

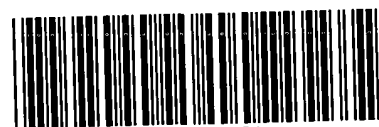
Registration number: 3683003

Rollalong Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2015

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Rollalong Limited
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Rollalong Limited
Company Information

Directors	S E J Compson J D Clarkson M Sayers T Woodley J W Newman R J Newman A P Bale
Company secretary	A S Harrison
Registered office	Woolsbridge Industrial Estate Three Legged Cross Wimborne Dorset BH21 6SF
Bankers	HSBC Bank PLC
Auditors	BDO LLP Chartered Accountants Beaufort House 31 Chertsey Street Guildford Surrey GU1 4HD

Rollalong Limited
Directors' Report for the Year Ended 31 December 2015

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

Directors of the company

The directors who held office during the year were as follows:

S E J Compson

J D Clarkson

M Sayers

T Woodley

J W Newman

R J Newman

A P Bale

Principal activity

The principal activity of the company is the design, manufacture and installation of high quality modular buildings and portable accommodation.

The directors do not recommend the payment of a dividend (2014: £nil).

Future developments

Despite the challenging trading and economic conditions, the company expects to increase the business turnover in 2016 following the successful negotiation of some substantial contracts in the last quarter of the year. The company is also looking for additional opportunities.

Research and development

The company places strong emphasis on research and development which is needed to expand the scope of the products and manufacturing techniques required to meet the changing demands of the customers and the markets we serve.

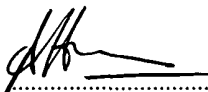
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of BDO LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 23 March 2016 and signed on its behalf by:



.....
A S Harrison
Company secretary

Rollalong Limited

Strategic Review for the Year Ended 31 December 2015

Business review

Fair review of the business

Turnover for the year ended 31 December 2015 was £30.4 million. Turnover increased by 77% compared to the previous year. The operating profit before taxation amounted to £0.8 million (2014: £0.2m). The directors do not recommend the payment of a dividend (2014: £nil).

The company has delivered a number of high quality projects including accommodation units to military sites under a series of contracts across the South of England, as well as schools and welfare units to local authorities in the Midlands. The new building systems have and continue to be successful with greater manufacturing efficiencies being achieved. The company has also completed the construction of its new office complex at its head office site.

The company's key financial and other performance indicators during the year were as follows:

	2015	2014
Sales £'000	30,429	17,169
Gross Profit %	9	11
Inventory £'000	905	819

Principal risks and uncertainties

The company uses financial instruments, other than derivatives, comprising overdrafts, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Competition risk

The company operates in a highly competitive market. Combined with budgetary constraints this could lead customers to accept lower cost competitors and substitute products leading to price pressure, margin erosion or lost business. We aim to build strong relationships with our key customers including reviews of products, pricing and other demands, whilst also ensuring that operational efficiencies are sought, enabling lower cost manufacturing to drive margin improvements. We also monitor our competitors and any potential new entrants to the market.

Key Contract risks

The company can rely heavily on a small number of core contracts. This could lead to the risk of over reliance on key contracts, price pressure, default and not achieving the expected orders. To mitigate these risks, the company keeps in close contact with its customers to ensure that the contracts progress in accordance with customer expectations and that any concerns are addressed. The company also monitors the customers by their performance with their stakeholders. By reviewing the customer base and market concentration and diversifying into new sectors and regions, the company can try to mitigate some of these risks.

Key Staff

The company recognises the risks in selecting, training and retaining the people we need. To mitigate the risks management regularly review human resources and share best practice across all departments. The company also ensures regular reviews of development, opportunities, appraisal and succession planning.

Rollalong Limited
Strategic Review for the Year Ended 31 December 2015

..... continued

Liquidity risk and interest rate risk

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities. Debt is structured so repayments can be made out of cash generated through operations.

Interest rate risk

The company finances its operation through a mixture of retained profits, bank overdraft and borrowing from group companies. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Approved by the Board on 23 March 2016 and signed on its behalf by:



.....
A S Harrison
Company secretary

Rollalong Limited

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 that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

Independent Auditor's Report to the Members of Rollalong Limited

We have audited the financial statements of Rollalong Limited for the year ended 31 December 2015, which comprise the profit and loss account, the balance sheet and the related notes. 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 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 Statement of Directors' Responsibilities (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. 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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; 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 and Strategic Review for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Rollalong Limited**

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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.



.....
Mr Kevin Cook (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

Chartered Accountants
Beaufort House
31 Chertsey Street
Guildford
Surrey
GU1 4HD

23 March 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Rollalong Limited
Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Turnover	2	30,429	17,169
Cost of sales		<u>(27,796)</u>	<u>(15,214)</u>
Gross profit		2,633	1,955
Administrative expenses		(1,872)	(1,863)
Other operating income		<u>81</u>	<u>92</u>
Operating profit	3	842	184
Other interest receivable and similar income	16	137	143
Effect of FRS 17 Paragraph 41	16	(137)	(143)
Interest payable and similar charges	6	<u>(5)</u>	<u>(3)</u>
Profit on ordinary activities before taxation		837	181
Tax (charge) / credit on profit on ordinary activities	7	<u>(171)</u>	<u>30</u>
Profit for the financial year	14	<u><u>666</u></u>	<u><u>211</u></u>


All amounts relate to continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Rollalong Limited
(Registration number: 3683003)
Balance Sheet at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Fixed assets			
Tangible fixed assets	8	<u>1,823</u>	<u>398</u>
Current assets			
Stocks	10	905	819
Debtors	11	13,833	8,832
Cash at bank and in hand		<u>1,836</u>	<u>207</u>
		16,574	9,858
Creditors: Amounts falling due within one year	12	<u>(11,139)</u>	<u>(3,664)</u>
Net current assets		<u>5,435</u>	<u>6,194</u>
Net assets		<u>7,258</u>	<u>6,592</u>
Capital and reserves			
Called up share capital	13	4,525	5,525
Capital redemption reserve	14	1,000	-
Profit and loss account	14	<u>1,733</u>	<u>1,067</u>
Shareholders' funds	15	<u>7,258</u>	<u>6,592</u>

Approved and authorised for issue by the Board on 23 March 2016 and signed on its behalf by:


.....
R J Newman
Director

Rollalong Limited
Notes to the Financial Statements for the Year Ended 31 December 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost accounting convention.

The Directors have acknowledged the latest guidance on going concern and have formed a judgement at the time of approving the financial statements, having made all relevant enquiries, that the company has adequate resources at its disposal to continue its operations for the foreseeable future.

The accounts have been made up to the 2nd January 2016 as permitted by section 390(3)(b) of the Companies Act 2006.

The principal accounting policies of the company are set out below and remain unchanged from the previous year.

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Exemption from preparing group accounts

The company has taken exemption from preparing group accounts as it is included in consolidated accounts for a larger group which are drawn up as full consolidated audited accounts which are filed at Companies House.

The company is a wholly owned sub-subsidiary of Newship Limited, a company incorporated and registered in England and Wales, and the cash flows of the company are included in the consolidated group cash flow statement of Newship Limited. Consequently the company is exempt under the terms of Financial Reporting Standard 1 (revised 1996) from publishing a cash flow statement.

These accounts present information in regard of the individual undertaking only, and do not include information on its subsidiary.

Turnover

Turnover is the total amount receivable for goods supplied and services provided, excluding VAT and trade discounts.

Rental income, excluding VAT, from an operating lease, in respect of the hiring of a temporary building, which is credited to the profit and loss account on a straight line basis over the term of the lease.

Turnover on construction projects is recognised at key stages throughout the production and installation process. This is standard practice in the construction sector.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Asset class	Depreciation method and rate
Plant and equipment	5 - 10 years
Leasehold improvements	The period of the lease
Motor vehicles	4 years
IT equipment and software	3 years
Office furniture and equipment	3 years

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

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Research and development

Research and development expenditure is charged to the profit and loss account in the period in which it is incurred. Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and amortised in line with the expected sales arising from the projects. All other development costs are written off in the year of expenditure.

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Long term contracts

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long-term contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

The deferred tax balance is not discounted.

Hire purchase and leasing

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Dividends and distributions relating to equity instruments are debited direct to equity.

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

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Pensions

The company operates both a money purchase and a defined benefit pension scheme. The costs of the money purchase scheme are charged to the profit and loss account as incurred.

The costs of the defined benefit pension scheme are accounted for in accordance with FRS17. The full service cost of providing the defined benefit scheme, together with the cost of any benefits relating to past service, is charged to the profit and loss account.

A charge equal to the expected increase in the present value of the scheme liabilities (because the benefits are now closer to settlement) and a credit equal to the equivalent value of the long-term expected return on the defined benefit scheme's assets (based on the market value of those assets at the start of the period), are included in the profit and loss account as 'other finance income'.

The difference between the market value of the assets of the scheme and the present value of accrued pension liabilities is shown as a net liability on the balance sheet. Any difference between the expected return on assets and that actually achieved is recognised in the statement of total gains and losses, along with differences which arise from experience or assumption changes.

The defined benefit pension scheme under the FRS 17 valuation is in surplus. As the scheme is closed to future accruals and is fully funded under the provisions of FRS17, the company is not required to make payments into the scheme. As there is no funding requirement and no documented option to recover a surplus from the scheme the net pension asset is not allowed to be included in the Balance Sheet for the company.

Under the provisions of FRS17 if the scheme is in surplus and there is no ability to reclaim the surplus, a balancing entry equal and opposite to the 'other finance income' should be included. This balancing entry should be made to adjust the operating profit.

The above adjustment figures are non-cash items and do not reflect nor have any bearing upon the operating performance of the company. In a departure from FRS17 the directors have decided not to include the value in the operating profit, rather they have shown it under 'other finance income'.

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

2 Turnover

An analysis of turnover by class of business and geographic area is given below:

	2015 £ 000	2014 £ 000
Building - United Kingdom	30,081	16,862
Rental income	348	307
	<u>30,429</u>	<u>17,169</u>

All turnover is derived in the UK.

3 Operating profit

Operating profit is stated after charging:

	2015 £ 000	2014 £ 000
Operating leases - plant and machinery	141	146
Operating leases - other assets	600	268
Auditor's remuneration - The audit of the company's annual accounts	26	22
Foreign currency gains	-	(2)
Loss on sale of tangible fixed assets	-	1
Depreciation of owned assets	158	102
Research and development costs	<u>37</u>	<u>-</u>

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Administration and support	14	12
Production	69	61
	<u>83</u>	<u>73</u>

The aggregate payroll costs were as follows:

	2015 £ 000	2014 £ 000
Wages and salaries	3,984	2,592
Social security costs	321	205
Staff pensions	109	134
	<u>4,414</u>	<u>2,931</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £ 000	2014 £ 000
Remuneration	187	217
Company contributions paid to money purchase schemes	<u>17</u>	<u>16</u>

During the year the number of directors who were receiving benefits was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>3</u>

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

In respect of the highest paid director:

	2015 £ 000	2014 £ 000
Remuneration	100	99
Company contributions to money purchase pension schemes	<u>9</u>	<u>8</u>

6 Interest payable and similar charges

	2015 £ 000	2014 £ 000
Interest on bank borrowings	<u>5</u>	<u>3</u>
	<u>5</u>	<u>3</u>

7 Taxation

Tax on profit on ordinary activities

	2015 £ 000	2014 £ 000
Current tax		
Corporation tax charge	121	33
Adjustments in respect of previous years	<u>-</u>	<u>(76)</u>
UK Corporation tax	121	(43)
Deferred tax		
Origination and reversal of timing differences	<u>50</u>	<u>13</u>
Total tax on profit on ordinary activities	<u>171</u>	<u>(30)</u>

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... continued

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 21%).

The differences are reconciled below:

	2015 £ 000	2014 £ 000
Profit on ordinary activities before taxation	837	181
Corporation tax at standard rate	167	38
Depreciation in excess of capital allowances	(49)	(9)
Timing differences	2	4
Over accrual of tax payable in prior period	-	(76)
Effect of Higher rate at start of the year	1	-
Total current tax	121	(43)

8 Tangible fixed assets

	Plant and machinery £ 000	Leasehold improvements £ 000	Total £ 000
Cost or valuation			
At 1 January 2015	2,346	675	3,021
Additions	569	1,014	1,583
Disposals	(3)	-	(3)
At 31 December 2015	2,912	1,689	4,601
Depreciation			
At 1 January 2015	2,173	450	2,623
Charge for the year	105	53	158
Eliminated on disposals	(3)	-	(3)
At 31 December 2015	2,275	503	2,778
Net book value			
At 31 December 2015	637	1,186	1,823
At 31 December 2014	173	225	398

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

9 Investments held as fixed assets

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary undertakings	Proportion of voting rights and shares held	Principal activity
Rollalong Properties Limited	100%	Dormant

10 Stocks

	2015 £ 000	2014 £ 000
Raw materials	329	124
Work in progress	<u>576</u>	<u>695</u>
	<u>905</u>	<u>819</u>

There is no material difference between the replacement cost of stock and the values stated above.

11 Debtors

	2015 £ 000	2014 £ 000
Trade debtors	290	716
Amounts recoverable on long term contracts	7,206	900
Amounts owed by group undertakings	5,849	6,422
Other debtors	52	45
Prepayments and accrued income	433	696
Deferred tax	<u>3</u>	<u>53</u>
	<u>13,833</u>	<u>8,832</u>

All amounts shown under debtors fall due for payment within one year.

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	£ 000
At 1 January 2015	53
Deferred tax charged to the profit and loss account	(50)
At 31 December 2015	<u>3</u>

Analysis of deferred tax

	2015 £ 000	2014 £ 000
Difference between accumulated depreciation and capital allowances	<u>3</u>	<u>53</u>
	<u>3</u>	<u>53</u>

12 Creditors: Amounts falling due within one year

	2015 £ 000	2014 £ 000
Trade creditors	8,095	2,439
Amounts owed to group undertakings	163	-
Other taxes and social security	684	343
Accruals and deferred income	1,965	882
Provision against loss making contracts	<u>232</u>	<u>-</u>
	<u>11,139</u>	<u>3,664</u>

13 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>4,525</u>	<u>4,525</u>	<u>5,525</u>	<u>5,525</u>

During the year the directors reduced the share capital by 1,000,000 £1 shares. The reduction has been credited to a capital redemption reserve on the balance sheet.

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

14 Reserves

	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2015	-	1,067	1,067
Profit for the year	-	666	666
Other reserve movements	1,000	-	1,000
At 31 December 2015	1,000	1,733	2,733

15 Reconciliation of movement in shareholders' funds

	2015 £ 000	2014 £ 000
Profit attributable to the members of the company	666	211
Other ordinary share capital movements	(1,000)	-
Other capital redemption reserve movements	1,000	-
Net addition to shareholders' funds	666	211
Shareholders' funds at 1 January	6,592	6,381
Shareholders' funds at 31 December	7,258	6,592

16 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £109,000 (2014: £134,000). Contributions totalling £nil (2014: £nil) were payable to the scheme at the end of the year and are included in creditors.

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

Defined benefit pension schemes

Rollalong pension scheme

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 May 2013 and updated to 31 December 2015 by a qualified independent actuary.

Contributions payable to the pension scheme at the end of the year are £nil (2014: £nil).

The total contributions in the next year are expected to be £nil.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2015 £ 000	2014 £ 000
Fair value of scheme assets	9,302	9,661
Present value of scheme liabilities	(7,647)	(8,053)
	1,655	1,608
Amounts not recognised as an asset under FRS 17 paragraph 41	(1,655)	(1,608)
Net asset/(liability) in the balance sheet	-	-

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2015 £ 000	2014 £ 000
Fair value at start of year	9,661	8,979
Expected return on assets	436	485
Actuarial (losses) / gains	(416)	512
Benefits paid	(379)	(315)
Fair value at end of year	9,302	9,661

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... continued

Analysis of assets

The major categories of scheme assets are as follows:

	2015 £ 000	2014 £ 000
Equity instruments	4,509	4,448
Debt instruments	4,716	5,182
Cash	77	31
	<u>9,302</u>	<u>9,661</u>

Actual return on scheme's assets

	2015 £ 000	2014 £ 000
Actual return on scheme assets	<u>20</u>	<u>997</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

To develop the expected long term rate of return assumption, the Company considered the level of expected returns on risk free investments (primarily Government bonds), the historic level of risk premiums associated with other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the actual asset allocation to develop the expected long term rate of return assumption for the portfolio. This resulted in the selection of an average assumption of 4.68% for the year to 31 December 2015.

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2015 £ 000	2014 £ 000
Present value at start of year	8,053	7,601
Actuarial (gains) / losses	(326)	425
Interest cost	299	342
Benefits paid	<u>(379)</u>	<u>(315)</u>
Present value at end of year	<u>7,647</u>	<u>8,053</u>
Analysed as:		
Present value arising from wholly or partly funded schemes	<u>7,647</u>	<u>8,053</u>

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

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Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

	2015 %	2014 %
Discount rate	4.10	3.80
Future salary increases	2.80	2.80
Future pension increases	2.80	2.80
Inflation	2.80	2.80
Expected return on scheme assets - equity	6.50	6.50
Expected return on scheme assets - cash	0.50	0.50
Expected return on scheme assets - other	3.00	3.00

Post retirement mortality assumptions

	2015 Years	2014 Years
Current pensioners at retirement age - male	22.00	22.00
Current pensioners at retirement age - female	24.00	24.00
Future pensioners at retirement age - male	23.00	23.00
Future pensioners at retirement age - female	26.00	26.00

Amounts recognised in the profit and loss account

	2015 £ 000	2014 £ 000
Amounts recognised in profit		
Effect of FRS 17 paragraph 41	137	143
Recognised in profit	137	143
Amounts recognised in other finance cost		
Interest cost	299	342
Expected return on scheme assets	(436)	(485)
Recognised in other finance cost	(137)	(143)
Total recognised in the profit and loss account	-	-

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... continued

Amounts recognised in the statement of total recognised gains and losses

	2015 £ 000	2014 £ 000
Actual return less expected return on scheme assets	(416)	512
Changes in assumptions	334	(407)
Deferred tax on actuarial gain	(8)	(18)
Effect of FRS 17 paragraph 41 surplus cap	90	(87)
Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses	-	-

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and (losses) since 1 January 2002 is (£993,000) (2014 - (£993,000)).

History of experience adjustments on scheme assets and liabilities

Amounts for the current and previous 4 periods are as follows:

	2015 £ 000	2014 £ 000	2013 £ 000	2012 £ 000	2011 £ 000
Fair value of scheme assets	9,302	9,661	8,979	8,545	7,974
Present value of scheme liabilities	(7,647)	(8,053)	(7,601)	(6,820)	(6,596)
Surplus in scheme	1,655	1,608	1,378	1,725	1,378
Experience adjustments:					
	2015 £ 000	2014 £ 000	2013 £ 000	2012 £ 000	2011 £ 000
Experience adjustments arising on scheme assets	(416)	512	298	347	51
Experience adjustments arising on scheme liabilities	(8)	(18)	26	(209)	(91)

17 Contingent liabilities

Guarantee given in the normal course of business. The amount guaranteed is £1,307,000 (2014 - £100,000).

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

18 Commitments

Operating lease commitments

As at 31 December 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £ 000	2014 £ 000
Land and buildings		
Within one year	150	-
Within two and five years	-	150
Over five years	450	450
	<u>600</u>	<u>600</u>
Other		
Within one year	10	-
Within two and five years	118	214
	<u>128</u>	<u>214</u>

19 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Mepstar Finance Limited

(related party by virtue of common control)

The company hires equipment and vehicles from Mepstar Finance Limited on an operating lease basis. Payments in the year totalled £146,000. At the balance sheet date the amount due to Mepstar Finance Limited was £nil (2014 - £2,157).

Burnt Common Nurseries Limited

(related party by virtue of common control)

The company hires equipment from Burnt Common Nurseries Limited on an operating lease basis. Payments in the year totalled £150,000. At the balance sheet date the amount due to Burnt Common Nurseries Limited was £nil (2014 - £nil).

Jenks & Cattell Engineering Limited

(related party by virtue of common control)

The company purchased goods and services in the year totaling £125,000. Transactions were on normal credit terms. At the balance sheet date the amount due to Jenks & Cattell Engineering Limited was £3,000 (2014 - £nil).

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group.

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... continued

20 Control

Rollalong Holdings Limited is the controlling party by virtue of its 100% interest in the company.

The largest group in which the results of the company are consolidated is that headed by Newship Group Limited and the smallest group in which the results of the company are consolidated is that headed by Newship Limited, both entities are incorporated in England and Wales. The consolidated accounts of these companies are available to the public and may be obtained from Fernside Place, 179 Queens Road, Weybridge, Surrey KT13 0AH.

The ultimate controlling company is Newship Group Limited.

The company's ultimate controlling party is J W Newman, by virtue of his majority shareholding in Newship Group Limited.