

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

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

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FOR THE YEAR ENDED 31 MARCH 2023**

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

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2023**

<b>DIRECTORS:</b>	J Murdoch A Finlay C Hodge
<b>SECRETARY:</b>	J Murdoch
<b>REGISTERED OFFICE:</b>	Dunivaig Road Easter Queenslie Industrial Estate Glasgow G33 4TP
<b>REGISTERED NUMBER:</b>	SC332613 (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

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

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

The directors present their strategic report for the year ended 31 March 2023.

**REVIEW OF BUSINESS**

The key financial highlights are as follows:

	2023 £	2022 £	2021 £
Turnover	38,312,989	39,906,825	24,411,189
Turnover growth	-3.99%	63.48%	-2.42%
Profit before tax	1,210,223	4,182,368	704,735

The results for the year were impacted by falling metal prices and inflationary pressure on the company's operating costs. Given the economic climate, the Directors are satisfied with the performance. The net assets of the company have increased from £5,170,212 at 31 March 2022 to £5,654,142 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 company.

**FUTURE DEVELOPMENTS**

The directors aim to maintain the management policies adopted during the period ended 31 March 2023 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:**

A Finlay - Director

21 December 2023

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

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

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

**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 totalling £500,000 (2022- £70,000) 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.

J Murdoch

A Finlay

C Hodge

Other changes in directors holding office are as follows:

G Higgins - resigned 31 March 2023

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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 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.

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

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

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

A Finlay - Director

21 December 2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED**

**Opinion**

We have audited the financial statements of Richard Austin Alloys (South West) Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the 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 company's affairs as at 31 March 2023 and of its 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 company 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 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 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 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 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 (SOUTH WEST)  
LIMITED**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 three, 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 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 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 (SOUTH WEST)  
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 (SOUTH WEST)  
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

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

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

	Notes	2023 £	2022 £
<b>TURNOVER</b>	3	38,312,989	39,906,825
Cost of sales		<u>(33,497,707)</u>	<u>(32,061,364)</u>
<b>GROSS PROFIT</b>		4,815,282	7,845,461
Distribution costs		<u>(2,576,920)</u>	<u>(2,727,206)</u>
Administrative expenses		<u>(983,418)</u>	<u>(906,661)</u>
<b>OPERATING PROFIT</b>		1,254,944	4,211,594
Interest payable and similar expenses	5	<u>(44,721)</u>	<u>(29,225)</u>
<b>PROFIT BEFORE TAXATION</b>	6	1,210,223	4,182,369
Tax on profit	7	<u>(226,293)</u>	<u>(791,476)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>983,930</u>	<u>3,390,893</u>

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

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

	Notes	2023 £	2022 £
<b>PROFIT FOR THE YEAR</b>		983,930	3,390,893
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>983,930</u>	<u>3,390,893</u>

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

**STATEMENT OF FINANCIAL POSITION  
31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		639,566		112,492
<b>CURRENT ASSETS</b>					
Stocks	10	5,741,203		9,896,836	
Debtors	11	8,085,969		10,774,401	
Cash at bank and in hand		<u>1,005,071</u>		<u>642</u>	
		14,832,243		20,671,879	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>9,623,632</u>		<u>15,602,951</u>	
<b>NET CURRENT ASSETS</b>			<u>5,208,611</u>		<u>5,068,928</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,848,177		5,181,420
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(105,819)		(11,208)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(88,216)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>5,654,142</u>		<u>5,170,212</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		100,000		100,000
Retained earnings	20		<u>5,554,142</u>		<u>5,070,212</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>5,654,142</u>		<u>5,170,212</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:

A Finlay - Director

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

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

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2021</b>	100,000	1,749,319	1,849,319
<b>Changes in equity</b>			
Dividends	-	(70,000)	(70,000)
Total comprehensive income	-	3,390,893	3,390,893
<b>Balance at 31 March 2022</b>	<u>100,000</u>	<u>5,070,212</u>	<u>5,170,212</u>
<b>Changes in equity</b>			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	983,930	983,930
<b>Balance at 31 March 2023</b>	<u>100,000</u>	<u>5,554,142</u>	<u>5,654,142</u>

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

**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	4,371,055	(862,515)
Interest paid		(38,380)	(25,686)
Interest element of hire purchase payments paid		(6,341)	(3,539)
Tax paid		(452,837)	(664,076)
Net cash from operating activities		<u>3,873,497</u>	<u>(1,555,816)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(656,491)	(7,000)
Sale of tangible fixed assets		21,550	-
Net cash from investing activities		<u>(634,941)</u>	<u>(7,000)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		111,965	(44,755)
Equity dividends paid		(500,000)	(70,000)
Net cash from financing activities		<u>(388,035)</u>	<u>(114,755)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>2,850,521</u>	<u>(1,677,571)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(1,845,450)	(167,879)
<b>Cash and cash equivalents at end of year</b>	2	<u>1,005,071</u>	<u>(1,845,450)</u>

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

**NOTES TO THE 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	1,210,223	4,182,369
Depreciation charges	129,419	90,927
Profit on disposal of fixed assets	(21,550)	-
Finance costs	<u>44,721</u>	<u>29,225</u>
	1,362,813	4,302,521
Decrease/(increase) in stocks	4,155,633	(4,630,969)
Decrease/(increase) in trade and other debtors	2,726,921	(3,240,865)
(Decrease)/increase in trade and other creditors	<u>(3,874,312)</u>	<u>2,706,798</u>
<b>Cash generated from operations</b>	<u><u>4,371,055</u></u>	<u><u>(862,515)</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	1,005,071	642
Bank overdrafts	<u>-</u>	<u>(1,846,092)</u>
	<u><u>1,005,071</u></u>	<u><u>(1,845,450)</u></u>

**Year ended 31 March 2022**

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	642	649
Bank overdrafts	<u>(1,846,092)</u>	<u>(168,528)</u>
	<u><u>(1,845,450)</u></u>	<u><u>(167,879)</u></u>

The notes form part of these financial statements



**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

**NOTES TO THE 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	642	1,004,429	1,005,071
Bank overdrafts	<u>(1,846,092)</u>	<u>1,846,092</u>	<u>-</u>
	<u>(1,845,450)</u>	<u>2,850,521</u>	<u>1,005,071</u>
<b>Debt</b>			
Finance leases	<u>(44,031)</u>	<u>(111,965)</u>	<u>(155,996)</u>
	<u>(44,031)</u>	<u>(111,965)</u>	<u>(155,996)</u>
<b>Total</b>	<u><u>(1,889,481)</u></u>	<u><u>2,738,556</u></u>	<u><u>849,075</u></u>

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

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

**1. STATUTORY INFORMATION**

Richard Austin Alloys (South West) Limited, is a private company, limited by shares, registered in Scotland. The company's registered number is SC332613 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.

**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.

**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..

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
LIMITED (REGISTERED NUMBER: SC332613)**

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

**2. ACCOUNTING POLICIES - continued**

**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.

**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.

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
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**NOTES TO THE 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 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.

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**NOTES TO THE 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 company.

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

	2023	2022
	£	£
Sales of non-ferrous metals	38,312,989	39,906,825
	<u>38,312,989</u>	<u>39,906,825</u>

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
UK and Republic of Ireland	38,312,989	39,906,825
	<u>38,312,989</u>	<u>39,906,825</u>

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

**4. EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Wages and salaries	1,567,681	1,691,078
Social security costs	149,914	158,297
Other pension costs	101,433	101,039
	<u>1,819,028</u>	<u>1,950,414</u>

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

	2023	2022
Sales and administration	10	10
Warehouse and drivers	27	27
	<u>37</u>	<u>37</u>

	2023	2022
	£	£
Directors' remuneration	181,250	223,000
Directors' pension contributions to money purchase schemes	<u>16,317</u>	<u>19,402</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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**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022
	£	£
Bank overdraft interest	36,975	25,686
Corporation tax interest	1,405	-
Hire purchase interest	6,341	3,539
	<u>44,721</u>	<u>29,225</u>

**6. PROFIT BEFORE TAXATION**

The profit is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	62,126	48,382
Depreciation - assets on hire purchase contracts	67,291	42,545
Profit on disposal of fixed assets	(21,550)	-
Auditors' remuneration	4,730	4,500
Auditors' remuneration for non audit work	<u>2,100</u>	<u>2,000</u>

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**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	108,370	778,014
Adjustment in respect of prior years	-	3,360
Total current tax	<u>108,370</u>	<u>781,374</u>
Deferred tax:		
Origination and reversal of timing differences	110,794	10,102
Effect of changes in tax rates	7,129	-
Total deferred tax	<u>117,923</u>	<u>10,102</u>
Tax on profit	<u>226,293</u>	<u>791,476</u>

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

**Reconciliation of total tax charge included in profit and loss**

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

	2023 £	2022 £
Profit before tax	<u>1,210,223</u>	<u>4,182,369</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	229,942	794,650
Effects of:		
Expenses not deductible for tax purposes	(31,950)	676
Adjustments to tax charge in respect of previous periods	-	3,360
Deferred tax rate changes	28,301	(7,129)
Adjustments to deferred tax in respect of previous periods	-	(81)
Total tax charge	<u>226,293</u>	<u>791,476</u>

**8. DIVIDENDS**

	2023 £	2022 £
Final	<u>500,000</u>	<u>70,000</u>

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

**9. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2022	559,958	28,240	628,816	1,217,014
Additions	223,822	-	432,669	656,491
Disposals	-	-	(175,119)	(175,119)
At 31 March 2023	<u>783,780</u>	<u>28,240</u>	<u>886,366</u>	<u>1,698,386</u>
<b>DEPRECIATION</b>				
At 1 April 2022	535,133	28,240	541,149	1,104,522
Charge for year	25,138	-	104,279	129,417
Eliminated on disposal	-	-	(175,119)	(175,119)
At 31 March 2023	<u>560,271</u>	<u>28,240</u>	<u>470,309</u>	<u>1,058,820</u>
<b>NET BOOK VALUE</b>				
At 31 March 2023	<u>223,509</u>	<u>-</u>	<u>416,057</u>	<u>639,566</u>
At 31 March 2022	<u>24,825</u>	<u>-</u>	<u>87,667</u>	<u>112,492</u>

The net book value of tangible fixed assets includes £ 127,863 (2022 - £ 38,250 ) in respect of assets held under hire purchase contracts.

**10. STOCKS**

	2023 £	2022 £
Non ferrous metals	<u>5,741,203</u>	<u>9,896,836</u>

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

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade debtors	6,392,851	9,076,852
Other debtors	101,557	151,742
Amounts due by group companies	1,523,365	1,516,100
Corporation tax	68,196	-
Deferred tax asset	-	29,707
	<u>8,085,969</u>	<u>10,774,401</u>



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

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Bank loans and overdrafts (see note 14)	-	1,846,092
Hire purchase contracts (see note 15)	50,177	32,823
Trade creditors	6,165,881	9,309,826
Amounts due to group companies	2,113,221	2,531,443
Corporation tax	-	276,271
Social security and other taxes	1,092,187	1,347,724
Accrued expenses	202,166	258,772
	<u>9,623,632</u>	<u>15,602,951</u>

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

	2023	2022
	£	£
Hire purchase contracts (see note 15)	<u>105,819</u>	<u>11,208</u>

**14. LOANS**

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>1,846,092</u>

**15. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts 2023	2022
	£	£
Gross obligations repayable:		
Within one year	57,574	33,872
Between one and five years	<u>113,520</u>	<u>11,291</u>
	<u>171,094</u>	<u>45,163</u>
Finance charges repayable:		
Within one year	7,397	1,049
Between one and five years	<u>7,701</u>	<u>83</u>
	<u>15,098</u>	<u>1,132</u>
Net obligations repayable:		
Within one year	50,177	32,823
Between one and five years	<u>105,819</u>	<u>11,208</u>
	<u>155,996</u>	<u>44,031</u>

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

**15. LEASING AGREEMENTS - continued**

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	<u>90,000</u>	<u>90,000</u>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank overdraft	-	1,846,092
Hire purchase contracts	<u>155,996</u>	<u>44,031</u>
	<u>155,996</u>	<u>1,890,123</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.

**17. FINANCIAL INSTRUMENTS**

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

	2023	2022
	£	£
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	7,916,216	10,592,952
Cash and cash equivalents	<u>1,005,071</u>	<u>642</u>
	<u>8,921,287</u>	<u>10,593,594</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>8,435,097</u>	<u>13,731,392</u>

**18. PROVISIONS FOR LIABILITIES**

	2023
	£
Deferred tax	<u>88,216</u>

**RICHARD AUSTIN ALLOYS (SOUTH WEST)  
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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**18. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 April 2022	(29,707)
Origination and reversal of timing differences	110,794
Effect of changes in tax rates	7,129
Balance at 31 March 2023	<u>88,216</u>

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

	2023 £	2022 £
Accelerated capital allowances	107,862	(26,477)
Other timing differences	(19,646)	(3,230)
	<u>88,216</u>	<u>(29,707)</u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

**20. RESERVES**

	Retained earnings £
At 1 April 2022	5,070,212
Profit for the year	983,930
Dividends	(500,000)
At 31 March 2023	<u>5,554,142</u>

**Profit and loss account**

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

**21. 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 £101,433 (2022 - £101,039) for directors and employees.

Contributions were payable to the fund at 31 March 2023 amounting to £21,299 (2022 - £19,156).

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

**22. ULTIMATE PARENT COMPANY**

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

**23. CONTINGENT LIABILITIES**

Cross guarantees exist between all group companies in favour of the group bankers. At 31 March 2023, the group companies' combined bank funds amounted to £14,743,015 (2022 - net liability of £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 £18,484,999 (2022 - £23,761,968).

**24. RELATED PARTY DISCLOSURES**

During the year, total dividends of £62,500 were paid to the directors .

During the year, the company sold total good to group companies of £6,867,096 (2022 - £4,755,888) and purchased total goods of £5,443,046 (2022 - £4,303,791) from group companies.

At the year end, the company owed a total of £585,469 (2022 - £1,015,343) to group companies.

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 £202,111 (2022 - £223,000).

**25. POST BALANCE SHEET EVENTS**

On 13 July 2023 the company paid a dividend totally £500,000 relating to the year ended 31 March 2023.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.