

**RICHARD AUSTIN ALLOYS LIMITED**  
**GROUP STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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

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FOR THE YEAR ENDED 31 MARCH 2023**

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**RICHARD AUSTIN ALLOYS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2023**

<b>DIRECTORS:</b>	James Robertson Johnston Paul Rawlinson Andrew James Finlay John Murdoch Lee Hall Sharen Kelly
<b>SECRETARY:</b>	John Murdoch
<b>REGISTERED OFFICE:</b>	Dunivaig Road Easter Queenslie Industrial Estate Glasgow G33 4TP
<b>REGISTERED NUMBER:</b>	SC074125 (Scotland)
<b>AUDITORS:</b>	Milne Craig Chartered accountants Statutory auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA
<b>BANKERS:</b>	Royal Bank of Scotland plc Corporate Banking 110 Queen Street Glasgow G1 3BX

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their strategic report of the company and the group for the year ended 31 March 2023.

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:

	2023	2022	2021
	£	£	£
Turnover	257,845,837	269,833,572	156,997,203
Turnover growth	(4.44%)	71.87%	(6.94%)
Profit before tax	15,461,906	40,472,497	9,067,872

The results for the year were impacted by falling metal prices and inflationary pressure on the group's operating costs. Given the economic climate, the Directors are satisfied with the performance. The net assets of the group have increased from £67,247,486 at 31 March 2022 to £70,924,602 at 31 March 2023.

**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 2023**

**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

21 December 2023

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

**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 £5,200,000 (2022 - £2,003,039) relating to the year ended 31 March 2022.

**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 2022 to the date of this report.

James Robertson Johnston  
Paul Rawlinson  
Andrew James Finlay  
John Murdoch  
Lee Hall

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2023**

Other changes in directors holding office are as follows:

Gary Higgins - resigned 31 March 2023  
Anthony James McHale - resigned 13 February 2023  
Sharen Kelly - appointed 20 June 2022

**STREAMLINED ENERGY AND CARBON REPORTING**

This statement reports the Group's energy and carbon emissions consumption in compliance with Streamlined Energy and Carbon Reporting (SECR) legislation introduced by the UK Government. It covers both our Scope 1 and Scope 2 UK emissions.

Scope 1 (direct) emissions are greenhouse gas emissions released at the Group's premises or from its vehicles. They are CO<sub>2</sub> emissions that come from sources owned or controlled by the Group.

Scope 2 (indirect) emissions are greenhouse gases released into the atmosphere as a result of the Group's activities but they occur at locations it does not own or control.

The emissions reported below are in metric tonnes of carbon dioxide (CO<sub>2</sub>e) calculated using the Government conversion factors contained in the UK Government GHG Conversion Factors for Company Reporting.

The company has taken advantage of the exemption from making individual reports in the subsidiary companies by reporting on a consolidated basis.

**Emission Source**

	<b>2023(tCO<sub>2</sub>e)</b>	<b>2022(tCO<sub>2</sub>e)</b>
Scope 1	2,947	3,009
Scope 2	194	201
	<u>3,141</u>	<u>3,210</u>

**Intensity ratio**

Tonnes of CO <sub>2</sub> e per £m revenue	<u>12.2</u>	<u>11.9</u>
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The Group managed to reduce its carbon emissions by 2.1% in the year. The intensity ratio increased, however, due to the impact of changes in the market price of metals that the Group trades.

**Environment Strategy**

The Group is ISO 14001 certified and actively seeks new ways to reduce its impact on the environment by focusing on energy, waste and water.

Plant and machinery and the motor fleet are regularly serviced in order to maximise their operating efficiency. There is a continual programme to replace older assets with new, cleaner and more efficient alternatives and the Group is committed to reducing its environmental footprint.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2023**

**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 or she ought to have taken as a director in order to make himself or herself 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

21 December 2023



## **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 2023 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 2023 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 six, 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](http://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

21 December 2023

**CONSOLIDATED  
INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>TURNOVER</b>	3	257,845,837	269,833,572
Cost of sales		<u>(218,368,961)</u>	<u>(206,208,252)</u>
<b>GROSS PROFIT</b>		39,476,876	63,625,320
Distribution costs		(19,737,566)	(19,134,064)
Administrative expenses		<u>(3,984,272)</u>	<u>(3,804,089)</u>
		15,755,038	40,687,167
Other operating income		-	2,834
<b>OPERATING PROFIT</b>		<u>15,755,038</u>	<u>40,690,001</u>
Interest receivable and similar income		2,026	176
		<u>15,757,064</u>	<u>40,690,177</u>
Interest payable and similar expenses	5	<u>(295,158)</u>	<u>(217,680)</u>
<b>PROFIT BEFORE TAXATION</b>	6	15,461,906	40,472,497
Tax on profit	7	<u>(3,010,449)</u>	<u>(7,746,367)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>12,451,457</u>	<u>32,726,130</u>
Profit attributable to:			
Owners of the parent		10,683,150	27,089,141
Non-controlling interests		<u>1,768,307</u>	<u>5,636,989</u>
		<u>12,451,457</u>	<u>32,726,130</u>

The notes form part of these financial statements

**CONSOLIDATED  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

Notes	2023 £	2022 £
<b>PROFIT FOR THE YEAR</b>	12,451,457	32,726,130
<b>OTHER COMPREHENSIVE INCOME</b>		
Exchange difference	118,659	(75,199)
Income tax relating to other comprehensive income	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<u>118,659</u>	<u>(75,199)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>12,570,116</u></u>	<u><u>32,650,931</u></u>
Total comprehensive income attributable to:		
Owners of the parent	10,801,809	27,013,942
Non-controlling interests	<u>1,768,307</u>	<u>5,636,989</u>
	<u><u>12,570,116</u></u>	<u><u>32,650,931</u></u>

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 MARCH 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	10	19,480,006	15,200,359
Investments	11	<u>-</u>	<u>-</u>
		19,480,006	15,200,359
<b>CURRENT ASSETS</b>			
Stocks	12	40,217,620	63,273,832
Debtors	13	53,738,534	75,608,469
Cash at bank and in hand		<u>17,460,812</u>	<u>2,944</u>
		111,416,966	138,885,245
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>59,207,497</u>	<u>85,278,839</u>
<b>NET CURRENT ASSETS</b>		<u>52,209,469</u>	<u>53,606,406</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		71,689,475	68,806,765
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(490,511)	(1,559,279)
<b>PROVISIONS FOR LIABILITIES</b>	20	<u>(274,362)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>70,924,602</u>	<u>67,247,486</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	19,503	20,994
Share premium	22	59,118	59,118
Other reserves	22	540,992	540,992
Capital redemption reserve	22	27,712	26,221
Retained earnings	22	<u>58,982,143</u>	<u>55,130,434</u>
<b>SHAREHOLDERS' FUNDS</b>		59,629,468	55,777,759
<b>NON-CONTROLLING INTERESTS</b>	23	<u>11,295,134</u>	<u>11,469,727</u>
<b>TOTAL EQUITY</b>		<u>70,924,602</u>	<u>67,247,486</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2023 and were signed on its behalf by:

Andrew James Finlay - Director

**RICHARD AUSTIN ALLOYS LIMITED (REGISTERED NUMBER: SC074125)**

**COMPANY STATEMENT OF FINANCIAL POSITION  
31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		16,266,204		13,930,655
Investments	11		<u>2,717,003</u>		<u>1,807,103</u>
			18,983,207		15,737,758
<b>CURRENT ASSETS</b>					
Debtors	13	268,532		1,680,307	
Cash at bank		<u>4,743,797</u>		<u>693,352</u>	
		5,012,329		2,373,659	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>23,223,312</u>		<u>14,488,227</u>	
<b>NET CURRENT LIABILITIES</b>			(18,210,983)		(12,114,568)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			772,224		3,623,190
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		-		1,517,148
<b>NET ASSETS</b>			<u>772,224</u>		<u>2,106,042</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		19,503		20,994
Share premium	22		59,118		59,118
Other reserves	22		264,262		264,262
Capital redemption reserve	22		27,712		26,221
Retained earnings	22		<u>401,629</u>		<u>1,735,447</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>772,224</u>		<u>2,106,042</u>
Company's profit for the financial year			<u>5,616,282</u>		<u>2,072,595</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2023 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 2023**

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £
<b>Balance at 1 April 2021</b>	20,994	29,779,302	59,118	540,992
<b>Changes in equity</b>				
Dividends	-	(1,662,810)	-	-
Total comprehensive income	-	27,013,942	-	-
<b>Balance at 31 March 2022</b>	20,994	55,130,434	59,118	540,992
<b>Changes in equity</b>				
Share buy back	(1,491)	(1,750,100)	-	-
Dividends	-	(5,200,000)	-	-
Total comprehensive income	-	10,801,809	-	-
	19,503	58,982,143	59,118	540,992
Transfer of shares	-	-	-	-
<b>Balance at 31 March 2023</b>	19,503	58,982,143	59,118	540,992
	Capital redemption reserve £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 April 2021</b>	26,221	30,426,627	6,172,967	36,599,594
<b>Changes in equity</b>				
Dividends	-	(1,662,810)	(340,229)	(2,003,039)
Total comprehensive income	-	27,013,942	5,636,989	32,650,931
<b>Balance at 31 March 2022</b>	26,221	55,777,759	11,469,727	67,247,486
<b>Changes in equity</b>				
Share buy back	1,491	(1,750,100)	-	(1,750,100)
Dividends	-	(5,200,000)	(1,033,000)	(6,233,000)
Total comprehensive income	-	10,801,809	1,768,307	12,570,116
	27,712	59,629,468	12,205,034	71,834,502
Transfer of shares	-	-	(909,900)	(909,900)
<b>Balance at 31 March 2023</b>	27,712	59,629,468	11,295,134	70,924,602

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Share premium £
<b>Balance at 1 April 2021</b>	20,994	1,325,662	59,118
<b>Changes in equity</b>			
Dividends	-	(1,662,810)	-
Total comprehensive income	-	2,072,595	-
<b>Balance at 31 March 2022</b>	<u>20,994</u>	<u>1,735,447</u>	<u>59,118</u>
<b>Changes in equity</b>			
Share buy back	(1,491)	(1,750,100)	-
Dividends	-	(5,200,000)	-
Total comprehensive income	-	5,616,282	-
<b>Balance at 31 March 2023</b>	<u>19,503</u>	<u>401,629</u>	<u>59,118</u>
	Other reserves £	Capital redemption reserve £	Total equity £
<b>Balance at 1 April 2021</b>	264,262	26,221	1,696,257
<b>Changes in equity</b>			
Dividends	-	-	(1,662,810)
Total comprehensive income	-	-	2,072,595
<b>Balance at 31 March 2022</b>	<u>264,262</u>	<u>26,221</u>	<u>2,106,042</u>
<b>Changes in equity</b>			
Share buy back	-	1,491	(1,750,100)
Dividends	-	-	(5,200,000)
Total comprehensive income	-	-	5,616,282
<b>Balance at 31 March 2023</b>	<u>264,262</u>	<u>27,712</u>	<u>772,224</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	40,581,055	3,336,814
Interest paid		(262,324)	(192,060)
Interest element of hire purchase payments paid		(32,834)	(25,620)
Tax paid		(5,388,771)	(6,107,076)
Net cash from operating activities		<u>34,897,126</u>	<u>(2,987,942)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(5,608,019)	(3,881,462)
Sale of tangible fixed assets		103,660	62,351
Interest received		2,026	176
Net cash from investing activities		<u>(5,502,333)</u>	<u>(3,818,935)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(314,356)	(285,038)
Loan interest charges		69,452	39,045
Capital repayments on hire purchase		473,353	(321,574)
Amount withdrawn by directors		(2,500)	-
Share buyback		(2,660,000)	-
Equity dividends paid		(5,200,000)	(1,662,810)
Dividends paid to minority interests		(1,033,000)	(340,229)
Net cash from financing activities		<u>(8,667,051)</u>	<u>(2,570,606)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>20,727,742</u>	<u>(9,377,483)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(3,391,069)	6,059,127
Effect of foreign exchange rate changes		124,139	(72,713)
<b>Cash and cash equivalents at end of year</b>	2	<u>17,460,812</u>	<u>(3,391,069)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023**

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

	2023	2022
	£	£
Profit before taxation	15,461,906	40,472,497
Depreciation charges	1,314,878	1,065,448
Profit on disposal of fixed assets	(86,615)	(56,718)
Finance costs	295,158	217,680
Finance income	(2,026)	(176)
	<u>16,983,301</u>	<u>41,698,731</u>
Decrease/(increase) in stocks	23,056,212	(31,264,206)
Decrease/(increase) in trade and other debtors	21,537,012	(31,570,557)
(Decrease)/increase in trade and other creditors	<u>(20,995,470)</u>	<u>24,472,846</u>
<b>Cash generated from operations</b>	<u><u>40,581,055</u></u>	<u><u>3,336,814</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 2023**

	31/3/23	1/4/22
	£	£
Cash and cash equivalents	17,460,812	2,944
Bank overdrafts	-	(3,394,013)
	<u>17,460,812</u>	<u>(3,391,069)</u>

**Year ended 31 March 2022**

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

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023

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

	At 1/4/22 £	Cash flow £	At 31/3/23 £
<b>Net cash</b>			
Cash at bank and in hand	2,944	17,457,868	17,460,812
Bank overdrafts	(3,394,013)	3,394,013	-
	<u>(3,391,069)</u>	<u>20,851,881</u>	<u>17,460,812</u>
<b>Debt</b>			
Finance leases	(245,900)	(473,353)	(719,253)
Debts falling due within 1 year	(294,547)	(1,272,244)	(1,566,791)
Debts falling due after 1 year	(1,517,148)	1,517,148	-
	<u>(2,057,595)</u>	<u>(228,449)</u>	<u>(2,286,044)</u>
<b>Total</b>	<u>(5,448,664)</u>	<u>20,623,432</u>	<u>15,174,768</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**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 2023**

**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 2023**

**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 2023**

**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 2023**

**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:

	2023	2022
	£	£
Sales of non-ferrous metals	257,845,837	269,833,572
	<u>257,845,837</u>	<u>269,833,572</u>

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
UK and Republic of Ireland	257,845,837	269,833,572
	<u>257,845,837</u>	<u>269,833,572</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**4. EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Wages and salaries	11,492,515	11,904,596
Social security costs	1,199,354	1,098,223
Other pension costs	848,756	781,905
	<u>13,540,625</u>	<u>13,784,724</u>

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

	2023	2022
Sales and administration	79	82
Warehouse and drivers	<u>186</u>	<u>190</u>
	<u>265</u>	<u>272</u>

	2023	2022
	£	£
Directors' remuneration	2,194,231	2,028,577
Directors' pension contributions to money purchase schemes	<u>158,326</u>	<u>156,986</u>

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

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

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	376,415	216,500
Pension contributions to money purchase schemes	<u>-</u>	<u>18,836</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022
	£	£
Term loan interest	69,452	41,532
Bank overdraft interest	180,496	149,947
Other interest	1,593	581
Corporation tax interest	10,783	-
Hire purchase interest	<u>32,834</u>	<u>25,620</u>
	<u>295,158</u>	<u>217,680</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**6. PROFIT BEFORE TAXATION**

The profit is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	960,100	775,452
Depreciation - assets on hire purchase contracts	351,227	290,267
Profit on disposal of fixed assets	(86,615)	(56,718)
Auditors' remuneration	43,555	37,300
Auditors' remuneration for non audit work	14,600	14,000
Foreign exchange differences	<u>-</u>	<u>57,169</u>

**7. TAXATION**

**Analysis of the tax charge**

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	2,432,972	7,739,459
Adjustments in respect of previous years	<u>(23,277)</u>	<u>61,402</u>
Total current tax	<u>2,409,695</u>	<u>7,800,861</u>
Deferred tax:		
Deferred tax	527,211	(54,494)
Effect on changes in tax rates on opening liability	<u>73,543</u>	<u>-</u>
Total deferred tax	<u>600,754</u>	<u>(54,494)</u>
Tax on profit	<u>3,010,449</u>	<u>7,746,367</u>

UK corporation tax has been charged at 19 % (2022 - 19 %).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

7. TAXATION - continued

**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:

	2023 £	2022 £
Profit before tax	15,461,906	40,472,497
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2022 - 19 %)	2,937,762	7,689,774
Effects of:		
Expenses not deductible for tax purposes	(57,844)	89,281
Adjustments to tax charge in respect of previous periods	43	61,402
Prior year adjustment - deferred tax	(10,649)	(23,769)
Deferred tax rate changes	141,137	(70,321)
Total tax charge	<u>3,010,449</u>	<u>7,746,367</u>

**Tax effects relating to effects of other comprehensive income**

	2023 Gross £	Tax £	Net £
Exchange difference	<u>118,659</u>	<u>-</u>	<u>118,659</u>
	2022 Gross £	Tax £	Net £
Exchange difference	<u>(75,199)</u>	<u>-</u>	<u>(75,199)</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

	2023 £	2022 £
Interim	<u>5,200,000</u>	<u>1,662,810</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £
<b>COST</b>			
At 1 April 2022	12,756,171	4,759,733	4,353,644
Additions	2,675,504	-	799,078
Disposals	-	-	(80,602)
At 31 March 2023	15,431,675	4,759,733	5,072,120
<b>DEPRECIATION</b>			
At 1 April 2022	2,842,039	774,043	3,984,393
Charge for year	266,088	95,195	242,498
Eliminated on disposal	-	-	(80,602)
At 31 March 2023	3,108,127	869,238	4,146,289
<b>NET BOOK VALUE</b>			
At 31 March 2023	12,323,548	3,890,495	925,831
At 31 March 2022	9,914,132	3,985,690	369,251

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2022	68,327	3,807,101	250,563	25,995,539
Additions	47,767	2,049,982	35,688	5,608,019
Disposals	-	(601,946)	-	(682,548)
At 31 March 2023	116,094	5,255,137	286,251	30,921,010
<b>DEPRECIATION</b>				
At 1 April 2022	73,976	2,870,166	250,563	10,795,180
Charge for year	3,957	699,228	4,361	1,311,327
Eliminated on disposal	-	(584,901)	-	(665,503)
At 31 March 2023	77,933	2,984,493	254,924	11,441,004
<b>NET BOOK VALUE</b>				
At 31 March 2023	38,161	2,270,644	31,327	19,480,006
At 31 March 2022	(5,649)	936,935	-	15,200,359

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

10. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Long leasehold £	Fixtures and fittings £
<b>COST</b>			
At 1 April 2022	12,756,173	4,759,733	23,830
Additions	2,675,504	-	-
At 31 March 2023	15,431,677	4,759,733	23,830
<b>DEPRECIATION</b>			
At 1 April 2022	2,842,041	774,043	23,830
Charge for year	266,088	95,195	-
At 31 March 2023	3,108,129	869,238	23,830
<b>NET BOOK VALUE</b>			
At 31 March 2023	12,323,548	3,890,495	-
At 31 March 2022	9,914,132	3,985,690	-

  

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2022	89,210	250,563	17,879,509
Additions	-	35,688	2,711,192
At 31 March 2023	89,210	286,251	20,590,701
<b>DEPRECIATION</b>			
At 1 April 2022	58,377	250,563	3,948,854
Charge for year	9,999	4,361	375,643
At 31 March 2023	68,376	254,924	4,324,497
<b>NET BOOK VALUE</b>			
At 31 March 2023	20,834	31,327	16,266,204
At 31 March 2022	30,833	-	13,930,655

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**11. FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2022	1,807,103
Additions	<u>909,900</u>
At 31 March 2023	<u>2,717,003</u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u>2,717,003</u>
At 31 March 2022	<u>1,807,103</u>

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	2023	2022
		£	£
Aggregate capital and reserves		15,478,903	13,471,280
Profit for the year		<u>2,857,623</u>	<u>4,282,991</u>

**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	2023	2022
		£	£
Aggregate capital and reserves		17,781,564	16,548,146
Profit for the year		<u>2,723,418</u>	<u>7,381,503</u>

**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	2023	2022
		£	£
Aggregate capital and reserves		13,691,405	12,568,908
Profit for the year		<u>2,072,497</u>	<u>4,690,258</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**11. FIXED ASSET INVESTMENTS - continued**

**Richard Austin Alloys (Midlands) Limited**

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

Nature of business: Stockholders of non ferrous metals

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	90.00		
Aggregate capital and reserves		11,934,095	11,798,072
Profit for the year		<u>1,436,023</u>	<u>6,649,345</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

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	90.00		
Aggregate capital and reserves		5,654,142	5,170,212
Profit for the year		<u>983,930</u>	<u>3,390,893</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	2023 £	2022 £
Class of shares:			
Ordinary	82.50		
Aggregate capital and reserves		5,420,420	4,607,449
Profit for the year		<u>1,312,971</u>	<u>3,527,275</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	2023 £	2022 £
Class of shares:			
Ordinary	82.50		
Aggregate capital and reserves		2,995,250	2,805,687
Profit for the year		<u>351,762</u>	<u>2,352,132</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

12. STOCKS

	Group	
	2023	2022
	£	£
Stocks	40,217,620	63,273,832

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	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	52,725,686	74,172,650	-	-
Other debtors and prepayments	1,010,348	1,100,396	144,666	83,179
Amounts due by group companies	-	-	92,896	1,526,576
Directors' current accounts	2,500	-	2,500	-
Deferred tax asset	-	335,423	28,470	70,552
	53,738,534	75,608,469	268,532	1,680,307

Deferred tax asset

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Deferred tax	-	335,423	28,470	70,552

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 16)	1,566,791	3,688,560	1,566,791	294,547
Hire purchase contracts (see note 17)	228,742	203,769	-	-
Trade creditors	49,272,095	67,371,940	-	-
Amounts due to group companies	-	-	21,126,287	13,631,670
Corporation tax	121,211	3,100,287	136,800	122,867
Social security and other taxes	5,925,398	8,176,394	70,670	52,717
Other creditors	52,140	38,938	52,140	38,938
Accrued expenses	1,982,663	2,638,406	212,167	286,943
Deferred government grants	58,457	60,545	58,457	60,545
	59,207,497	85,278,839	23,223,312	14,488,227

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

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

	<b>Group</b>		<b>Company</b>	
	2023	2022	2023	2022
	£	£	£	£
Bank loans (see note 16)	-	1,517,148	-	1,517,148
Hire purchase contracts (see note 17)	490,511	42,131	-	-
	<u>490,511</u>	<u>1,559,279</u>	<u>-</u>	<u>1,517,148</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	3,394,013	-	-
Bank loans	1,566,791	294,547	1,566,791	294,547
	<u>1,566,791</u>	<u>3,688,560</u>	<u>1,566,791</u>	<u>294,547</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	-	1,517,148	-	1,517,148

**17. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	2023	2022
	£	£
Gross obligations repayable:		
Within one year	261,134	210,149
Between one and five years	523,108	42,634
	<u>784,242</u>	<u>252,783</u>
Finance charges repayable:		
Within one year	32,392	6,380
Between one and five years	32,597	503
	<u>64,989</u>	<u>6,883</u>
Net obligations repayable:		
Within one year	228,742	203,769
Between one and five years	490,511	42,131
	<u>719,253</u>	<u>245,900</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2023	2022
	£	£
Bank overdraft	-	3,394,013
Bank loans	1,566,791	1,811,695
Hire purchase contracts	719,253	245,900
	<u>2,286,044</u>	<u>5,451,608</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	2023	2022
	£	£
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	52,725,686	74,172,650
Cash and cash equivalents	<u>17,460,812</u>	<u>2,944</u>
	<u>70,186,498</u>	<u>74,175,594</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>51,526,588</u>	<u>72,823,548</u>

Company	2023	2022
	£	£
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	92,896	1,526,576
Cash and cash equivalents	<u>4,473,797</u>	<u>693,352</u>
	<u>4,566,693</u>	<u>2,219,928</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>22,693,078</u>	<u>15,443,365</u>

20. PROVISIONS FOR LIABILITIES

	Group	
	2023	2022
	£	£
Deferred tax	<u>274,362</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

20. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 April 2022	(335,423)
Origination and reversal of timing differences	536,242
Effect of changes in tax rates	73,543
Balance at 31 March 2023	<u>274,362</u>

Company

	Deferred tax £
Balance at 1 April 2022	(70,552)
Originating and reversal of timing differences	24,400
Effect of changes in tax rates	17,682
Balance at 31 March 2023	<u>(28,470)</u>

Deferred taxation provided for at 25% (2022: 25%) in the financial statements is set out below:

Group	2023 £	2022 £
Accelerated capital allowances	513,671	(30,277)
Other timing differences	(232,029)	(305,146)
	<u>281,642</u>	<u>(335,423)</u>
Company	2023 £	2022 £
Accelerated capital allowances	13,324	5,590
Other timing differences	(41,794)	(76,142)
	<u>(28,470)</u>	<u>(70,552)</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2023 £	2022 £
Number:	Class:			
20,994	Ordinary		<u>19,503</u>	<u>20,994</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023

22. RESERVES

Group

	Retained earnings £	Share premium £	Other reserves £	Capital redemption reserve £	Totals £
At 1 April 2022	55,130,434	59,118	540,992	26,221	55,756,765
Profit for the year	10,683,150				10,683,150
Dividends	(5,200,000)				(5,200,000)
Exchange adjustment	118,659	-	-	-	118,659
Share buy back	(1,750,100)	-	-	1,491	(1,748,609)
At 31 March 2023	58,982,143	59,118	540,992	27,712	59,609,965

Company

	Retained earnings £	Share premium £	Other reserves £	Capital redemption reserve £	Totals £
At 1 April 2022	1,735,447	59,118	264,262	26,221	2,085,048
Profit for the year	5,616,282				5,616,282
Dividends	(5,200,000)				(5,200,000)
Share buy back	(1,750,100)	-	-	1,491	(1,748,609)
At 31 March 2023	401,629	59,118	264,262	27,712	752,721

**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 £848,756 (2022 - £788,298) for directors and employees.

Contributions were payable to the fund at 31 March 2023 amounting to £173,862 (2022 - £173,862).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**25. CONTINGENT LIABILITIES**

Cross guarantees exist between all group companies in favour of the group bankers. At 31 March 2023, the group companies' combined bank borrowings amounted to £14,743,015 (2022 - £5,739,963).

Cross guarantees exist between all group companies in favour of three group suppliers. At 31 March 2023, the group companies' combined liabilities to these suppliers amounted to £18,484,998 (2022 - £23,761,968).

**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 £2,022,275 (2022 - £2,028,577).

**27. POST BALANCE SHEET EVENTS**

In July 2023 the company paid a dividend totalling £5,200,000 relating to the year ended 31 March 2023.

**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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