

Registration number: 3683003

# Rollalong Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



## **Rollalong Limited**

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## **Rollalong Limited**

### **Company Information**

<b>Directors</b>	J D Clarkson
	J W Newman
	R J Newman
	S Chivers
	D E Moore
<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 2019

The directors present their strategic report for the year ended 31 December 2019.

#### **Fair review of the business**

Turnover for the year ended 31 December 2019 was £24.5 million, a decrease compared to the previous year. The operating profit before taxation amounted to £4.5 million (2018: £4.1m). The directors do not recommend the payment of a dividend (2018: £nil).

2019 has seen the company continue 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 social housing, schools and welfare units to local authorities in the Midlands. The new building systems have been and continue to be successful with greater manufacturing efficiencies being achieved.

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

	Unit	2019	2018
Sales	£'000	24,445	49,287
Gross Profit	%	30	15
Stock	£'000	1,645	1,268

#### **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***

##### **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**

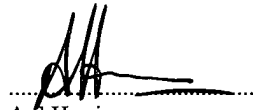
### **Strategic Report for the Year Ended 31 December 2019**

#### ***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.

Approved by the Board on 30 March 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'A S Harrison', written over a dotted line.

A S Harrison  
Company secretary

## **Rollalong Limited**

### **Directors' Report for the Year Ended 31 December 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

#### **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 (retired 28 June 2019)

J D Clarkson

J W Newman

R J Newman

S Chivers

D E Moore

#### **Covid-19**

There will inevitably be a degree of disruption to the business as a result of the Covid-19 pandemic but the directors are taking all available actions to minimise this, while prioritising the wellbeing of staff, customers and suppliers. Management remain confident that the company is well set to take advantage of future opportunities in the medium and long term. Furthermore, as part of the larger and highly diversified Newship group of companies, the company is able to call on wider resources and expertise if and when required.

#### **Future developments**

The company looks forward to 2020 with a number of interesting 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. The expense in the year is shown in note 5.

#### **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.

#### **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 auditors 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 is unaware.

## **Rollalong Limited**

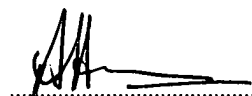
### **Directors' Report for the Year Ended 31 December 2019**

#### **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.

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

Approved by the Board on 30 March 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'A S Harrison', written over a dotted line.

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;
- 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**

We have audited the financial statements of Rollalong Limited (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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 Financial Reporting Standard 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 state of the company's affairs as at 31 December 2019 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.

#### **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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Rollalong Limited**

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

#### **Opinion on other matter 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 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 our 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 and 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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], 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.

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

## **Rollalong Limited**

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

#### **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.

**RSM UK Audit LLP**

Christopher Hurren BA FCA (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: **30 April 2020**

# Rollalong Limited

## Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Turnover	3	24,445	49,287
Cost of sales		<u>(17,078)</u>	<u>(42,051)</u>
Gross profit		7,367	7,236
Administrative expenses		(2,969)	(3,295)
Other operating income	4	<u>98</u>	<u>163</u>
Operating profit	5	4,496	4,104
Interest payable and similar charges	6	<u>(4)</u>	<u>(3)</u>
Profit on ordinary activities before tax		4,492	4,101
Taxation	9	<u>(843)</u>	<u>(698)</u>
Profit for the financial year		<u><u>3,649</u></u>	<u><u>3,403</u></u>

The notes on pages 14 to 30 form an integral part of these financial statements.

## **Rollalong Limited**

### **Statement of Comprehensive Income for the Year Ended 31 December 2019**

	<b>Note</b>	<b>2019 £ 000</b>	<b>2018 £ 000</b>
Profit for the year		<u>3,649</u>	<u>3,403</u>
Total comprehensive income for the year		<u>3,649</u>	<u>3,403</u>

# Rollalong Limited

(Registration number: 3683003)  
Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
<b>Fixed assets</b>			
Tangible assets	10	1,807	2,118
<b>Current assets</b>			
Stocks	12	1,645	1,268
Debtors	13	19,251	21,115
Cash at bank and in hand	14	585	1,216
		<u>21,481</u>	<u>23,599</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(8,946)</u>	<u>(15,130)</u>
<b>Net current assets</b>		<u>12,535</u>	<u>8,469</u>
<b>Total assets less current liabilities</b>		14,342	10,587
<b>Provisions for liabilities</b>	16	<u>(106)</u>	<u>-</u>
<b>Net assets</b>		<u>14,236</u>	<u>10,587</u>
<b>Capital and reserves</b>			
Called up share capital	18	4,525	4,525
Profit and loss account	19	<u>9,711</u>	<u>6,062</u>
<b>Total equity</b>		<u>14,236</u>	<u>10,587</u>

Approved and authorised by the Board on 30 March 2020 and signed on its behalf by:



R J Newman  
Director

# Rollalong Limited

## Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	4,525	2,659	7,184
Profit for the year	-	3,403	3,403
Total comprehensive income	-	3,403	3,403
At 31 December 2018	4,525	6,062	10,587
	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	4,525	6,062	10,587
Profit for the year	-	3,649	3,649
Total comprehensive income	-	3,649	3,649
At 31 December 2019	4,525	9,711	14,236

The notes on pages 14 to 30 form an integral part of these financial statements.

## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **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 and principal place of business is:

Woolsbridge Industrial Estate  
Three Legged Cross  
Wimborne  
Dorset  
BH21 6SF

These financial statements were authorised for issue by the Board on 30 March 2020.

#### **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' and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies (accounts and Reports) Regulations 2008, and under the historical cost convention.

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

These financial statements have been prepared using the historical cost convention.

These financial statements have been presented in sterling which is also the functional currency of the company.

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

The company has taken advantage of the exemption from 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 Instruments Issues' - Interest income/Expense and net gains/losses for financial instruments not measured at fair value, amount of any impairment loss, risks arising from financial instruments and transferred financial assets not derecognised, loan defaults or breaches and description of hedging relationships.

Section 33 'Related Party Disclosures' - Compensation for key management personnel..

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

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

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



## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **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.

#### **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.

## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **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 approximate sensitivity of the liabilities to some of the key assumptions are:

##### **Discount rate**

The effect of reducing the discount rate by 0.25% per annum would be to increase the liabilities by around £349,000.

##### **Price inflation**

The effect of increasing the price inflation assumption by 0.25% per annum would be to increase the liabilities by around £325,000.

##### **Mortality**

The effect of increasing the assumed life expectancy by 1 year would be to increase the liabilities by around £460,000.

#### **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 2019**

#### **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 and deferred 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 tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **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	10 years
Plant and equipment	3 - 10 years

## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

#### **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.

#### **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.

#### **Financial instruments**

##### **Financial assets**

##### **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.

## **Rollalong Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **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.

##### **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.

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 3 Revenue

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

	2019 £ 000	2018 £ 000
Rendering of services	24,181	48,971
Rental income	264	316
	<u>24,445</u>	<u>49,287</u>

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

	2019 £ 000	2018 £ 000
UK	<u>24,445</u>	<u>49,287</u>

#### 4 Other operating income

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

	2019 £ 000	2018 £ 000
Sub lease rental income	58	57
Miscellaneous other operating income	40	106
	<u>98</u>	<u>163</u>

#### 5 Operating profit

Arrived at after charging/(crediting)

	2019 £ 000	2018 £ 000
Depreciation expense	474	470
Research and development cost	142	82
Foreign exchange gains	(3)	(53)
Operating lease expense - property	850	850
Operating lease expense - plant and machinery	56	55
Profit on disposal of property, plant and equipment	(3)	-
Audit of the financial statements	29	28
Stock charged as an expense	<u>11,773</u>	<u>34,779</u>

#### 6 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest on bank overdrafts	<u>4</u>	<u>3</u>

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 7 Staff costs

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

	2019 £ 000	2018 £ 000
Wages and salaries	3,719	4,920
Social security costs	396	455
Pension costs, defined contribution scheme	124	94
	<u>4,239</u>	<u>5,469</u>

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

	2019 No.	2018 No.
Production	83	101
Administration and support	17	18
	<u>100</u>	<u>119</u>

#### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £ 000	2018 £ 000
Remuneration	263	314
Contributions paid to money purchase schemes	121	7
	<u>384</u>	<u>321</u>

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

	2019 No.	2018 No.
Accruing benefits under money purchase pension scheme	2	2

In respect of the highest paid director:

	2019 £ 000	2018 £ 000
Remuneration	133	114
Company contributions to money purchase pension schemes	66	5

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 9 Taxation

Tax charged/(credited) in the income statement

	2019 £ 000	2018 £ 000
<b>Current taxation</b>		
UK corporation tax	734	698
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	109	-
Tax expense in the income statement	<u>843</u>	<u>698</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit before tax	<u>4,492</u>	<u>4,101</u>
Corporation tax at standard rate	853	779
Deferred tax expense relating to changes in tax rates or laws	109	-
Tax increase/(decrease) from effect of capital allowances and depreciation	43	(81)
Tax decrease from effect of adjustment in research and development tax credit	(164)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>2</u>	<u>-</u>
Total tax charge	<u>843</u>	<u>698</u>

The corporation tax rate for the UK company profits was 19% at the year end. Deferred tax has been recognised at a rate of 17%, which is the rate that was substantively enacted at the year end.



## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### Deferred tax

Deferred tax assets and liabilities

	<b>Liability £ 000</b>
<b>2019</b>	
Difference between depreciation and capital allowances	<u>106</u>
	<b>Asset £ 000</b>
<b>2018</b>	
Difference between depreciation and capital allowances	<u>3</u>

#### 10 Tangible assets

	<b>Leasehold improvements £ 000</b>	<b>Plant and machinery £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>			
At 1 January 2019	2,706	2,614	5,320
Additions	-	163	163
Disposals	<u>-</u>	<u>(17)</u>	<u>(17)</u>
At 31 December 2019	<u>2,706</u>	<u>2,760</u>	<u>5,466</u>
<b>Depreciation</b>			
At 1 January 2019	1,142	2,060	3,202
Charge for the year	173	301	474
Eliminated on disposal	<u>-</u>	<u>(17)</u>	<u>(17)</u>
At 31 December 2019	<u>1,315</u>	<u>2,344</u>	<u>3,659</u>
<b>Carrying amount</b>			
At 31 December 2019	<u>1,391</u>	<u>416</u>	<u>1,807</u>
At 31 December 2018	<u>1,564</u>	<u>554</u>	<u>2,118</u>

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 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:

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Rollalong Properties Limited	England and Wales	Ordinary	100%	100%

The investment in Rollalong Properties Limited is held at a cost of £1.

##### Subsidiary undertakings

###### *Rollalong Properties Limited*

The principal activity of Rollalong Properties Limited is a dormant company.

Registered and operating addresses along with telephone numbers are shown on the Newship Limited website: [www.newship.co.uk](http://www.newship.co.uk).

#### 12 Stocks

	2019 £ 000	2018 £ 000
Raw materials and consumables	458	669
Work in progress	253	346
Finished goods and goods for resale	934	253
	<u>1,645</u>	<u>1,268</u>

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 13 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	82	6
Amounts owed by group undertakings	16,027	16,052
Amount due from customers for contract work	2,558	4,580
Other debtors	102	-
Prepayments	482	474
Deferred tax assets	-	3
Total current trade and other debtors	<u>19,251</u>	<u>21,115</u>

#### 14 Cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank	<u>585</u>	<u>1,216</u>

#### 15 Creditors

	Note	2019 £ 000	2018 £ 000
<b>Due within one year</b>			
Trade creditors		2,516	5,553
Corporation tax		698	259
Social security and other taxes		149	667
Other payables		119	-
Accrued expenses		<u>5,464</u>	<u>8,651</u>
		<u>8,946</u>	<u>15,130</u>

#### 16 Provisions for liabilities

	Deferred tax £ 000	Total £ 000
At 1 January 2019	(3)	(3)
Additional provisions	<u>109</u>	<u>109</u>
At 31 December 2019	<u>106</u>	<u>106</u>

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 17 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 £124,000 (2018 - £94,000).

##### 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 2016 and updated to 31 December 2019 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:

	2019 £ 000	2018 £ 000
Fair value of scheme assets	11,990	10,667
Present value of defined benefit obligation	(9,462)	(8,909)
	2,528	1,758
Other amounts not recognised in the statement of financial position	(2,528)	(1,758)
Defined benefit pension scheme surplus/(deficit) recognised	-	-

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### ***Defined benefit obligation***

Changes in the defined benefit obligation are as follows:

	2019 £ 000
Present value at start of year	8,909
Interest cost	245
Actuarial gains and losses	635
Benefits paid	<u>(327)</u>
Present value at end of year	<u><u>9,462</u></u>

#### ***Fair value of scheme assets***

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

	2019 £ 000
Fair value at start of year	10,667
Interest income	245
Return on plan assets, excluding amounts included in interest income/(expense)	1,405
Benefits paid	<u>(327)</u>
Fair value at end of year	<u><u>11,990</u></u>

#### ***Analysis of assets***

The major categories of scheme assets are as follows:

	2019 £ 000	2018 £ 000
Cash and cash equivalents	28	73
Equity instruments	6,775	5,663
Debt instruments	<u>5,187</u>	<u>4,931</u>
	<u><u>11,990</u></u>	<u><u>10,667</u></u>

#### ***Return on scheme assets***

	2019 £ 000	2018 £ 000
Return on scheme assets	<u>1,650</u>	<u>(629)</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.

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### *Principal actuarial assumptions*

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

	2019 %	2018 %
Discount rate	2.00	2.80
Future salary increases	3.10	3.30
Future pension increases	3.10	3.30
Inflation	<u>3.10</u>	<u>3.30</u>

#### *Post retirement mortality assumptions*

	2019 Years	2018 Years
Current UK pensioners at retirement age - male	21	21
Future UK pensioners at retirement age - male	<u>21</u>	<u>22</u>

#### **18 Share capital**

Allotted, called up and fully paid shares

	2019 No. 000	£ 000	2018 No. 000	£ 000
Ordinary shares of £1 each	<u>4,525</u>	<u>4,525</u>	<u>4,525</u>	<u>4,525</u>

#### **Rights, preferences and restrictions**

Ordinary shares 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.

#### **19 Reserves**

Profit and loss account

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

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 20 Obligations under leases and hire purchase contracts

##### Operating leases - lessee

The total of future minimum lease payments is as follows:

	2019 £ 000	2018 £ 000
Not later than one year	785	751
Later than one year and not later than five years	1,499	73
	<u>2,284</u>	<u>824</u>

##### Operating leases - lessor

The total of future minimum lease payments is as follows:

	2019 £ 000	2018 £ 000
Not later than one year	464	408
Later than one year and not later than five years	1,105	1,439
	<u>1,569</u>	<u>1,847</u>

Total contingent rents recognised as income in the period are £58,000 (2018 - £57,000).

The operating leases represent leases of two properties to third parties. The contract expires in May 2023.

#### 21 Commitments

##### Capital commitments

The company had no capital commitments outstanding at the the year end.

##### Other financial commitments

The company enters into forward currency contracts for the purchase of known currency positions. At the balance sheet date the fair value of these contracts is not materially different from cost.

#### 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.

The company is part of a VAT group with Rollalong Holdings Limited. At the year end, the company's potential exposure under this agreement is equal to the VAT creditor in Rollalong Holdings Limited.

## Rollalong Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 23 Related party transactions

##### Summary of transactions with other related parties

Related parties under common control and directorship.

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

	Other related parties £ 000
<b>2019</b>	
Purchase of goods	28
Leases	234
	<hr/>
	262
	<hr/>
Amounts payable to related party	119
	<hr/>
	Other related parties £ 000
<b>2018</b>	
Purchase of goods	180
Leases	195
	<hr/>
	375
	<hr/>
Amounts payable to related party	4
	<hr/>

#### 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 smallest group for which consolidated accounts including Rollalong Limited are prepared is Newship Limited and the largest group 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.