

**ROM LIMITED**

**REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 31 December 2015**



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ROM LIMITED

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COMPANY INFORMATION

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<b>DIRECTORS</b>	L Sanz Villares F Mesegue A J Fort M L McKillop
<b>SECRETARY</b>	X Puig
<b>COMPANY NUMBER</b>	00213629
<b>REGISTERED OFFICE</b>	Building 58 Castle Works East Moors Road Cardiff CF24 5NN
<b>AUDITORS</b>	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

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ROM LIMITED

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ROM LIMITED

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**STRATEGIC REPORT**  
**For the year ended 31 December 2015**

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The directors present their strategic report for the year ended 31 December 2015.

**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 £2,696,000 (2014: £809,000). The company's key financial indicator is turnover of £81,858,000 (2014: £83,154,000).

**PRINCIPAL RISKS AND UNCERTAINTIES**

*Financial risk management objectives and policies*

The company's principal financial instruments comprise a trade receivables and stock financing facility, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the company's operations. The main risk arising from the company's financial instruments is interest rate risk.

*Interest rate risk*

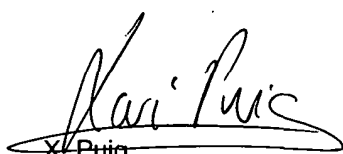
The company's exposure to interest rate fluctuations relates primarily to the company's invoice discounting and stock financing facility. The company's policy is to manage its interest cost using a variable rate debt.

**FUTURE DEVELOPMENTS**

The directors aim to maintain the policies of the company.

The company is fully committed to develop the Total Quality Management approach across the organisation.

By order of the Board



X. Puig  
Secretary

Date: 26 April 2016

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## ROM LIMITED

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### **DIRECTORS' REPORT** **For the year ended 31 December 2015**

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The directors present their report and the financial statements for the year ended 31 December 2015.

During the year the Company transitioned from previously extant UK GAAP to FRS 102 and has taken advantage of the disclosure exemptions allowed under this standard. The Company's immediate parent undertaking, ROM Group Limited, was notified of and did not object to the use of the disclosure exemptions. Details of the recognition or measurement differences arising on the adoption of FRS102 are included in note 22 to these financial statements.

#### **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.

#### **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. 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' REPORT (continued)**  
**For the year ended 31 December 2015**

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**DIRECTORS**

The directors who served during the year were:

L Sanz Villares  
F Mesegue  
A Fort  
M McKillop

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: 26 April 2016

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102).

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 United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements and;
- 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.

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## INDEPENDENT AUDITORS' REPORT

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We have audited the financial statements of ROM Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Statement of Change in Equity and the related notes 1 to 22. 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), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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 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 Directors' Responsibilities Statement set out on page 4, 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 and express an opinion on 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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## INDEPENDENT AUDITORS' REPORT (continued)

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### 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: *27th April 2016*

ROM LIMITED

Registered Number 00213629

**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2015

		<b>2015</b>	<b>2014</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>TURNOVER</b>	<b>4</b>	<b>81,858</b>	83,154
Cost of sales		<u>(71,427)</u>	<u>(75,373)</u>
<b>GROSS PROFIT</b>		<b>10,431</b>	7,781
Selling and distribution costs		<b>(4,320)</b>	(3,607)
Administrative expenses		<u>(2,948)</u>	<u>(2,710)</u>
<b>OPERATING PROFIT</b>	<b>5</b>	<b>3,163</b>	1,464
Interest payable	<b>8</b>	<u>(467)</u>	<u>(655)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,696</b>	809
Tax on profit on ordinary activities	<b>9</b>	<u>(510)</u>	<u>(139)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>2,186</b></u>	<u>670</u>

All amounts relate to continuing operations.

The notes on pages 11 to 23 form part of these financial statements.

ROM LIMITED

Registered Number 00213629

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
For the year ended 31 December 2015

		<b>2015</b>	<b>2014</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>2,186</b>	<b>670</b>
Actuarial loss recognised in the pension scheme	17	(270)	(282)
<b>TOTAL RECOGNISED GAINS RELATING TO THE YEAR</b>		<b>1,916</b>	<b>388</b>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
For the year ended 31 December 2015

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2,696</b>	<b>809</b>
Difference between historical cost depreciation charge and the actual depreciation charge for the year on the revalued amount	4	4
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2,700</b>	<b>813</b>
<b>HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION</b>	<b>2,190</b>	<b>674</b>

The notes on pages 11 to 23 form part of these financial statements.

ROM LIMITED

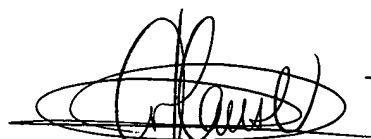
Registered Number 00213629

**BALANCE SHEET**  
As at 31 December 2015

			2015		2014
	Note	£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		6,905		6,774
<b>CURRENT ASSETS</b>					
Stocks	11	3,971		4,068	
Debtors	12				
amounts falling due after one year		5,695		2,695	
amounts falling due within one year		15,507		14,081	
		<u>21,202</u>		<u>16,776</u>	
Cash at bank and in hand		1,395		336	
		<u>26,568</u>		<u>21,180</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	(12,196)		(10,316)	
<b>NET CURRENT ASSETS</b>			<u>14,372</u>		<u>10,864</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>21,277</u>		<u>17,638</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		(8,588)		(6,867)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	15		(86)		(84)
<b>NET ASSETS</b>			<u>12,603</u>		<u>10,687</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		21		21
Revaluation reserve			3,475		3,475
Profit and loss account			9,107		7,191
<b>SHAREHOLDERS' FUNDS</b>			<u>12,603</u>		<u>10,687</u>

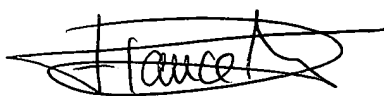
The notes on pages 11 to 23 form part of these financial statements.

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



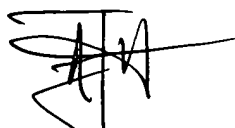
**L Sanz Villares**  
Director

Date: 26 April 2016



**F Mesegue**  
Director

Date: 26 April 2016



**A Fort**  
Director

Date: 26 April 2016



**M McKillop**  
Director

Date: 26 April 2016

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ROM LIMITED

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**STATEMENT OF CHANGE IN EQUITY**  
**For year ended 31 December 2015**

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	Share capital £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	21	3,475	6,803	10,299
Profit for the year	-	-	670	670
Pension reserve movement	-	-	(282)	(282)
At 1 January 2015	21	3,475	7,191	10,687
Profit for the year	-	-	2,186	2,186
Pension reserve movement	-	-	(270)	(270)
At 31 December 2015	21	3,475	9,107	12,603

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2015**

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**1. GENERAL INFORMATION**

The company is a private company limited by shares and is incorporated and domiciled in Wales. The address of its registered office is Building 58, East Moors Road, Cardiff.

**2. STATEMENT OF COMPLIANCE**

The individual financial statements of Rom Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 22.

**BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the previous revaluations of land and buildings.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102**

The company has taken advantage of the following exemptions:

(i) preparing a statement of cash flows under FRS 102 paragraph 1.12(b)

(ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29

**TURNOVER**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2015**

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**3. ACCOUNTING POLICIES (continued)**

**TANGIBLE FIXED ASSETS AND DEPRECIATION**

Buildings and Machinery are measured at previous revalued cost less accumulated depreciation.

The difference between depreciation based on the deemed cost charged in the profit and loss account and the asset's original cost is transferred from the revaluation reserve to retained earnings.

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

**COMPLEX FINANCIAL INSTRUMENTS**

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives as it does not have any of these instruments in either the current or prior period.

**BASIC FINANCIAL INSTRUMENTS**

**(i) Financial Assets**

Financial assets, including trade and other receivables, amounts due from group companies, cash and bank balances, are initially recognised at transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

**(ii) Financial Liabilities**

Financial liabilities, including bank loans and amounts due to fellow group companies 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2015**

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**3. 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 stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. Stocks are measured on a weighted average cost basis.

**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.

**FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2015**

**3. 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 defined benefit pension scheme was closed to future accrual with effect from 30<sup>th</sup> June 2012 and replaced by a defined contribution scheme to which the company contributes. The amount charged against profits represents the contributions payable by the company in respect of the accounting period for both schemes.

**4. 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:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	<b>81,632</b>	83,136
Rest of Europe	<b>226</b>	18
	<b>81,858</b>	83,154

**5. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets: (See note 10)		
- owned by the company	<b>510</b>	477
Operating lease rentals:		
- plant and machinery	<b>171</b>	237
- other operating leases	<b>450</b>	575
Auditors' remuneration	<b>38</b>	37
Foreign exchange/(gains)	<b>(37)</b>	(10)

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ROM LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2015

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**6. STAFF COSTS**

Staff costs were as follows:

	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
Wages and salaries	<b>4,383</b>	4,156
Social security costs	<b>414</b>	407
Other pension costs	<b>545</b>	497
	<u><b>5,342</b></u>	<u>5,060</u>

Included in other pension costs are £399,000 (2014: £399,000) in respect of the defined benefit scheme.

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

	<b>2015</b> <b>No.</b>	<b>2014</b> <b>No.</b>
Management	<b>4</b>	4
Administration	<b>57</b>	55
Production staff	<b>94</b>	87
	<u><b>155</b></u>	<u>146</u>

**7. 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 remuneration to all the directors of the Group (Holdings and fellow subsidiaries). The amount apportioned for the directors giving service to this company add up to £13,668, (2014: £17,636).

**8. INTEREST PAYABLE**

	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
On bank loans	<u><b>467</b></u>	<u>655</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2015**

**9. TAXATION**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>ANALYSIS OF TAX CHARGE FOR THE YEAR</b>		
<b>CURRENT TAX</b>		
UK corporation tax charge on the profit for the year	<b>120</b>	33
Consortium relief	<b>413</b>	82
Adjustments in respect of prior years	<b>(25)</b>	(3)
<b>TOTAL CURRENT TAX</b>	<b>508</b>	112
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	<b>2</b>	27
<b>TOTAL DEFERRED TAX</b>	<b>2</b>	27
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>510</b>	139
<b>FACTORS AFFECTING TAX CHARGE FOR THE YEAR</b>		
	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	<b>2,696</b>	809
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	<b>546</b>	174
<b>EFFECTS OF:</b>		
Expenses not allowed for tax purposes	<b>3</b>	3
Depreciation on assets ineligible for capital allowances	<b>30</b>	30
Change in tax rates	<b>(10)</b>	(2)
Amounts (overprovided) in previous years	<b>(3)</b>	(7)
Pension movement not recognised	<b>(56)</b>	(59)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>510</b>	139

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

A reduction in the corporation tax rate from 20% to 19% (effective from 1 April 2017) and a further reduction to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly. Furthermore, the Chancellor of the Exchequer announced on 16 March 2016 that the corporation tax rate would reduce to 17%, effective from 1 April 2020. As this rate has not yet been substantively enacted it has not been reflected within the deferred tax calculation.

The deferred tax liability at 31 December 2015 has been calculated based on the rate of 18% which was substantively enacted at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2015

**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
<b>COST OR VALUATION</b>					
At 1 January 2015	3,608	714	1,622	15,822	21,766
Additions	-	-	611	30	641
At 31 December 2015	<u>3,608</u>	<u>714</u>	<u>2,233</u>	<u>15,852</u>	<u>22,407</u>
<b>DEPRECIATION</b>					
At 1 January 2015	37	13	211	14,731	14,992
Charge for the year	37	13	157	303	510
At 31 December 2015	<u>74</u>	<u>26</u>	<u>368</u>	<u>15,034</u>	<u>15,502</u>
<b>NET BOOK VALUE</b>					
At 31 December 2015	<u>3,534</u>	<u>688</u>	<u>1,865</u>	<u>818</u>	<u>6,905</u>
At 31 December 2014	<u>3,571</u>	<u>701</u>	<u>1,411</u>	<u>1,091</u>	<u>6,774</u>

The company applied the transitional arrangements of Section 35 of FRS 102 and previous revaluation as the deemed cost for land and buildings. As the assets are depreciated or sold an appropriate transfer is made from the revaluation reserve to retained earnings.

Analysis of the freehold and long term leasehold land and buildings valued at the date of transition to FRS 102 using the previous revalued cost exemption:

	2015 £000	2014 £000	2013 £000
Historical cost equivalent	2,748	2,748	2,748
Revaluation	1,474	1,524	1,574
Net Book Value	<u>4,222</u>	<u>4,272</u>	<u>4,322</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. STOCKS**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Raw materials	2,083	1,994
Work in progress	127	209
Finished goods and goods for resale	1,761	1,865
	<u>3,971</u>	<u>4,068</u>

**12. DEBTORS**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Amounts owed by group undertaking	5,695	2,695
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	7,579	8,344
Amounts owed by group undertakings	7,533	5,462
Prepayments and accrued income	395	275
	<u>21,202</u>	<u>16,776</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	3,999	2,504
Amounts owed to group undertakings	6,386	5,330
Amounts owed to associate undertakings	833	1,488
Corporation tax	23	8
Other taxes and social security	944	770
Other creditors	11	216
	<u>12,196</u>	<u>10,316</u>

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

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Bank loans	<u>8,588</u>	<u>6,867</u>

Included within bank loans are amounts related to the Asset Based Lending facility signed during 2011, renewed in the first quarter of 2015 and committed until December 2018. The interest is LIBOR plus a market margin.

ROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2015

**15. DEFERRED TAXATION**

	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
At 1 January 2015	(84)	(56)
Charged during the year	(2)	(28)
At 31 December 2015	<u>(86)</u>	<u>(84)</u>

The deferred taxation balance is made up as follows:

	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
Difference between accumulated depreciation and capital allowances	<u>(86)</u>	<u>(84)</u>

**16. SHARE CAPITAL**

	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
Ordinary shares of £1 each	21	21
B ordinary share of £1 each	-	-
	<u>21</u>	<u>21</u>

The B Share shall not confer on the holder thereof any right to attend or speak or vote at a general meeting other than a general meeting at which any resolution relating to any restricted matter is proposed. There is no right to participate in any dividend. On a return of capital the assets available for distribution to the shareholders shall first be applied in paying to the holder of the B share a sum equal to the amount of its subscription price. The B share is not redeemable.

**17. PENSION COMMITMENTS**

The pension cost for the year represents contributions payable by the company to the fund and amounted to £99,000 (2014: £99,000). At 31 December 2015 the outstanding commitment payable was £11,942 (2014: £nil).

The company also operates a defined benefit pension scheme. This scheme was closed to future accrual of benefits with effect from 30<sup>th</sup> June 2012.

The company's total defined benefit pension cost included within the operating profit was £222,000 (2014: £210,000). The company expects contributions to be paid into the scheme, for the next accounting period to amount to £312,000.

The amounts in the financial statements for the year ended 31 December 2015, relating to pensions, are based on a full actuarial valuation dated 31 December 2015.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2015

**17. PENSION COMMITMENTS (continued)**

**THE MAIN FINANCIAL ASSUMPTIONS USED IN THE ACTUARIAL VALUATION WERE:**

	<b>2015</b>	<b>2014</b>
	<b>%</b>	<b>%</b>
Inflation (RPI)	<b>3.1</b>	3.0
Inflation (CPI)	<b>2.1</b>	2.0
Rate of increase in salaries	<b>N/A</b>	N/A
Rate of discount	<b>3.9</b>	3.8
Allowance for revaluation of deferred pensions of CPI or 5% is less	<b>2.1</b>	2.0
Allowance for revaluation of deferred pensions of RPI or 5% is less	<b>3.0</b>	2.9

**THE ASSETS IN THE SCHEME:**

	<b>Value at</b>	<b>Value at</b>
	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Equities	<b>11,007</b>	8,022
Government Bonds	<b>630</b>	4,045
Corporate Bonds	<b>1,839</b>	5,354
Cash	<b>24</b>	52
Diversified Growth Asset	<b>10,551</b>	6,446
Property	<b>2,450</b>	2,194
Total market value of assets	<b>26,501</b>	26,113
Present value of defined benefit obligation	<b>(25,967)</b>	(26,063)
Surplus in the scheme	<b>534</b>	50
Related deferred tax liability	<b>(96)</b>	(10)
Net pension surplus	<b>438</b>	40
Net pension asset not recognised	<b>(438)</b>	(40)
Net pension surplus	<b>-</b>	-

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For the year ended 31 December 2015

**17. PENSION COMMITMENTS (continued)**

In accordance with Financial Reporting Standard 102 the net pension surplus before deferred tax of £534,000 has not been recognised as an asset at the balance sheet date since the company will not be able to recover this surplus either through reduced contributions or agreed refunds from the scheme.

The following amounts have been recognised in the financial statements in the year ended 31 December 2015 and 31 December 2014 under the requirements of FRS102:

	2015 £000	2014 £000
<b>OPERATING PROFIT</b>		
Expenses	222	210
Total operating charge	222	210

<b>ANALYSIS OF AMOUNT RECOGNISED IN THE STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>	2015 £000	2014 £000
Return on plan assets (excluding amounts included in the net interest cost)	(154)	1,231
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities	361	(1,550)
Total actuarial gains/(losses)	207	(319)
Effect of changes in the amount of surplus that is not recoverable	(477)	27
Actuarial loss recognised in Statement of Total Recognised Gains and Losses	(270)	(292)

	2015 £000	2014 £000
<b>MOVEMENTS IN SURPLUS DURING THE YEAR:</b>		
Surplus in scheme at 1 January 2015	50	77
Expenses	(222)	(210)
Contributions	492	492
Other finance income	(56)	(601)
Actuarial loss	270	292
Surplus in scheme at 31 December 2015	534	50

**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. OPERATING LEASE COMMITMENTS**

At 31 December 2015 the company had the following future minimum lease payments due under non-cancellable operating leases; payments due within one year £556,000 (2014: £889,000), payments due between two and five years £2,158,000 (2014: £3,316,000), payments due after five years £4,539,000 (2014: £5,834,000).

**19. RELATED PARTY TRANSACTIONS**

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Group.

**20. 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 2015, the group bank loans, secured loans and overdrafts amounted to £12,776,000 (2014: £13,760,000), of which £8,051,000 (2014: £6,867,000) related to ROM Limited.

**21. 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 and controlling party is Catalunya Steel SL, which is a company incorporated in Spain.

**22. TRANSITION TO FRS 102**

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014, other comprehensive income and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

The adjustments on transition have no effect on the overall net assets of the company at the year end 2014 or 2015. The adjustments are to reclassify pension related finance income from the profit and loss account to other comprehensive income (with zero overall effect) and to reclassify a previous fixed asset revaluation within the fixed asset schedule.

ROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2015

**22. TRANSITION TO FRS 102 (continued)**

	<b>2014 £000</b>
<b>Profit for the financial year</b>	
UK GAAP - as previously reported	880
Expected return on pension scheme assets	(1,302)
Interest on pension scheme liabilities	1,092
<b>Total adjustment to profit before tax for the financial year</b>	<b>(210)</b>
<b>FRS 102</b>	<b>670</b>

	<b>2014 £000</b>
<b>Other comprehensive income</b>	
UK GAAP- As previously reported	763
Profit for the financial year	(210)
Actuarial loss recognised in the pension scheme	210
<b>FRS 102</b>	<b>763</b>

	<b>1 January 2014 £000</b>	<b>31 December 2014 £000</b>
<b>Total equity</b>		
UK GAAP- As previously reported	9,924	10,687
Revaluation	375	-
<b>FRS 102</b>	<b>10,299</b>	<b>10,687</b>