

ROM LIMITED
Registered Number 00213629

Registered Number: 00213629

ROM LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2011

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ROM LIMITED
Registered Number 00213629

COMPANY INFORMATION

DIRECTORS	X Puig L Sanz Villares F Rubiralta Rubio R Trias Fita
SECRETARY	X Puig
COMPANY NUMBER	00213629
REGISTERED OFFICE	Building 58 Castle Works East Moors Road Cardiff CF24 5NN
AUDITORS	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

ROM LIMITED
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ROM LIMITED
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DIRECTORS' REPORT
for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The principal activities of the company are the supply of steel reinforcements and accessory products to the civil engineering and construction industry

BUSINESS REVIEW AND RESULTS

The profit for the year, before taxation, amounted to £1,043,000 (2010 £1,188,000) The company's key financial indicator is turnover of £85,151,000 (2010 £72,836,000) representing a 16.9% increase when compared to last year The increase was partly due to higher average steel prices globally in 2011 compared to the previous year

EMPLOYEE INVOLVEMENT

The company recognises the benefit of keeping employees informed of the progress of the business and involving them in the company's performance during the year All employees are systematically briefed with information regarding factors affecting the company's performance and on matters of concern to them as employees Regular consultations take place with employee representatives so that the views of the employees can be taken into account in making decisions likely to affect their interests

DISABLED EMPLOYEES

It is the policy of the company that disabled persons be given full and fair consideration in all applications for employment having regard to their capabilities Where existing employees become disabled (whether from illness and accident), every reasonable effort is made to continue to provide suitable employment either in the same or, by training in an alternative job Disabled persons are given equal opportunity for training, career development and promotion within the company

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006 Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The company's principal financial instruments comprise an invoice discounting and stock financing facilities, hire purchase contracts, cash and short-term deposits The main purpose of these financial instruments is to raise finance for the company's operations The company has other financial instruments such as trade debtors and trade creditors The main risk arising from the company's financial instruments is interest rate risk

Interest rate risk

The company's exposure to interest rate fluctuations relates primarily to the company's invoice discounting and stock financing facility The company's policy is to manage its interest cost using a variable rate debt

FUTURE DEVELOPMENTS

The company continues to pursue increased efficiencies in all that it does

ROM LIMITED
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DIRECTORS' REPORT (continued)
for the year ended 31 December 2011

GOING CONCERN

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the company can continue in operational existence for the foreseeable future.

The directors have assessed the future funding requirements of the Group and the Company and compared them to the level of available borrowing facilities under the terms agreed with the lenders. The assessment included a detailed review of financial forecasts and covenants for at least the twelve month period from the date of signing the accounts and a review of cash flow projections. Having undertaken this work, the directors are of the opinion that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

DIRECTORS

The directors who served during the year were

J Puiggalí (resigned 15 January 2012)
L Sanz Villares
F Rubiralta Rubio
R Trias Fita

X Puig was appointed as director on 1 February 2012.

The directors who are directors at the date of approval of these financial statements are set out in the company information page at the front of these financial statements.

DISCLOSURE OF INFORMATION TO THE AUDITORS

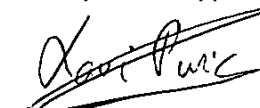
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- having made enquiries of fellow directors, each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf by



X Puig
Secretary

Date 20 April 2012

ROM LIMITED
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report 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 they give a true and fair view of the state of affairs of the company and of the profit and 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 that 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.

ROM LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROM LIMITED

We have audited the financial statements of ROM Limited for the year ended 31 December 2011 which comprise of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

Ernst & Young LLP
Paul Mapleston (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP
Statutory auditor
Bristol

Date *26 April 2012*

ROM LIMITED
Registered Number 00213629
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

		2011	2010
	Note	£000	£000
TURNOVER	2	85,151	72,836
Cost of sales		<u>(77,799)</u>	<u>(65,294)</u>
GROSS PROFIT		7,352	7,542
Selling and distribution costs		(2,815)	(2,410)
Administrative expenses		<u>(3,346)</u>	<u>(3,817)</u>
OPERATING PROFIT	3	1,191	1,315
Interest receivable		-	80
Interest payable	7	(759)	(283)
Other finance income	8	263	184
Exceptional items	4	<u>348</u>	<u>(108)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,043	1,188
Tax on profit on ordinary activities	9	<u>(325)</u>	<u>(466)</u>
PROFIT FOR THE YEAR	18	<u>718</u>	<u>722</u>

All amounts relate to continuing operations

The notes on pages 8 to 23 form part of these financial statements

ROM LIMITED
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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2011

	Note	2011 £000	2010 £000
PROFIT FOR THE FINANCIAL YEAR		718	722
Actuarial loss	20	(244)	(142)
Deferred tax attributable to actuarial loss		59	40
TOTAL RECOGNISED GAINS RELATING TO THE YEAR		533	620

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 December 2011

	2011 £000	2010 £000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,043	1,188
Difference between historical cost depreciation charge and the actual depreciation charge for the year on the revalued amount	4	4
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,047	1,192
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	722	726

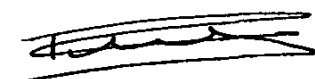
The notes on pages 8 to 23 form part of these financial statements

ROM LIMITED
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BALANCE SHEET
as at 31 December 2011

	Note	£000	2011 £000	2010 £000
FIXED ASSETS				
Tangible fixed assets	10		6,084	5,875
CURRENT ASSETS				
Stocks	11	5,711		4,155
Debtors	12	19,368		16,734
Cash at bank and in hand		941		693
		<u>26,020</u>		<u>21,582</u>
CREDITORS: amounts falling due within one year	13	<u>(13,643)</u>		<u>(11,066)</u>
NET CURRENT ASSETS			<u>12,377</u>	<u>10,516</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,461</u>	<u>16,391</u>
CREDITORS: amounts falling due after more than one year	14		<u>(9,055)</u>	<u>(7,453)</u>
PROVISIONS FOR LIABILITIES	15		<u>(294)</u>	<u>(293)</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>9,112</u>	<u>8,645</u>
Defined benefit pensions scheme	20		<u>(84)</u>	<u>(150)</u>
NET ASSETS			<u>9,028</u>	<u>8,495</u>
CAPITAL AND RESERVES				
Called up share capital	17		21	21
Revaluation reserve	18		3,558	3,558
Profit and loss account	18		5,449	4,916
SHAREHOLDERS' FUNDS	19		<u>9,028</u>	<u>8,495</u>

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf by



R. Trias Fita
Director

Date 20 April 2012



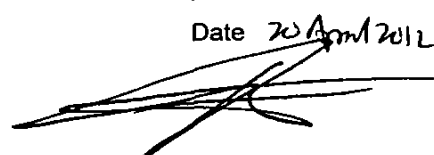
L. Sanz Villares
Director

Date 20 April 2012

F Rubiralta
Director

Date 20 April 2012

The notes on pages 8 to 23 form part of these financial statements



ROM LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1. ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the company can continue in operational existence for the foreseeable future.

The directors have assessed the future funding requirements of the Group and the Company and compared them to the level of available borrowing facilities under the terms agreed with the lenders. The assessment included a detailed review of financial forecasts and covenants for at least the twelve month period from the date of signing the accounts and a review of cash flow projections. Having undertaken this work, the directors are of the opinion that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of value added tax and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2 -10% straight line
Leasehold land and buildings	-	over the period of the lease
Motor vehicles	-	50% straight line
Plant, machinery, fixtures and fittings	-	4 -50% straight line

REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold, short leasehold and long leasehold properties are carried at a valuation at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1. ACCOUNTING POLICIES (continued)

LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

OPERATING LEASES

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1. ACCOUNTING POLICIES (continued)

PENSIONS

The company operates a contracted-out funded defined benefit pension scheme for employees. The scheme funds are administered by the trustees and are independent of the company's finances. Employees from other companies within the ROM Group participate in the scheme.

Pension scheme assets are measured at fair values and liabilities on an actuarial basis using the projected unit method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The increase in the present value of the liabilities expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Pension schemes' surpluses, to the extent they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of the related deferred tax.

The group also operates a defined contribution pension scheme for certain employees. Any contributions made by the relevant company are charged to operating costs as incurred.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

2 TURNOVER

The whole of the turnover is attributable to the supply of steel reinforcements and accessory products to the civil engineering and construction industry

A geographical analysis of turnover is as follows

	2011 £000	2010 £000
United Kingdom	85,151	72,836
	85,151	72,836

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011 £000	2010 £000
Depreciation of tangible fixed assets (See note 11)		
- owned by the company	346	306
- held under finance leases	9	51
Operating lease rentals		
- plant and machinery	220	232
- other operating leases	752	783
Auditors' remuneration	40	33
Foreign exchange (gains)/losses	(14)	49

4. EXCEPTIONAL ITEMS

Exceptional costs are made up as follows

	2011 £'000	2010 £'000
Other	(348)	108
	(348)	108

During the year the Group has written back £348,000 relating to assets previously written down to £nil
This amount is shown within other exceptional items

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

5. STAFF COSTS

(a) Staff costs, including directors' remuneration, were as follows

	2011	2010
	£000	£000
Wages and salaries	4,385	4,176
Social security costs	416	461
Other pension costs	121	139
	4,922	4,776

Included in other pension costs are £83,000 (2010 £99,000) in respect of the defined benefit scheme

The average monthly number of employees, including the directors, during the year was as follows

	2011	2010
	No.	No
Management	4	4
Administration	60	47
Production staff	107	113
	171	164

6. DIRECTORS' EMOLUMENTS

The directors of this company have not received any payment from it directly. The holding company of the Group, (Celsa UK Holdings Ltd) have paid the remunerations to all the directors of the Group (Holding and fellow subsidiaries). The amount apportioned for the directors giving service to this company add up to £9,440 (2010 £28,420)

7. INTEREST PAYABLE

	2011	2010
	£000	£000
On bank loans and overdrafts	748	204
On finance leases and hire purchase contracts	11	33
Other interest payable	-	46
	759	283

8. OTHER FINANCE INCOME

	2011	2010
	£000	£000
Expected return on pension scheme assets	1,485	1,324
Interest on pension scheme liabilities	(1,222)	(1,140)
	263	184

ROM LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

9. TAXATION	2011	2010
	£000	£000
ANALYSIS OF TAX CHARGE FOR THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on the profit for the year	38	263
Consortium relief	95	-
Adjustments in respect of prior years	(24)	(15)
TOTAL CURRENT TAX	109	248
 DEFERRED TAX		
Origination and reversal of timing differences	127	170
Current year deferred tax – defined benefit pension scheme	88	48
TOTAL DEFERRED TAX	215	218
TAX ON PROFIT ON ORDINARY ACTIVITIES	325	466

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2010 lower than) the standard rate of corporation tax in the UK 26.5% (2010 28%) as set out below

	2011	2010
	£000	£000
Profit on ordinary activities before tax	1,043	1,188
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28%)	276	333

EFFECTS OF.

Expenses not deductible for tax purposes	12	18
Depreciation for the year in excess of capital allowances	-	42
Capital allowances for year in excess of depreciation	(66)	-
Adjustments in respect of prior years	(24)	(15)
Group relief received without charge	-	(8)
Losses utilised during the year	-	(75)
FRS 17 pension cost timing difference	(89)	(47)
CURRENT TAX CHARGE FOR THE YEAR	109	248

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26 per cent with effect from 1 April 2011 and a further reduction to 25 per cent with effect from 1 April 2012. These changes became substantively enacted on 29 March 2011 and 19 July 2011 respectively and therefore the effect of these rate reductions creates a reduction in the deferred tax asset which has been included in the figures above.

The Chancellor proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23 per cent by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. The overall effect of the further reductions from 25 per cent to 23 per cent, if these applied to the deferred tax balance at 31 December 2011, would be to further reduce the deferred tax asset by £6,000.

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NOTES TO THE FINANCIAL STATEMENTS
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10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Long term leasehold land and buildings £000	Short term leasehold £000	Plant, machinery, fixtures, fittings and motor vehicles £000	Total £000
COST OR VALUATION					
At 1 January 2011	3,943	1,389	580	15,037	20,949
Additions		-	4	182	186
Reclassifications	(2)			(36)	(38)
At 31 December 2011	3,941	1,389	584	15,183	21,097
DEPRECIATION					
At 1 January 2011	133	639	526	13,776	15,074
Charge for the year	37	16	36	266	355
Reclassifications	3	(3)	(24)	15	(9)
Revaluations	(5)	-	(297)	(105)	(407)
At 31 December 2011	168	652	241	13,952	15,013
NET BOOK VALUE					
At 31 December 2011	3,773	737	343	1,231	6,084
At 31 December 2010	3,810	750	54	1,261	5,875

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

10. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2011 £000	2010 £000
Plant, machinery, fixtures, fittings and motor vehicles	-	67

Included in land and buildings is freehold land at valuation of £2,908,000 (2010 £2,908,000) which is not depreciated

NBV at 31 December 2011 is as follows

	Freehold land and buildings £000	Long leasehold land and buildings £000	Total freehold and long leasehold land and buildings £000
At cost	2,507	241	2,748
Valuation	1,266	496	1,762
NBV as at 31 December 2011	3,773	737	4,510

Towards the end of 2009, the freehold and long leasehold land and buildings were re-valued by DTZ, external Chartered Surveyors, on an open market existing use basis. The directors have updated the valuation based on this independent review.

If the freehold land and buildings and long term leasehold land and buildings had not been included at a valuation they would have been included under the historical cost convention as follows

	2011 £000	2010 £000
Cost	2,850	2,850
Accumulated depreciation	(1,787)	(1,747)
Net book value	1,063	1,103

11 STOCKS

	2011 £000	2010 £000
Raw materials	3,186	1,755
Work in progress	102	187
Finished goods and goods for resale	2,423	2,213
	5,711	4,155

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

12. DEBTORS

	2011	2010
	£000	£000
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertaking	2,677	2,767
DUE WITHIN ONE YEAR		
Trade debtors	8,644	8,227
Amounts owed by group undertakings	7,047	5,038
Other debtors	557	268
Prepayments and accrued income	443	434
	19,368	16,734

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£000	£000
Net obligations under finance leases & hire purchase contracts	95	182
Trade creditors	1,393	1,755
Amounts owed to group undertakings	10,369	7,539
Amounts owed to associate undertakings	450	601
Corporation tax	-	248
Social security and other taxes	684	334
Other creditors	96	56
Accruals and deferred income	556	351
	13,643	11,066

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

	2011	2010
	£000	£000
Net obligations under finance leases & hire purchase contracts	-	95
Amounts owed to group undertakings	-	100
Bank loans and overdrafts	9,055	7,258
	9,055	7,453

Included with bank loans and overdrafts are amounts related to the Asset Based Lending facility signed during 2011. It is a committed facility until 2015 and the interest is LIBOR plus a market margin.

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NOTES TO THE FINANCIAL STATEMENTS
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**15. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2011 £000	2010 £000
Less than one year	104	191
Between one and two years	3	98
	<u>107</u>	<u>289</u>
Interest element	(12)	(12)
	<u>95</u>	<u>277</u>

**16. PROVISIONS FOR LIABILITIES.
RESTRUCTURING COSTS**

	2011 £000
At 1 January 2011	125
Utilised in the year	(125)
At 31 December 2011	<u>-</u>

The restructuring provision related to the closure of an operations depot in the previous year for costs incurred in 2011

TOTAL PROVISIONS FOR LIABILITIES

	2011 £000	2010 £000
Deferred tax (see note 17)	294	168
Restructuring costs	-	125
	<u>294</u>	<u>293</u>

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17. DEFERRED TAXATION

	2011 £000	2010 £000
At 1 January 2011	(167)	3
Charged during the year	(127)	(170)
At 31 December 2011	(294)	(167)

The deferred taxation balance is made up as follows

	2011 £000	2010 £000
Difference between accumulated depreciation and capital allowances	(294)	(167)
	(294)	(167)

In accordance with Financial Reporting Standard 19 'Deferred taxation', the company has not recognised a deferred tax liability of £807,000 (2010 £807,000) arising on the revaluation of freehold and long term leasehold property, since it is not the intention of the company to dispose of the freehold property

18 SHARE CAPITAL

	2011 £000	2010 £000
ALLOTTED, CALLED UP AND FULLY PAID		
20,500 Ordinary shares of £1 each	21	21

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19 RESERVES

	Revaluation reserve £000	Profit and loss account £000
At 1 January 2011	3,558	4,916
Profit for the year	-	718
Pension reserve movement	-	(185)
At 31 December 2011	<u>3,558</u>	<u>5,449</u>

The closing balance on the Profit and loss account includes a charge of £84,000 (2010 £150,000), stated after deferred taxation of £29,000 (2010 £58,000), in respect of pension scheme liabilities of the company pension scheme

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £000	2010 £000
Opening shareholders' funds	8,495	7,875
Profit for the year	718	722
Other recognised gains and losses during the year	(185)	(102)
Closing shareholders' funds	<u>9,028</u>	<u>8,495</u>

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21. PENSION COMMITMENTS

The company participates in a defined contribution scheme for 84 members (2010 100 members) Contributions expensed during the year for the scheme were £38,000 (2010 £40,000) At 31 December 2011 the outstanding commitment payable was £nil (2010 £nil)

The company also operates a defined benefit pension scheme

The company's total defined benefit pension cost included within the operating profit was £489,000 (2010 £384,000) The company expects contributions to be paid into the scheme, for the next accounting period, will be in line with the previous year

The amounts in the financial statements for the year ended 31 December 2011, relating to pensions, are based on a full actuarial valuation dated 1 November 2010

THE MAIN FINANCIAL ASSUMPTIONS USED IN THE ACTUARIAL VALUATION WERE:

	2011	2010
	%	%
Inflation (RPI)	3.0	3.3
Inflation (CPI)	2.3	N/a
Rate of increase in salaries	3.8	4.0
Discount rate for liabilities	5.4	5.7
Pension increases in deferment subject to LPI increases	2.3	3.3
Pension increases in payment subject to LPI increases	2.8	3.1

THE ASSETS IN THE SCHEME AND THE EXPECTED RATES OF RETURN WERE:

	<i>Long-term rate of return expected at 2011 %</i>	<i>Value at 2011 £000</i>	<i>Long-term rate of return expected at 2010 %</i>	<i>Value at 2010 £000</i>
Equities	6.25	14,404	7.5	15,399
Gilts	2.50	1,115		
Bonds	4.60	5,062	5.5	6,019
Cash	3.50	59	1.5	66
Total market value of assets		20,640		21,484
Present value of scheme liabilities		(20,753)		(21,692)
(Deficit) in the scheme		(113)		(208)
Related deferred tax asset		29		58
Net pension (deficit)		(84)		(150)

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21. PENSION COMMITMENTS (continued)

The following amounts have been recognised in the financial statements in the year to 31 December 2011 and 31 December 2010 under the requirements of FRS17

	2011 £000	2010 £000
OPERATING PROFIT		
Current service cost	489	384
Total operating charge	<u>489</u>	<u>384</u>
OTHER FINANCE INCOME		
Expected return on pension scheme assets	1,485	1,324
Interest on pension scheme liabilities	<u>(1,222)</u>	<u>(1,140)</u>
Net return	<u>263</u>	<u>184</u>

ANALYSIS OF AMOUNT RECOGNISED IN THE STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	2011 £000	2010 £000
Actual (loss)/ return less expected return on pension scheme assets	(2,281)	1,008
Experience gains and losses arising on the scheme liabilities	2,037	(834)
Changes in assumptions underlying the present value of the scheme liabilities	-	(316)
Actuarial loss recognised in Statement of Total Recognised Gains and Losses	<u>(244)</u>	<u>(142)</u>

	2011 £000	2010 £000
MOVEMENTS IN SURPLUS DURING THE YEAR:		
Deficit in scheme at 1 January 2011	(208)	(232)
Current year service cost	(489)	(384)
Contributions	565	366
Other finance income	263	184
Actuarial loss	(244)	(142)
Deficit in scheme at 31 December 2011	<u>(113)</u>	<u>(208)</u>

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21. PENSION COMMITMENTS (continued)

HISTORY OF EXPERIENCE GAINS AND LOSSES IN THE SCHEME

	2011	2010	2009	2008	2007
Difference between the expected and actual return on scheme assets					
Amount (£'000)	(2,281)	1,008	1,835	(4,465)	567
Percentage of scheme assets	(11.1)%	4.7%	9.3%	(26.3)%	2.8%
Experience gains and losses on scheme liabilities					
Amount (£'000)	2,037	(834)	517	74	(35)
Percentage of the present value of the scheme of liabilities	9.8%	(3.8)%	2.6%	0.4%	0.2%
Defined benefit obligation	(20,753)	(21,692)	(19,909)	(16,935)	(18,770)
Scheme assets	20,640	21,484	19,677	16,992	20,158
(Deficit) / surplus	(113)	(208)	(232)	57	1,388

22. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£000	£000	£000	£000
EXPIRY DATE				
Within 1 year	-	62	23	18
Between 2 and 5 years	-	-	293	266
After more than 5 years	729	654	-	-
	<u>729</u>	<u>716</u>	<u>315</u>	<u>284</u>

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23 RELATED PARTY TRANSACTIONS

The company has taken the exemption available in FRS 8 (Related parties) to not disclose transactions with other companies that are wholly owned by the same group of companies

24. CONTINGENT LIABILITIES

The bank loans, secured loans and overdrafts of all companies within the ROM Group Limited group are secured by means of a cross guarantee by fixed and floating charges over all the assets of the group

As at 31 December 2011, the group bank loans, secured loans and overdrafts amounted to £16,675,000 (2010 £12,463,000), of which £9,056,000 (2010 £7,258,000) related to ROM Limited

25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is ROM Group Limited, a company incorporated in England & Wales. A copy of the financial statements of that company can be obtained from The Company Secretary, Building 58, Castle Works, East Moors Road, Cardiff, CF24 5NN. The ultimate parent undertaking is Catalunya Steel SL, which is a company incorporated in Spain.