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

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2012

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

SATURDAY



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SCT 06/10/2012 #477
COMPANIES HOUSE

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

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FOR THE YEAR ENDED 31 MARCH 2012**

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

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2012**

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 2012**

The directors present their report with the accounts of the company for the year ended 31 March 2012.

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:

	2012	2011	2010
		£	£
Turnover	15,895,124	12,543,879	7,814,544
Turnover growth	27%	61%	8%
Profit before tax	120,407	52,260	36,350

The net assets of the company have increased from £215,342 at 31st March 2011 to £344,443 at 31st March 2012.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2012.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies adopted during the period ended 31st March 2012 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 2011 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 2012**

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.

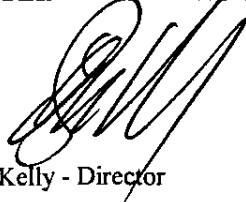
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

7 September 2012

**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 2012 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.



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

7 September 2012

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

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 £	£	2011 £	£
TURNOVER			15,895,124		12,543,879
Cost of sales			(14,180,596)		(10,880,312)
			1,714,528		1,663,567
Distribution costs		1,338,609		1,224,120	
Administrative expenses		362,232		395,431	
			1,700,841		1,619,551
OPERATING PROFIT	3		13,687		44,016
Holding company loan waived	4		178,000		65,000
			191,687		109,016
Interest receivable and similar income			-		76
			191,687		109,092
Interest payable and similar charges	5		71,280		56,832
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			120,407		52,260
Tax on profit on ordinary activities	6		(8,694)		(3,640)
PROFIT FOR THE FINANCIAL YEAR			129,101		55,900
Retained profit brought forward			115,342		59,442
RETAINED PROFIT CARRIED FORWARD			244,443		115,342

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.

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

**ABBREVIATED BALANCE SHEET
31 MARCH 2012**

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	175,810	266,684
CURRENT ASSETS			
Stocks	8	2,667,513	2,915,783
Debtors	9	4,205,797	3,543,616
Cash in hand		627	333
		<u>6,873,937</u>	<u>6,459,732</u>
CREDITORS			
Amounts falling due within one year	10	<u>6,673,310</u>	<u>6,434,503</u>
NET CURRENT ASSETS		<u>200,627</u>	<u>25,229</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>376,437</u>	<u>291,913</u>
CREDITORS			
Amounts falling due after more than one year	11	<u>31,994</u>	<u>76,571</u>
NET ASSETS		<u><u>344,443</u></u>	<u><u>215,342</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	100,000	100,000
Profit and loss account		<u>244,443</u>	<u>115,342</u>
SHAREHOLDERS' FUNDS	21	<u><u>344,443</u></u>	<u><u>215,342</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 7 September 2012 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 2012**

	Notes	2012 £	2011 £
Net cash inflow/(outflow) from operating activities	1	629,869	(435,548)
Returns on investments and servicing of finance	2	(71,280)	(56,756)
Taxation		(19,613)	-
Capital expenditure	2	(58,944)	(1,160)
		<u>480,032</u>	<u>(493,464)</u>
Financing	2	(51,936)	(122,732)
Increase/(decrease) in cash in the period		<u>428,096</u>	<u>(616,196)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the period		428,096	(616,196)
Cash outflow from decrease in debt and lease financing		<u>51,936</u>	<u>122,732</u>
Change in net debt resulting from cash flows		<u>480,032</u>	<u>(493,464)</u>
Movement in net debt in the period		<u>480,032</u>	<u>(493,464)</u>
Net debt at 1 April		<u>(2,057,302)</u>	<u>(1,563,838)</u>
Net debt at 31 March		<u>(1,577,270)</u>	<u>(2,057,302)</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 2012**

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

	2012 £	2011 £
Operating profit	13,687	44,016
Depreciation charges	150,568	178,590
Profit on disposal of fixed assets	(750)	(2,000)
Decrease/(increase) in stocks	248,270	(1,012,783)
Increase in debtors	(649,812)	(1,468,887)
Increase in creditors	867,906	1,825,516
Net cash inflow/(outflow) from operating activities	<u><u>629,869</u></u>	<u><u>(435,548)</u></u>

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

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	-	76
Interest paid	(55,772)	(37,755)
Interest element of hire purchase payments	(15,508)	(19,077)
Net cash outflow for returns on investments and servicing of finance	<u><u>(71,280)</u></u>	<u><u>(56,756)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(59,694)	(3,160)
Sale of tangible fixed assets	750	2,000
Net cash outflow for capital expenditure	<u><u>(58,944)</u></u>	<u><u>(1,160)</u></u>
Financing		
New hire purchase financing	61,486	-
Capital repayments in year	(113,422)	(122,732)
Net cash outflow from financing	<u><u>(51,936)</u></u>	<u><u>(122,732)</u></u>

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

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.11 £	Cash flow £	At 31.3.12 £
Net cash:			
Cash at bank and in hand	333	294	627
Bank overdraft	(1,891,536)	427,802	(1,463,734)
	<u>(1,891,203)</u>	<u>428,096</u>	<u>(1,463,107)</u>
Debt:			
Hire purchase	(166,099)	51,936	(114,163)
	<u>(166,099)</u>	<u>51,936</u>	<u>(114,163)</u>
Total	<u>(2,057,302)</u>	<u>480,032</u>	<u>(1,577,270)</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 £178,000 (2011 - £65,000). 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 2012**

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.

Deferred tax assets are only included where it is expected that they will be realised within the foreseeable future.

Leasing and hire purchase commitments

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

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

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

Pension costs and other post-retirement benefits

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

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

2. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	744,844	714,869
Social security costs	73,178	69,612
Other pension costs	40,035	30,502
	<u>858,057</u>	<u>814,983</u>

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

	2012	2011
Sales and administration	9	10
Warehouse and drivers	17	16
	<u>26</u>	<u>26</u>

3. OPERATING PROFIT

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

	2012	2011
	£	£
Depreciation - owned assets	38,713	60,655
Depreciation - assets on hire purchase contracts	111,855	117,935
Profit on disposal of fixed assets	(750)	(2,000)
Auditors' remuneration	3,650	3,500
Auditors' remuneration for non audit work	2,117	2,090
	<u>132,265</u>	<u>172,828</u>
Directors' remuneration	11,613	13,120
Directors' pension contributions to money purchase schemes	<u>11,613</u>	<u>13,120</u>

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

	2012	2011
Money purchase schemes	<u>2</u>	<u>2</u>

4. EXCEPTIONAL ITEMS

The exceptional item of £178,000 (2011 - £65,000) relates to the write off of a loan advanced by the parent company, Richard Austin Alloys Limited.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank overdraft interest	55,772	37,755
Hire purchase interest	15,508	19,077
	<u>71,280</u>	<u>56,832</u>

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

6. TAXATION

Analysis of the tax credit

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

	2012 £	2011 £
Current tax:		
UK corporation tax	3,366	15,938
Deferred tax	<u>(12,060)</u>	<u>(19,578)</u>
Tax on profit on ordinary activities	<u><u>(8,694)</u></u>	<u><u>(3,640)</u></u>

UK corporation tax has been charged at 26% (2011 - 28%).

Factors affecting the tax credit

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

	2012 £	2011 £
Profit on ordinary activities before tax	<u>120,407</u>	<u>52,260</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	31,306	14,633
Effects of:		
Disallowed expenses and non taxable income	(42,732)	(17,618)
Depreciation in excess of capital allowances	15,656	21,392
Other timing differences	145	711
Others	<u>(1,009)</u>	<u>(3,180)</u>
Current tax credit	<u><u>3,366</u></u>	<u><u>15,938</u></u>

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2011	498,625	28,240	367,889	894,754
Additions	5,583	-	54,111	59,694
Disposals	-	-	(14,313)	(14,313)
	<u>504,208</u>	<u>28,240</u>	<u>407,687</u>	<u>940,135</u>
DEPRECIATION				
At 1 April 2011	303,186	16,944	307,940	628,070
Charge for year	97,619	5,648	47,301	150,568
Eliminated on disposal	-	-	(14,313)	(14,313)
	<u>400,805</u>	<u>22,592</u>	<u>340,928</u>	<u>764,325</u>
NET BOOK VALUE				
At 31 March 2012	<u>103,403</u>	<u>5,648</u>	<u>66,759</u>	<u>175,810</u>
At 31 March 2011	<u>195,439</u>	<u>11,296</u>	<u>59,949</u>	<u>266,684</u>

The net book value of tangible fixed assets includes £127,422 (2011 - £185,166) in respect of assets held under hire purchase contracts.

8. STOCKS

	2012 £	2011 £
Non ferrous metals	<u>2,667,513</u>	<u>2,915,783</u>

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

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	3,839,822	3,126,586
Other debtors	92,364	124,026
Amounts due by group companies	228,410	260,172
Corporation tax	309	-
Deferred tax asset	44,892	32,832
	<u>4,205,797</u>	<u>3,543,616</u>

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank loans and overdrafts (see note 12)	1,463,734	1,891,536
Hire purchase contracts (see note 13)	82,169	89,528
Trade creditors	3,108,205	2,971,456
Amounts due to group companies	1,409,328	952,770
Corporation tax	-	15,938
Social security and other taxes	504,818	344,385
Accrued expenses	105,056	168,890
	<u>6,673,310</u>	<u>6,434,503</u>

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

	2012 £	2011 £
Hire purchase contracts (see note 13)	<u>31,994</u>	<u>76,571</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2012 £	2011 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,463,734</u>	<u>1,891,536</u>

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2012 £	2011 £
Gross obligations repayable:		
Within one year	94,849	103,598
Between one and five years	35,275	88,668
	<u>130,124</u>	<u>192,266</u>
Finance charges repayable:		
Within one year	12,680	14,070
Between one and five years	3,281	12,097
	<u>15,961</u>	<u>26,167</u>
Net obligations repayable:		
Within one year	82,169	89,528
Between one and five years	31,994	76,571
	<u>114,163</u>	<u>166,099</u>

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

14. SECURED DEBTS

The following secured debts are included within creditors:

	2012 £	2011 £
Bank overdrafts	1,463,734	1,891,536
Hire purchase contracts	114,163	166,099
	<u>1,577,897</u>	<u>2,057,635</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 2011	(32,832)
Profit and loss account	(12,060)
	<u>(44,892)</u>
Balance at 31 March 2012	<u>(44,892)</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:			2012 £	2011 £
Number:	Class:	Nominal value:		
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 £40,035 (2011 - £30,502) for directors and employees.

Contributions were payable to the fund at 31st March 2012 amounting to £5,718 (2011 - £5,136).

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 2012, the group companies' combined bank borrowings amounted to £11,507,394 (2011 - £15,862,026).

Cross guarantees exist between all group companies in favour of three group suppliers. At 31st March 2012, the group companies' combined liabilities to these suppliers amounted to £9,558,168 (2011 - £8,615,875).

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

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2012**

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

	2012 £	2011 £
Profit for the financial year	129,101	55,900
Net addition to shareholders' funds	129,101	55,900
Opening shareholders' funds	215,342	159,442
Closing shareholders' funds	<u>344,443</u>	<u>215,342</u>