
ROMTECH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



ROMTECH LIMITED

COMPANY INFORMATION

Directors	L Sanz Villares F Mesegue A Fort M McKillop C Rovira Caroz (appointed 1 January 2022)
Company secretary	H Arnold
Registered number	03719493
Registered office	Building 58 Castle Works East Moors Road Cardiff South Glamorgan CF24 5NN
Independent auditors	Ernst & Young LLP Statutory Auditor The Paragon Counterslip Bristol BS1 6BX

ROMTECH LIMITED

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ROMTECH LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic review for the year ended 31 December 2021.

Results and business review

The operating loss for the year amounted to £1,032 thousand (2020 – loss of £1,004 thousand).

Financial key performance indicators

The company's key financial indicator is turnover of £52,926 thousand (2020 – £30,713 thousand).

Principal risks and uncertainties

Financial risk management objectives and policies

The company's principal financial instruments comprise a trade receivables and stock funding 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.

Foreign currency risk

The company's currency risk is controlled by a natural hedge wherever possible and where there is an excess, the company may take out foreign currency contracts accordingly.

Interest rate risk

The company's exposure to interest rate fluctuations relates primarily to the company's asset based lending facility. The company's policy is to manage its interest cost using a variable rate debt.

Credit risk

The company's policy is to insure its trade debtors and exercise strong credit control procedures.

Withdrawal of UK from European Union (BREXIT)

On the 31 December 2020 the transition period between the UK and the EU ended and new rules on exports, imports, tariffs, data and hiring were introduced. For Romtech Limited a significant proportion of turnover and the supply chain is UK domestic, which reduces the impact of Brexit.

Coronavirus pandemic (COVID-19)

The global coronavirus pandemic involving the spread of Covid-19 presented a number of different risks and impacts to the business including safety, operational, financial and liquidity risk. The main priority for the company is the Health & Safety of all employees and the company continues to follow Government advice. The company responded rapidly and dynamically to the changing situation which allowed the production operations to continue to operate throughout.

The company's strategy remains the same but key financial indicators were significantly impacted as a direct result of the pandemic during 2020. The pandemic saw minimal impact on the financial indicators during 2021. The company continues to manage risks and financial indicators.

As a direct result of Covid-19, the company amended its current lending facility during 2020 with its lenders and introduced a new lender with all facilities being committed to 2023. This financial support provided the company with a financial platform to enable it to continue executing its existing business strategy.

ROMTECH LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'F Mesegue', with a large, stylized flourish extending from the end of the signature.

F Mesegue
Director

Date: 29 March 2022

ROMTECH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

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 period through to 30 June 2023.

In December 2018, Celsa (UK) Holdings Limited (the Parent Company) renewed its Term Loan and Asset Based Lending (ABL) facilities. As a result, both facilities are committed until December 2023. During 2020, as a direct result of the COVID-19 pandemic, the parent introduced a new lender with an additional facility committed to June 2023. The company is part of the guaranteeing group for these facilities and therefore the directors have considered going concern from a group-wide perspective. The financial covenants linked to debt facilities are managed at the parent level.

The directors have assessed the funding requirements of Celsa (UK) Holdings Limited and its subsidiaries (the group). The assessment included a detailed review of financial forecasts, covenants and cash flow projections over the period through to June 2023. Having undertaken this work, the directors are of the opinion that the parent has access to adequate resources to continue in operational existence for the period through to 30 June 2023. The Company benefits from a letter of support from Celsa (UK) Holdings Ltd being provided from the date of signing the financial statements through to June 2023. Accordingly, the company continues to adopt the going concern basis in preparing the annual report.

Principal activity

The principal activity of the company is the manufacture and supply of products to the piling, groundworks, geotechnical and tunnelling sectors of the construction industry.

Results and dividends

The loss for the year, after taxation, amounted to £948 thousand (2020 - loss £914 thousand).

The directors do not recommend a dividend (2020 – £nil).

Directors

The directors who served during the year were:

L Sanz Villares
F Mesegue
A Fort
M McKillop

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.

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.

ROMTECH LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditors

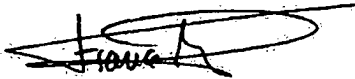
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information 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.



F Mesegue
Director

Date: 29 March 2022

ROMTECH LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Annual 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 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'. The financial statements are required by law to 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROMTECH LIMITED

Opinion

We have audited the financial statements of Romtech Limited for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 19 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of up until 30 June 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROMTECH LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations to its operations, including health and safety and GDPR.

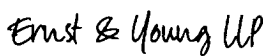
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROMTECH LIMITED (CONTINUED)

- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. Through these procedures we determined there to be a risk of management override associated with manipulation of accounts such as revenue and provisions to meet loan covenants. We also noted a fraud risk around revenue recognition, and in particular manual revenue journals throughout the period. We performed detailed journal entry testing over manual revenue journals and used lower testing thresholds in performing our substantive procedures for accounts identified to be susceptible to higher risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations was covered through our inquiry with no indication of non-compliance identified.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

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John Howarth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP Statutory Auditor

Bristol, UK
30 March 2022

ROMTECH LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Turnover	3	52,926	30,713
Change in stocks of finished goods and work in progress		2,782	183
Raw materials and consumables		(48,259)	(25,058)
Operating and external charges		(5,379)	(3,384)
Staff costs	5	(3,007)	(3,340)
Depreciation	8	(95)	(118)
Operating loss	4	(1,032)	(1,004)
Interest payable and similar expenses		(147)	(132)
Loss before tax		(1,179)	(1,136)
Tax on loss	7	231	222
Loss for the financial year		(948)	(914)

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

The notes on pages 12 to 23 form part of these financial statements.

ROMTECH LIMITED
REGISTERED NUMBER:03719493

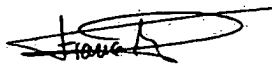
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	8	853	521
Current assets			
Stocks	9	5,565	2,783
Debtors	10	10,342	6,761
Cash at bank and in hand		1,799	1,257
		<u>17,706</u>	<u>10,801</u>
Creditors: amounts falling due within one year	11	(23,069)	(16,117)
Net current liabilities		<u>(5,363)</u>	<u>(5,316)</u>
Total assets less current liabilities		<u>(4,510)</u>	<u>(4,795)</u>
Creditors: amounts falling due after more than one year	12	(2,807)	(1,574)
Net liabilities		<u>(7,317)</u>	<u>(6,369)</u>
Capital and reserves			
Profit and loss account		(7,317)	(6,369)
Shareholders deficit		<u>(7,317)</u>	<u>(6,369)</u>

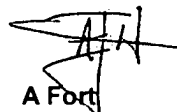
The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2022.



L Sanz Villares
Director



F Mesegue
Director



A Fort
Director



M McKillop
Director

ROMTECH LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Profit and loss account £000	Total equity £000
At 1 January 2020	(5,455)	(5,455)
Loss for the year	(914)	(914)
At 1 January 2021	(6,369)	(6,369)
Loss for the year	(948)	(948)
At 31 December 2021	(7,317)	(7,317)

The notes on pages 12 to 23 form part of these financial statements.

ROMTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Building 58, Castle Works, East Moors Road, Cardiff, South Glamorgan, CF24 5NN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Celsa (UK) Holdings Limited as at 31 December 2021 and these financial statements may be obtained from Building 58, East Moors Road, Cardiff, CF24 5NN.

ROMTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 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 period through to 30 June 2023.

In December 2018, Celsa (UK) Holdings Limited (the Parent Company) renewed its Term Loan and Asset Based Lending (ABL) facilities. As a result, both facilities are committed until December 2023. During 2020, as a direct result of the COVID-19 pandemic, the parent introduced a new lender with an additional facility committed to June 2023. The company is part of the guaranteeing group for these facilities and therefore the directors have considered going concern from a group-wide perspective. The financial covenants linked to debt facilities are managed at the parent level.

The directors have assessed the funding requirements of Celsa (UK) Holdings Limited and its subsidiaries (the group). The assessment included a detailed review of financial forecasts, covenants and cash flow projections over the period through to June 2023. Having undertaken this work, the directors are of the opinion that the parent has access to adequate resources to continue in operational existence for the period through to 30 June 2023. The Company benefits from a letter of support from Celsa (UK) Holdings Ltd being provided from the date of signing the financial statements through to June 2023. Accordingly, the company continues to adopt the going concern basis in preparing the annual report.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5 Revenue

Turnover, which is stated net of value added tax and trade discounts, represents the invoiced value of goods and services supplied. Turnover is recognised upon shipment of goods or completion of services.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

ROMTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Current and 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.

In all other companies where there is a revaluation, deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements, and it is not the directors' intention to dispose of the properties.

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.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- over the period of the lease
Plant and machinery	- 4 to 20% straight line
Furniture and equipment	- 10 to 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Stocks

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.

ROMTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.11 Pensions

The company participates in the Rom Group Pension and Life Assurance Scheme, which is a defined benefit pension plan. Contributions and pension costs of this scheme are based on pension costs across the group as a whole.

The company is unable to identify its share of the underlying assets and liabilities of the scheme and therefore under the exemption available under, 'Retirement Benefits', accounts for the scheme as though it were a defined contribution scheme. Consequently, contributions are charged to the profit and loss account as incurred.

The defined benefit pension scheme was closed to future accrual with effect from 30th 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.

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.

ROMTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 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.

3. Turnover

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	49,558	27,594
Rest of Europe	3,368	3,119
	<u>52,926</u>	<u>30,713</u>

ROMTECH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Operating loss

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

	2021	2020
	£000	£000
Depreciation of tangible fixed assets	95	118
Auditors remuneration	26	30
Other operating lease rentals	165	190
Coronavirus job retention scheme grant	(2)	(193)
Foreign exchange losses/(gains)	41	(298)

5. Employees

Staff costs were as follows:

	2021	2020
	£000	£000
Wages and salaries	2,662	2,970
Social security costs	263	286
Cost of defined contribution scheme	82	84
	<u>3,007</u>	<u>3,340</u>

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

	2021	2020
	No.	No.
Administration	23	21
Manufacturing	55	80
	<u>78</u>	<u>101</u>

6. Directors' remuneration

The directors of this company have not received any payment from it directly. The holding company of the group, (Celsa (UK) Holdings Limited) 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 £7,949 (2020 – £9,238).

ROMTECH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Taxation

	2021 £000	2020 £000
Current tax		
Group tax relief	(240)	(162)
Adjustments in respect of previous periods	4	-
Total current tax credit	<u>(236)</u>	<u>(162)</u>
Deferred tax		
Current year	2	(60)
Adjustment in respect of previous periods	3	-
Total deferred tax charge/(credit)	<u>5</u>	<u>(60)</u>
Tax credit on loss on ordinary activities	<u>(231)</u>	<u>(222)</u>

Factors affecting the current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Loss on ordinary activities before tax	<u>(1,179)</u>	<u>(1,136)</u>
Loss on ordinary activities multiplied by the corporation tax in the UK of 19% (2020 - 19%)	(224)	(216)
Effects of:		
Expenses not deductible for tax purposes	-	(13)
Depreciation on assets ineligible for capital allowances	-	7
Changes in tax rates	(14)	-
Adjustments in respect of previous periods	7	-
Total tax credit for the year	<u>(231)</u>	<u>(222)</u>

ROMTECH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Taxation (continued)

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted at the balance sheet date and hence have been reflected in the measurement of the deferred tax assets balance at the period end.

8. Tangible fixed assets

	Short-term leasehold property £000	Plant and machinery £000	Furniture and equipment £000	Total £000
Cost or valuation				
At 1 January 2021	361	3,957	730	5,048
Additions	-	440	-	440
Disposals	-	(368)	-	(368)
At 31 December 2021	<u>361</u>	<u>4,029</u>	<u>730</u>	<u>5,120</u>
Depreciation				
At 1 January 2021	358	3,439	730	4,527
Charge for the year	1	94	-	95
Disposals	-	(355)	-	(355)
At 31 December 2021	<u>359</u>	<u>3,178</u>	<u>730</u>	<u>4,267</u>
Net book value				
At 31 December 2021	<u>2</u>	<u>851</u>	<u>-</u>	<u>853</u>
At 31 December 2020	<u>3</u>	<u>518</u>	<u>-</u>	<u>521</u>

ROMTECH LIMITED

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9. Stocks

	2021	<i>2020</i>
	£000	<i>£000</i>
Raw materials and consumables	4,412	<i>2,023</i>
Finished goods and goods for resale	1,153	<i>760</i>
	<u>5,565</u>	<u><i>2,783</i></u>

10. Debtors

	2021	<i>2020</i>
	£000	<i>£000</i>
Trade debtors	8,135	<i>4,721</i>
Amounts owed by group undertakings	1,205	<i>1,496</i>
Amounts owed by associated undertakings	331	<i>263</i>
Other debtors	594	<i>165</i>
Prepayments and accrued income	19	<i>53</i>
Deferred taxation	58	<i>63</i>
	<u>10,342</u>	<u><i>6,761</i></u>

Included in amounts owed by group undertakings is £310, thousand (*2020 – £310 thousand*) which is due in more than one year.

11. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Trade creditors	2,491	<i>1,564</i>
Amounts owed to group undertakings	19,943	<i>14,026</i>
Amounts owed to associated undertakings	424	<i>369</i>
Other taxation and social security	80	<i>76</i>
Accruals and deferred income	131	<i>82</i>
	<u>23,069</u>	<u><i>16,117</i></u>

Amounts owed to group undertakings are non-interest bearing and payable on standard payment terms.

ROMTECH LIMITED

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12. Creditors: Amounts falling due after more than one year

	2021	2020
	£000	£000
Secured loan	2,633	1,400
Other provisions	174	174
	<u>2,807</u>	<u>1,574</u>

The ABL Facility Loan is part of a £160 million facility committed until December 2023 where interest is payable at a spread above LIBOR/SONIA per annum and is secured by a fixed charge on trade debtors, inventories and plant and machinery. Financial covenants are managed at Celsa UK Group level.

13. Deferred taxation

	2021	2020
	£000	£000
At beginning of year	63	3
(Charged)/credited to profit and loss account (note 7)	(5)	60
At end of year	<u>58</u>	<u>63</u>

The deferred tax asset is made up as follows:

	2021	2020
	£000	£000
Capital allowances (accelerated)/decelerated	(17)	2
Unutilised tax losses	75	60
Other timing differences	-	1
	<u>58</u>	<u>63</u>

14. Share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
1 (2020 - 1) Ordinary Shares share of £1	<u>-</u>	<u>-</u>

ROMTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15. Contingent liabilities

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

As at 31 December 2021, the group bank loans, secured loans and overdrafts amounted to £8,582 thousand (2020 – £13,629 thousand), of which £2,633 thousand (2020 – £1,400 thousand) related to Romtech Limited.

16. Pension commitments

The company participates in a defined benefit pension scheme operated by a group company, ROM Limited, with identification of individual company shares not being possible. Pension contributions are charged to pension costs as incurred. The defined benefit pension scheme was closed to future accrual of benefits with effect from 30th June 2012 and was replaced with a defined contribution scheme. The amounts detailed in this disclosure relate purely to the defined benefit scheme.

The assets of the scheme are held separately from those of the group. The contributions, based on pension costs across the group as a whole, are determined by a qualified actuary on the basis of triennial valuations using the projected unit method and have been updated for the current year in accordance with FRS 102 and this results in a surplus of £4,712 thousand (2020 – surplus of £1,253 thousand) before deferred taxation.

Details of the most recent valuation of the scheme are contained in the annual report and accounts of ROM Group Limited and Rom Limited for the year ended 31 December 2021.

The contributions made by the company for members of this scheme during the year totalled £nil (2020 – £nil).

The pension cost for the year represents contributions payable by the company to the fund and amounted to £82 thousand (2020 – £84 thousand). At 31 December 2021 the outstanding commitment payable was £7 thousand (2020 – £7 thousand)

17. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	161	170
Later than 1 year and not later than 5 years	566	592
Later than 5 years	214	349
	<u>941</u>	<u>1,111</u>

ROMTECH LIMITED

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18. 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.

The company has outstanding balances with related parties which are disclosed separately in notes 10 and 11.

19. Controlling party

The immediate parent company is ROM Group Limited, a company incorporated in England and 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, South Glamorgan, CF24 5NN. The ultimate parent undertaking and controlling party is Catalunya Steel SL, which is a company incorporated in Spain.