

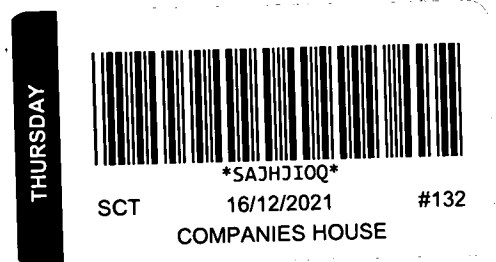
REGISTERED NUMBER: SC520854 (Scotland)

Companies House

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

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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



**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

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FOR THE YEAR ENDED 31 MARCH 2021**

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

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

DIRECTORS:	Andrew James Finlay John Murdoch Max Dimmock
SECRETARY:	John Murdoch
REGISTERED OFFICE:	Dunivaig Road Easter Queenslie Industrial Estate Glasgow G33 4TP
REGISTERED NUMBER:	SC520854 (Scotland)
AUDITORS:	Milne Craig Chartered accountants Statutory auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA
BANKERS:	Royal Bank of Scotland plc Corporate Banking 110 Queen Street Glasgow G1 3BX

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their strategic report for the year ended 31 March 2021.

REVIEW OF BUSINESS

The key financial highlights are as follows:

	2021 £	2020 £	2019 £
Turnover	21,576,688	22,268,899	20,528,254
Turnover growth	-3.11%	8.48%	21.64%
Profit before tax	770,659	68,023	328,393

The net assets of the company have increased from £564,990 at 31 March 2020 to £1,170,174 at 31 March 2021.

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.

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

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies adopted during the year ended 31st March 2020 and consider the company is 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.

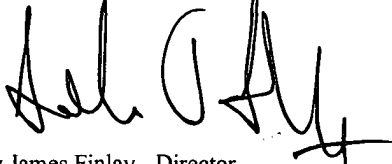
**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

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 handwritten signature in black ink, appearing to read 'A. Finlay', with a stylized flourish at the end.

Andrew James Finlay - Director

10 December 2021

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

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

No dividends will be distributed for the year ended 31 March 2021.

During the year the company paid a dividend totalling £nil (2020- £nil) relating to the year ended 31 March 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

Andrew James Finlay
John Murdoch
Max Dimmock

Other changes in directors holding office are as follows:

Sean Terence Kelly (Deceased) ceased to be a director after 31 March 2021 but prior to the date of this report.

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.

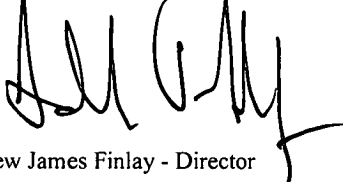
**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021**

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'A. J. Finlay', with a long horizontal stroke extending to the right.

Andrew James Finlay - Director

10 December 2021

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

Opinion

We have audited the financial statements of Richard Austin Alloys (South East) Limited (the 'company') for the year ended 31 March 2021 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 2021 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 EAST)
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 four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 EAST)
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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, and determined that the most significant are those that relate to the form and content of the financial statements such as the accounting policies and the UK Companies Act 2006.

We assessed how the Company is complying with these frameworks by observing the oversight of those charged with governance, the culture of honesty and ethical behaviours and a strong emphasis placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by making an assessment of the key fraud risks to the Company, and the manner in which such risks may occur in practice, based on our previous knowledge of the Company, as well as an assessment of the current business environment.

Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk, including management override of controls. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error. We evaluated the design and operational effectiveness of controls put in place to address the risks identified, or that otherwise prevent, deter and detect fraud.

In addition, our audit procedures included enquiring of management concerning actual and potential litigation and claims, and performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. We addressed the fraud risk in relation to revenue recognition by testing completeness and cut off of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

As with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance, and cannot be expected to detect non-compliance with all laws and regulations.

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

10 December 2021

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
TURNOVER	3	21,576,688	22,268,899
Cost of sales		(18,449,979)	(19,736,250)
GROSS PROFIT		3,126,709	2,532,649
Distribution costs		(1,859,094)	(1,810,915)
Administrative expenses		(585,000)	(600,642)
		682,615	121,092
Other operating income		111,405	-
OPERATING PROFIT		794,020	121,092
Interest payable and similar expenses	5	(23,360)	(53,069)
PROFIT BEFORE TAXATION	6	770,660	68,023
Tax on profit	7	(165,476)	12,451
PROFIT FOR THE FINANCIAL YEAR		605,184	80,474

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		605,184	80,474
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>605,184</u>	<u>80,474</u>

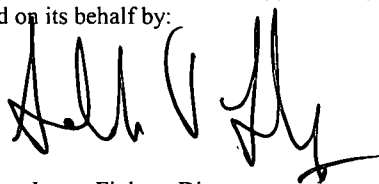
The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**STATEMENT OF FINANCIAL POSITION
31 MARCH 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	8	251,107	312,590
CURRENT ASSETS			
Stocks	9	4,720,254	4,023,858
Debtors	10	5,608,485	5,038,600
Cash in hand		475	835
		<u>10,329,214</u>	<u>9,063,293</u>
CREDITORS			
Amounts falling due within one year	11	<u>9,382,854</u>	<u>8,729,301</u>
NET CURRENT ASSETS		<u>946,360</u>	<u>333,992</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,197,467</u>	<u>646,582</u>
CREDITORS			
Amounts falling due after more than one year	12	<u>27,293</u>	<u>81,592</u>
NET ASSETS		<u><u>1,170,174</u></u>	<u><u>564,990</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	100,000	100,000
Retained earnings	19	<u>1,070,174</u>	<u>464,990</u>
SHAREHOLDERS' FUNDS		<u><u>1,170,174</u></u>	<u><u>564,990</u></u>

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



Andrew James Finlay - Director

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	100,000	384,516	484,516
Changes in equity			
Total comprehensive income	-	80,474	80,474
Balance at 31 March 2020	<u>100,000</u>	<u>464,990</u>	<u>564,990</u>
Changes in equity			
Total comprehensive income	-	605,184	605,184
Balance at 31 March 2021	<u><u>100,000</u></u>	<u><u>1,070,174</u></u>	<u><u>1,170,174</u></u>

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,082,208	439,640
Interest paid		(14,700)	(39,989)
Interest element of hire purchase payments paid		(8,660)	(13,080)
Tax paid		(10,496)	(106,819)
Net cash from operating activities		<u>1,048,352</u>	<u>279,752</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(125,622)	(39,546)
Sale of tangible fixed assets		5,000	-
Net cash from investing activities		<u>(120,622)</u>	<u>(39,546)</u>
 Cash flows from financing activities			
Capital repayments in year		(86,972)	(120,200)
Net cash from financing activities		<u>(86,972)</u>	<u>(120,200)</u>
 Increase in cash and cash equivalents		<u>840,758</u>	<u>120,006</u>
Cash and cash equivalents at beginning of year	2	(1,200,546)	(1,320,552)
 Cash and cash equivalents at end of year	2	<u><u>(359,788)</u></u>	<u><u>(1,200,546)</u></u>

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS	2021	2020
	£	£
Profit before taxation	770,660	68,023
Depreciation charges	187,105	207,361
Profit on disposal of fixed assets	(5,000)	-
Finance costs	23,360	53,069
	<hr/>	<hr/>
	976,125	328,453
Increase in stocks	(696,396)	(349,947)
Increase in trade and other debtors	(557,333)	(673,554)
Increase in trade and other creditors	1,359,812	1,134,688
	<hr/>	<hr/>
Cash generated from operations	1,082,208	439,640
	<hr/>	<hr/>

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 2021

	31/3/21	1/4/20
	£	£
Cash and cash equivalents	475	835
Bank overdrafts	(360,263)	(1,201,381)
	<hr/>	<hr/>
	(359,788)	(1,200,546)
	<hr/>	<hr/>

Year ended 31 March 2020

	31/3/20	1/4/19
	£	£
Cash and cash equivalents	835	401
Bank overdrafts	(1,201,381)	(1,320,953)
	<hr/>	<hr/>
	(1,200,546)	(1,320,552)
	<hr/>	<hr/>

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Net cash			
Cash at bank and in hand	835	(360)	475
Bank overdrafts	(1,201,381)	841,118	(360,263)
	<u>(1,200,546)</u>	<u>840,758</u>	<u>(359,788)</u>
Debt			
Finance leases	(168,564)	86,972	(81,592)
	<u>(168,564)</u>	<u>86,972</u>	<u>(81,592)</u>
Total	<u>(1,369,110)</u>	<u>927,730</u>	<u>(441,380)</u>

The notes form part of these financial statements

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. STATUTORY INFORMATION

Richard Austin Alloys (South East) Limited, is a private company, limited by shares, registered in Scotland. The company's registered number is SC520854 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.

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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, 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

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 EAST)
LIMITED (REGISTERED NUMBER: SC520854)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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.

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

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 payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES - continued

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.

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:

	2021	2020
	£	£
Sales of non-ferrous metals	21,576,688	22,268,899
	<u>21,576,688</u>	<u>22,268,899</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
UK and Republic of Ireland	21,576,688	22,268,899
	<u>21,576,688</u>	<u>22,268,899</u>

4. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	1,178,686	1,116,133
Social security costs	111,486	99,236
Other pension costs	80,742	71,150
	<u>1,370,914</u>	<u>1,286,519</u>

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

	2021	2020
Sales and administration	11	9
Warehouse and drivers	24	27
	<u>35</u>	<u>36</u>

	2021 £	2020 £
Directors' remuneration	123,333	96,250
Directors' pension contributions to money purchase schemes	10,730	8,374
	<u>10,730</u>	<u>8,374</u>

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

	2021	2020
Money purchase schemes	<u>1</u>	<u>2</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Bank overdraft interest	14,700	39,989
Hire purchase	8,660	13,080
	<u>23,360</u>	<u>53,069</u>

**RICHARD AUSTIN ALLOYS (SOUTH EAST)
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

6. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	101,787	93,146
Depreciation - assets on hire purchase contracts	85,318	114,217
Profit on disposal of fixed assets	(5,000)	-
Auditors' remuneration	4,350	4,600
Auditors' remuneration for non audit work	2,783	2,783
	<u> </u>	<u> </u>

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	167,532	24,652
Adjustment in respect of prior years	19,094	5
Total current tax	<u>186,626</u>	<u>24,657</u>
Deferred tax:		
Origination and reversal of timing differences	(21,150)	(34,860)
Effect of changes in tax rates	-	(2,248)
Total deferred tax	<u>(21,150)</u>	<u>(37,108)</u>
Tax on profit	<u>165,476</u>	<u>(12,451)</u>

UK corporation tax has been charged at 19% (2020 - 19%).

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

7. TAXATION - continued

Reconciliation of total tax charge/(credit) 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:

	2021 £	2020 £
Profit before tax	770,660	68,023
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	146,425	12,924
Effects of:		
Expenses not deductible for tax purposes	51	118
Adjustments to tax charge in respect of previous periods	19,094	5
Deferred tax rate changes	-	(2,248)
Group relief claimed	-	(19,000)
Prior year adjustment - deferred tax	(94)	(4,250)
Total tax charge/(credit)	165,476	(12,451)

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2020	367,515	44,498	664,413	1,076,426
Additions	45,102	-	80,520	125,622
Disposals	(17,000)	-	(57,672)	(74,672)
At 31 March 2021	395,617	44,498	687,261	1,127,376
DEPRECIATION				
At 1 April 2020	291,718	30,777	441,341	763,836
Charge for year	66,722	8,899	111,484	187,105
Eliminated on disposal	(17,000)	-	(57,672)	(74,672)
At 31 March 2021	341,440	39,676	495,153	876,269
NET BOOK VALUE				
At 31 March 2021	54,177	4,822	192,108	251,107
At 31 March 2020	75,797	13,721	223,072	312,590

The net book value of tangible fixed assets includes £69,340 (2020 - £154,658) in respect of assets held under hire purchase contracts.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

9. STOCKS

	2021	2020
	£	£
Non-ferrous metal	4,720,254	4,023,858

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

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	4,911,957	4,366,869
Other debtors	23,129	27,809
Amounts due by group companies	600,277	583,352
Tax	-	8,598
Deferred tax asset	73,122	51,972
	<u>5,608,485</u>	<u>5,038,600</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 13)	360,263	1,201,381
Hire purchase contracts (see note 14)	54,299	86,972
Trade creditors	5,664,427	4,211,019
Amounts due to group companies	2,089,410	2,519,800
Corporation tax	167,532	-
Social security and other taxes	746,697	504,674
Accrued expenses	300,226	205,455
	<u>9,382,854</u>	<u>8,729,301</u>

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

	2021	2020
	£	£
Hire purchase contracts (see note 14)	27,293	81,592

13. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>360,263</u>	<u>1,201,381</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

14. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Gross obligations repayable:		
Within one year	55,998	90,240
Between one and five years	30,014	91,329
	<u>86,012</u>	<u>181,569</u>
Finance charges repayable:		
Within one year	1,699	3,268
Between one and five years	2,721	9,737
	<u>4,420</u>	<u>13,005</u>
Net obligations repayable:		
Within one year	54,299	86,972
Between one and five years	27,293	81,592
	<u>81,592</u>	<u>168,564</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank overdrafts	360,263	1,201,381
Hire purchase contracts	81,592	168,564
	<u>441,855</u>	<u>1,369,945</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.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. FINANCIAL INSTRUMENTS

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

	2021 £	2020 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	10,308,064	9,063,293
	<u>10,308,064</u>	<u>9,063,293</u>
Financial liabilities		
Financial liabilities measured at amortised cost	9,419,869	8,810,893
	<u>9,419,869</u>	<u>8,810,893</u>

17. DEFERRED TAX

	£
Balance at 1 April 2020	(51,972)
Originating and reversal of timing differences	(21,150)
	<u>(73,122)</u>
Balance at 31 March 2021	<u>(73,122)</u>

Deferred taxation provided for at 19% (2020: 19%) in the financial statements is set out below:

	2021 £	2020 £
Accelerated capital allowances	(29,103)	(34,701)
Other timing differences	(44,019)	(17,271)
	<u>(73,122)</u>	<u>(51,972)</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
100,000	Ordinary	1	100,000	100,000
			<u>100,000</u>	<u>100,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

19. RESERVES

	Retained earnings £
At 1 April 2020	464,990
Profit for the year	605,184
At 31 March 2021	<u>1,070,174</u>

Profit and loss account

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

20. 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 £80,742 (2020 - £71,150) for directors and employees.

Contributions were payable to the fund at 31 March 2021 amounting to £17,788 (2020 - £9,837).

21. ULTIMATE PARENT COMPANY

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

22. CONTINGENT LIABILITIES

Cross guarantees exist between all group companies in favour of the group bankers. At 31 March 2021, the group companies' combined bank borrowings amounted to £3,519,948 (2020 - £10,386,948).

Cross guarantees exist between all group companies in favour of three group suppliers. At 31 March 2021, the group companies' combined liabilities to these suppliers amounted to £20,373,817 (2020 - £13,078,391).

23. RELATED PARTY DISCLOSURES

During the year, the company sold total good to group companies of £3,337,037 (2020 - £3,757,967) and purchased total goods of £3,807,191 (2020 - £3,879,663) from group companies.

At the year end, the company owed a total of £1,489,133 (2020 - £1,936,448) 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 £123,333 (2020 - £96,250).