

**ROLLALONG HOLDINGS LIMITED
AND SUBSIDIARY UNDERTAKINGS
(Registered Number 3670280)**

ANNUAL REPORT

PERIOD ENDED 31 DECEMBER 1999



PANNELL KERR FORSTER

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
ANNUAL REPORT
PERIOD ENDED 31 DECEMBER 1999

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**ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
DIRECTORS, OFFICERS AND REGISTERED OFFICE
PERIOD ENDED 31 DECEMBER 1999**

COMPANY INFORMATION

DIRECTORS

A P Bale	(appointed 19 February 1999)
S E J Compson	(appointed 19 February 1999)
J W Newman	(appointed 19 February 1999)

SECRETARY

M E Denton

COMPANY NUMBER

3670280

AUDITORS

Pannell Kerr Forster
Pannell House
Park Street
Guildford
Surrey GU1 4HN

BANKERS

National Westminster Bank Plc
Station Place
Letchworth
Hertfordshire
SG6 3AL

REGISTERED OFFICE

Woolsbridge Industrial Park
Three Legged Cross
Wimborne
Dorset
BH21 6SF

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

The directors submit their report and the accounts for the period ended 31 December 1999.

RESULTS AND DIVIDENDS

The profit after taxation for the period was £516,087, all of which has been transferred to reserves. The directors recommend that no dividend be paid in respect of the period due to the need to conserve the company's resources to finance the company's business.

REVIEW OF THE BUSINESS

The company was incorporated on 19 November 1998 under the name of Sewlink Limited. Its name was changed to Scotairlines Limited on 14 January 1999, Rollalong Limited on 2 March 1999 and Rollalong Holdings Limited on 24 March 1999.

The company remained dormant until 28 February 1999 when it acquired the trade and assets of Rollalong Limited. On 1 May 1999 the trade and assets acquired were transferred to its wholly owned subsidiaries Rollalong Limited and Rollalong Hire Limited.

The principal activity of the company during the period was that of a group holding company. The activities of its subsidiary trading companies are the manufacture and refurbishment of high quality modular building units and portable accommodation, together with the hire of mobile accommodation, storage and toilet units.

EVENTS SINCE THE YEAR END

There have been no events since the balance sheet date which in the opinion of the directors need to be drawn to the shareholders' attention.

FUTURE DEVELOPMENTS

The directors plan to develop the activities of the company, taking into account the general economic conditions which are likely.

EMPLOYEES

Every company in the Group is encouraged to develop and implement employment policies and remuneration schemes designed to identify employees with that company's achievements and ways in which their knowledge and skills can best contribute towards its success. The Directors recognise the importance of employee involvement throughout the Group which is fostered by the development of communications through the normal subsidiary company reporting procedures. The Group gives equal opportunities to disabled persons wherever possible, both in recruitment and career development.

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

Except as indicated, the directors listed on Page 1 served throughout the period. The interests (including family interests) of the directors in the shares of the company are shown below.

		At 31 December <u>1999</u>
J W Newman		100
S E J Compson		-
A P Bale		-
M B Thorneycroft	(appointed 6 January 1999, resigned 19 February 1999)	-

AUDITORS

A resolution to re-appoint Pannell Kerr Forster as auditors will be placed before the members at the annual General Meeting.

BY ORDER OF THE BOARD



M E Denton
Secretary

Woolsbridge Industrial Park
Three Legged Cross
Wimborne
Dorset
BH21 6SF

12 July..... 2000

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS**

We have audited the financial statements on pages 6 to 20 which have been prepared under the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 1999 and of the group's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PANNELL KERR FORSTER
Registered Auditors

Guildford

..... 12 July 2000

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
CONSOLIDATED PROFIT AND LOSS ACCOUNT
PERIOD ENDED 31 DECEMBER 1999


	<u>Notes</u>	<u>1999</u> £
Turnover	2	24,313,843
Cost of sales		(18,570,728)
		<hr/>
Gross profit		5,743,115
Distribution costs		(888,504)
Administrative expenses		(4,059,689)
		<hr/>
Operating profit		794,922
Interest receivable		13,691
Interest payable	6	(88,226)
		<hr/>
Profit on ordinary activities before taxation	3	720,387
Tax on profit on ordinary activities	7	(204,300)
		<hr/>
Retained profit for the financial period	17	516,087
		<hr/> <hr/>


The turnover and operating profit relate wholly to continuing activities arising from the acquisition of a business on 28 February 1999. The company has no recognised gains or losses other than those included in the profit and loss account.

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
CONSOLIDATED BALANCE SHEET
31 DECEMBER 1999

	<u>Notes</u>	£	<u>1999</u> £
FIXED ASSETS			
Goodwill	9		(674,877)
Tangible assets	10		3,813,162
			<hr/>
			3,138,285
CURRENT ASSETS			
Stocks	12	2,108,840	
Debtors	13	4,969,389	
Cash at bank and in hand		1,739	
		<hr/>	
		7,079,968	
CREDITORS			
Amounts falling due within one year	14	(9,660,066)	
		<hr/>	
NET CURRENT LIABILITIES			(2,580,098)
			<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			558,187
PROVISION FOR LIABILITIES AND CHARGES	15		(42,000)
			<hr/>
NET ASSETS			516,187
			<hr/>
CAPITAL AND RESERVES			
Called up share capital	16		100
Profit and loss account	17		516,087
			<hr/>
EQUITY SHAREHOLDERS' FUNDS	18		516,187
			<hr/>

Approved by the board on 12 JULY 2000


 S E J Compson


 A T Bale

- Directors

ROLLALONG HOLDINGS LIMITED
BALANCE SHEET
31 DECEMBER 1999

	<u>Notes</u>	<u>£</u>	<u>1999</u> <u>£</u>
FIXED ASSETS			
Goodwill	9		(674,877)
Tangible assets	10		-
Investments	11		4
			<hr/>
			(674,873)
CURRENT ASSETS			
Debtors	13	1,103,359	
Cash at bank and in hand		157	
		<hr/>	
		1,103,516	
CREDITORS			
Amounts falling due within one year	14	(256,849)	
		<hr/>	
NET CURRENT ASSETS			846,667
			<hr/>
NET ASSETS			171,794
			<hr/> <hr/>
CAPITAL AND RESERVES			
Called up share capital	16		100
Profit and loss account	17		171,694
			<hr/>
EQUITY SHAREHOLDERS' FUNDS	18		171,794
			<hr/> <hr/>

Approved by the board on 12 July 2000



S E J Compson

- Directors


A P Bale

ROLLALONG HOLDINGS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
PERIOD ENDED 31 DECEMBER 1999

	<u>1999</u> £
Reconciliation of operating profit to net cash outflow from operating activities	
Operating profit	794,922
Depreciation charges	639,280
Goodwill amortisation	(78,474)
Profit on sale of tangible fixed assets	(172,052)
Decrease in stocks	353,144
Increase in debtors	(4,229,266)
Increase in creditors	2,138,237
	<hr/>
Net cash outflow from operating activities	(554,209)
	<hr/> <hr/>

CASH FLOW STATEMENT

	<u>1999</u>	
	£	£
Net cash outflow from operating activities		(554,209)
Returns on investment and servicing of finance		
Interest received	13,691	
Interest paid	(88,226)	
	<hr/>	
Taxation		(74,535)
Capital expenditure		
Payments to acquire tangible fixed assets	(924,547)	
Receipts from sales of tangible fixed assets	220,129	
	<hr/>	
		(704,418)
Acquisitions		
Purchase of business		(720,858)
		<hr/>
Cash outflow before financing		(2,054,020)
Financing		
Issue of share capital		100
		<hr/>
Decrease in cash		(2,053,920)
		<hr/> <hr/>

	<u>1999</u>	
	£	£
Reconciliation of net cash flow to movement in net debt (note 19)		
Decrease in cash in the period		(2,053,920)
Cash inflow from increase in debt		-
		<hr/>
Movement in net debt and net debt at 31 December 1999		(2,053,920)
		<hr/> <hr/>

All amounts shown above relate to continuing activities arising from the acquisition of a business on 28 February 1999.

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

I ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of preparation

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

The group financial statements consolidate the financial statements of the company and of its subsidiaries for the period ended 31 December 1999.

In accordance with S230 of the Companies Act 1985, a separate profit and loss account for the holding company has not been presented.

(b) Fixed assets and depreciation

Tangible fixed assets are written off over their estimated useful lives on a straight line basis at the following annual rates:

Plant and machinery	- 5 – 10 years
Fixtures and fittings	- 3 – 6 years
IT equipment and software	- 3 – 5 years
Motor vehicles	- 4 years
Leasehold improvements	- 6 – 7 years

(c) Goodwill

Goodwill on acquisitions is capitalised and amortised on a straight line basis over its estimated useful life of eight years.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of attributable overheads, assuming normal levels of activity.

(e) Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

(f) Deferred taxation

Deferred taxation is provided for by the liability method on all short term timing differences and also in respect of all other originating timing differences except where there is a reasonable probability that the tax reduction will continue for the foreseeable future.

(g) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate.

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

1 ACCOUNTING POLICIES (continued)

(h) Leased assets

Gross rentals arising on assets held under operating leases are charged to the profit and loss account in the period to which they relate.

(i) Research and development

Research and development expenditure is written off as incurred.

(j) Rental income

Rental income received is recognised in the profit and loss account in the period to which it relates.

2 TURNOVER

The company's turnover, which is stated net of value added tax, is derived from its principal activity and arose within the United Kingdom.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

1999

£

Profit on ordinary activities is stated after charging/(crediting).

Auditors' remuneration	25,500
Depreciation of tangible fixed assets owned by the company	639,280
Profit on sale of tangible fixed assets	(172,052)
Research and development expenditure	21,534
Rental income	(1,982,246)
Operating leases:	
- Plant and machinery	107,643

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4 REMUNERATION OF DIRECTORS

None of the directors received any remuneration during the period.

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

5 STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the year was made up as follows:

	<u>1999</u> £
Administrative and indirect	115
Productive	185
	<hr/>
	300
	<hr/> <hr/>

The aggregate payroll costs of these persons were as follows:

Wages and salaries	4,729,029
Social security costs	462,240
Other pension costs	8,562
	<hr/>
	5,199,831
	<hr/> <hr/>

6 INTEREST PAYABLE AND SIMILAR CHARGES

On bank loans, overdrafts and other loans wholly repayable within five years	88,226
	<hr/> <hr/>

7 TAXATION

	<u>1999</u> £
UK corporation tax	162,300
Deferred taxation	42,000
	<hr/>
	204,300
	<hr/> <hr/>

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

8 PROFIT DEALT WITH IN THE ACCOUNTS OF THE PARENT UNDERTAKING

The company has taken advantage of its statutory right not to produce its own profit and loss account. Of the total group profit for the period, a profit of £171,694 was dealt with in the financial statements of the parent undertaking.

9 GOODWILL

	<u>1999</u> £
Cost	
On acquisition and at 31 December 1999	(753,351)
	<hr/>
Amortisation	
Credit for the period and at 31 December 1999	78,474
	<hr/>
Net book value	
At 31 December 1999	(674,877)
	<hr/> <hr/>

10 TANGIBLE FIXED ASSETS

GROUP

	<u>Leasehold</u> <u>improvements</u> £	<u>Fixtures,</u> <u>fittings</u> <u>& equipment</u> £	<u>Plant and</u> <u>machinery</u> £	<u>Motor</u> <u>vehicles</u> £	<u>IT equipment</u> <u>& software</u> £	<u>Total</u> £
Cost						
On acquisition of business	11,973	108,633	2,886,424	353,092	215,849	3,575,971
Additions	884	13,551	895,526	2,725	11,861	924,547
Disposals	-	-	(38,945)	(13,735)	-	(52,680)
Transfers	-	12,046	(12,046)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	12,857	134,230	3,730,959	342,082	227,710	4,447,838
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
On acquisition of business	-	-	-	-	-	-
Charge for period	1,671	19,656	441,460	115,803	60,690	639,280
Eliminated on disposals	-	-	(2,357)	(2,247)	-	(4,604)
Transfers	-	911	(911)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	1,671	20,567	438,192	113,556	60,690	634,676
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts						
At 31 December 1999	11,186	113,663	3,292,767	228,526	167,020	3,813,162
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The gross amount of fixed assets held for use in operating leases at 31 December 1999 was £3,197,369. The accumulated depreciation on those assets was £300,018.

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

10 TANGIBLE FIXED ASSETS (continued)

COMPANY

	<u>Leasehold improvements</u>	<u>Fixtures, fittings & equipment</u>	<u>Plant and machinery</u>	<u>Motor vehicles</u>	<u>IT equipment & software</u>	<u>Total</u>
	£	£	£	£	£	£
Cost						
On acquisition of business	11,973	108,633	2,886,424	353,092	215,849	3,575,971
Additions	-	211	114,231	-	-	114,442
Disposals	-	-	(15,778)	-	-	(15,778)
Transferred to subsidiaries	(11,973)	(108,844)	(2,984,877)	(353,092)	(215,849)	(3,674,635)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
On acquisition of business	-	-	-	-	-	-
Charge for period	350	3,874	85,396	27,989	12,251	129,860
Eliminated on disposals	-	-	(42)	-	-	(42)
Transferred to subsidiaries	(350)	(3,874)	(85,354)	(27,989)	(12,251)	(129,818)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts						
At 31 December 1999	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

11 FIXED ASSET INVESTMENTS

Shares in
subsidiary
undertakings
£

Cost

Additions and 31 December 1999

4

The company held 100% of the ordinary share capital in the companies set out below:

<u>Name</u>	<u>Country of registration</u>	<u>Principal activity</u>
Rollalong Limited	England & Wales	Manufacture and refurbishment of high quality modular building units and portable accommodation.
Rollalong Hire Limited	England & Wales	Hire of mobile accommodation, storage and toilet units.

In the opinion of the directors the investments in the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

12 STOCKS

	<u>Group 1999 £</u>	<u>Company 1999 £</u>
Raw materials and consumables	335,089	-
Work in progress	1,773,751	-
	<u>2,108,840</u>	<u>-</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

13 DEBTORS	Group	Company
	<u>1999</u>	<u>1999</u>
	£	£
Due within one year:		
Trade debtors	4,556,616	-
Other debtors	28,717	100
Prepayments and accrued income	384,056	-
	<hr/>	<hr/>
	4,969,389	100
	<hr/>	<hr/>
Due after one year:		
Amounts due from subsidiary undertakings	-	1,103,259
	<hr/>	<hr/>
	4,969,389	1,103,359
	<hr/> <hr/>	<hr/> <hr/>
 14 CREDITORS		
Amounts falling due within one year:		
Bank loans and overdraft	2,055,659	-
Trade creditors	3,151,979	-
Amounts due to subsidiary undertakings	-	87,876
Other creditors	477,638	133,973
Taxation and social security	356,301	-
Accruals and deferred income	3,456,189	-
Corporation tax payable	162,300	35,000
	<hr/>	<hr/>
	9,660,066	256,849
	<hr/> <hr/>	<hr/> <hr/>

The bank loans and overdrafts are secured by a fixed and floating charge over all current and future assets of the group.

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

15 PROVISION FOR LIABILITIES AND CHARGES

**Deferred
taxation
1999
£**

Group:

Charge for the period and at 31 December 1999

42,000

The potential and provided liability in respect of deferred taxation is as follows:

**Provided
£**

**Not
Provided
£**

Accelerated capital allowances

42,000

-

16 CALLED UP SHARE CAPITAL

Authorised:

1,000 ordinary shares of £1 each

1,000

Allotted and fully paid:

100 ordinary shares of £1 each

100

100 ordinary £1 shares were allotted at par during the period.

17 RESERVES

**Group
Profit
and loss
£**

**Company
Profit
and loss
£**

Profit for the financial period and
retained profit at 31 December 1999

516,087

171,694

18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

**Group
1999
£**

**Company
1999
£**

Profit for the financial period

516,087

171,694

Equity share capital introduced

100

100

Equity shareholders' funds at 31 December 1999

516,187

171,794

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

19 ANALYSIS OF CHANGES IN NET DEBT

	<u>Cashflow</u> £	At 31 December <u>1999</u> £
Cash at bank and in hand	1,739	1,739
Bank overdraft	(2,055,659)	(2,055,659)
	<u>(2,053,920)</u>	<u>(2,053,920)</u>

20 MAJOR NON CASH TRANSACTION

On 1 May 1999 Rollalong Holdings Limited sold the Rollalong manufacturing business to its subsidiary Rollalong Limited at the net asset value of the business at that date of £913,813, the consideration being settled by way of a loan.

Also on 1 May 1999 Rollalong Holdings Limited sold the Rollalong hire business to its other subsidiary Rollalong Hire Limited at the net asset value of the business at that date of £3,022,959, the consideration being settled by way of a loan.

21 PURCHASE OF BUSINESS

By agreement dated 28 February 1999, Rollalong Holdings Limited acquired the Rollalong business at a cost of £720,858 including acquisition expenses. The companies results have been consolidated using the acquisition method of accounting.

	<u>1999</u> £
Net assets acquired	
Tangible fixed assets	3,575,972
Stocks	2,461,984
Debtors	740,123
Creditors	(5,303,870)
	<u>1,474,209</u>
Goodwill	(753,351)
	<u>720,858</u>
Satisfied by:	
Cash	<u>720,858</u>

It is considered that book value represents the fair value of the net assets acquired and that no adjustments are required following the acquisition.

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

22 SUBSTANTIAL ACQUISITIONS

The results for the business prior to acquisition were as follows:

	<u>2 months ended</u> <u>28 February 1999</u> £
Turnover	1,637,242
Operating loss	(482,597)
Loss before tax	(482,597)
Taxation	-
Retained loss	(482,597)

The results for the previous year of the business acquired were not reported separately, but were included in the profit and loss account of a larger reporting entity and therefore cannot be ascertained.

23 COMMITMENTS

Capital commitments for which no provision has been made in these financial statements, were as follows:

	<u>1999</u> £
Contracted	86,136

The company had annual commitments under non-cancellable operating leases as follows:

<i>Land and buildings</i>	
Expiring in more than five years	61,750
<i>Other</i>	
Expiring between two and five years	148,203

ROLLALONG HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 1999

24 CONTINGENT LIABILITY

There were contingent liabilities at 31 December 1999 for guarantees given by the Company in the normal course of business of £922,232.

The bank borrowings of Rollalong Holdings Limited, Rollalong Limited and Rollalong Hire Limited are secured by way of a cross guarantee between those companies. The total bank loans and overdrafts at 31 December 1999 were £2,055,659.

25 PENSION SCHEME

The group operates a defined benefit scheme which covers approximately 35% of the employees. Contributions are charged to the profit and loss account in accordance with independent actuarial advice, so as to spread the costs of the pensions over employees' working lives with the company. The last actuarial review of the scheme was conducted in April 1999, and showed that the value of the scheme's assets which are invested in equities fully covered its liabilities for future pensions. The market value of the scheme assets at the review date was £4,522,408, which represented 144% of future liabilities. The funding method used is the attained age method with the following main assumptions:

- The fund will earn an investment yield of 5.5% per annum compound.
- Pensionable salaries will increase by 4.1% per annum compound.

Pension contributions made during the period amounted to £71,734.

26 PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party is J W Newman.

27 RELATED PARTY TRANSACTIONS

During the period the group paid expenses, rent and management charges to companies under common control amounting to £616,965.

At 31 December 1999 the amounts due to the above companies amounted to £202,682.