

Alloy Steel International has its headquarters in Malaga, a light industrial area in Perth, Western Australia, divisional companies in North Carolina, US, and representatives in Chile, Ethiopia and India.

The company has a turnover of AUS \$29 million (2012) and more than 50 employees.

Alloy Steel International, Inc. (AYSI), the parent company of Alloy Steel Australia (Int) Pty Ltd, was incorporated in Delaware, US, in 2000, and listed on NASDAQ until 2010 when it voluntary de-listed and is now traded on the OTC, US over-the-counter securities market.

Alloy Steel manufactures Arcoplate (logo below), a wear-resistant fused-alloy steel plate. It is designed to prevent the gradual decay or decomposition of metal parts. Arcoplate – adopted across a wide range of applications – is mainly used in mining and mineral processing industries. But the product is also used in dredgers, cement works, hydro-electric dam spillways, power stations – even sugar refineries.



Arcoplate was invented by Gene Kostecki, the company's Western Australian former CEO, who still owns about 60 per cent of the company. At the time of his invention, Gene Kostecki was involved in the mining industry in Western Australia. He identified the need for an innovative wear solution to improve the productivity of companies involved in mining. The product is now exported to more than 25 countries worldwide. Customers range from large multinational corporations to small and medium-size public and private companies.



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**About the sector**

Alloy Steel offers a unique product in the wear plate market. Over the past seven years the company has had a compound annual growth rate of 36%. Alloy Steel invests heavily in research and development and is striving to continually improve its products and services.

**UHY services**

UHY Haines Norton (Perth) has been providing audit services to all entities in the group for the past six years. UHY Haines Norton (Perth) is PCAOB-registered (Public Company Accounting Oversight Board), enabling the firm to audit companies listed in the US. Whereas the client's head office is in Western Australia, the company's stock trades in the US. In addition, UHY's member firm in the US, UHY LLP, supports the Australian firm by reviewing the audit file and financial report to provide a peer review of US GAAS (generally accepted auditing standards) and US GAAP (generally accepted accounting principles).



**Why UHY?**

The engagement with UHY member firms resulted from a personal contact between an advisor to Alloy Steel and one of the UHY Haines Norton team. UHY Haines Norton won the business in a tendering process from a bigger accountancy network because UHY Haines Norton was regarded as being more responsive and better connected to UHY's member firm operations in the US.

**Working with UHY**

Alloy Steel chief financial officer Barry Woodhouse says: “UHY Haines Norton is a smaller firm in comparison to the Big Four and is more responsive to our requests and needs.

“We compared the service and the cost and found that UHY provided very competitively priced services. I have done a lot of work with the Big Four in the past. But given the greater service aspect, we opted to remain with UHY.”