706,732	167,258,968	148,572,579
Turnover growth	0.87%	12.58%	27.23%
Profit before tax	3,770,775	4,125,436	3,396,796

The net assets of the group have increased from £27,771,930 at 31 March 2019 to £29,377,726 at 31 March 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure continues in the market place and the directors strive to ensure that margins and profitability remain consistent year on year.

In addition the directors seek to control overhead costs in order to maintain the profitability of the group.

On the 24 March 2020, the UK entered lockdown in response to the COVID-19 pandemic. In line with the Government edicts, the company has implemented social distancing measures within all locations.

SECTION 172(1) STATEMENT

The directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard amongst other matters to:

The interest of the Company's employees;
The need to foster the Company's relationships with suppliers, customers and others;
The impact of the Company's operations on the community and the environment; and
The desirability of the Company maintaining a reputation for high standards of business conduct.

Employees

The Company's employees are key to delivering the overall strategy of the Company. Ensuring that the business has the right values and culture is of paramount importance to the continued success of the business.

The business engages on a regular basis with all of its employees via regular meetings and appraisals.

Customers

The Company is committed to delivering a professional customer experience and engages with customers regularly.

Suppliers

Successful operation is dependant on the continued maintenance of strong relationships with suppliers through regular engagement.

Community and environment

The directors are committed to ensuring the Company is environmentally responsible, a good neighbour and an good workplace.

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies adopted during the year to 31 March 2020 and consider the group is well placed to take advantage of opportunities which may arise in the current year.

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the group's operations.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

DISABLED EMPLOYEES

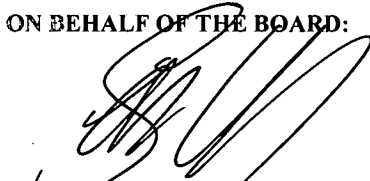
The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

ENVIRONMENT

The group recognises the importance of its environmental responsibilities, and has policies in place to manage its impact on the environment.

ON BEHALF OF THE BOARD:



Sean Terence Kelly - Director

10 March 2021

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of stockholders of non-ferrous metals. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

DIVIDENDS

During the year the company paid a dividend totally £608,125 relating to the year ended 31 March 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

Sean Terence Kelly
James Robertson Johnston
Anthony James McHale
Gary Higgins
Paul Rawlinson
Andrew James Finlay
John Murdoch
Lee Hall

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group for that period. 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;
- 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.


RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

AUDITORS

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'S. Kelly', written over the printed name and title.

Sean Terence Kelly - Director

10 March 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RICHARD AUSTIN ALLOYS LIMITED

Opinion

We have audited the financial statements of Richard Austin Alloys Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RICHARD AUSTIN ALLOYS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RICHARD AUSTIN ALLOYS LIMITED**

Use of our report

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 a Report of the Auditors 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.



Kirsty Mackie BAcc CA (Senior Statutory Auditor)
for and on behalf of Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

10 March 2021

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
TURNOVER	3	168,706,732	167,258,968
Cost of sales		(145,352,333)	(144,733,491)
GROSS PROFIT		23,354,399	22,525,477
Distribution costs		(15,221,590)	(14,663,112)
Administrative expenses		(3,842,090)	(3,178,490)
OPERATING PROFIT		4,290,719	4,683,875
Interest payable and similar expenses	5	(519,944)	(558,439)
PROFIT BEFORE TAXATION	6	3,770,775	4,125,436
Tax on profit	7	(762,536)	(848,196)
PROFIT FOR THE FINANCIAL YEAR		3,008,239	3,277,240
OTHER COMPREHENSIVE INCOME			
Exchange difference		(7,427)	(1,730)
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(7,427)	(1,730)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,000,812	3,275,510
Profit attributable to:			
Owners of the parent		2,599,019	2,749,263
Non-controlling interests		409,220	527,977
		3,008,239	3,277,240
Total comprehensive income attributable to:			
Owners of the parent		2,591,592	2,747,900
Non-controlling interests		409,220	527,610
		3,000,812	3,275,510

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2020**

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		12,922,411		13,671,245
Investments	11		-		-
			<hr/>		<hr/>
			12,922,411		13,671,245
CURRENT ASSETS					
Stocks	12	29,138,564		29,186,253	
Debtors	13	40,369,813		40,134,792	
Cash at bank and in hand		2,073		972,309	
			<hr/>		<hr/>
		69,510,450		70,293,354	
CREDITORS					
Amounts falling due within one year	14	50,281,756		53,271,159	
			<hr/>		<hr/>
NET CURRENT ASSETS			19,228,694		17,022,195
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			32,151,105		30,693,440
CREDITORS					
Amounts falling due after more than one year	15		2,773,379		2,921,510
			<hr/>		<hr/>
NET ASSETS			29,377,726		27,771,930
			<hr/> <hr/>		<hr/> <hr/>
CAPITAL AND RESERVES					
Called up share capital	21		23,323		20,994
Share premium	22		59,118		59,118
Other reserves	22		540,992		880,805
Capital redemption reserve	22		26,221		26,221
Retained earnings	22		24,003,723		21,680,443
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS			24,653,377		22,667,581
NON-CONTROLLING INTERESTS	23		4,724,349		5,104,349
			<hr/>		<hr/>
TOTAL EQUITY			29,377,726		27,771,930
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 10 March 2021 and were signed on its behalf by:

Sean Terence Kelly - Director

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**COMPANY STATEMENT OF FINANCIAL POSITION
31 MARCH 2020**

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		11,149,852		9,970,432
Investments	11		1,829,012		1,156,667
			<u>12,978,864</u>		<u>11,127,099</u>
CURRENT ASSETS					
Debtors	13	3,847,454		2,795,661	
Cash at bank		<u>653,446</u>		<u>812,534</u>	
		4,500,900		3,608,195	
CREDITORS					
Amounts falling due within one year	14	<u>13,891,861</u>		<u>11,411,246</u>	
NET CURRENT LIABILITIES			<u>(9,390,961)</u>		<u>(7,803,051)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,587,903		3,324,048
CREDITORS					
Amounts falling due after more than one year	15		<u>2,205,183</u>		<u>2,205,850</u>
NET ASSETS			<u><u>1,382,720</u></u>		<u><u>1,118,198</u></u>
CAPITAL AND RESERVES					
Called up share capital	21		20,994		20,994
Share premium	22		59,118		59,118
Other reserves	22		264,262		264,262
Capital redemption reserve	22		26,221		26,221
Retained earnings	22		<u>1,012,125</u>		<u>747,603</u>
SHAREHOLDERS' FUNDS			<u><u>1,382,720</u></u>		<u><u>1,118,198</u></u>
Company's profit for the financial year			<u><u>872,647</u></u>		<u><u>721,698</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 10 March 2021 and were signed on its behalf by:


Sean Terence Kelly - Director

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £
Balance at 1 April 2018	20,994	19,299,160	59,118	880,805
Changes in equity				
Dividends	-	(366,250)	-	-
Total comprehensive income	-	2,747,533	-	-
	20,994	21,680,443	59,118	880,805
Transfer of shares	-	-	-	-
Balance at 31 March 2019	20,994	21,680,443	59,118	880,805
Changes in equity				
Issue of share capital	2,329	-	-	-
Dividends	-	(608,125)	-	-
Total comprehensive income	-	2,931,405	-	(339,813)
	23,323	24,003,723	59,118	540,992
Transfer of shares	-	-	-	-
Balance at 31 March 2020	23,323	24,003,723	59,118	540,992

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - continued
FOR THE YEAR ENDED 31 MARCH 2020**

	Capital redemption reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 April 2018	26,221	20,286,298	4,771,739	25,058,037
Changes in equity				
Dividends	-	(366,250)	(83,750)	(450,000)
Total comprehensive income	-	2,747,533	527,610	3,275,143
	26,221	22,667,581	5,215,599	27,883,180
Transfer of shares	-	-	(111,250)	(111,250)
Balance at 31 March 2019	26,221	22,667,581	5,104,349	27,771,930
Changes in equity				
Issue of share capital	-	2,329	-	2,329
Dividends	-	(608,125)	(116,875)	(725,000)
Total comprehensive income	-	2,591,592	409,220	3,000,812
	26,221	24,653,377	5,396,694	30,050,071
Transfer of shares	-	-	(672,345)	(672,345)
Balance at 31 March 2020	26,221	24,653,377	4,724,349	29,377,726

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2018	20,994	392,155	59,118
Changes in equity			
Dividends	-	(366,250)	-
Total comprehensive income	-	721,698	-
Balance at 31 March 2019	20,994	747,603	59,118
Changes in equity			
Dividends	-	(608,125)	-
Total comprehensive income	-	872,647	-
Balance at 31 March 2020	20,994	1,012,125	59,118
	Other reserves £	Capital redemption reserve £	Total equity £
Balance at 1 April 2018	264,262	26,221	762,750
Changes in equity			
Dividends	-	-	(366,250)
Total comprehensive income	-	-	721,698
Balance at 31 March 2019	264,262	26,221	1,118,198
Changes in equity			
Dividends	-	-	(608,125)
Total comprehensive income	-	-	872,647
Balance at 31 March 2020	264,262	26,221	1,382,720

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	9,237,277	1,229,132
Interest paid		(468,642)	(523,589)
Interest element of hire purchase payments paid		(51,302)	(34,850)
Tax paid		(938,985)	(637,994)
Net cash from operating activities		<u>7,778,348</u>	<u>32,699</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(527,331)	(2,053,849)
Sale of tangible fixed assets		32,793	33,166
Net cash from investing activities		<u>(494,538)</u>	<u>(2,020,683)</u>
Cash flows from financing activities			
New loans in year		-	2,500,000
Loan repayments in year		(284,090)	(94,697)
Loan interest charges		60,513	24,123
New hire purchase financing		-	806,798
Capital repayments on hire purchase		(145,611)	(340,037)
Share issue		2,329	-
Share buyback		(672,345)	(112,250)
Equity dividends paid		(608,125)	(366,250)
Dividends paid to minority interests		(116,875)	(83,750)
Net cash from financing activities		<u>(1,764,204)</u>	<u>2,333,937</u>
Increase in cash and cash equivalents		<u>5,519,606</u>	<u>345,953</u>
Cash and cash equivalents at beginning of year	2	(13,396,391)	(13,740,614)
Effect of foreign exchange rate changes		(3,803)	(1,730)
Cash and cash equivalents at end of year	2	<u><u>(7,880,588)</u></u>	<u><u>(13,396,391)</u></u>

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit before taxation	3,770,775	4,125,436
Depreciation charges	1,271,872	1,048,502
Profit on disposal of fixed assets	(32,791)	(33,168)
Finance costs	519,944	558,439
	<u>5,529,800</u>	<u>5,699,209</u>
Decrease/(increase) in stocks	47,689	(1,054,942)
Increase in trade and other debtors	(174,392)	(2,884,332)
Increase/(decrease) in trade and other creditors	3,834,180	(530,803)
	<u>9,237,277</u>	<u>1,229,132</u>
Cash generated from operations	<u><u>9,237,277</u></u>	<u><u>1,229,132</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2020

	31/3/20	1/4/19
	£	£
Cash and cash equivalents	2,073	972,309
Bank overdrafts	(7,882,661)	(14,368,700)
	<u>(7,880,588)</u>	<u>(13,396,391)</u>

Year ended 31 March 2019

	31/3/19	1/4/18
	£	£
Cash and cash equivalents	972,309	569,401
Bank overdrafts	(14,368,700)	(14,310,015)
	<u>(13,396,391)</u>	<u>(13,740,614)</u>

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/19 £	Cash flow £	At 31/3/20 £
Net cash			
Cash at bank and in hand	972,309	(970,236)	2,073
Bank overdrafts	(14,368,700)	6,486,039	(7,882,661)
	<u>(13,396,391)</u>	<u>5,515,803</u>	<u>(7,880,588)</u>
Debt			
Finance leases	(1,118,820)	145,611	(973,209)
Debts falling due within 1 year	(223,577)	223,577	-
Debts falling due after 1 year	(2,205,850)	667	(2,205,183)
	<u>(3,548,247)</u>	<u>369,855</u>	<u>(3,178,392)</u>
Total	<u>(16,944,638)</u>	<u>5,885,658</u>	<u>(11,058,980)</u>

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. STATUTORY INFORMATION

Richard Austin Alloys Limited, is a private company, limited by shares, registered in Scotland. The company's registered number is SC074125 and registered office address is Block 24, Easter Queenslie Industrial Estate, Glasgow, G33 4TP.

The nature of the company's operations and its principal activities was that of stockholders of non-ferrous metals.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The group accounts consolidate the accounts of Richard Austin Alloys Limited and its subsidiaries, Richard Austin Alloys (Scotland) Limited, Richard Austin Alloys (Northern) Limited, Richard Austin Alloys (North West) Limited, Richard Austin Alloys (Midlands) Limited, Richard Austin Alloys (South West) Limited, Richard Austin Alloys (South East) Limited and Richard Austin Alloys (Ireland) Limited.

No profit or loss account is presented for Richard Austin Alloys Limited as permitted by section 408 of the Companies Act 2006.

Critical accounting judgments & key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES - continued

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Consideration is given to the point at which the company is entitled to receive the income, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the provision of services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the costs incurred can be measured reliably.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold properties	-	over 50 years
Long leasehold	-	over 50 years
Plant and machinery	-	over 5 years
Fixtures and fittings	-	over 5 years
Motor vehicles	-	over 4 years
Computer equipment	-	over 3 years

Stocks

Stocks are stated at the lower of cost and net realisable value where cost is defined as the cost incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are in the profit and loss account.

Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Government grants in respect of capital expenditure are credited to a deferred income account and are released as income by equal annual amounts over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2020 £	2019 £
Sales of non-ferrous metals	168,706,732	167,258,968
	<u>168,706,732</u>	<u>167,258,968</u>

An analysis of turnover by geographical market is given below:

	2020 £	2019 £
UK and Republic of Ireland	168,706,732	167,258,968
	<u>168,706,732</u>	<u>167,258,968</u>

4. EMPLOYEES AND DIRECTORS

	2020 £	2019 £
Wages and salaries	9,345,818	8,776,230
Social security costs	908,864	852,538
Other pension costs	661,589	620,280
	<u>10,916,271</u>	<u>10,249,048</u>

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

	2020	2019
Sales and administration	81	83
Warehouse and drivers	192	178
	<u>273</u>	<u>261</u>

	2020 £	2019 £
Directors' remuneration	1,407,066	1,406,077
Directors' pension contributions to money purchase schemes	107,453	109,844
	<u>1,514,519</u>	<u>1,515,921</u>

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

	2020	2019
Money purchase schemes	<u>15</u>	<u>13</u>

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Emoluments etc	<u>171,999</u>	<u>170,001</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Term loan interest	59,847	24,123
Bank overdraft interest	408,885	498,676
Other interest	(90)	790
Hire purchase interest	<u>51,302</u>	<u>34,850</u>
	<u>519,944</u>	<u>558,439</u>

6. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	858,888	652,758
Depreciation - assets on hire purchase contracts	417,275	395,743
Profit on disposal of fixed assets	(32,791)	(33,168)
Auditors' remuneration	34,681	39,236
Auditors' remuneration for non audit work	24,750	14,525
Foreign exchange differences	<u>(78,798)</u>	<u>(1,758)</u>

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2020 £	2019 £
Current tax:		
UK corporation tax	820,982	818,452
Adjustments in respect of previous years	2,183	1,566
Total current tax	<u>823,165</u>	<u>820,018</u>
Deferred tax:		
Deferred tax	(55,403)	35,315
Effect on changes in tax rates on opening liability	(5,226)	(7,137)
Total deferred tax	<u>(60,629)</u>	<u>28,178</u>
Tax on profit	<u>762,536</u>	<u>848,196</u>

UK corporation tax has been charged at 19% (2019 - 19%).

Reconciliation of total tax charge included in profit and loss

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

	2020 £	2019 £
Profit before tax	<u>3,770,775</u>	<u>4,125,436</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	716,447	783,833
Effects of:		
Disallowed expenses and non taxable income	61,054	66,112
Deferred tax rate changes	(5,226)	(3,315)
Prior year adjustment	2,183	1,566
Prior year adjustment - deferred tax	(11,922)	-
Total tax charge	<u>762,536</u>	<u>848,196</u>

Tax effects relating to effects of other comprehensive income

	2020 Gross £	Tax £	Net £
Exchange difference	<u>(7,427)</u>	<u>-</u>	<u>(7,427)</u>

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

7. TAXATION - continued

	Gross £	2019 Tax £	Net £
Exchange difference	<u>(1,730)</u>	<u>-</u>	<u>(1,730)</u>

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2020 £	2019 £
Final	<u>608,125</u>	<u>366,250</u>

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1 April 2019	11,458,237	2,703,233	4,160,940
Additions	-	-	3,510
Disposals	-	-	-
At 31 March 2020	<u>11,458,237</u>	<u>2,703,233</u>	<u>4,164,450</u>
DEPRECIATION			
At 1 April 2019	2,123,243	594,711	3,153,857
Charge for year	239,599	54,065	310,553
Eliminated on disposal	-	-	-
At 31 March 2020	<u>2,362,842</u>	<u>648,776</u>	<u>3,464,410</u>
NET BOOK VALUE			
At 31 March 2020	<u>9,095,395</u>	<u>2,054,457</u>	<u>700,040</u>
At 31 March 2019	<u>9,334,994</u>	<u>2,108,522</u>	<u>1,007,083</u>

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

10. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2019	68,327	3,362,982	250,563	22,004,282
Additions	-	523,821	-	527,331
Disposals	-	(321,142)	-	(321,142)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	68,327	3,565,661	250,563	22,210,471
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 April 2019	51,355	2,159,375	250,496	8,333,037
Charge for year	8,900	662,979	67	1,276,163
Eliminated on disposal	-	(321,140)	-	(321,140)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	60,255	2,501,214	250,563	9,288,060
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 March 2020	8,072	1,064,447	-	12,922,411
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	16,972	1,203,607	67	13,671,245
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes £1,134,072 (2018 - £657,920) in respect of assets held under hire purchase contracts.

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

10. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Long leasehold £	Fixtures and fittings £
COST			
At 1 April 2019	9,596,106	2,703,233	23,830
Disposals	-	-	-
Group transfers	1,862,133	-	-
At 31 March 2020	11,458,239	2,703,233	23,830
DEPRECIATION			
At 1 April 2019	1,741,219	594,711	23,830
Charge for year	225,848	54,065	-
Eliminated on disposal	-	-	-
Group transfers	395,777	-	-
At 31 March 2020	2,362,844	648,776	23,830
NET BOOK VALUE			
At 31 March 2020	9,095,395	2,054,457	-
At 31 March 2019	7,854,887	2,108,522	-
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2019	102,149	250,563	12,675,881
Disposals	(31,530)	-	(31,530)
Group transfers	-	-	1,862,133
At 31 March 2020	70,619	250,563	14,506,484
DEPRECIATION			
At 1 April 2019	95,193	250,496	2,705,449
Charge for year	6,955	67	286,935
Eliminated on disposal	(31,529)	-	(31,529)
Group transfers	-	-	395,777
At 31 March 2020	70,619	250,563	3,356,632
NET BOOK VALUE			
At 31 March 2020	-	-	11,149,852
At 31 March 2019	6,956	67	9,970,432

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2019	1,156,667
Additions	672,345
	<hr/>
At 31 March 2020	1,829,012
	<hr/>
NET BOOK VALUE	
At 31 March 2020	1,829,012
	<hr/>
At 31 March 2019	1,156,667
	<hr/>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Richard Austin Alloys (Scotland) Limited

Registered office: Duniwaig Road, Easter Queenslie Industrial Estate Glasgow, G33 4TP

Nature of business: Stockholders of non ferrous metals

	%		
Class of shares:	holding		
Ordinary	82.50		
		2020	2019
		£	£
Aggregate capital and reserves		8,264,566	7,628,548
Profit for the year		786,018	733,907
		<hr/>	<hr/>

Richard Austin Alloys (Northern) Limited

Registered office: Duniwaig Road, Easter Queenslie Industrial Estate Glasgow, G33 4TP

Nature of business: Stockholders of non ferrous metals

	%		
Class of shares:	holding		
Ordinary	82.50		
		2020	2019
		£	£
Aggregate capital and reserves		8,109,593	7,566,050
Profit for the year		643,543	421,012
		<hr/>	<hr/>

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

11. FIXED ASSET INVESTMENTS - continued

Richard Austin Alloys (North West) Limited

Registered office: Dunivaig Road, Easter Queenslie Industrial Estate Glasgow, G33 4TP

Nature of business: Stockholders of non ferrous metals

	%		
Class of shares:	holding		
Ordinary	90.00		
		2020	2019
		£	£
Aggregate capital and reserves		6,892,378	6,703,583
Profit for the year		<u>678,607</u>	<u>645,269</u>

Richard Austin Alloys (Midlands) Limited

Registered office: Dunivaig Road, Easter Queenslie Industrial Estate Glasgow, G33 4TP

Nature of business: Stockholders of non ferrous metals

	%		
Class of shares:	holding		
Ordinary	80.00		
		2020	2019
		£	£
Aggregate capital and reserves		4,051,215	3,752,670
Profit for the year		<u>448,545</u>	<u>667,369</u>

Richard Austin Alloys (South West) Limited

Registered office: Dunivaig Road, Easter Queenslie Industrial Estate Glasgow, G33 4TP

Nature of business: Stockholders of non ferrous metals

	%		
Class of shares:	holding		
Ordinary	82.50		
		2020	2019
		£	£
Aggregate capital and reserves		1,250,468	1,420,743
(Loss)/profit for the year		<u>(95,275)</u>	<u>178,623</u>

Richard Austin Alloys (South East) Limited

Registered office: Dunivaig Road, Easter Queenslie Industrial Estate Glasgow, G33 4TP

Nature of business: Stockholders of non ferrous metals

	%		
Class of shares:	holding		
Ordinary	87.50		
		2020	2019
		£	£
Aggregate capital and reserves		564,990	484,516
Profit for the year		<u>80,474</u>	<u>264,235</u>

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

11. FIXED ASSET INVESTMENTS - continued

Richard Austin Alloys (Ireland) Limited

Registered office: Dunivaig Road, Easter Queenslie Industrial Estate Glasgow, G33 4TP

Nature of business: Stockholders of non ferrous metals

Class of shares:	% holding	2020	2019
Ordinary	82.50	£	£
Aggregate capital and reserves		267,453	256,870
Profit for the year		4,485	17,061

12. STOCKS

	Group	
	2020	2019
	£	£
Stocks	29,138,564	29,186,253

The difference between the purchase price of stocks and their replacement cost is not material.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	39,520,746	39,719,161	-	-
Other debtors and prepayments	416,117	383,122	100,581	110,931
Amounts due by group companies	339,812	-	3,723,040	2,675,327
Deferred tax asset	93,138	32,509	23,833	9,403
	40,369,813	40,134,792	3,847,454	2,795,661

Deferred tax asset

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Deferred tax	93,138	32,509	23,833	9,403

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts (see note 16)	7,882,661	14,592,277	-	223,577
Hire purchase contracts (see note 17)	405,013	403,160	-	-
Trade creditors	36,123,683	34,098,761	-	-
Amounts due to group companies	339,812	-	13,103,041	10,894,745
Corporation tax	326,140	441,960	103,590	90,795
Social security and other taxes	3,589,175	2,837,035	26,496	32,472
Accrued expenses	1,550,551	831,158	594,013	102,849
Deferred government grants	64,721	66,808	64,721	66,808
	<u>50,281,756</u>	<u>53,271,159</u>	<u>13,891,861</u>	<u>11,411,246</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans (see note 16)	2,205,183	2,205,850	2,205,183	2,205,850
Hire purchase contracts (see note 17)	568,196	715,660	-	-
	<u>2,773,379</u>	<u>2,921,510</u>	<u>2,205,183</u>	<u>2,205,850</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	7,882,661	14,368,700	-	-
Bank loans	-	223,577	-	223,577
	<u>7,882,661</u>	<u>14,592,277</u>	<u>-</u>	<u>223,577</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>2,205,183</u>	<u>2,205,850</u>	<u>2,205,183</u>	<u>2,205,850</u>

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2020	2019
	£	£
Gross obligations repayable:		
Within one year	437,024	443,904
Between one and five years	609,281	776,470
	<u>1,046,305</u>	<u>1,220,374</u>
Finance charges repayable:		
Within one year	32,011	40,744
Between one and five years	41,085	60,810
	<u>73,096</u>	<u>101,554</u>
Net obligations repayable:		
Within one year	405,013	403,160
Between one and five years	568,196	715,660
	<u>973,209</u>	<u>1,118,820</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2020	2019
	£	£
Bank overdrafts	7,882,661	14,368,700
Bank loans	2,205,183	2,429,427
Hire purchase contracts	973,209	1,118,820
	<u>11,061,053</u>	<u>17,916,947</u>

The bank overdraft is secured by a bond and floating charge in favour of the Royal Bank of Scotland Group together with standard securities over the groups properties and unlimited intercompany guarantees.

The hire purchase creditors are secured over the assets to which they relate.

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

19. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

Group	2020	2019
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>69,510,450</u>	<u>70,293,354</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>53,055,135</u>	<u>53,271,159</u>
 Company	 2020	 2019
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>4,500,900</u>	<u>3,608,195</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>16,097,044</u>	<u>11,411,246</u>

20. DEFERRED TAX

Group	£
Balance at 1 April 2019	(32,509)
Origination and reversal of timing differences	(55,403)
Effect of changes in tax rates	<u>(5,226)</u>
Balance at 31 March 2020	<u>(93,138)</u>
 Company	 £
Balance at 1 April 2019	(9,403)
Originating and reversal of timing differences	(13,324)
Effect of changes in tax rates	<u>(1,106)</u>
Balance at 31 March 2020	<u>(23,833)</u>

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

20. DEFERRED TAX - continued

Deferred taxation provided for at 19% (2019:17%) in the financial statements is set out below:

Group	2020 £	2019 £
Accelerated capital allowances	(37,506)	(5,419)
Other timing differences	(55,632)	(27,090)
	<u>(93,138)</u>	<u>(32,509)</u>
Company	2020 £	2019 £
Accelerated capital allowances	2,468	2,695
Other timing differences	(26,301)	(12,098)
	<u>(23,833)</u>	<u>(9,403)</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
20,994	Ordinary	£1	<u>20,994</u>	<u>20,994</u>

22. RESERVES

Group

	Retained earnings £	Share premium £	Other reserves £	Capital redemption reserve £	Totals £
At 1 April 2019	21,680,443	59,118	880,805	26,221	22,646,587
Profit for the year	2,599,019				2,599,019
Dividends	(608,125)				(608,125)
Exchange adjustment	(7,426)	-	(1)	-	(7,427)
Release of revaluation reserve	339,812	-	(339,812)	-	-
At 31 March 2020	<u>24,003,723</u>	<u>59,118</u>	<u>540,992</u>	<u>26,221</u>	<u>24,630,054</u>

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

22. RESERVES - continued

Company

	Retained earnings £	Share premium £	Other reserves £	Capital redemption reserve £	Totals £
At 1 April 2019	747,603	59,118	264,262	26,221	1,097,204
Profit for the year	872,647				872,647
Dividends	(608,125)				(608,125)
At 31 March 2020	<u>1,012,125</u>	<u>59,118</u>	<u>264,262</u>	<u>26,221</u>	<u>1,361,726</u>

Share premium account

Records the amount above the nominal value received for shares sold, less transaction costs.

Other reserves

Prior to the adoption of Financial Reporting Standard 102, where tangible fixed assets are revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the other reserve.

Capital redemption reserve

Includes amounts arising from the redemption of shares from capital.

Profit and loss account

Includes all current and prior year retained profits and losses less dividends.

23. NON-CONTROLLING INTERESTS

All of the amounts are attributable to equity minority interests.

24. PENSION COMMITMENTS

The group operate a defined contribution scheme. The assets of the scheme are held separately from those of the group in an independently administered scheme. The pension cost charge represents contributions payable by the group to the fund and amounted to £661,589 (2019 - £620,280) for directors and employees.

Contributions were payable to the fund at 31 March 2020 amounting to £95,644 (2019 - £113,985).

25. CONTINGENT LIABILITIES

Cross guarantees exist between all group companies in favour of the group bankers. At 31st March 2020, the group companies' combined bank borrowings amounted to £8,181,091 (2019 - £13,556,167).

Cross guarantees exist between all group companies in favour of three group suppliers. At 31st March 2020, the group companies' combined liabilities to these suppliers amounted to £13,078,391 (2019 - £15,817,985).

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

26. RELATED PARTY DISCLOSURES

There have been no related party transactions other than inter group transactions which are not disclosed due to the exemptions within Financial Reporting Standard No 8.

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £1,406,077 (2018 - £1,392,360).

27. ULTIMATE CONTROLLING PARTY

By virtue of his interests in the share capital of Richard Austin Alloys Limited, the parent company, Mr S T Kelly, a director, controls the majority of the voting rights and thus has ultimate control of the group.

28. EMPLOYEE BENEFIT TRUST

The group operates an employee benefit trust. Shares in each group company are held by Richard Austin Alloys Trustees Limited on behalf of the employee benefit trust.