

Registration number 2527559

Cema Limited

Directors' report and financial statements

for the year ended 31 December 2010



Cema Limited

Company information

| | |
|-------------------|--|
| Directors | F G Ciaurro S Binns M Jakubiak P Littlehales R Sharpe P Gregory J Smith R Eley I Spooner |
| Secretary | M Jakubiak |
| Company number | 2527559 |
| Registered office | White House Wollaton Street Nottingham NG1 5GF |
| Auditors | Higson & Co White House Wollaton Street Nottingham NG1 5GF |
| Business address | Victoria Business Park Pintail Close Netherfield Nottingham NG4 2PE |
| Bankers | Yorkshire Bank plc 11 Smithy Row Nottingham NG1 3EJ |

Cema Limited

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Cema Limited
Directors' report
for the year ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activity and review of the business

The principal activity of the company is that of electricians and manufacturers of water and sewerage pump controls

Business review

The company has suffered in the year through the general economic downturn. The company has also been affected by various additional costs with certain contracts, which were not foreseen. The company has put measures in place during 2011 to return the company to a more profitable trading position.

Results and dividends

The results for the year are set out on page 5

Financial risk management objectives and policies

The objective of the Directors is to continue to grow the turnover of the company within the water industry and to expand in to new market sectors utilising their current expertise. They consider the sectors they work in and those that they intend to expand into as being low risk, largely due to the company's experience in the technology utilised in these sectors. The policy of the Directors is to maintain cash balances at the bank and to maintain good relationships with all of its suppliers and customers.

Directors

The directors who served during the year are as stated below

| | |
|---------------|-----------|
| F G Ciaurro | P Gregory |
| S Binns | J Smith |
| M Jakubiak | R Eley |
| P Littlehales | I Spooner |
| R Sharpe | |

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

Cema Limited

**Directors' report
for the year ended 31 December 2010**

continued

- 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Higson & Co. are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 23 September 2011 and signed on its behalf by



**F G Ciaurro
Director**

Independent auditor's report to the shareholders of Cema Limited

We have audited the financial statements of Cema Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the shareholders of
Cema Limited**

continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Simon Skill ACA (senior statutory auditor)
For and on behalf of Higson & Co.
Statutory Auditors**

23 September 2011

**White House
Wollaton Street
Nottingham
NG1 5GF**

Cema Limited

**Profit and loss account
for the year ended 31 December 2010**

| | | Continuing operations | |
|--|--------------|------------------------------|-------------------------|
| | | 2010 | 2009 |
| | Notes | £ | £ |
| Turnover | 2 | 13,899,144 | 19,978,951 |
| Cost of sales | | (12,442,145) | (15,666,747) |
| Gross profit | | <u>1,456,999</u> | <u>4,312,204</u> |
| Administrative expenses | | (866,550) | (3,897,412) |
| Other operating income | | <u>9,000</u> | <u>-</u> |
| Operating profit | 3 | <u>599,449</u> | <u>414,792</u> |
| Investment income | 5 | 228,720 | - |
| Other interest receivable and similar income | 6 | 1,146 | 956 |
| Interest payable and similar charges | 7 | <u>(89,858)</u> | <u>(91,131)</u> |
| Profit on ordinary activities before taxation | | <u>739,457</u> | <u>324,617</u> |
| Tax on profit on ordinary activities | 10 | <u>(5,250)</u> | <u>(19,233)</u> |
| Profit for the year | 18 | <u>734,207</u> | <u>305,384</u> |
| Retained profit brought forward | | 3,995,225 | 4,043,973 |
| Reserve Movements | | <u>(117,914)</u> | <u>(354,132)</u> |
| Retained profit carried forward | | <u><u>4,611,518</u></u> | <u><u>3,995,225</u></u> |

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 8 to 21 form an integral part of these financial statements.

Cema Limited

**Balance sheet
as at 31 December 2010**

| | | 2010 | | 2009 | |
|--|-------|--------------------|------------------|--------------------|------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | | 775,149 | | 924,179 |
| Investments | 12 | | 3,200,316 | | 3,200,316 |
| | | | <u>3,975,465</u> | | <u>4,124,495</u> |
| Current assets | | | | | |
| Stocks | 13 | 232,811 | | 240,892 | |
| Debtors | 14 | 5,609,849 | | 5,855,994 | |
| Cash at bank and in hand | | 82,472 | | 974,181 | |
| | | <u>5,925,132</u> | | <u>7,071,067</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(5,244,268)</u> | | <u>(7,113,499)</u> | |
| Net current assets/(liabilities) | | | <u>680,864</u> | | <u>(42,432)</u> |
| Total assets less current liabilities | | | 4,656,329 | | 4,082,063 |
| Creditors: amounts falling due after more than one year | 16 | | <u>(32,206)</u> | | <u>(74,233)</u> |
| Net assets | | | <u>4,624,123</u> | | <u>4,007,830</u> |
| Capital and reserves | | | | | |
| Called up share capital | 17 | | 10,013 | | 10,013 |
| Share premium account | 18 | | 2,592 | | 2,592 |
| Profit and loss account | 18 | | 4,611,518 | | 3,995,225 |
| Shareholders' funds | 19 | | <u>4,624,123</u> | | <u>4,007,830</u> |

The financial statements were approved by the Board on 23 September 2011 and signed on its behalf by



F G Ciaurro
Director

Registration number 2527559

The notes on pages 8 to 21 form an integral part of these financial statements.

Cema Limited

**Cash flow statement
for the year ended 31 December 2010**

| | Notes | 2010 £ | 2009 £ |
|--|-------|------------------|------------------|
| Reconciliation of operating profit to net cash inflow from operating activities | | | |
| Operating profit | | 599,449 | 414,792 |
| Depreciation | | 200,783 | 224,256 |
| Decrease in stocks | | 8,081 | 2,241 |
| Decrease in debtors | | 246,145 | 97,282 |
| (Decrease) in creditors | | (689,610) | 196,019 |
| Net cash inflow from operating activities | | <u>364,848</u> | <u>934,590</u> |
| Cash flow statement | | | |
| Net cash inflow from operating activities | | 364,848 | 934,590 |
| Returns on investments and servicing of finance | 22 | 140,008 | (90,175) |
| Taxation | 22 | (26,827) | (47,326) |
| Capital expenditure and financial investment | 22 | (34,183) | (530,789) |
| | | 443,846 | 266,300 |
| Equity dividends paid | | (117,914) | (354,132) |
| | | 325,932 | (87,832) |
| Financing | 22 | (1,082,571) | 1,270,118 |
| Decrease in cash in the year | | <u>(756,639)</u> | <u>1,182,286</u> |
| Reconciliation of net cash flow to movement in net funds (Note 23) | | | |
| Decrease in cash in the year | | (756,639) | 1,182,286 |
| Cash inflow from increase in debts and lease financing | | 1,082,571 | (1,270,118) |
| Change in net funds resulting from cash flows | | 325,932 | (87,832) |
| New finance leases and hire purchase contracts | | (17,571) | (107,060) |
| Movement in net funds in the year | | 308,361 | (194,892) |
| Net debt at 1 January 2010 | | (718,912) | (524,020) |
| Net debt at 31 December 2010 | | <u>(410,551)</u> | <u>(718,912)</u> |

Cema Limited

Notes to the financial statements for the year ended 31 December 2010

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

The company has consistently applied all relevant accounting standards

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

| | | |
|-------------------------------------|---|--------------------------------|
| Land and buildings | - | Straight line over fifty years |
| Plant and machinery | - | 15% Reducing balance |
| Fixtures, fittings and equipment | - | 15% Reducing balance |
| Motor vehicles | - | 25% Straight line |

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

1.5. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

1.6. Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

Cema Limited

Notes to the financial statements for the year ended 31 December 2010

continued

1.8. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

3. Operating profit

| | 2010 £ | 2009 £ |
|---|-----------|-----------|
| Operating profit is stated after charging | | |
| Depreciation | | |
| - written off owned tangible fixed assets | 120,122 | 86,803 |
| - written off tangible fixed assets on HP/Finance lease | 84,406 | 141,837 |
| Auditors' remuneration (Note 4) | 11,500 | 9,500 |
| and after crediting | | |
| Profit on disposal of tangible fixed assets | 3,745 | 4,384 |

4 Auditors' remuneration

| | 2010 £ | 2009 £ |
|--|-----------|-----------|
| Auditors' remuneration - audit of the financial statements | 10,500 | 8,500 |
| Auditors' remuneration - other fees | | |
| - taxation services | 1,000 | 1,000 |

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

| | | |
|--|------------------|-------------------|
| 5. Income from investments | 2010 | 2009 |
| | £ | £ |
| Income from subsidiary undertakings | <u>228,720</u> | <u>-</u> |
| 6. Interest receivable and similar income | 2010 | 2009 |
| | £ | £ |
| Bank interest | <u>1,146</u> | <u>956</u> |
| 7. Interest payable and similar charges | 2010 | 2009 |
| | £ | £ |
| Interest payable on loans < 1 yr | 22,466 | - |
| Hire purchase interest | 63,908 | 72,931 |
| On overdue tax | 3,484 | 18,200 |
| | <u>89,858</u> | <u>91,131</u> |
| 8. Employees | | |
| Number of employees | 2010 | 2009 |
| The average monthly numbers of employees (including the directors) during the year were | | |
| Management and administration | 46 | 48 |
| Production | 138 | 155 |
| Sales | 2 | 2 |
| | <u>186</u> | <u>205</u> |
| Employment costs | 2010 | 2009 |
| | £ | £ |
| Wages and salaries | 5,389,089 | 10,049,697 |
| Social security costs | 572,829 | 609,359 |
| Pension costs | 19,167 | 16,839 |
| | <u>5,981,085</u> | <u>10,675,895</u> |

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

| 8.1. Directors' remuneration | 2010 | 2009 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Remuneration and other emoluments | 446,730 | 2,451,556 |
| Remuneration scheme | (1,000,000) | - |
| | <u>(553,270)</u> | <u>2,451,556</u> |

This figure includes an over-provision of £1,000,000 in relation to a payment due to a human resources company

9. Pension costs

The company operates a defined contribution pension scheme in respect of the directors and certain other members of staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to a charge of £19,167, (2009 - £16,839)

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

10. Tax on profit on ordinary activities

| Analysis of charge in period | 2010 £ | 2009 £ |
|--|-------------------|-------------------|
| Current tax | | |
| UK corporation tax | 5,250 | 26,826 |
| Total current tax charge | <u>5,250</u> | <u>26,826</u> |
| Deferred tax | | |
| Timing differences, origination and reversal | - | (7,593) |
| Total deferred tax | <u>-</u> | <u>(7,593)</u> |
| Tax on profit on ordinary activities | <u>5,250</u> | <u>19,233</u> |

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (28 00 per cent) The differences are explained below

| | 2010 £ | 2009 £ |
|--|-------------------|-------------------|
| Profit on ordinary activities before taxation | <u>739,457</u> | <u>324,617</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28 00% (31 December 2009 28 00%) | 207,048 | 90,893 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 3,984 | 29,266 |
| Capital allowances for period in excess of depreciation | 16,310 | 8,876 |
| Utilisation of tax losses | - | (102,180) |
| Industrial Buildings Allowance | 1,579 | 453 |
| Group relief | (157,879) | - |
| Group dividend income | (64,042) | - |
| Change in tax rates | (1,750) | (482) |
| Current tax charge for period | <u>5,250</u> | <u>26,826</u> |

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

| 11. Tangible fixed assets | Land and buildings freehold £ | Plant and machinery £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|---------------------------|--|-----------------------------|---|------------------------|------------------|
| Cost | | | | | |
| At 1 January 2010 | 533,530 | 88,347 | 523,423 | 809,753 | 1,955,053 |
| Additions | - | 28,203 | - | 27,821 | 56,024 |
| Disposals | - | - | - | (34,735) | (34,735) |
| At 31 December 2010 | <u>533,530</u> | <u>116,550</u> | <u>523,423</u> | <u>802,839</u> | <u>1,976,342</u> |
| Depreciation | | | | | |
| At 1 January 2010 | 103,070 | 54,753 | 318,791 | 554,261 | 1,030,875 |
| On disposals | - | - | - | (34,210) | (34,210) |
| Charge for the year | 10,670 | 9,270 | 30,654 | 153,934 | 204,528 |
| At 31 December 2010 | <u>113,740</u> | <u>64,023</u> | <u>349,445</u> | <u>673,985</u> | <u>1,201,193</u> |
| Net book values | | | | | |
| At 31 December 2010 | <u>419,790</u> | <u>52,527</u> | <u>173,978</u> | <u>128,854</u> | <u>775,149</u> |
| At 31 December 2009 | <u>430,460</u> | <u>33,594</u> | <u>204,632</u> | <u>255,492</u> | <u>924,178</u> |

Included above are assets held under finance leases or hire purchase contracts as follows

| Asset description | 2010 | | 2009 | |
|---------------------|-----------------|---------------|-----------------|----------------|
| | Net | Depreciation | Net | Depreciation |
| | book value £ | charge £ | book value £ | charge £ |
| Plant and machinery | 6,082 | 1,073 | 7,155 | 1,263 |
| Motor vehicles | 115,153 | 83,333 | 243,200 | 140,574 |
| | <u>121,235</u> | <u>84,406</u> | <u>250,355</u> | <u>141,837</u> |

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

| 12. Fixed asset investments | Other unlisted investments £ | Total £ |
|--|---|-----------------------|
| Cost | | |
| At 1 January 2010 | | |
| At 31 December 2010 | 3,200,316 | 3,200,316 |
| Net book values | | |
| At 31 December 2010 | 3,200,316 | 3,200,316 |
| At 31 December 2009 | 3,200,316 | 3,200,316 |
| 12.1 Fixed asset investments | 2010 £ | 2009 £ |
| Directors' valuation of unlisted investments | 3,200,316 | 3,200,316 |

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

12.2. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies

| Company | Country of registration or incorporation | Nature of business | Shares held class | Proportion of shares held |
|--|---|---------------------------------|------------------------------|--|
| Subsidiary undertaking | | | | |
| Cema Solutions Limited | England & Wales | Provision of finance facilities | Ordinary | 100% |
| Nottingham Crane Hire Limited | England & Wales | Hauliers | Ordinary | 100% |
| Viking Pumps (Humberside) Limited | England & Wales | Water pumping equipment | Ordinary | 100% |
| Viking Pumps Limited | England & Wales | Water pumping equipment | Ordinary | 100% |
| Cema Business Solutions Limited | England & Wales | Vending machines | Ordinary | 100% |
| Labtec Services Limited | England & Wales | Water pumping equipment | Ordinary | 87.50% |
| East Midlands Computing Limited | England & Wales | Computer maintenance | Ordinary | 100% |
| Chartwell Consultancy Services Limited | England & Wales | Project management | Ordinary | 100% |
| Cema Tracking Solutions Limited | England & Wales | Vehicle tracking | Ordinary | 100% |
| Lloyd Morris Electrical Limited | England & Wales | Water pumping equipment | Ordinary | 90% |
| JP Engraving Limited | England & Wales | Engraving and signwriting | Ordinary | 75% |
| Merlin Systems Limited | England & Wales | Industrial systems engineers | Ordinary | 90% |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

| | Capital and reserves | Profit for the year |
|--|-----------------------------|----------------------------|
| | £ | £ |
| Cema Solutions Limited | 680,427 | 124,538 |
| Nottingham Crane Hire Limited | (23,019) | (36,371) |
| Viking Pumps (Humberside) Limited | (678) | - |
| Viking Pumps Limited | 1,169,766 | 49,141 |
| Cema Business Solutions Limited | (479,023) | (40,843) |
| Labtec Services Limited | (666,509) | (297,520) |
| East Midlands Computing Limited | (8,452) | (5,604) |
| Chartwell Consultancy Services Limited | 33,045 | (1,363) |
| Cema Tracking Solutions Limited | (138,436) | (114,607) |
| Lloyd Morris Electrical Limited | 748,565 | 323,682 |
| JP Engraving Limited | 31,925 | 9,045 |
| Merlin Systems Limited | 186,721 | 87,658 |

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

| | | |
|--|------------------|------------------|
| 13. Stocks | 2010 | 2009 |
| | £ | £ |
| Raw materials and consumables | 107,811 | 110,892 |
| Work in progress | 125,000 | 130,000 |
| | <u>232,811</u> | <u>240,892</u> |
| 14 Debtors | 2010 | 2009 |
| | £ | £ |
| Trade debtors | 2,687,096 | 2,576,244 |
| Amounts owed by group undertakings | 2,837,972 | 3,231,883 |
| Other debtors | 50,000 | 6,000 |
| Prepayments and accrued income | 34,781 | 41,867 |
| | <u>5,609,849</u> | <u>5,855,994</u> |
| 15. Creditors: amounts falling due within one year | 2010 | 2009 |
| | £ | £ |
| Other loans | 400,000 | 1,465,000 |
| Net obligations under finance leases and hire purchase contracts | 60,816 | 153,860 |
| Trade creditors | 1,892,321 | 1,136,222 |
| Amounts owed to group undertaking | 434,303 | 582,942 |
| Corporation tax | 5,250 | 26,827 |
| Other taxes and social security costs | 316,239 | 421,194 |
| Directors' accounts | 1,687,053 | 19,597 |
| Accruals and deferred income | 448,286 | 3,307,857 |
| | <u>5,244,268</u> | <u>7,113,499</u> |
| 16. Creditors: amounts falling due after more than one year | 2010 | 2009 |
| | £ | £ |
| Net obligations under finance leases and hire purchase contracts | <u>32,206</u> | <u>74,233</u> |

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

| 17. Share capital | 2010 £ | 2009 £ |
|---|--|--|
| Authorised | | |
| 10,000 Ordinary shares of £1 each | 10,000 | 10,000 |
| 1,000 Ordinary B shares of £1 each | 1,000 | 1,000 |
| 1,000 Ordinary C shares of 1 each | 1,000 | 1,000 |
| | <u>12,000</u> | <u>12,000</u> |
| Allotted, called up and fully paid | | |
| 10,000 Ordinary shares of £1 each | 10,000 | 10,000 |
| 8 Ordinary B shares of £1 each | 8 | 8 |
| 5 Ordinary C shares of 1 each | 5 | 5 |
| | <u>10,013</u> | <u>10,013</u> |
| Equity Shares | | |
| 10,000 Ordinary shares of 1 each | 10,000 | 10,000 |
| 8 Ordinary B shares of 1 each | 8 | 8 |
| 5 Ordinary C shares of 1 each | 5 | 5 |
| | <u>10,013</u> | <u>10,013</u> |
| 18. Equity Reserves | Share premium account £ | Profit and loss account £ Total £ |
| At 1 January 2010 | 2,592 | 3,995,225 3,997,817 |
| Profit for the year | - | 734,207 734,207 |
| Equity Dividends | - | (117,914) (117,914) |
| At 31 December 2010 | <u>2,592</u> | <u>4,611,518</u> <u>4,614,110</u> |

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

| 19. Reconciliation of movements in shareholders' funds | 2010 | 2009 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Profit for the year | 734,207 | 305,384 |
| Dividends | (117,914) | (354,132) |
| | <u>616,293</u> | <u>(48,748)</u> |
| Opening shareholders' funds | 4,007,830 | 4,056,578 |
| Closing shareholders' funds | <u><u>4,624,123</u></u> | <u><u>4,007,830</u></u> |

Cema Limited

Notes to the financial statements for the year ended 31 December 2010

continued

20. Related party transactions

The following transactions were undertaken by Cema Limited with its subsidiary companies in the year

| | Sales | Purchases |
|--|---------|-----------|
| | £ | £ |
| Nottingham Crane Hire Limited | 225,393 | 56,428 |
| Viking Pumps (Humberside) Limited | - | - |
| Viking Pumps Limited | 150,444 | 1,988 |
| Cema Business Solutions Limited | 334,965 | 1,084 |
| Labtec Services Limited | 131,118 | - |
| East Midlands Computing Limited | 24,940 | - |
| Chartwell Consultancy Services Limited | 229,619 | 297,870 |
| Cema Tracking Solutions Limited | 123,563 | 31,363 |
| Lloyd Morris Electrical Limited | 334,677 | 29,175 |
| JP Engraving Limited | 1,037 | 1,632 |
| Merlin Systems Limited | 52,117 | 60,000 |

Cema Solutions Limited has provided Cema Limited with further finance in the year of £14,351

Cema Limited's balances with its subsidiaries at the year end were as follows

| | Debtors | Creditors |
|--|------------------|----------------|
| | £ | £ |
| Cema Solutions Limited | 561,733 | - |
| Nottingham Crane Hire Limited | 112,446 | - |
| Viking Pumps (Humberside) Limited | 507,855 | - |
| Viking Pumps Limited | - | 430,892 |
| Cema Business Solutions Limited | 812,818 | - |
| Labtec Services Limited | 544,435 | - |
| East Midlands Computing Limited | 15,091 | - |
| Chartwell Consultancy Services Limited | 7,216 | - |
| Cema Tracking Solutions Limited | 71,476 | - |
| Lloyd Morris Electrical Limited | 201,811 | - |
| JP Engraving Limited | 3,091 | - |
| Merlin Systems Limited | - | 3,411 |
| | <u>2,837,972</u> | <u>434,303</u> |
| Hire purchase | | |
| Cema Solutions Limited | - | <u>93,021</u> |

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

21 Controlling interest

The ultimate controlling party of the company is Mr F G Ciaurro who controls 59% of the shares of the company

22. Gross cash flows

| | 2010 | 2009 |
|---|--------------------|------------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 1,146 | 956 |
| Interest paid | (89,858) | (91,131) |
| Dividends received | 228,720 | - |
| | <u>140,008</u> | <u>(90,175)</u> |
| Taxation | | |
| Corporation tax paid | <u>(26,827)</u> | <u>(47,326)</u> |
| Capital expenditure and financial investment | | |
| Payments to acquire tangible assets | (38,453) | (23,989) |
| Payments to acquire investments | - | (515,000) |
| Receipts from sales of tangible assets | 4,270 | 8,200 |
| | <u>(34,183)</u> | <u>(530,789)</u> |
| Financing | | |
| Other new short term loans | 400,000 | 1,465,000 |
| Repayment of other long term loans | (1,465,000) | - |
| Capital element of finance leases and hire purchase contracts | (17,571) | (194,882) |
| | <u>(1,082,571)</u> | <u>1,270,118</u> |

Cema Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

23. Analysis of changes in net funds

| | Opening balance | Cash flows | Other changes | Closing balance |
|--|----------------------------|-----------------------|--------------------------|----------------------------|
| | £ | £ | £ | £ |
| Cash at bank and in hand | 974,181 | (891,709) | - | 82,472 |
| Debt due within one year | (1,465,000) | 1,065,000 | - | (400,000) |
| Finance leases and hire purchase contracts | (228,093) | 152,642 | (17,571) | (93,022) |
| | (1,693,093) | 1,217,642 | (17,571) | (493,022) |
| Net funds | (718,912) | 325,933 | (17,571) | (410,550) |