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**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016



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

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2016**

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**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2016**

DIRECTORS:

S T Kelly
G Higgins
A Farmery
J Murdoch

SECRETARY:

J Murdoch

REGISTERED OFFICE:

Dunivaig Road
Easter Queenslie Industrial Estate
Glasgow
G33 4TP

REGISTERED NUMBER:

SC332613

AUDITORS:

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

BANKERS:

Royal Bank of Scotland plc
Corporate Banking
Kirkstane House
139 St. Vincent Street
Glasgow
G2 5JF

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their strategic report for the year ended 31 March 2016.

REVIEW OF BUSINESS

The key financial highlights are as follows:

	2016 £	2015 £	2014 £
Turnover	20,067,201	18,874,573	18,368,900
Turnover growth	6.3%	2.8%	24%
Profit before tax	96,131	499,871	282,878

The net assets of the company have decreased from £1,057,445 at 31st March 2015 to £981,812 at 31st March 2016.

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 company.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies adopted during the period ended 31st March 2016 and consider the company to be well placed to take advantage of opportunities which may arise in the current year.

FINANCIAL INSTRUMENTS

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

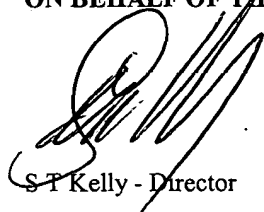
The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company'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 company recognises the importance of its environmental responsibilities, and has policies in place to manage its impact on the environment.

ON BEHALF OF THE BOARD:



S T Kelly - Director

14 July 2016

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report with the accounts of the company for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

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.

DIVIDENDS

During the year the company paid a dividend totally £150,000 relating to the year ended 31st March 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

S T Kelly
G Higgins
A Farmery
J Murdoch

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 of the profit or loss of the company 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;
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 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 company'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 company'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:



S T Kelly - Director

14 July 2016

**REPORT OF THE INDEPENDENT AUDITORS TO
RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to seventeen, together with the full financial statements of Richard Austin Alloys (South West) Limited for the year ended 31 March 2016 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Milne Craig

Mrs S B Malcolm 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

14 July 2016

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**ABBREVIATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
TURNOVER		20,067,201	18,874,573
Cost of sales		(17,443,413)	(16,347,844)
		<hr/> 2,623,788	<hr/> 2,526,729
Distribution costs		(1,723,366)	(1,621,149)
Administrative expenses		(740,160)	(339,562)
		<hr/>	<hr/>
OPERATING PROFIT	3	160,262	566,018
Interest receivable and similar income		10	-
		<hr/> 160,272	<hr/> 566,018
Interest payable and similar charges	4	(64,141)	(66,147)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		96,131	499,871
Tax on profit on ordinary activities	5	(21,764)	(106,750)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		<hr/> <hr/> 74,367	<hr/> <hr/> 393,121

The notes form part of these abbreviated accounts

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		74,367	393,121
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>74,367</u>	<u>393,121</u>

The notes form part of these abbreviated accounts

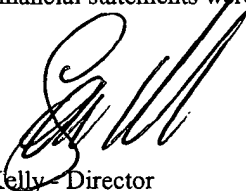
**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**ABBREVIATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	7	66,521	69,371
CURRENT ASSETS			
Stocks	8	3,392,644	3,387,001
Debtors	9	5,284,228	5,367,315
Cash in hand		604	315
		<u>8,677,476</u>	<u>8,754,631</u>
CREDITORS			
Amounts falling due within one year	10	<u>7,734,963</u>	<u>7,753,642</u>
NET CURRENT ASSETS		<u>942,513</u>	<u>1,000,989</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,009,034</u>	<u>1,070,360</u>
CREDITORS			
Amounts falling due after more than one year	11	<u>27,222</u>	<u>12,915</u>
NET ASSETS		<u><u>981,812</u></u>	<u><u>1,057,445</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	100,000	100,000
Retained earnings	17	<u>881,812</u>	<u>957,445</u>
SHAREHOLDERS' FUNDS		<u><u>981,812</u></u>	<u><u>1,057,445</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 14 July 2016 and were signed on its behalf by:


S T Kelly – Director

The notes form part of these abbreviated accounts

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	100,000	564,324	664,324
Changes in equity			
Total comprehensive income	-	393,121	393,121
Balance at 31 March 2015	100,000	957,445	1,057,445
Changes in equity			
Dividends	-	(150,000)	(150,000)
Total comprehensive income	-	74,367	74,367
Balance at 31 March 2016	100,000	881,812	981,812

The notes form part of these abbreviated accounts

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	625,215	(330,205)
Interest paid		(60,311)	(62,126)
Interest element of hire purchase payments paid		(3,830)	(4,021)
Tax paid		(72,424)	(110,303)
Net cash from operating activities		<u>488,650</u>	<u>(506,655)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(46,613)	-
Sale of tangible fixed assets		-	5,299
Interest received		10	-
Net cash from investing activities		<u>(46,603)</u>	<u>5,299</u>
Cash flows from financing activities			
New hire purchase financing		56,156	-
Capital repayments in year		(48,767)	(38,919)
Equity dividends paid		(150,000)	-
Net cash from financing activities		<u>(142,611)</u>	<u>(38,919)</u>
Increase/(decrease) in cash and cash equivalents		<u>299,436</u>	<u>(540,275)</u>
Cash and cash equivalents at beginning of year	2	(2,315,921)	(1,775,646)
Cash and cash equivalents at end of year	2	<u><u>(2,016,485)</u></u>	<u><u>(2,315,921)</u></u>

The notes form part of these abbreviated accounts

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

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

	2016	2015
	£	£
Profit before taxation	96,131	499,871
Depreciation charges	49,463	55,493
Profit on disposal of fixed assets	-	(5,300)
Finance costs	64,141	66,147
Finance income	(10)	-
	<u>209,725</u>	<u>616,211</u>
Increase in stocks	(5,643)	(414,741)
Decrease/(increase) in trade and other debtors	81,853	(337,664)
Increase/(decrease) in trade and other creditors	<u>339,280</u>	<u>(194,011)</u>
Cash generated from operations	<u><u>625,215</u></u>	<u><u>(330,205)</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 2016

	31/3/16	1/4/15
	£	£
Cash and cash equivalents	604	315
Bank overdrafts	(2,017,089)	(2,316,236)
	<u>(2,016,485)</u>	<u>(2,315,921)</u>

Year ended 31 March 2015

	31/3/15	1/4/14
	£	£
Cash and cash equivalents	315	477
Bank overdrafts	(2,316,236)	(1,776,123)
	<u>(2,315,921)</u>	<u>(1,775,646)</u>

The notes form part of these abbreviated accounts

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. 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.

This is the first year in which the financial statements have been prepared under Financial Reporting Standard 102. Refer to note 22 for an explanation of the transition.

The financial statements are presented in Sterling (£).

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax. Consideration is given to the point at which the company is entitled to receive the income.

The turnover and pre tax profit is attributable to one activity, that of stockholders of non ferrous metals.

Tangible fixed assets

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

Motor vehicles	-	over 4 years
Plant and machinery	-	over 5 years
Fixtures and fittings	-	over 5 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.

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 group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- 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

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES - continued

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

The company 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.

2. STAFF COSTS

	2016 £	2015 £
Wages and salaries	1,010,029	958,571
Social security costs	94,745	93,282
Other pension costs	75,953	73,070
	<u>1,180,727</u>	<u>1,124,923</u>

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

	2016	2015
Sales and administration	11	12
Warehouse and drivers	20	20
	<u>31</u>	<u>32</u>

3. OPERATING PROFIT

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

	2016 £	2015 £
Depreciation - owned assets	12,862	11,190
Depreciation - assets on hire purchase contracts	36,601	44,303
Profit on disposal of fixed assets	-	(5,300)
Auditors' remuneration	4,150	4,050
Auditors' remuneration for non audit work	2,751	3,249
	<u> </u>	<u> </u>
Directors' remuneration	167,010	175,200
Directors' pension contributions to money purchase schemes	12,233	13,415
	<u> </u>	<u> </u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank overdraft interest	60,311	62,126
Hire purchase interest	3,830	4,021
	<u>64,141</u>	<u>66,147</u>

5. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	20,530	105,472
Adjustment in respect of prior years	-	(548)
Total current tax	<u>20,530</u>	<u>104,924</u>
Deferred tax	<u>1,234</u>	<u>1,826</u>
Tax on profit on ordinary activities	<u>21,764</u>	<u>106,750</u>

UK corporation tax has been charged at 20% (2015 - 21%).

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:

	2016	2015
	£	£
Profit on ordinary activities before tax	<u>96,131</u>	<u>499,871</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	19,226	104,973
Effects of:		
Disallowed expenses and non taxable income	877	686
Deferred tax rate changes	1,661	1,639
Movement in unprovided deferred tax	-	(548)
Total tax charge	<u>21,764</u>	<u>106,750</u>

6. DIVIDENDS

	2016	2015
	£	£
Final	<u>150,000</u>	<u>-</u>

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2015	504,208	28,240	299,691	832,139
Additions	-	-	46,613	46,613
	<u>504,208</u>	<u>28,240</u>	<u>346,304</u>	<u>878,752</u>
At 31 March 2016	504,208	28,240	346,304	878,752
DEPRECIATION				
At 1 April 2015	502,480	28,240	232,048	762,768
Charge for year	1,169	-	48,294	49,463
	<u>503,649</u>	<u>28,240</u>	<u>280,342</u>	<u>812,231</u>
At 31 March 2016	503,649	28,240	280,342	812,231
NET BOOK VALUE				
At 31 March 2016	<u>559</u>	<u>-</u>	<u>65,962</u>	<u>66,521</u>
At 31 March 2015	<u>1,728</u>	<u>-</u>	<u>67,643</u>	<u>69,371</u>

The net book value of tangible fixed assets includes £52,505 (2015 - £44,744) in respect of assets held under hire purchase contracts.

8. STOCKS

	2016 £	2015 £
Non ferrous metals	<u>3,392,644</u>	<u>3,387,001</u>

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

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	4,281,033	4,396,409
Other debtors	64,632	71,059
Amounts due by group companies	907,017	867,067
Deferred tax asset	31,546	32,780
	<u>5,284,228</u>	<u>5,367,315</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts (see note 12)	2,017,089	2,316,236
Hire purchase contracts (see note 13)	23,452	30,370
Trade creditors	4,284,741	3,515,826
Amounts due to group companies	1,028,619	1,310,355
Corporation tax	(2,830)	49,064
Social security and other taxes	335,958	493,492
Accrued expenses	47,934	38,299
	<u>7,734,963</u>	<u>7,753,642</u>

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

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

	2016	2015
	£	£
Hire purchase contracts (see note 13)	<u>27,222</u>	<u>12,915</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,017,089</u>	<u>2,316,236</u>

13. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2016	2015
	£	£
Gross obligations repayable:		
Within one year	25,667	33,503
Between one and five years	<u>29,684</u>	<u>14,177</u>
	<u>55,351</u>	<u>47,680</u>

Finance charges repayable:		
Within one year	2,215	3,133
Between one and five years	<u>2,462</u>	<u>1,262</u>
	<u>4,677</u>	<u>4,395</u>

Net obligations repayable:		
Within one year	23,452	30,370
Between one and five years	<u>27,222</u>	<u>12,915</u>
	<u>50,674</u>	<u>43,285</u>

	Non-cancellable operating leases	2015
	2016	£
	£	
In more than five years	<u>90,000</u>	<u>-</u>

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

14. SECURED DEBTS

The following secured debts are included within creditors:

	2016 £	2015 £
Bank overdrafts	2,017,089	2,316,236
Hire purchase contracts	50,674	43,285
	<u>2,067,763</u>	<u>2,359,521</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.

15. DEFERRED TAX

	£
Balance at 1 April 2015	(32,780)
Origination and reversal of timing differences	<u>1,234</u>
Balance at 31 March 2016	<u>(31,546)</u>

Deferred taxation provided for at 19% (2015:20%) in the financial statements is set out below:

	2016 £	2015 £
Accelerated capital allowances	(29,843)	(31,242)
Other timing differences	(1,703)	(1,538)
	<u>(31,546)</u>	<u>(32,780)</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

17. RESERVES

	Retained earnings £
At 1 April 2015	957,445
Profit for the year	74,367
Dividends	<u>(150,000)</u>
At 31 March 2016	<u>881,812</u>

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

18. PENSION COMMITMENTS

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £75,953 (2015 - £73,070) for directors and employees.

Contributions were payable to the fund at 31st March 2016 amounting to £13,290 (2015 - £10,202).

19. ULTIMATE PARENT COMPANY

Richard Austin Alloys Limited, a company registered in Scotland, is the company's immediate and ultimate parent company.

20. CONTINGENT LIABILITIES

Cross guarantees exist between all group companies in favour of the group bankers. At 31st March 2016, the group companies' combined bank borrowings amounted to £2,947,502 (2015 - £6,313,342).

Cross guarantees exist between all group companies in favour of three group suppliers. At 31st March 2016, the group companies' combined liabilities to these suppliers amounted to £11,075,231 (2015 - £9,199,086).

21. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption given in Financial Reporting Standard No. 8 not to disclose transactions between itself and other group companies on the basis that this company's financial statements are included in the consolidated group financial statements which are publicly available.

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £167,010 (2015 - £175,200).