

RICHARD AUSTIN ALLOYS LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

| | Page |
|--|-----------------|
| Company Information | 1 |
| Group Strategic Report | 2 to 3 |
| Report of the Directors | 4 to 5 |
| Report of the Independent Auditors | 6 to 9 |
| Consolidated Income Statement | 10 |
| Consolidated Other Comprehensive Income | 11 |
| Consolidated Statement of Financial Position | 12 |
| Company Statement of Financial Position | 13 |
| Consolidated Statement of Changes in Equity | 14 |
| Company Statement of Changes in Equity | 15 |
| Consolidated Statement of Cash Flows | 16 |
| Notes to the Consolidated Statement of Cash Flows | 17 to 18 |
| Notes to the Consolidated Financial Statements | 19 to 36 |

RICHARD AUSTIN ALLOYS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022

| | |
|---------------------------|---|
| DIRECTORS: | James Robertson Johnston Gary Higgins Paul Rawlinson Andrew James Finlay John Murdoch Lee Hall Anthony James McHale Sharen Kelly |
| 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 110 Queen Street Glasgow G1 3BX |

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their strategic report of the company and the group for the year ended 31 March 2022.

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:

| | 2022 | 2021 | 2020 |
|-------------------|-------------|-------------|-------------|
| | £ | £ | £ |
| Turnover | 269,833,572 | 156,997,203 | 168,706,732 |
| Turnover growth | 71.87% | (6.94%) | 0.87% |
| Profit before tax | 40,472,497 | 9,067,872 | 3,770,775 |

Rising metal prices and the continued economic recovery following COVID has contributed to the Group's strong performance in the year. The net assets of the group have increased from £36,599,594 at 31 March 2021 to £67,247,486 at 31 March 2022.

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.

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.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies adopted during the year to 31 March 2022 and consider the group is well placed to take advantage of opportunities which may arise in the current year.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

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:

Andrew James Finlay - Director

16 December 2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2022.

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 totalling £2,003,039 (2021 - £nil) relating to the year ended 31 March 2021.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

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

Other changes in directors holding office are as follows:

Sean Terence Kelly (Deceased) - deceased 9 May 2021

Sharen Kelly was appointed as a director after 31 March 2022 but prior to the date of this report.

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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022**

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.

AUDITORS

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

ON BEHALF OF THE BOARD:

Andrew James Finlay - Director

16 December 2022

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 2022 which comprise the Consolidated Income Statement, Consolidated Other 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 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- the nature of the industry and sector, control environment and business performance including the key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the cut-off of revenue recognition due to fact that products are shipped to a large number of countries and there are significant amounts of goods in transit. In common with all audits under ISAs(UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosure in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, tax legislation and Health and Safety legislation.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meeting of those charged with governance;
- in addressing the fraud risk in revenue recognition, we have reviewed sales around the year end and agreed to goods despatch notes to assess whether recorded in correct period, and we have assessed the accuracy and completeness of sales rebates/discounts by comparing balances with prior year and agreeing calculations to signed customer agreements; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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.

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

16 December 2022

**CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

| | Notes | 31/3/22 £ | 31/3/21 £ |
|--|-------|----------------------|----------------------|
| TURNOVER | 3 | 269,833,572 | 156,997,203 |
| Cost of sales | | <u>(206,208,252)</u> | <u>(129,286,446)</u> |
| GROSS PROFIT | | 63,625,320 | 27,710,757 |
| Distribution costs | | (19,134,064) | (14,912,722) |
| Administrative expenses | | <u>(3,804,089)</u> | <u>(4,255,941)</u> |
| | | 40,687,167 | 8,542,094 |
| Other operating income | | <u>2,834</u> | <u>703,286</u> |
| OPERATING PROFIT | | 40,690,001 | 9,245,380 |
| Interest receivable and similar income | | <u>176</u> | <u>-</u> |
| | | 40,690,177 | 9,245,380 |
| Interest payable and similar expenses | 5 | <u>(217,680)</u> | <u>(177,508)</u> |
| PROFIT BEFORE TAXATION | 6 | 40,472,497 | 9,067,872 |
| Tax on profit | 7 | <u>(7,746,367)</u> | <u>(1,785,881)</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>32,726,130</u> | <u>7,281,991</u> |
| Profit attributable to: | | | |
| Owners of the parent | | 27,089,141 | 5,833,373 |
| Non-controlling interests | | <u>5,636,989</u> | <u>1,448,618</u> |
| | | <u>32,726,130</u> | <u>7,281,991</u> |

The notes form part of these financial statements

**CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

| Notes | 31/3/22 £ | 31/3/21 £ |
|---|--------------------------|-------------------------|
| PROFIT FOR THE YEAR | 32,726,130 | 7,281,991 |
| OTHER COMPREHENSIVE INCOME | | |
| Exchange difference | (75,199) | (60,122) |
| Income tax relating to other comprehensive income | - | - |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | <u>(75,199)</u> | <u>(60,122)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u><u>32,650,931</u></u> | <u><u>7,221,869</u></u> |
| Total comprehensive income attributable to: | | |
| Owners of the parent | 27,013,942 | 5,773,251 |
| Non-controlling interests | <u>5,636,989</u> | <u>1,448,618</u> |
| | <u><u>32,650,931</u></u> | <u><u>7,221,869</u></u> |

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2022**

| | Notes | 31/3/22 £ | £ | 31/3/21 £ | £ |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | | 15,200,359 | | 12,390,249 |
| Investments | 11 | | <u>-</u> | | <u>-</u> |
| | | | 15,200,359 | | 12,390,249 |
| CURRENT ASSETS | | | | | |
| Stocks | 12 | 63,273,832 | | 32,009,626 | |
| Debtors | 13 | 75,608,469 | | 43,985,633 | |
| Cash at bank and in hand | | <u>2,944</u> | | <u>6,059,127</u> | |
| | | 138,885,245 | | 82,054,386 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 14 | <u>85,278,839</u> | | <u>55,825,544</u> | |
| NET CURRENT ASSETS | | | <u>53,606,406</u> | | <u>26,228,842</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 68,806,765 | | 38,619,091 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 15 | | <u>1,559,279</u> | | <u>2,019,497</u> |
| NET ASSETS | | | <u>67,247,486</u> | | <u>36,599,594</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 21 | | 20,994 | | 20,994 |
| Share premium | 22 | | 59,118 | | 59,118 |
| Other reserves | 22 | | 540,992 | | 540,992 |
| Capital redemption reserve | 22 | | 26,221 | | 26,221 |
| Retained earnings | 22 | | <u>55,130,434</u> | | <u>29,779,302</u> |
| SHAREHOLDERS' FUNDS | | | <u>55,777,759</u> | | <u>30,426,627</u> |
| NON-CONTROLLING INTERESTS | 23 | | <u>11,469,727</u> | | <u>6,172,967</u> |
| TOTAL EQUITY | | | <u>67,247,486</u> | | <u>36,599,594</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2022 and were signed on its behalf by:

Andrew James Finlay - Director

The notes form part of these financial statements

RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)

**COMPANY STATEMENT OF FINANCIAL POSITION
31 MARCH 2022**

| | Notes | 31/3/22 £ | £ | 31/3/21 £ | £ |
|--|-------|-------------------|------------------|-------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | | 13,930,655 | | 10,856,188 |
| Investments | 11 | | <u>1,807,103</u> | | <u>1,807,103</u> |
| | | | 15,737,758 | | 12,663,291 |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 1,680,307 | | 1,850,962 | |
| Cash at bank | | <u>693,352</u> | | <u>2,174,669</u> | |
| | | 2,373,659 | | 4,025,631 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 14 | <u>14,488,227</u> | | <u>13,219,067</u> | |
| NET CURRENT LIABILITIES | | | (12,114,568) | | (9,193,436) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 3,623,190 | | 3,469,855 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 15 | | <u>1,517,148</u> | | <u>1,773,598</u> |
| NET ASSETS | | | <u>2,106,042</u> | | <u>1,696,257</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>1,735,447</u> | | <u>1,325,662</u> |
| SHAREHOLDERS' FUNDS | | | <u>2,106,042</u> | | <u>1,696,257</u> |
| Company's profit for the financial year | | | <u>2,072,595</u> | | <u>313,537</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2022 and were signed on its behalf by:

Andrew James Finlay - 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 2022**

| | Called up share capital £ | Retained earnings £ | Share premium £ | Other reserves £ |
|---------------------------------|---------------------------------------|---------------------------|-----------------------------------|------------------------|
| Balance at 1 April 2020 | 20,994 | 24,006,051 | 59,118 | 540,992 |
| Changes in equity | | | | |
| Total comprehensive income | - | 5,773,251 | - | - |
| Balance at 31 March 2021 | 20,994 | 29,779,302 | 59,118 | 540,992 |
| Changes in equity | | | | |
| Dividends | - | (1,662,810) | - | - |
| Total comprehensive income | - | 27,013,942 | - | - |
| Balance at 31 March 2022 | 20,994 | 55,130,434 | 59,118 | 540,992 |
| | Capital redemption reserve £ | Total £ | Non-controlling interests £ | Total equity £ |
| Balance at 1 April 2020 | 26,221 | 24,653,376 | 4,724,349 | 29,377,725 |
| Changes in equity | | | | |
| Total comprehensive income | - | 5,773,251 | 1,448,618 | 7,221,869 |
| Balance at 31 March 2021 | 26,221 | 30,426,627 | 6,172,967 | 36,599,594 |
| Changes in equity | | | | |
| Dividends | - | (1,662,810) | (340,229) | (2,003,039) |
| Total comprehensive income | - | 27,013,942 | 5,636,989 | 32,650,931 |
| Balance at 31 March 2022 | 26,221 | 55,777,759 | 11,469,727 | 67,247,486 |

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

| | Called up share capital £ | Retained earnings £ | Share premium £ |
|---------------------------------|------------------------------------|---------------------------------------|-----------------------|
| Balance at 1 April 2020 | 20,994 | 1,012,125 | 59,118 |
| Changes in equity | | | |
| Total comprehensive income | - | 313,537 | - |
| Balance at 31 March 2021 | 20,994 | 1,325,662 | 59,118 |
| Changes in equity | | | |
| Dividends | - | (1,662,810) | - |
| Total comprehensive income | - | 2,072,595 | - |
| Balance at 31 March 2022 | 20,994 | 1,735,447 | 59,118 |
| | Other reserves £ | Capital redemption reserve £ | Total equity £ |
| Balance at 1 April 2020 | 264,262 | 26,221 | 1,382,720 |
| Changes in equity | | | |
| Total comprehensive income | - | - | 313,537 |
| Balance at 31 March 2021 | 264,262 | 26,221 | 1,696,257 |
| Changes in equity | | | |
| Dividends | - | - | (1,662,810) |
| Total comprehensive income | - | - | 2,072,595 |
| Balance at 31 March 2022 | 264,262 | 26,221 | 2,106,042 |

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

| | Notes | 31/3/22 £ | 31/3/21 £ |
|---|-------|--------------------|-------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 3,336,814 | 16,266,310 |
| Interest paid | | (192,060) | (135,992) |
| Interest element of hire purchase payments paid | | (25,620) | (41,516) |
| Tax paid | | (6,107,076) | (902,535) |
| Net cash from operating activities | | <u>(2,987,942)</u> | <u>15,186,267</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (3,881,462) | (669,310) |
| Sale of tangible fixed assets | | 62,351 | 29,099 |
| Issue minority interest shareholding | | - | 21,908 |
| Interest received | | 176 | - |
| Net cash from investing activities | | <u>(3,818,935)</u> | <u>(618,303)</u> |
| Cash flows from financing activities | | | |
| Loan repayments in year | | (285,038) | (165,719) |
| Loan interest charges | | 39,045 | 18,224 |
| Capital repayments on hire purchase | | (321,574) | (405,735) |
| Equity dividends paid | | (1,662,810) | - |
| Dividends paid to minority interests | | (340,229) | - |
| Net cash from financing activities | | <u>(2,570,606)</u> | <u>(553,230)</u> |
| (Decrease)/increase in cash and cash equivalents | | <u>(9,377,483)</u> | <u>14,014,734</u> |
| Cash and cash equivalents at beginning of year | 2 | 6,059,127 | (7,880,588) |
| Effect of foreign exchange rate changes | | (72,713) | (75,019) |
| Cash and cash equivalents at end of year | 2 | <u>(3,391,069)</u> | <u>6,059,127</u> |

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

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

| | 31/3/22 | 31/3/21 |
|---------------------------------------|-------------------------|--------------------------|
| | £ | £ |
| Profit before taxation | 40,472,497 | 9,067,872 |
| Depreciation charges | 1,065,448 | 1,196,697 |
| Profit on disposal of fixed assets | (56,718) | (24,325) |
| Finance costs | 217,680 | 177,508 |
| Finance income | (176) | - |
| | <u>41,698,731</u> | <u>10,417,752</u> |
| Increase in stocks | (31,264,206) | (2,871,062) |
| Increase in trade and other debtors | (31,570,557) | (3,765,626) |
| Increase in trade and other creditors | 24,472,846 | 12,485,246 |
| Cash generated from operations | <u><u>3,336,814</u></u> | <u><u>16,266,310</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 2022

| | 31/3/22 | 1/4/21 |
|---------------------------|---------------------------|-------------------------|
| | £ | £ |
| Cash and cash equivalents | 2,944 | 6,059,127 |
| Bank overdrafts | <u>(3,394,013)</u> | <u>-</u> |
| | <u><u>(3,391,069)</u></u> | <u><u>6,059,127</u></u> |

Year ended 31 March 2021

| | 31/3/21 | 1/4/20 |
|---------------------------|-------------------------|---------------------------|
| | £ | £ |
| Cash and cash equivalents | 6,059,127 | 2,073 |
| Bank overdrafts | <u>-</u> | <u>(7,882,661)</u> |
| | <u><u>6,059,127</u></u> | <u><u>(7,880,588)</u></u> |

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

| | At 1/4/21 £ | Cash flow £ | At 31/3/22 £ |
|---------------------------------|--------------------|--------------------|--------------------|
| Net cash | | | |
| Cash at bank and in hand | 6,059,127 | (6,056,183) | 2,944 |
| Bank overdrafts | - | (3,394,013) | (3,394,013) |
| | <u>6,059,127</u> | <u>(9,450,196)</u> | <u>(3,391,069)</u> |
| Debt | | | |
| Finance leases | (567,474) | 321,574 | (245,900) |
| Debts falling due within 1 year | (284,090) | (10,457) | (294,547) |
| Debts falling due after 1 year | (1,773,598) | 256,450 | (1,517,148) |
| | <u>(2,625,162)</u> | <u>567,567</u> | <u>(2,057,595)</u> |
| Total | <u>3,433,965</u> | <u>(8,882,629)</u> | <u>(5,448,664)</u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES - continued

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES - continued

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.

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:

| | 31/3/22 | 31/3/21 |
|-----------------------------|--------------------|--------------------|
| | £ | £ |
| Sales of non-ferrous metals | 269,833,572 | 156,997,203 |
| | <u>269,833,572</u> | <u>156,997,203</u> |

An analysis of turnover by geographical market is given below:

| | 31/3/22 | 31/3/21 |
|----------------------------|--------------------|--------------------|
| | £ | £ |
| UK and Republic of Ireland | 269,833,572 | 156,997,203 |
| | <u>269,833,572</u> | <u>156,997,203</u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

4. EMPLOYEES AND DIRECTORS

| | 31/3/22 | 31/3/21 |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 11,904,596 | 9,397,080 |
| Social security costs | 1,098,223 | 923,047 |
| Other pension costs | 781,905 | 683,855 |
| | <u>13,784,724</u> | <u>11,003,982</u> |

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

| | 31/3/22 | 31/3/21 |
|--------------------------|------------|------------|
| Sales and administration | 82 | 83 |
| Warehouse and drivers | <u>190</u> | <u>188</u> |
| | <u>272</u> | <u>271</u> |

| | 31/3/22 | 31/3/21 |
|--|----------------|----------------|
| | £ | £ |
| Directors' remuneration | 2,028,577 | 1,594,671 |
| Directors' pension contributions to money purchase schemes | <u>156,986</u> | <u>118,249</u> |

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

| | | |
|------------------------|-----------|-----------|
| Money purchase schemes | <u>17</u> | <u>16</u> |
|------------------------|-----------|-----------|

Information regarding the highest paid director is as follows:

| | 31/3/22 | 31/3/21 |
|---|---------------|----------|
| | £ | £ |
| Emoluments etc | 216,500 | 212,500 |
| Pension contributions to money purchase schemes | <u>18,836</u> | <u>-</u> |

5. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 31/3/22 | 31/3/21 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Term loan interest | 41,532 | 41,535 |
| Bank overdraft interest | 149,947 | 94,069 |
| Other interest | 581 | 388 |
| Hire purchase interest | <u>25,620</u> | <u>41,516</u> |
| | <u>217,680</u> | <u>177,508</u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

6. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

| | 31/3/22 £ | 31/3/21 £ |
|--|---------------|---------------|
| Depreciation - owned assets | 775,452 | 791,869 |
| Depreciation - assets on hire purchase contracts | 290,267 | 404,829 |
| Profit on disposal of fixed assets | (56,718) | (14,917) |
| Auditors' remuneration | 37,300 | 34,288 |
| Auditors' remuneration for non audit work | 14,000 | 20,750 |
| Foreign exchange differences | <u>57,169</u> | <u>11,252</u> |

7. TAXATION

Analysis of the tax charge

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

| | 31/3/22 £ | 31/3/21 £ |
|--|-------------------------|-------------------------|
| Current tax: | | |
| UK corporation tax | 7,739,459 | 1,944,316 |
| Adjustments in respect of previous years | <u>61,402</u> | <u>38,581</u> |
| Total current tax | <u>7,800,861</u> | <u>1,982,897</u> |
| Deferred tax | <u>(54,494)</u> | <u>(197,016)</u> |
| Tax on profit | <u><u>7,746,367</u></u> | <u><u>1,785,881</u></u> |

UK corporation tax has been charged at 19 % (2021 - 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:

| | 31/3/22 £ | 31/3/21 £ |
|---|-------------------------|-------------------------|
| Profit before tax | <u>40,472,497</u> | <u>9,067,872</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %) | 7,689,774 | 1,722,896 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 89,281 | 68,504 |
| Adjustments to tax charge in respect of previous periods | 61,402 | 38,582 |
| Prior year adjustment - deferred tax | (23,769) | (45,969) |
| Deferred tax rate changes | (70,321) | (39,809) |
| Indexation and rebasing | - | 1,788 |
| Movement in unprovided deferred tax | - | 39,889 |
| Total tax charge | <u><u>7,746,367</u></u> | <u><u>1,785,881</u></u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

7. TAXATION - continued

Tax effects relating to effects of other comprehensive income

| | 31/3/22 | |
|---------------------|-----------------|-----------------|
| | Gross £ | Tax £ |
| Exchange difference | <u>(75,199)</u> | <u>-</u> |
| | | <u>(75,199)</u> |
| | 31/3/21 | |
| | Gross £ | Tax £ |
| Exchange difference | <u>(60,122)</u> | <u>-</u> |
| | | <u>(60,122)</u> |

8. INDIVIDUAL INCOME STATEMENT

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

| | 31/3/22 £ | 31/3/21 £ |
|---------|------------------|--------------|
| Interim | <u>1,662,810</u> | <u>-</u> |

10. TANGIBLE FIXED ASSETS

Group

| | Freehold property £ | Long leasehold £ | Plant and machinery £ |
|------------------------|---------------------------|------------------------|-----------------------------|
| COST | | | |
| At 1 April 2021 | 11,458,237 | 2,703,233 | 4,278,834 |
| Additions | 1,297,934 | 2,056,500 | 81,310 |
| Disposals | - | - | (6,500) |
| At 31 March 2022 | <u>12,756,171</u> | <u>4,759,733</u> | <u>4,353,644</u> |
| DEPRECIATION | | | |
| At 1 April 2021 | 2,602,442 | 702,840 | 3,738,363 |
| Charge for year | 239,597 | 71,203 | 246,897 |
| Eliminated on disposal | - | - | (867) |
| At 31 March 2022 | <u>2,842,039</u> | <u>774,043</u> | <u>3,984,393</u> |
| NET BOOK VALUE | | | |
| At 31 March 2022 | <u>9,914,132</u> | <u>3,985,690</u> | <u>369,251</u> |
| At 31 March 2021 | <u>8,855,795</u> | <u>2,000,393</u> | <u>540,471</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

10. TANGIBLE FIXED ASSETS - continued

Group

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|----------------------------------|------------------------|----------------------------|-------------|
| COST | | | | |
| At 1 April 2021 | 68,327 | 3,811,395 | 250,563 | 22,570,589 |
| Additions | - | 445,718 | - | 3,881,462 |
| Disposals | - | (450,012) | - | (456,512) |
| At 31 March 2022 | 68,327 | 3,807,101 | 250,563 | 25,995,539 |
| DEPRECIATION | | | | |
| At 1 April 2021 | 69,154 | 2,816,978 | 250,563 | 10,180,340 |
| Charge for year | 4,822 | 503,200 | - | 1,065,719 |
| Eliminated on disposal | - | (450,012) | - | (450,879) |
| At 31 March 2022 | 73,976 | 2,870,166 | 250,563 | 10,795,180 |
| NET BOOK VALUE | | | | |
| At 31 March 2022 | (5,649) | 936,935 | - | 15,200,359 |
| At 31 March 2021 | (827) | 994,417 | - | 12,390,249 |

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

Company

| | Freehold property £ | Long leasehold £ | Fixtures and fittings £ |
|------------------------|---------------------------|------------------------|----------------------------------|
| COST | | | |
| At 1 April 2021 | 11,458,239 | 2,703,233 | 23,830 |
| Additions | 1,297,934 | 2,056,500 | - |
| Disposals | - | - | - |
| At 31 March 2022 | 12,756,173 | 4,759,733 | 23,830 |
| DEPRECIATION | | | |
| At 1 April 2021 | 2,602,444 | 702,840 | 23,830 |
| Charge for year | 239,597 | 71,203 | - |
| Eliminated on disposal | - | - | - |
| At 31 March 2022 | 2,842,041 | 774,043 | 23,830 |
| NET BOOK VALUE | | | |
| At 31 March 2022 | 9,914,132 | 3,985,690 | - |
| At 31 March 2021 | 8,855,795 | 2,000,393 | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

10. TANGIBLE FIXED ASSETS - continued

Company

| | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|------------------------|----------------------------|-------------|
| COST | | | |
| At 1 April 2021 | 70,619 | 250,563 | 14,506,484 |
| Additions | 40,001 | - | 3,394,435 |
| Disposals | (21,410) | - | (21,410) |
| At 31 March 2022 | 89,210 | 250,563 | 17,879,509 |
| DEPRECIATION | | | |
| At 1 April 2021 | 70,619 | 250,563 | 3,650,296 |
| Charge for year | 9,168 | - | 319,968 |
| Eliminated on disposal | (21,410) | - | (21,410) |
| At 31 March 2022 | 58,377 | 250,563 | 3,948,854 |
| NET BOOK VALUE | | | |
| At 31 March 2022 | 30,833 | - | 13,930,655 |
| At 31 March 2021 | - | - | 10,856,188 |

11. FIXED ASSET INVESTMENTS

Company

| | Shares in group undertakings £ |
|--------------------------------------|---|
| COST | |
| At 1 April 2021 and 31 March 2022 | 1,807,103 |
| NET BOOK VALUE | |
| At 31 March 2022 | 1,807,103 |
| At 31 March 2021 | 1,807,103 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

11. FIXED ASSET INVESTMENTS - continued

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

Nature of business: Stockholders of non ferrous metals

| | % | | |
|--------------------------------|---------|------------|-----------|
| Class of shares: | holding | | |
| Ordinary | 81.50 | 31/3/22 | 31/3/21 |
| | | £ | £ |
| Aggregate capital and reserves | | 13,471,280 | 9,488,289 |
| Profit for the year | | 4,282,991 | 1,223,723 |

Richard Austin Alloys (Northern) 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 | 31/3/22 | 31/3/21 |
| | | £ | £ |
| Aggregate capital and reserves | | 16,548,146 | 9,966,643 |
| Profit for the year | | 7,381,503 | 1,857,050 |

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 | 89.00 | 31/3/22 | 31/3/21 |
| | | £ | £ |
| Aggregate capital and reserves | | 12,568,908 | 8,128,650 |
| Profit for the year | | 4,690,258 | 896,400 |

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 | 31/3/22 | 31/3/21 |
| | | £ | £ |
| Aggregate capital and reserves | | 11,798,072 | 5,548,727 |
| Profit for the year | | 6,649,345 | 1,497,512 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

11. FIXED ASSET INVESTMENTS - continued

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

| | % holding | 31/3/22 | 31/3/21 |
|--------------------------------|--------------|------------------|----------------|
| Class of shares: | | £ | £ |
| Ordinary | 80.00 | | |
| Aggregate capital and reserves | | 5,170,212 | 1,849,319 |
| Profit for the year | | <u>3,390,893</u> | <u>598,851</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

| | % holding | 31/3/22 | 31/3/21 |
|--------------------------------|--------------|------------------|----------------|
| Class of shares: | | £ | £ |
| Ordinary | 82.50 | | |
| Aggregate capital and reserves | | 4,607,449 | 1,170,174 |
| Profit for the year | | <u>3,527,275</u> | <u>605,184</u> |

Richard Austin Alloys (Ireland) Limited

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

Nature of business: Stockholders of non ferrous metals

| | % holding | 31/3/22 | 31/3/21 |
|--------------------------------|--------------|------------------|----------------|
| Class of shares: | | £ | £ |
| Ordinary | 82.50 | | |
| Aggregate capital and reserves | | 2,805,687 | 542,456 |
| Profit for the year | | <u>2,352,132</u> | <u>300,414</u> |

12. STOCKS

| | Group | |
|--------|-------------------|-------------------|
| | 31/3/22 | 31/3/21 |
| | £ | £ |
| Stocks | <u>63,273,832</u> | <u>32,009,626</u> |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|--------------------------------|-------------------|-------------------|------------------|------------------|
| | 31/3/22 | 31/3/21 | 31/3/22 | 31/3/21 |
| | £ | £ | £ | £ |
| Trade debtors | 74,172,650 | 43,187,318 | - | - |
| Other debtors and prepayments | 1,100,396 | 515,171 | 83,179 | 88,599 |
| Amounts due by group companies | - | - | 1,526,576 | 1,714,623 |
| Deferred tax asset | 335,423 | 283,144 | 70,552 | 47,740 |
| | <u>75,608,469</u> | <u>43,985,633</u> | <u>1,680,307</u> | <u>1,850,962</u> |

Deferred tax asset

| | Group | | Company | |
|--------------|----------------|----------------|----------------|---------------|
| | 31/3/22 | 31/3/21 | 31/3/22 | 31/3/21 |
| | £ | £ | £ | £ |
| Deferred tax | <u>335,423</u> | <u>283,144</u> | <u>70,552</u> | <u>47,740</u> |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/3/22 | 31/3/21 | 31/3/22 | 31/3/21 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts (see note 16) | 3,688,560 | 284,090 | 294,547 | 284,090 |
| Hire purchase contracts (see note 17) | 203,769 | 321,575 | - | - |
| Trade creditors | 67,371,940 | 47,625,191 | - | - |
| Amounts due to group companies | - | - | 13,631,670 | 12,400,648 |
| Corporation tax | 3,100,287 | 1,406,502 | 122,867 | 106,403 |
| Social security and other taxes | 8,176,394 | 4,378,515 | 52,717 | 63,414 |
| Other creditors | 38,938 | - | 38,938 | - |
| Accrued expenses | 2,638,406 | 1,747,038 | 286,943 | 301,879 |
| Deferred government grants | 60,545 | 62,633 | 60,545 | 62,633 |
| | <u>85,278,839</u> | <u>55,825,544</u> | <u>14,488,227</u> | <u>13,219,067</u> |

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

| | Group | | Company | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | 31/3/22 | 31/3/21 | 31/3/22 | 31/3/21 |
| | £ | £ | £ | £ |
| Bank loans (see note 16) | 1,517,148 | 1,773,598 | 1,517,148 | 1,773,598 |
| Hire purchase contracts (see note 17) | 42,131 | 245,899 | - | - |
| | <u>1,559,279</u> | <u>2,019,497</u> | <u>1,517,148</u> | <u>1,773,598</u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

16. LOANS

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 31/3/22 £ | 31/3/21 £ | 31/3/22 £ | 31/3/21 £ |
| Amounts falling due within one year or on demand: | | | | |
| Bank overdrafts | 3,394,013 | - | - | - |
| Bank loans | 294,547 | 284,090 | 294,547 | 284,090 |
| | <u>3,688,560</u> | <u>284,090</u> | <u>294,547</u> | <u>284,090</u> |
| Amounts falling due between one and two years: | | | | |
| Bank loans - 1-2 years | <u>1,517,148</u> | <u>1,773,598</u> | <u>1,517,148</u> | <u>1,773,598</u> |

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

| | Hire purchase contracts | |
|------------------------------|--------------------------------|----------------|
| | 31/3/22 £ | 31/3/21 £ |
| Gross obligations repayable: | | |
| Within one year | 210,149 | 343,510 |
| Between one and five years | <u>42,634</u> | <u>256,000</u> |
| | <u>252,783</u> | <u>599,510</u> |
| Finance charges repayable: | | |
| Within one year | 6,380 | 21,935 |
| Between one and five years | <u>503</u> | <u>10,101</u> |
| | <u>6,883</u> | <u>32,036</u> |
| Net obligations repayable: | | |
| Within one year | 203,769 | 321,575 |
| Between one and five years | <u>42,131</u> | <u>245,899</u> |
| | <u>245,900</u> | <u>567,474</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

18. SECURED DEBTS

The following secured debts are included within creditors:

| | Group | |
|-------------------------|------------------|------------------|
| | 31/3/22 | 31/3/21 |
| | £ | £ |
| Bank overdraft | 3,394,013 | - |
| Bank loans | 1,811,695 | 2,057,688 |
| Hire purchase contracts | 245,900 | 567,474 |
| | <u>5,451,608</u> | <u>2,625,162</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.

19. FINANCIAL INSTRUMENTS

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

| Group | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | 74,172,650 | 43,187,318 |
| Cash and cash equivalents | 2,944 | 6,059,127 |
| | <u>74,175,594</u> | <u>49,246,445</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>72,823,548</u> | <u>50,250,353</u> |
| Company | 2022 | 2021 |
| | £ | £ |
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | 1,526,576 | 1,714,623 |
| Cash and cash equivalents | 693,352 | 2,174,669 |
| | <u>2,219,928</u> | <u>3,889,292</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>15,443,365</u> | <u>14,458,336</u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

20. DEFERRED TAX

Group

| | |
|--|-------------------------|
| | £ |
| Balance at 1 April 2021 | (283,144) |
| Origination and reversal of timing differences | <u>(52,279)</u> |
| Balance at 31 March 2022 | <u><u>(335,423)</u></u> |

Company

| | |
|--|------------------------|
| | £ |
| Balance at 1 April 2021 | (47,740) |
| Originating and reversal of timing differences | <u>(22,812)</u> |
| Balance at 31 March 2022 | <u><u>(70,552)</u></u> |

Deferred taxation provided for at 25% (2021:19%) in the financial statements is set out below:

| Group | 2022 £ | 2021 £ |
|--------------------------------|------------------|------------------|
| Accelerated capital allowances | (30,277) | (16,448) |
| Other timing differences | (305,146) | (225,966) |
| | <u>(335,423)</u> | <u>(242,414)</u> |
| Company | 2022 £ | 2021 £ |
| Accelerated capital allowances | 5,590 | 4,049 |
| Other timing differences | (76,142) | (51,789) |
| | <u>(70,552)</u> | <u>(47,740)</u> |

21. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|----------|----------------|---------------|---------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 31/3/22 £ | 31/3/21 £ |
| 20,994 | Ordinary | £1 | <u>20,994</u> | <u>20,994</u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

22. RESERVES

Group

| | Retained earnings £ | Share premium £ | Other reserves £ | Capital redemption reserve £ | Totals £ |
|---------------------|---------------------------|-----------------------|------------------------|---------------------------------------|-------------------|
| At 1 April 2021 | 29,779,302 | 59,118 | 540,992 | 26,221 | 30,405,633 |
| Profit for the year | 27,089,141 | | | | 27,089,141 |
| Dividends | (1,662,810) | | | | (1,662,810) |
| Exchange adjustment | (75,199) | - | - | - | (75,199) |
| At 31 March 2022 | <u>55,130,434</u> | <u>59,118</u> | <u>540,992</u> | <u>26,221</u> | <u>55,756,765</u> |

Company

| | Retained earnings £ | Share premium £ | Other reserves £ | Capital redemption reserve £ | Totals £ |
|---------------------|---------------------------|-----------------------|------------------------|---------------------------------------|------------------|
| At 1 April 2021 | 1,325,662 | 59,118 | 264,262 | 26,221 | 1,675,263 |
| Profit for the year | 2,072,595 | | | | 2,072,595 |
| Dividends | (1,662,810) | | | | (1,662,810) |
| At 31 March 2022 | <u>1,735,447</u> | <u>59,118</u> | <u>264,262</u> | <u>26,221</u> | <u>2,085,048</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 £788,298 (2021 - £683,855) for directors and employees.

Contributions were payable to the fund at 31 March 2022 amounting to £173,862 (2021 - £191,758).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

25. CONTINGENT LIABILITIES

Cross guarantees exist between all group companies in favour of the group bankers. At 31 March 2022, the group companies' combined bank borrowings amounted to £5,739,963 (2021 - net funds of £3,519,948).

Cross guarantees exist between all group companies in favour of three group suppliers. At 31 March 2022, the group companies' combined liabilities to these suppliers amounted to £23,761,968 (2021 - £20,373,817).

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 group are considered to be key management personnel. Total remuneration in respect of these individuals is £2,028,577 (2021 - £1,738,743).

27. POST BALANCE SHEET EVENTS

On 4 July 2022 the company paid a dividend totalling £5,200,000 relating to the year ended 31 March 2022.

28. ULTIMATE CONTROLLING PARTY

By virtue of her interests in the share capital of Richard Austin Alloys Limited, the parent company, Mrs Sharen Kelly, controls the majority of the voting rights and thus has ultimate control of the group.

29. 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.

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