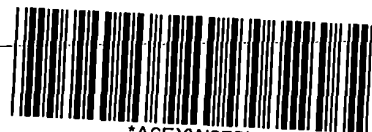


Registration number: 3683003

# Rollalong Limited

Annual Report and Financial Statements  
for the Year Ended 31 December 2016

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## **Rollalong Limited**

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## **Rollalong Limited**

### **Company Information**

<b>Directors</b>	S E J Compson J D Clarkson J W Newman R J Newman
<b>Company secretary</b>	A S Harrison
<b>Registered office</b>	Woolsbridge Industrial Estate , Three Legged Cross Wimborne Dorset BH21 6SF
<b>Bankers</b>	HSBC Bank PLC
<b>Auditors</b>	RSM UK Audit LLP Chartered Accountants Third floor One London Square Cross Lanes Guildford GU1 1UN

## Rollalong Limited

### Strategic Report for the Year Ended 31 December 2016

The Directors present their strategic report for the year ended 31 December 2016.

#### Fair review of the business

Turnover for the year ended 31 December 2016 was £28.6 million, a reduction of 6% compared to the previous year. The operating loss before taxation amounted to £0.9 million (2015: £0.8m profit). The directors do not recommend the payment of a dividend (2015: £nil).

The Company experienced delays to certain contracts resulting from inclement weather conditions and new building regulations, which caused the disappointing result. However it has continued to deliver 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 is currently constructing additional manufacturing facilities at its main site.

At the year-end two contracts operated by Rollalong Limited were in dispute with claims and counter claims being made. Significant uncertainty surrounds these claims however management estimate that the net position of these claims is neutral to the company. As such no adjustments have been made to these financial statements.

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

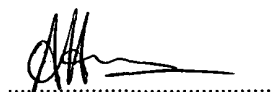
	Unit	2016	2015
Sales	£'000	28,571	30,429
Gross Profit	%	1	9
Stock	£'000	709	905

#### Future developments

Despite a challenging 2016 the Company looks forward to a much improved 2017 with a strong order book.

The Directors have chosen to show information relating to principal risks and uncertainties in the Directors Report.

Approved by the Board on 30 March 2017 and signed on its behalf by:



A S Harrison  
Company secretary

## **Rollalong Limited**

### **Directors' Report for the Year Ended 31 December 2016**

The Directors present their report and the financial statements for the year ended 31 December 2016.

#### **Principal activity**

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

#### **Directors of the Company**

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

S E J Compson

J D Clarkson

M Sayers (Resigned 5 July 2016)

T Woodley (Resigned 1 December 2016)

J W Newman

R J Newman

A P Bale (Resigned 30 March 2016)

#### **Financial instruments**

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

#### ***Principal risks and uncertainties***

##### **Interest rate risk**

The Company finances its operations 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. The Directors do not feel there is significant exposure in respect of price risk, credit risk or cashflow risk.

##### **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

### Directors' Report for the Year Ended 31 December 2016

#### *Price risk, credit risk, liquidity risk and cash flow 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.

##### **Employment of disabled persons**

The Company gives equal opportunities to disabled persons wherever possible both in recruitment and career development.

##### **Employee involvement**

The Directors attach the greatest importance to the development of employee involvement throughout the Company based on good communications and working relationships. Consultation takes place through normal contacts with departments and in meetings at all levels of employees to assist the employees to become more aware of the financial and economic factors affecting the performance of the company.

##### **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. The expense in the year is shown in note 5.

Under section s414c(11) the Directors have not shown future developments in the Directors Report as it is included in the Strategic Report.

##### **Disclosure of information to the auditor**

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 auditor are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor are unaware.

##### **Reappointment of auditor**

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

Approved by the Board on 30 March 2017 and signed on its behalf by:



A S Harrison  
Company secretary

## **Rollalong Limited**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Strategic Report, 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;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the 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 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.

## **Rollalong Limited**

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

#### **Opinion on the financial statements**

We have audited the financial statements on pages 8 to 29. 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), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic report and the 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 any material misstatements in the Strategic Report or the Directors' report.

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.

#### **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 Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.



## **Rollalong Limited**

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

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.

*RSM UK Audit LLP*

.....  
Christopher Hurren (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants  
Third floor  
One London Square  
Cross Lanes  
Guildford  
GU1 1UN

Date: *28 APRIL 2017*

## Rollalong Limited

### Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Turnover	3	28,571	30,429
Cost of sales		<u>(28,192)</u>	<u>(27,796)</u>
Gross profit		379	2,633
Administrative expenses		(1,433)	(1,872)
Other operating income	4	<u>138</u>	<u>81</u>
Operating (loss)/profit	5	(916)	842
Interest payable and similar charges	6	<u>(4)</u>	<u>(5)</u>
(Loss)/profit on ordinary activities before tax		(920)	837
Taxation	9	<u>217</u>	<u>(171)</u>
(Loss)/profit for the financial year		<u><u>(703)</u></u>	<u><u>666</u></u>

The notes on pages 12 to 29 form an integral part of these financial statements.

## Rollalong Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
(Loss)/profit for the year		<u>(703)</u>	<u>666</u>
Total comprehensive income for the year		<u><u>(703)</u></u>	<u><u>666</u></u>

# Rollalong Limited

(Registration number: 3683003)  
Balance Sheet as at 31 December 2016

	Note	2016 £ 000	2015 £ 000
<b>Fixed assets</b>			
Tangible assets	10	2,435	1,823
<b>Current assets</b>			
Stocks	12	709	905
Debtors	13	12,393	13,833
Cash at bank and in hand	14	-	1,836
		13,102	16,574
<b>Creditors: Amounts falling due within one year</b>	15	(8,982)	(11,139)
<b>Net current assets</b>		4,120	5,435
<b>Net assets</b>		6,555	7,258
<b>Capital and reserves</b>			
Called up share capital	17	4,525	4,525
Capital redemption reserve	18	-	1,000
Profit and loss account	18	2,030	1,733
<b>Total equity</b>		6,555	7,258

Approved and authorised by the Board on 30 March 2017 and signed on its behalf by:



R J Newman  
Director

# Rollalong Limited

## Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £ 000	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2015	5,525	-	1,067	6,592
Profit for the year	-	-	666	666
Total comprehensive income	-	-	666	666
Other share capital movements	(1,000)	-	-	(1,000)
Other capital redemption reserve movements	-	1,000	-	1,000
At 31 December 2015	4,525	1,000	1,733	7,258
	Share capital £ 000	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2016	4,525	1,000	1,733	7,258
Loss for the year	-	-	(703)	(703)
Total comprehensive income	-	-	(703)	(703)
Other capital redemption reserve movements	-	(1,000)	1,000	-
At 31 December 2016	4,525	-	2,030	6,555

The notes on pages 12 to 29 form an integral part of these financial statements.

## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **1 General information**

The Company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is:

Woolsbridge Industrial Estate

Three Legged Cross

Wimborne

Dorset

BH21 6SF

These financial statements were authorised for issue by the Board on 30 March 2017.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **First time adoption of FRS 102**

These financial statements are the first financial statements of Rollalong Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Rollalong Limited for the year ended 31 December 2016 were prepared in accordance with UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the Directors have amended certain accounting policies to comply with FRS 102. The Directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under UK GAAP are given at the end of these accounts.

## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **Summary of disclosure exemptions**

The Company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts for financial instruments measured at amortised cost or cost less impairment, interest income/expense and net gains/losses for financial instruments measured at amortised cost, loan defaults or breaches, and descriptions of hedging relationships
- Section 33 'Related Party Disclosures' – Compensation for key management personnel..

#### **Name of parent of group**

These financial statements are consolidated in the financial statements of Newship Limited.

The financial statements of Newship Limited may be obtained from Fernside Place, 179 Queens Road, Weybridge, Surrey, KT13 0AH.

#### **Group accounts not prepared**

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

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

#### **Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from time of approval. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement

Long term contracts

The Company undertakes long term contracts which extend over reporting dates. The Company makes estimates and assumptions as to the stage of completion of each contract. The contract is separated into clearly identifiable elements, usually on a building by building basis. Each individual element is measured and estimates of the stage of completion are calculated based on known costs and time to complete the project.

#### **Key sources of estimation uncertainty**

Pension scheme

Significant impacts arise within the financial statements as a result of the changes in the assumptions in respect of the valuation of the pension scheme. In order to obtain a fair valuation, the Directors take advice from external actuaries as to the assumptions to be used taking account of market data and conditions at the year end. The carrying amount is £Nil (2015 -£Nil).

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities.

#### **Contract revenue recognition**

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 or gross amounts due from contracts 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.

#### **Rental income**

Rental income from operating leases is recognised on a straight line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight line basis.



## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **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.

#### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the Balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold Improvements	The period of the lease
Plant and equipment	3 - 10 years

## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Financial instruments**

##### **Financial assets**

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Financial liabilities and equities**

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### Defined benefit pension obligation

##### Defined benefits plan

The Company has a defined benefit pension scheme which is closed to future accrual.

Net interest on the net defined benefit liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The net interest is recognised in the profit and loss account.

Gains and losses arising from changes in actuarial assumptions and the difference between the interest income on the plan assets and the return on the plan assets are recognised in other comprehensive income.

The defined pension scheme is funded, with assets held separately from the Company in separate trustee-administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected credit unit method and discounted at the current rate of return on high quality corporate bonds of equivalent term and currency. A pension scheme liability is recognised to the extent that the Company has a legal or constructive obligation to settle the liability and as an asset recognised where the Company has a right to recover monies from the scheme.

### 3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2016 £ 000	2015 £ 000
Sale of goods and contract revenue	28,218	30,081
Rental income	353	348
	<u>28,571</u>	<u>30,429</u>

The analysis of the Company's turnover for the year by market is as follows:

	2016 £ 000	2015 £ 000
UK	<u>28,571</u>	<u>30,429</u>

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 4 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2016 £ 000	2015 £ 000
Miscellaneous other operating income	138	81

#### 5 Operating loss

Arrived at after charging/(crediting)

	2016 £ 000	2015 £ 000
Depreciation expense	251	158
Research and development cost	57	37
Foreign exchange (gains)/losses	(11)	56
Operating lease expense - property	400	600
Operating lease expense - plant and machinery	136	141
Audit of the financial statements	25	26
Stock charged as an expense	22,317	20,802

#### 6 Interest payable and similar charges

	2016 £ 000	2015 £ 000
Interest on bank overdrafts and borrowings	4	5

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £ 000	2015 £ 000
Wages and salaries	4,138	3,984
Social security costs	247	321
Pension costs, defined contribution scheme	97	109
	4,482	4,414

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

	2016 No.	2015 No.
Production	80	69
Administration and support	16	14
	96	83

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £ 000	2015 £ 000
Remuneration	170	187
Contributions paid to money purchase schemes	35	17
	<u>205</u>	<u>204</u>

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2016 No.	2015 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

#### 9 Taxation

Tax charged/(credited) in the income statement

	2016 £ 000	2015 £ 000
<b>Current taxation</b>		
UK corporation tax	(217)	121
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>-</u>	<u>50</u>
Tax (receipt)/expense in the income statement	<u>(217)</u>	<u>171</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016 £ 000	2015 £ 000
(Loss)/profit before tax	<u>(920)</u>	<u>837</u>
Corporation tax at standard rate	(184)	167
Tax increase (decrease) from effect of capital allowances and depreciation	(33)	(49)
Tax increase (decrease) from other short-term timing differences	-	3
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>50</u>
Total tax (credit)/charge	<u>(217)</u>	<u>171</u>

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 10 Tangible assets

	Leasehold improvements £ 000	Assets under construction £ 000	Plant and machinery £ 000	Total £ 000
<b>Cost</b>				
At 1 January 2016	1,689	-	2,912	4,601
Additions	-	737	126	863
Transfers	205	(252)	47	-
At 31 December 2016	<u>1,894</u>	<u>485</u>	<u>3,085</u>	<u>5,464</u>
<b>Depreciation</b>				
At 1 January 2016	503	-	2,275	2,778
Charge for the year	126	-	125	251
At 31 December 2016	<u>629</u>	<u>-</u>	<u>2,400</u>	<u>3,029</u>
<b>Carrying amount</b>				
At 31 December 2016	<u>1,265</u>	<u>485</u>	<u>685</u>	<u>2,435</u>
At 31 December 2015	<u>1,186</u>	<u>-</u>	<u>637</u>	<u>1,823</u>

#### 11 Investments in subsidiaries, joint ventures and associates

##### 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:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
Rollalong Properties Limited	England and Wales	Ordinary	100%	100%

The principal activity of Rollalong Properties Limited is a dormant company

#### 12 Stocks

	2016 £ 000	2015 £ 000
Raw materials and consumables	210	329
Work in progress	499	576
	<u>709</u>	<u>905</u>

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 13 Debtors

	2016 £ 000	2015 £ 000
Trade debtors	268	290
Amounts owed by group undertakings	3,477	5,849
Gross amount due from customers for contract work	7,793	7,206
Income tax asset	149	-
Other debtors	149	52
Prepayments	554	433
Deferred tax assets	3	3
Total current trade and other debtors	<u>12,393</u>	<u>13,833</u>

#### 14 Cash and cash equivalents

	2016 £ 000	2015 £ 000
Cash at bank	-	1,836

#### 15 Creditors

	Note	2016 £ 000	2015 £ 000
<b>Due within one year</b>			
Bank overdraft			
Trade creditors	19	418	-
Amounts due to group undertakings		3,502	8,095
Income tax liability		-	163
Social security and other taxes		-	123
Other current financial liabilities		164	561
Accrued expenses		-	232
		<u>4,898</u>	<u>1,965</u>
		<u>8,982</u>	<u>11,139</u>

The bank overdrafts are secured by a fixed and floating charge over the assets of the Company.

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 16 Pension and other 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 £97,000 (2015 - £109,000).

##### Defined benefit pension schemes

##### Rollalong pension scheme

The Company operates a defined benefit pension scheme in the UK. The scheme was closed to future accrual in 2013. A full actuarial valuation was carried out at 5 April 2013 and updated to 31 December 2016 by a qualified independent actuary.

##### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

The amounts recognised in the statement of financial position are as follows:

	2016 £ 000	2015 £ 000
Fair value of scheme assets	10,861	9,302
Present value of defined benefit obligation	<u>(9,168)</u>	<u>(7,647)</u>
Surplus not recognised in the financial statements	1,693	1,655
Defined benefit pension scheme surplus/(deficit) recognised	<u>(1,693)</u>	<u>(1,655)</u>
	<u>-</u>	<u>-</u>

##### *Defined benefit obligation*

Changes in the defined benefit obligation are as follows:

	2016 £ 000
Present value at start of year	
Interest cost	7,647
Actuarial gains and losses	307
Benefits paid	1,517
	<u>(303)</u>
Present value at end of year	<u>9,168</u>



## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### *Fair value of scheme assets*

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

	2016 £ 000
Fair value at start of year	9,302
Interest income	307
Return on plan assets, excluding amounts included in interest income/(expense)	1,555
Benefits paid	(303)
Fair value at end of year	<u>10,861</u>

#### *Analysis of assets*

The major categories of scheme assets are as follows:

	2016 £ 000	2015 £ 000
Cash and cash equivalents	34	77
Equity instruments	5,406	4,509
Debt instruments	<u>5,421</u>	<u>4,716</u>
	<u>10,861</u>	<u>9,302</u>

#### *Return on scheme assets*

	2016 £ 000	2015 £ 000
Return on scheme assets	<u>1,862</u>	<u>20</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.

#### *Principal actuarial assumptions*

The principal actuarial assumptions at the statement of financial position date are as follows:

	2016 %	2015 %
Discount rate	2.70	4.10
Future salary increases	3.20	2.80
Future pension increases	3.20	2.80
Inflation	<u>3.20</u>	<u>2.80</u>

# Rollalong Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016

### Post retirement mortality assumptions

	2016 Years	2015 Years
Current UK pensioners at retirement age - male	21	22
Future UK pensioners at retirement age - male	22	23

### 17 Share capital

#### Allotted, called up and fully paid shares

	2016		2015	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	4,525	4,525	4,525	4,525

#### Rights, preferences and restrictions

Ordinary share have the following rights, preferences and restrictions:

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 18 Reserves

Profit and loss account

This is cumulative profit and loss net of distributions to owners.

### 19 Loans and borrowings

	2016 £ 000	2015 £ 000
Current loans and borrowings		
Bank borrowings	418	-

### 20 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2016 £ 000	2015 £ 000
Not later than one year	751	585
Later than one year and not later than five years	1,434	32
	2,185	617

The Company receives rental income under non-cancellable contracts. The current contract is due to expire in May 2017. The remaining contractual rental obligation is £148,000.

## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **21 Commitments**

##### **Capital commitments**

The Company is committed to make capital purchases in respect of the additional manufacturing facilities. The total amount contracted for but not provided in the financial statements was £327,000 (2015 - £Nil).

#### **22 Contingent liabilities**

The Company is part of an unlimited composite company bank guarantee agreement to secure and cross-guarantee the liabilities of each of the other companies. The co signatories are, Rollalong Holdings Limited and Rollalong Properties Limited.

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 23 Related party transactions

##### Summary of transactions with entities with joint control or significant interest

Other related parties are companies with common control.

Transactions between the Company and its related parties are disclosed below.

##### Expenditure with and payables to related parties

	Entities with joint control or significant influence £ 000
<b>2016</b>	
Purchase of goods	124
Leases	268
	<u>392</u>
	Entities with joint control or significant influence £ 000
<b>2015</b>	
Purchase of goods	105
Rendering of services	42
Leases	186
	<u>333</u>

Total owed to related parties at the balance sheet date was £94,000 (2015: £3,000). This amount was included within trade creditors at the year end.

#### 24 Parent and ultimate parent undertaking

The Company's immediate parent is Rollalong Holdings Limited, incorporated in England and Wales.

The ultimate parent is Newship Group Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Newship Group Limited. These financial statements are available upon request from Fernside Place, 179 Queens Road, Weybridge, Surrey, KT13 0AH

The ultimate controlling party is J W Newman.

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 25 Transition to FRS 102

##### Balance Sheet at 1 January 2015

Note	As originally reported £ 000	Reclassification £ 000	Remeasurement £ 000	As restated £ 000
<b>Fixed assets</b>				
Tangible assets	398	-	-	398
<b>Current assets</b>				
Stocks	819	-	-	819
Debtors	8,832	-	-	8,832
Cash at bank and in hand	207	-	-	207
	<u>9,858</u>	<u>-</u>	<u>-</u>	<u>9,858</u>
Creditors: Amounts falling due within one year	<u>(3,664)</u>	<u>-</u>	<u>-</u>	<u>(3,664)</u>
Net current assets	<u>6,194</u>	<u>-</u>	<u>-</u>	<u>6,194</u>
Net assets	<u>6,592</u>	<u>-</u>	<u>-</u>	<u>6,592</u>
<b>Capital and reserves</b>				
Called up share capital	(5,525)	-	-	(5,525)
Profit and loss account	<u>(1,067)</u>	<u>-</u>	<u>-</u>	<u>(1,067)</u>
Total equity	<u>(6,592)</u>	<u>-</u>	<u>-</u>	<u>(6,592)</u>

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### Balance Sheet at 31 December 2015

	Note	As originally reported £ 000	Reclassification £ 000	Remeasurement £ 000	As restated £ 000
<b>Fixed assets</b>					
Tangible assets		1,823	-	-	1,823
<b>Current assets</b>					
Stocks		905	-	-	905
Debtors		13,833	-	-	13,833
Cash at bank and in hand		1,836	-	-	1,836
		16,574	-	-	16,574
Creditors: Amounts falling due within one year		(11,139)	-	-	(11,139)
Net current assets		5,435	-	-	5,435
Net assets		7,258	-	-	7,258
<b>Capital and reserves</b>					
Called up share capital		(4,525)	-	-	(4,525)
Capital redemption reserve		(1,000)	-	-	(1,000)
Profit and loss account		(1,733)	-	-	(1,733)
Total equity		(7,258)	-	-	(7,258)

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### Profit and Loss Account for the year ended 31 December 2015

	Note	As originally reported £ 000	Reclassification £ 000	Remeasurement £ 000	As restated £ 000
Turnover		30,429	-	-	30,429
Cost of sales		<u>(27,796)</u>	<u>-</u>	<u>-</u>	<u>(27,796)</u>
Gross profit		2,633	-	-	2,633
Administrative expenses		(1,872)	-	-	(1,872)
Other operating income		<u>81</u>	<u>-</u>	<u>-</u>	<u>81</u>
Operating profit		<u>842</u>	<u>-</u>	<u>-</u>	<u>842</u>
Interest payable and similar charges		<u>(5)</u>	<u>-</u>	<u>-</u>	<u>(5)</u>
		<u>(5)</u>	<u>-</u>	<u>-</u>	<u>(5)</u>
Profit before tax		837	-	-	837
Taxation		<u>(171)</u>	<u>-</u>	<u>-</u>	<u>(171)</u>
Profit for the financial year		<u><u>666</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>666</u></u>