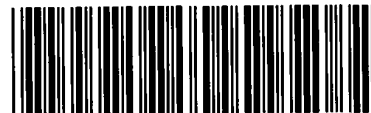


Registration number: 3683003

Rollalong Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2017

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Rollalong Limited

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Rollalong Limited

Company Information

Directors	S E J Compson J D Clarkson J W Newman R J Newman S Chivers
Company secretary	A S Harrison
Registered office	Woolsbridge Industrial Estate Three Legged Cross Wimborne Dorset BH21 6SF
Bankers	HSBC Bank PLC
Auditors	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 2017

The directors present their strategic report for the year ended 31 December 2017.

Fair review of the business

Turnover for the year ended 31 December 2017 was £43.7 million, an increase of 53% compared to the previous year. The operating profit before taxation amounted to £0.8 million (2016: £0.9m loss). The directors do not recommend the payment of a dividend (2016: £nil).

The improvement in 2017 followed the completion of certain problematic contracts. The company 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 been and continue to be successful with greater manufacturing efficiencies being achieved. The company has completed the construction of additional manufacturing facilities at its main site.

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

	Unit	2017	2016
Sales	£'000	43,688	28,571
Gross Profit	%	6	1
Stock	£'000	1,354	709

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.

Rollalong Limited

Strategic Report for the Year Ended 31 December 2017

Key staff

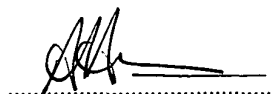
The company recognises the risks in selecting, training and retaining the people we need. To mitigate the risks management regularly review human resources and share best practice across all departments. The company also ensures regular reviews of development, opportunities, appraisal and succession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

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 22 March 2018 and signed on its behalf by:



A S Harrison
Company secretary

Rollalong Limited

Directors' Report for the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

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

J W Newman

R J Newman

S Chivers (appointed 6 December 2017)

Future developments

The company looks forward to a further improvement in 2018 with a strong order book.

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.

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 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 are unaware.

Rollalong Limited

Directors' Report for the Year Ended 31 December 2017

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 22 March 2018 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;
- 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 2017 which comprise The Profit and Loss Account, The Statement of Comprehensive Income, The Balance Sheet, The 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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.

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: <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

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

22 March 2018

Rollalong Limited

Profit and Loss Account for the Year Ended 31 December 2017

	Note	2017 £ 000	2016 £ 000
Turnover	3	43,688	28,571
Cost of sales		<u>(40,899)</u>	<u>(28,192)</u>
Gross profit		2,789	379
Administrative expenses		(2,157)	(1,433)
Other operating income	4	<u>160</u>	<u>138</u>
Operating profit/(loss)	5	792	(916)
Interest payable and similar charges	6	<u>(9)</u>	<u>(4)</u>
Profit/(loss) on ordinary activities before tax		783	(920)
Taxation	9	<u>(154)</u>	<u>217</u>
Profit/(loss) for the financial year		<u><u>629</u></u>	<u><u>(703)</u></u>

The notes on pages 14 to 28 form an integral part of these financial statements.

Rollalong Limited

Statement of Comprehensive Income for the Year Ended 31 December 2017

	Note	2017 £ 000	2016 £ 000
Profit/(loss) for the year		<u>629</u>	<u>(703)</u>
Total comprehensive income for the year		<u>629</u>	<u>(703)</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

Rollalong Limited

(Registration number: 3683003)
Balance Sheet as at 31 December 2017

	Note	2017 £ 000	2016 £ 000
Fixed assets			
Tangible assets	10	2,491	2,435
Current assets			
Stocks	12	1,354	709
Debtors	13	13,518	12,393
Cash at bank and in hand	14	2,547	-
		<u>17,419</u>	<u>13,102</u>
Creditors: Amounts falling due within one year	15	<u>(12,726)</u>	<u>(8,982)</u>
Net current assets		<u>4,693</u>	<u>4,120</u>
Net assets		<u>7,184</u>	<u>6,555</u>
Capital and reserves			
Called up share capital	17	4,525	4,525
Profit and loss account	18	2,659	2,030
Total equity		<u>7,184</u>	<u>6,555</u>

Approved and authorised by the Board on 22 March 2018 and signed on its behalf by:



R J Newman

Director

The notes on pages 14 to 28 form an integral part of these financial statements.

Rollalong Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

	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
		Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017		4,525	2,030	6,555
Profit for the year		-	629	629
Total comprehensive income		-	629	629
At 31 December 2017		4,525	2,659	7,184

The notes on pages 14 to 28 form an integral part of these financial statements.

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

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 22 March 2018.

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 except that as disclosed in the accounting policies certain items are shown at fair value.

The company has early adopted the amendment to FRS 102. No transitional adjustments arose as a result of this change.

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 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 Limited.

The financial statements of Newship 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 2017

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 2017

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 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 £381,000.

Price inflation

The effect of increasing the price inflation assumption by 0.25% per annum would be to increase the liabilities by around £342,000.

Mortality

The effect of increasing the assumed life expectancy by 1 year would be to increase the liabilities by around £387,000. The carrying amount is £Nil (2016 -£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.

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

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.

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.

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:

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

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

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 impairment 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.

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.

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

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.

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:

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

	2017 £ 000	2016 £ 000
Sale of goods and contract revenue	43,334	28,218
Rental income	354	353
	<u>43,688</u>	<u>28,571</u>

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

	2017 £ 000	2016 £ 000
UK	<u>43,688</u>	<u>28,571</u>

4 Other operating income

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

	2017 £ 000	2016 £ 000
Miscellaneous other operating income	<u>160</u>	<u>138</u>

5 Operating profit

Arrived at after charging/(crediting)

	2017 £ 000	2016 £ 000
Depreciation expense	442	251
Research and development cost	51	57
Foreign exchange gains	(134)	(11)
Operating lease expense - property	850	400
Operating lease expense - plant and machinery	105	136
Loss on disposal of property, plant and equipment	1	-
Audit of the financial statements	21	25
Stock charged as an expense	<u>33,212</u>	<u>22,317</u>

6 Interest payable and similar charges

	2017 £ 000	2016 £ 000
Interest on bank overdrafts and borrowings	<u>9</u>	<u>4</u>

7 Staff costs

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

	2017 £ 000	2016 £ 000
Wages and salaries	4,030	3,325
Social security costs	308	247
Pension costs, defined contribution scheme	117	97
	<u>4,455</u>	<u>3,669</u>

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

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

	2017 No.	2016 No.
Production	103	80
Administration and support	17	16
	<u>120</u>	<u>96</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £ 000	2016 £ 000
Remuneration	19	170
Contributions paid to money purchase schemes	-	35
	<u>19</u>	<u>205</u>

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

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>2</u>

9 Taxation

Tax charged/(credited) in the income statement

	2017 £ 000	2016 £ 000
Current taxation		
UK corporation tax	<u>154</u>	<u>(217)</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19% (2016 - 20%).

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Profit/(loss) before tax	<u>783</u>	<u>(920)</u>
Corporation tax at standard rate	149	(184)
Tax increase (decrease) from effect of capital allowances and depreciation	<u>5</u>	<u>(33)</u>
Total tax charge/(credit)	<u>154</u>	<u>(217)</u>

The corporation tax rate for the UK company profits was 19% at the year end. The rate will reduce at 1 April 2018 to 18% and at 1 April 2020 to 17%. 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 2017

10 Tangible assets

	Leasehold improvements £ 000	Assets under construction £ 000	Plant and machinery £ 000	Total £ 000
Cost				
At 1 January 2017	1,894	485	3,085	5,464
Additions	327	-	172	499
Disposals	-	-	(14)	(14)
Transfers	485	(485)	-	-
At 31 December 2017	<u>2,706</u>	<u>-</u>	<u>3,243</u>	<u>5,949</u>
Depreciation				
At 1 January 2017	629	-	2,400	3,029
Charge for the year	246	-	196	442
Eliminated on disposal	-	-	(13)	(13)
At 31 December 2017	<u>875</u>	<u>-</u>	<u>2,583</u>	<u>3,458</u>
Carrying amount				
At 31 December 2017	<u>1,831</u>	<u>-</u>	<u>660</u>	<u>2,491</u>
At 31 December 2016	<u>1,265</u>	<u>485</u>	<u>685</u>	<u>2,435</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	
			2017	2016
Subsidiary undertakings				
Rollalong Properties Limited	England and Wales	Ordinary	100%	100%

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.

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

12 Stocks

	2017 £ 000	2016 £ 000
Raw materials and consumables	363	210
Work in progress	880	499
Finished goods and goods for resale	111	-
	<u>1,354</u>	<u>709</u>

13 Debtors

	2017 £ 000	2016 £ 000
Trade debtors	378	268
Amounts owed by group undertakings	3,796	3,477
Amount due from customers for contract work	8,489	7,793
Corporation tax	-	149
Other debtors	129	149
Prepayments	726	554
Deferred tax assets	-	3
Total current trade and other debtors	<u>13,518</u>	<u>12,393</u>

14 Cash and cash equivalents

	2017 £ 000	2016 £ 000
Cash at bank	<u>2,547</u>	<u>-</u>

15 Creditors

	Note	2017 £ 000	2016 £ 000
Due within one year			
Bank overdraft	19	-	418
Trade creditors		4,429	3,502
Amounts due to group undertakings		9	-
Corporation tax		154	-
Social security and other taxes		910	164
Accrued expenses		<u>7,224</u>	<u>4,898</u>
		<u>12,726</u>	<u>8,982</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 2017

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 £117,000 (2016 - £97,000).

Contributions totalling £26,000 (2016: £19,000) were payable to the fund at the year end and are included in creditors.

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 2017 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:

	2017 £ 000	2016 £ 000
Fair value of scheme assets	11,601	10,861
Present value of defined benefit obligation	<u>(9,181)</u>	<u>(9,168)</u>
	2,420	1,693
Other amounts not recognised in the statement of financial position	<u>(2,420)</u>	<u>(1,693)</u>
Defined benefit pension scheme surplus/(deficit) recognised	<u><u>-</u></u>	<u><u>-</u></u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2017 £ 000
Present value at start of year	9,168
Interest cost	244
Actuarial gains and losses	55
Benefits paid	<u>(286)</u>
Present value at end of year	<u><u>9,181</u></u>

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Fair value of scheme assets

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

	2017 £ 000
Fair value at start of year	10,861
Interest income	244
Return on plan assets, excluding amounts included in interest income/(expense)	782
Benefits paid	(286)
Fair value at end of year	<u>11,601</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2017 £ 000	2016 £ 000
Cash and cash equivalents	98	34
Equity instruments	6,169	5,406
Debt instruments	5,334	5,421
	<u>11,601</u>	<u>10,861</u>

Return on scheme assets

	2017 £ 000	2016 £ 000
Return on scheme assets	<u>1,026</u>	<u>1,862</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:

	2017 %	2016 %
Discount rate	2.55	2.70
Future salary increases	3.20	3.20
Future pension increases	3.20	3.20
Inflation	<u>3.20</u>	<u>3.20</u>

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Post retirement mortality assumptions

	2017 Years	2016 Years
Current UK pensioners at retirement age - male	21	21
Future UK pensioners at retirement age - male	<u>22</u>	<u>22</u>

17 Share capital

Allotted, called up and fully paid shares

	2017	2016
	No. 000 £ 000	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.

18 Reserves

Profit and loss account

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

19 Loans and borrowings

	2017 £ 000	2016 £ 000
Current loans and borrowings		
Bank borrowings	<u>-</u>	<u>418</u>

20 Obligations under leases and hire purchase contracts

Operating leases - lessee

The total of future minimum lease payments is as follows:

	2017 £ 000	2016 £ 000
Not later than one year	726	751
Later than one year and not later than five years	<u>710</u>	<u>1,434</u>
	<u>1,436</u>	<u>2,185</u>

Rollalong Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2017 £ 000	2016 £ 000
Not later than one year	52	200
Later than one year and not later than five years	8	60
	<u>60</u>	<u>260</u>

Total contingent rents recognised as income in the period are £58,000 (2016 - £144,000).

The operating leases represent leases of two properties to third parties. The current contract expires in February 2019.

21 Commitments

Capital commitments

The company was 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 £Nil (2016 - £327,000).

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.

The total amount of other financial commitments not provided in the financial statements was £Nil (2016 - £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.

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 2017

23 Related party transactions

Summary of transactions with other related parties

Related parties represent companies under common control and directorship.

Expenditure with and payables to related parties

	Other related parties £ 000
2017	
Purchase of goods	219
Leases	252
	<hr/>
	471
	<hr/>
	Other related parties £ 000
2016	
Purchase of goods	124
Leases	268
	<hr/>
	392
	<hr/>

Total owed to related parties at the balance sheet date was £82,000 (2016: £94,000). 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 company's intermediate parent is Newship Limited, incorporated in England and Wales, and is the smallest company for which consolidated accounts including Rollalong Limited are prepared.

The ultimate parent is Newship Group Limited, incorporated in England and Wales, and is the largest company for which consolidated accounts including Rollalong Limited are prepared.

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.