

REGISTRARS COPY

**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED****ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2011**

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

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23/08/2011

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

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FOR THE YEAR ENDED 31 MARCH 2011**

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

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2011**

DIRECTORS:	S T Kelly G Higgins A Farmery T J Kelly J Murdoch
SECRETARY:	J Murdoch
REGISTERED OFFICE:	Dunivaig Road Easter Queenslie Industrial Estate Glasgow G33 4TP
REGISTERED NUMBER:	SC332613
AUDITORS:	Milne Craig Chartered accountants Registered auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA
BANKERS:	Royal Bank of Scotland plc Corporate Banking Kirkstane House 139 St. Vincent Street Glasgow G2 5JF
SOLICITORS:	Speechly Bircham LLP 6 New Street Square London EC4A 3LX

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011**

The directors present their report with the accounts of the company for the year ended 31 March 2011.

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.

REVIEW OF BUSINESS

The key financial highlights are as follows:

	2011	2010	2009
		£	£
Turnover	12,543,879	7,814,544	7,245,029
Turnover growth	61%	8%	-
Profit before tax	52,260	36,350	9,838

The net assets of the company have increased from £159,442 at 31st March 2010 to £215,342 at 31st March 2011.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2011.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies adopted during the period ended 31st March 2011 and consider the company to be well placed to take advantage of opportunities which may arise in the current year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report.

S T Kelly
G Higgins
A Farmery
T J Kelly
J Murdoch

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

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.

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.

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011**

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

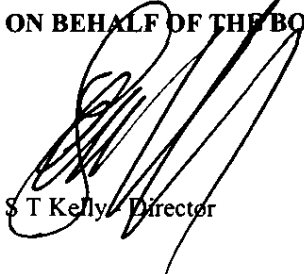
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:


S T Kelly, Director

24 June 2011

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

We have examined the abbreviated accounts set out on pages five to sixteen, together with the full financial statements of Richard Austin Alloys (South West) Limited for the year ended 31 March 2011 prepared under Section 396 of the Companies Act 2006.

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

Respective responsibilities of directors and auditors

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

Basis of opinion

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

Opinion

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

SB Malcolm

Mrs S B Malcolm (Senior Statutory Auditor)
for and on behalf of Milne Craig
Chartered accountants
Registered auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

24 June 2011

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

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	2011 £	2010 £
TURNOVER		12,543,879	7,814,544
Cost of sales		(10,880,312)	(6,808,689)
		<u>1,663,567</u>	<u>1,005,855</u>
Distribution costs		1,224,120	995,749
Administrative expenses		<u>395,431</u>	<u>390,866</u>
		1,619,551	1,386,615
OPERATING PROFIT/(LOSS)	3	44,016	(380,760)
Holding company loan waived	4	65,000	460,000
		<u>109,016</u>	<u>79,240</u>
Interest receivable and similar income		76	-
		<u>109,092</u>	<u>79,240</u>
Interest payable and similar charges	5	56,832	42,890
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		52,260	36,350
Tax on profit on ordinary activities	6	(3,640)	(4,709)
PROFIT FOR THE FINANCIAL YEAR		55,900	41,059
Retained profit brought forward		59,442	18,383
RETAINED PROFIT CARRIED FORWARD		<u>115,342</u>	<u>59,442</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

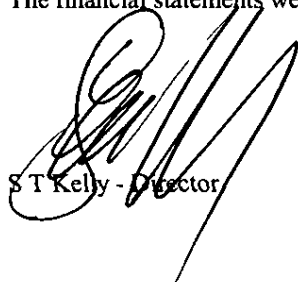
**RICHARD AUSTIN ALLOYS (SOUTH WEST)
LIMITED**

**ABBREVIATED BALANCE SHEET
31 MARCH 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	266,684	442,114
CURRENT ASSETS			
Stocks	8	2,915,783	1,903,000
Debtors	9	3,543,616	2,055,151
Cash in hand		333	490
		<u>6,459,732</u>	<u>3,958,641</u>
CREDITORS			
Amounts falling due within one year	10	<u>6,434,503</u>	<u>4,075,215</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>25,229</u>	<u>(116,574)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>291,913</u>	<u>325,540</u>
CREDITORS			
Amounts falling due after more than one year	11	<u>76,571</u>	<u>166,098</u>
NET ASSETS		<u><u>215,342</u></u>	<u><u>159,442</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	100,000	100,000
Profit and loss account		<u>115,342</u>	<u>59,442</u>
SHAREHOLDERS' FUNDS	21	<u><u>215,342</u></u>	<u><u>159,442</u></u>

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

The financial statements were approved by the Board of Directors on 24 June 2011 and were signed on its behalf by:


S T Kelly - Director

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	2011 £	2010 £
Net cash outflow from operating activities	1	(435,548)	(98,816)
Returns on investments and servicing of finance	2	(56,756)	(42,890)
Capital expenditure	2	(1,160)	(34,957)
		<u>(493,464)</u>	<u>(176,663)</u>
Financing	2	(122,732)	(85,137)
Decrease in cash in the period		<u>(616,196)</u>	<u>(261,800)</u>
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(616,196)	(261,800)
Cash outflow from decrease in debt and lease financing		<u>122,732</u>	<u>85,137</u>
Change in net debt resulting from cash flows		<u>(493,464)</u>	<u>(176,663)</u>
Movement in net debt in the period		(493,464)	(176,663)
Net debt at 1 April		<u>(1,563,838)</u>	<u>(1,387,175)</u>
Net debt at 31 March		<u>(2,057,302)</u>	<u>(1,563,838)</u>

The notes form part of these abbreviated accounts

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

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit/(loss)	44,016	(380,760)
Depreciation charges	178,590	173,898
Profit on disposal of fixed assets	(2,000)	-
Increase in stocks	(1,012,783)	(977,712)
Increase in debtors	(1,468,887)	(353,503)
Increase in creditors	1,825,516	1,439,261
Net cash outflow from operating activities	<u><u>(435,548)</u></u>	<u><u>(98,816)</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	76	-
Interest paid	(37,755)	(24,269)
Interest element of hire purchase payments	(19,077)	(18,621)
Net cash outflow for returns on investments and servicing of finance	<u><u>(56,756)</u></u>	<u><u>(42,890)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(3,160)	(34,957)
Sale of tangible fixed assets	2,000	-
Net cash outflow for capital expenditure	<u><u>(1,160)</u></u>	<u><u>(34,957)</u></u>
Financing		
Capital repayments in year	(122,732)	(85,137)
Net cash outflow from financing	<u><u>(122,732)</u></u>	<u><u>(85,137)</u></u>

The notes form part of these abbreviated accounts

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

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.10 £	Cash flow £	At 31.3.11 £
Net cash:			
Cash at bank and in hand	490	(157)	333
Bank overdraft	(1,275,497)	(616,039)	(1,891,536)
	<u>(1,275,007)</u>	<u>(616,196)</u>	<u>(1,891,203)</u>
Debt:			
Hire purchase	(288,831)	122,732	(166,099)
	<u>(288,831)</u>	<u>122,732</u>	<u>(166,099)</u>
Total	<u>(1,563,838)</u>	<u>(493,464)</u>	<u>(2,057,302)</u>

4. MAJOR NON-CASH TRANSACTIONS

The movement in creditors within note 1 of the cash flow statement has been adjusted to reflect a non-cash movement amounting to £65,000 (2010 - £460,000). This relates to an inter group loan that has been written off.

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

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2011**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

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

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

Tangible fixed assets

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

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

Stocks

Stocks are stated at the lower of cost and net realisable value where cost is defined as the cost incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leasing and hire purchase commitments

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

The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011**

2. STAFF COSTS

	2011	2010
	£	£
Wages and salaries	714,869	590,086
Social security costs	69,612	54,058
Other pension costs	30,502	24,469
	<u>814,983</u>	<u>668,613</u>

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

	2011	2010
Sales and administration	10	9
Warehouse and drivers	16	13
	<u>26</u>	<u>22</u>

3. OPERATING PROFIT/(LOSS)

The operating profit (2010 - operating loss) is stated after charging/(crediting):

	2011	2010
	£	£
Depreciation - owned assets	60,655	48,668
Depreciation - assets on hire purchase contracts	117,935	125,230
Profit on disposal of fixed assets	(2,000)	-
Auditors' remuneration	3,500	3,450
Auditors' remuneration for non audit work	2,090	1,652
	<u>172,828</u>	<u>133,431</u>
Directors' remuneration	13,120	9,727
Directors' pension contributions to money purchase schemes	<u>13,120</u>	<u>9,727</u>

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

	2011	2010
Money purchase schemes	<u>2</u>	<u>2</u>

4. EXCEPTIONAL ITEMS

The exceptional item of £65,000 (2010 - £460,000) relates to the write off of a loan advanced by the parent company, Richard Austin Alloys Limited.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank overdraft interest	37,755	24,269
Hire purchase interest	19,077	18,621
	<u>56,832</u>	<u>42,890</u>

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011**

6. TAXATION

Analysis of the tax credit

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

	2011 £	2010 £
Current tax:		
UK corporation tax	15,938	-
Deferred tax	(19,578)	(4,709)
Tax on profit on ordinary activities	<u>(3,640)</u>	<u>(4,709)</u>

UK corporation tax has been charged at 28% (2010 - 28%).

Factors affecting the tax credit

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

	2011 £	2010 £
Profit on ordinary activities before tax	<u>52,260</u>	<u>36,350</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	14,633	10,178
Effects of:		
Disallowed expenses and non taxable income	(17,618)	(128,356)
Depreciation in excess of capital allowances	21,392	4,803
Other timing differences	711	(94)
Group relief	-	113,469
Others	<u>(3,180)</u>	<u>-</u>
Current tax credit	<u>15,938</u>	<u>-</u>

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011**

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2010	495,465	28,240	367,889	891,594
Additions	3,160	-	-	3,160
Disposals	(21,900)	-	-	(21,900)
Group transfers	21,900	-	-	21,900
	<u>498,625</u>	<u>28,240</u>	<u>367,889</u>	<u>894,754</u>
At 31 March 2011	498,625	28,240	367,889	894,754
DEPRECIATION				
At 1 April 2010	206,178	11,296	232,006	449,480
Charge for year	97,008	5,648	75,934	178,590
Eliminated on disposal	(21,900)	-	-	(21,900)
Group transfers	21,900	-	-	21,900
	<u>303,186</u>	<u>16,944</u>	<u>307,940</u>	<u>628,070</u>
At 31 March 2011	303,186	16,944	307,940	628,070
NET BOOK VALUE				
At 31 March 2011	<u>195,439</u>	<u>11,296</u>	<u>59,949</u>	<u>266,684</u>
At 31 March 2010	<u>289,287</u>	<u>16,944</u>	<u>135,883</u>	<u>442,114</u>

The net book value of tangible fixed assets includes £185,166 (2010 - £315,796) in respect of assets held under hire purchase contracts.

8. STOCKS

	2011 £	2010 £
Non ferrous metals	<u>2,915,783</u>	<u>1,903,000</u>

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

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	3,126,586	1,762,517
Other debtors	124,026	92,730
Amounts due by group companies	260,172	186,650
Deferred tax asset	32,832	13,254
	<u>3,543,616</u>	<u>2,055,151</u>

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank loans and overdrafts (see note 12)	1,891,536	1,275,497
Hire purchase contracts (see note 13)	89,528	122,733
Trade creditors	2,971,456	1,424,044
Amounts due to group companies	952,770	1,034,778
Corporation tax	15,938	-
Social security and other taxes	344,385	202,420
Accrued expenses	168,890	15,743
	<u>6,434,503</u>	<u>4,075,215</u>

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

	2011 £	2010 £
Hire purchase contracts (see note 13)	<u>76,571</u>	<u>166,098</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2011 £	2010 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,891,536</u>	<u>1,275,497</u>

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2011 £	2010 £
Gross obligations repayable:		
Within one year	103,598	141,760
Between one and five years	88,668	192,265
	<u>192,266</u>	<u>334,025</u>
Finance charges repayable:		
Within one year	14,070	19,027
Between one and five years	12,097	26,167
	<u>26,167</u>	<u>45,194</u>
Net obligations repayable:		
Within one year	89,528	122,733
Between one and five years	76,571	166,098
	<u>166,099</u>	<u>288,831</u>

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011**

14. SECURED DEBTS

The following secured debts are included within creditors:

	2011 £	2010 £
Bank overdrafts	1,891,536	1,275,497
Hire purchase contracts	166,099	288,831
	<u>2,057,635</u>	<u>1,564,328</u>

The bank overdraft is secured by a bond and floating charge in favour of the Royal Bank of Scotland Group.

The hire purchase creditors are secured over the assets to which they relate.

15. DEFERRED TAX

	£
Balance at 1 April 2010	(13,254)
Profit and loss account	(19,578)
	<u>(32,832)</u>
Balance at 31 March 2011	<u>(32,832)</u>

Provision has been made for all deferred tax assets in respect of accelerated capital allowances, short term timing differences arising from transactions and events recognised in the financial statements of the current year and previous years.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2011 £	2010 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

17. 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 £30,502 (2010 - £24,469) for directors and employees.

Contributions were payable to the fund at 31st March 2011 amounting to £5,136 (2010 - £2,525).

18. ULTIMATE PARENT COMPANY

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

19. CONTINGENT LIABILITIES

Cross guarantees exist between all group companies in favour of the group bankers. At 31st March 2011, the group companies' combined bank borrowings amounted to £15,862,026 (2010 - £12,000,236).

Cross guarantees exist between all group companies in favour of three group suppliers. At 31st March 2011, the group companies' combined liabilities to these suppliers amounted to £8,615,875 (2010 - £8,853,456).

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011**

20. RELATED PARTY DISCLOSURES

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

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	55,900	41,059
Share issue		
Net addition to shareholders' funds	<u>55,900</u>	<u>41,059</u>
Opening shareholders' funds	159,442	118,383
Closing shareholders' funds	<u><u>215,342</u></u>	<u><u>159,442</u></u>