

Registration number 2527559

Cema Limited

Directors' report and consolidated financial statements

for the year ended 31 December 2012



Cema Limited

Company information

Directors	F G Ciaurro S K Binns M Jakubiak P Littlehales R D 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 2SG
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 2012

The directors present their report and the financial statements of the company and the group for the year ended 31 December 2012

Principal activity

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

Results and dividends

The results of the group for the year are set out on page 5

The results of the parent company Cema Limited are set out on page 6

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 into 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 K Binns	J Smith
M Jakubiak	R Eley
P Littlehales	I Spooner
R D Sharpe	

Charitable Donations

During the year the company contributed £5,714 to charities

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 2012**

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 2013 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 2012 which comprise the Group and Parent Company Profit and Loss Account, the Group and Parent Company Balance Sheet, the Group 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 (APB'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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 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.

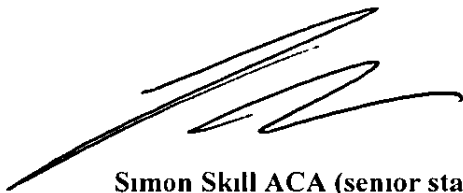
**Independent auditor's report to the shareholders of
Cema Limited**

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 2013**

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

Cema Limited

**Consolidated Profit and loss account
for the year ended 31 December 2012**

		Continuing operations	
		2012	2011
	Notes	£	£
Turnover	2	38,521,509	39,597,328
Cost of sales		(33,947,069)	(35,109,236)
Gross profit		<u>4,574,440</u>	<u>4,488,092</u>
Administrative expenses		(4,498,149)	(4,415,394)
Other operating income		27,333	23,160
Operating profit	3	<u>103,624</u>	<u>95,858</u>
Investment income	5	(26,000)	-
Other interest receivable and similar income	6	319,724	58
Interest payable and similar charges	7	(217,900)	(183,069)
Profit/(loss) on ordinary activities before taxation		<u>179,448</u>	<u>(87,153)</u>
Tax on profit/(loss) on ordinary activities	10	(12,294)	1,622
Profit/(loss) for the year	22	<u>167,154</u>	<u>(85,531)</u>
Retained profit brought forward		4,183,253	4,056,554
Reserve Movements		(3,717)	212,230
Retained profit carried forward		<u><u>4,346,690</u></u>	<u><u>4,183,253</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 10 to 26 form an integral part of these financial statements.

Cema Limited

**Company Profit and loss account
for the year ended 31 December 2012**

		Continuing operations	
		2012	2011
	Notes	£	£
Turnover	2	20,733,105	22,546,828
Cost of sales		(18,890,945)	(20,730,521)
Gross profit		<u>1,842,160</u>	<u>1,816,307</u>
Administrative expenses		(1,725,225)	(1,817,898)
Operating (loss)/profit	3	<u>116,935</u>	<u>(1,591)</u>
Investment income	5	(6,000)	176,763
Interest payable and similar charges	7	<u>(86,441)</u>	<u>(66,807)</u>
Profit on ordinary activities before taxation		24,494	108,365
Tax on profit on ordinary activities	10	<u>(1,187)</u>	-
Profit for the year	22	<u>23,307</u>	<u>108,365</u>
Retained profit brought forward		4,719,883	4,611,518
Retained profit carried forward		<u><u>4,743,190</u></u>	<u><u>4,719,883</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 10 to 26 form an integral part of these financial statements.

Cema Limited

**Consolidated Balance sheet
as at 31 December 2012**

		2012		2011	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	12		49,093		73,157
Tangible assets	13		1,878,421		2,033,893
Investments	14		1,081,213		1,117,213
			<u>3,008,727</u>		<u>3,224,263</u>
Current assets					
Stocks	15	2,187,131		1,889,213	
Debtors	16	10,591,013		12,149,636	
		<u>12,778,144</u>		<u>14,038,849</u>	
Creditors: amounts falling due within one year	17	(11,434,288)		(13,300,769)	
Net current assets			<u>1,343,856</u>		<u>738,080</u>
Total assets less current liabilities			4,352,583		3,962,343
Creditors: amounts falling due after more than one year	18		(332,212)		-
Provisions for liabilities	19		<u>(5,728)</u>		<u>(43,433)</u>
Net assets			<u>4,014,643</u>		<u>3,918,910</u>
Capital and reserves					
Called up share capital	21		10,017		10,017
Share premium account	22		2,968		2,968
Minority interest	22		(345,032)		(277,328)
Profit and loss account	22		4,346,690		4,183,253
Shareholders' funds	23		<u>4,014,643</u>		<u>3,918,910</u>

The financial statements were approved by the Board on 23 September 2013 and signed on its behalf by

F G Ciaurro
Director

Registration number 2527559

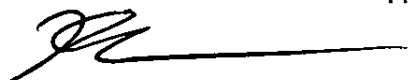
The notes on pages 10 to 26 form an integral part of these financial statements.

Cema Limited

**Company balance sheet
as at 31 December 2012**

		2012		2011	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		690,190		775,214
Investments	14		3,164,615		3,200,615
			<u>3,854,805</u>		<u>3,975,829</u>
Current assets					
Stocks	15	138,442		125,000	
Debtors	16	7,019,193		7,847,332	
Cash at bank and in hand		24,887		6,831	
		<u>7,182,522</u>		<u>7,979,163</u>	
Creditors: amounts falling due within one year	17	(5,963,523)		(7,103,652)	
Net current assets			<u>1,218,999</u>		<u>875,511</u>
Total assets less current liabilities			5,073,804		4,851,340
Creditors: amounts falling due after more than one year	18		(317,629)		(118,472)
Net assets			<u>4,756,175</u>		<u>4,732,868</u>
Capital and reserves					
Called up share capital	21		10,017		10,017
Share premium account	22		2,968		2,968
Profit and loss account	22		4,743,190		4,719,883
Shareholders' funds	23		<u>4,756,175</u>		<u>4,732,868</u>

The financial statements were approved by the Board on 23 September 2013 and signed on its behalf by



F G Ciaurro
Director

Registration number 2527559

The notes on pages 10 to 26 form an integral part of these financial statements.

Cema Limited

**Consolidated Cash Flow Statement
for the year ended 31 December 2012**

	Notes	2012 £	2011 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		103,624	95,858
Depreciation		396,307	456,242
(Increase) in stocks		(297,918)	(432,138)
Decrease in debtors		1,558,623	(4,795,058)
(Decrease) in creditors		(2,903,716)	5,296,906
(Decrease) in provisions		(38,850)	-
Minority interest adjustment		(67,411)	-
Net cash outflow from operating activities		<u>(1,249,341)</u>	<u>621,810</u>
Cash flow statement			
Net cash outflow from operating activities		(1,249,341)	621,810
Returns on investments and servicing of finance	26	101,824	(183,011)
Taxation	26	-	(48,767)
Capital expenditure and financial investment	26	(23,200)	(783,968)
Acquisitions and disposals	26	(26,000)	-
		(1,196,717)	(393,936)
Equity dividends paid		(8,000)	-
		(1,204,717)	(393,936)
Financing	26	461,498	113,768
Decrease in cash in the year		<u>(743,219)</u>	<u>(280,168)</u>
Reconciliation of net cash flow to movement in net debt (Note 27)			
Decrease in cash in the year		(743,219)	(280,168)
Cash outflow from decrease in debts and lease financing		(461,498)	(113,588)
Change in net debt resulting from cash flows		(1,204,717)	(393,756)
New finance leases and hire purchase contracts		(153,923)	8,909
Movement in net debt in the year		(1,358,640)	(384,847)
Net debt at 1 January 2012		(663,320)	(278,473)
Net debt at 31 December 2012		<u>(2,021,960)</u>	<u>(663,320)</u>

Cema Limited

Notes to the consolidated financial statements for the year ended 31 December 2012

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 group 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. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years

1.4. 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

1.5. 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

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6. Investments

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

1.7. Stock and work in progress

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

1.8. Pensions

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

Cema Limited

Notes to the consolidated financial statements for the year ended 31 December 2012

continued

1.9. 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 group for the year has been derived from its principal activity wholly undertaken in the UK

3. Operating profit

	2012 £	2011 £
Operating profit is stated after charging		
Depreciation and other amounts written off intangible assets	16,107	13,011
Depreciation		
- written off owned tangible fixed assets	233,228	296,351
- written off tangible fixed assets on HP/Finance lease	141,126	148,309
Loss on disposal of tangible fixed assets	5,846	-
Operating lease rentals		
- Motor vehicles	73,362	69,487
Auditors' remuneration (Note 4)	54,900	54,210
and after crediting		
Profit on disposal of tangible fixed assets	-	1,429

4. Auditors' remuneration

	2012 £	2011 £
Auditors' remuneration - audit of the financial statements	48,200	49,960
Auditors' remuneration - other fees		
- taxation services	6,700	4,250

Cema Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2012**

continued

5. Income from investments	2012	2011
	£	£
Loss on disposal of investments	<u>(26,000)</u>	<u>-</u>
6. Interest receivable and similar income	2012	2011
	£	£
Bank interest	80	58
Other interest	<u>319,644</u>	<u>-</u>
	<u>319,724</u>	<u>58</u>
7. Interest payable and similar charges	2012	2011
	£	£
Interest payable on loans < 1 yr	75,327	35,564
Hire purchase interest	140,446	147,450
On overdue tax	<u>2,127</u>	<u>55</u>
	<u>217,900</u>	<u>183,069</u>
8. Employees		
Number of employees	2012	2011
The average monthly numbers of employees (including the directors) during the year were		
Management and administration	85	89
Production and sales	<u>388</u>	<u>394</u>
	<u>473</u>	<u>483</u>
Employment costs	2012	2011
	£	£
Wages and salaries	15,366,409	15,303,239
Social security costs	1,022,839	1,186,275
Pension costs	<u>107,849</u>	<u>128,977</u>
	<u>16,497,097</u>	<u>16,618,491</u>

Cema Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2012**

continued

8.1. Directors' remuneration	2012	2011
Remuneration and other emoluments	695,917	794,189
Pension contributions	7,774	11,237
	<u>703,691</u>	<u>805,426</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	2	3
Highest paid director	£	£
Amounts included above		
Emoluments and other benefits	44,245	56,138
Pension contributions	6,374	5,464
	<u>50,619</u>	<u>61,602</u>
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 £107,849 (2011 - £128,977)		
10. Tax on profit/(loss) on ordinary activities		
Analysis of charge in period	2012	2011
	£	£
Current tax		
UK corporation tax	11,149	-
Total current tax charge	<u>11,149</u>	<u>-</u>
Deferred tax		
Timing differences, origination and reversal	1,145	(1,622)
Total deferred tax	<u>1,145</u>	<u>(1,622)</u>
Tax on profit/(loss) on ordinary activities	<u>12,294</u>	<u>(1,622)</u>

Cema Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2012**

continued

11. Dividends

Dividends paid and proposed on equity shares

	2012	2011
	£	£
Paid during the year		
Equity dividends on Ordinary shares	8,000	-
	<u>8,000</u>	<u>-</u>

The dividend was paid to P Cumberland who was a director of Viking Pumps Limited

12. Intangible fixed assets - Group

	Goodwill	Total
	£	£
Cost		
At 1 January 2012	130,106	130,106
Disposals	(10,850)	(10,850)
At 31 December 2012	<u>119,256</u>	<u>119,256</u>
Amortisation		
At 1 January 2012	56,949	56,949
On disposals	(2,893)	(2,893)
Charge for year	16,107	16,107
At 31 December 2012	<u>70,163</u>	<u>70,163</u>
Net book values		
At 31 December 2012	<u>49,093</u>	<u>49,093</u>
At 31 December 2011	<u>73,157</u>	<u>73,157</u>

Cema Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2012**

continued

13. Tangible fixed assets - Group	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2012	732,071	1,535,137	794,562	1,799,552	4,861,322
Additions	-	151,230	8,690	95,992	255,912
Disposals	-	(15,105)	(27,171)	(227,139)	(269,415)
At 31 December 2012	732,071	1,671,262	776,081	1,668,405	4,847,819
Depreciation					
At 1 January 2012	127,010	800,678	613,337	1,286,404	2,827,429
On disposals	-	(5,958)	(26,964)	(195,815)	(228,737)
Charge for the year	13,270	141,951	36,346	179,139	370,706
At 31 December 2012	140,280	936,671	622,719	1,269,728	2,969,398
Net book values					
At 31 December 2012	591,791	734,591	153,362	398,677	1,878,421
At 31 December 2011	605,061	734,459	181,225	513,148	2,033,893
Tangible fixed assets - Company	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2012	533,530	118,105	525,522	936,078	2,113,235
Additions	-	11,000	-	35,557	46,557
Disposals	-	-	-	(116,950)	(116,950)
At 31 December 2012	533,530	129,105	525,522	854,685	2,042,842
Depreciation					
At 1 January 2012	124,410	72,135	375,857	765,619	1,338,021
On disposals	-	-	-	(111,575)	(111,575)
Charge for the year	10,670	8,545	22,450	84,541	126,206
At 31 December 2012	135,080	80,680	398,307	738,585	1,352,652
Net book values					
At 31 December 2012	398,450	48,425	127,215	116,100	690,190
At 31 December 2011	409,120	45,970	149,665	170,459	775,214

Cema Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2012**

continued

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

Group	2012		2011	
	Net	Depreciation	Net	Depreciation
Asset description	book value	charge	book value	charge
	£	£	£	£
Plant and machinery	321,478	42,126	233,730	29,296
Motor vehicles	207,683	99,000	273,439	119,013
	<u>529,161</u>	<u>141,126</u>	<u>507,169</u>	<u>148,309</u>
Company	2012		2011	
	Net	Depreciation	Net	Depreciation
Asset description	book value	charge	book value	charge
	£	£	£	£
Plant and machinery	13,744	2,426	5,170	912
Motor vehicles	113,227	59,596	155,407	75,830
	<u>126,971</u>	<u>62,022</u>	<u>160,577</u>	<u>76,742</u>

Cema Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2012**

continued

14. Fixed asset investments - Group	Goodwill	
	on consolidation £	Total £
Cost		
At 1 January 2012	1,117,213	1,117,213
Disposals	(36,000)	(36,000)
At 31 December 2012	<u>1,081,213</u>	<u>1,081,213</u>
Net book values		
At 31 December 2012	<u>1,081,213</u>	<u>1,081,213</u>
At 31 December 2011	<u>1,117,213</u>	<u>1,117,213</u>
Fixed asset investments - Company	Other unlisted investments £	
	£	Total £
Cost		
At 1 January 2012	3,200,615	3,200,615
Disposals	-36,000	-36,000
At 31 December 2012	<u>3,164,615</u>	<u>3,164,615</u>
Net book values		
At 31 December 2012	<u>3,164,615</u>	<u>3,164,615</u>
At 31 December 2011	<u>3,200,615</u>	<u>3,200,615</u>

Cema Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2012**

continued

14.1. Holdings of 20% or more

Cema Limited 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%
Cema Commercial 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	75%
Labtec Services Limited	England & Wales	Water pumping equipment	Ordinary	75%
Warboys Services Limited	England & Wales	Water pumping equipment	Ordinary	76%
Lloyd Morris Electrical Limited	England & Wales	Water pumping equipment	Ordinary	90%
Cema Site Installations Limited	England & Wales	Project management	Ordinary	100%
Merlin Systems Limited	England & Wales	Industrial systems engineers	Ordinary	90%
Cema Tracking Solutions Limited	England & Wales	Vehicle tracking	Ordinary	100%

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	1,144,426	68,216
Nottingham Crane Hire Limited	(54,631)	3,544
Cema Commercial Limited	(678)	-
Viking Pumps Limited	1,238,239	(1,479)
Cema Business Solutions Limited	(651,457)	(67,163)
Labtec Services Limited	(671,645)	10,656
Warboys Services Limited	(299,394)	(2,035)
Cema Tracking Solutions Limited	(251,019)	(20,982)

Cema Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2012**

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Lloyd Morris Electrical Limited	736,940	84,630
Merlin Systems Limited	75,890	18,460
Cema Site Installations Limited	33,045	-

15. Stocks	Group		Company	
	2012	2011	2012	2011
	£	£		
Raw materials and consumables	750,083	652,009	138,442	125,000
Work in progress	1,437,048	1,237,204	-	-
	<u>2,187,131</u>	<u>1,889,213</u>	<u>138,442</u>	<u>125,000</u>

16. Debtors	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	10,178,636	11,843,913	4,137,714	4,823,463
Amounts owed by group undertakings	-	-	2,755,345	2,848,959
Other debtors	322,900	198,808	98,757	139,816
Prepayments and accrued income	89,477	106,915	27,377	35,094
	<u>10,591,013</u>	<u>12,149,636</u>	<u>7,019,193</u>	<u>7,847,332</u>

Cema Limited

**Notes to the consolidated financial statements
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17. Creditors: amounts falling due within one year	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank overdraft	798,967	55,748	673,187	298,113
Other loans	823,117	607,572	573,528	400,000
Net obligations under finance leases and hire purchase contracts	67,664	-	67,664	85,496
Trade creditors	3,595,373	5,997,120	1,608,465	3,281,512
Amounts owed to group undertaking	-	-	51,942	330,352
Corporation tax	10,808	1	1,187	-
Other taxes and social security costs	1,280,016	1,318,260	620,256	583,964
Directors' accounts	2,596,725	3,113,920	1,796,169	1,739,970
Other creditors	273,888	212,611	269,315	170,969
Accruals and deferred income	1,987,730	1,995,537	301,810	213,276
	<u>11,434,288</u>	<u>13,300,769</u>	<u>5,963,523</u>	<u>7,103,652</u>

The bank borrowing facilities are secured by a debenture giving a fixed and floating charge over the assets of the company

18. Creditors: amounts falling due after more than one year	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Other loans	245,953	-	231,370	-
Net obligations under finance leases and hire purchase contracts	86,259	-	86,259	118,472
	<u>332,212</u>	<u>-</u>	<u>317,629</u>	<u>118,472</u>

Cema Limited

**Notes to the consolidated financial statements
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19. Provisions for liabilities - Group

	Deferred taxation (Note 20) £	Other provisions £	Total £
At 1 January 2012	4,583	38,850	43,433
Charge for the year		(38,850)	(38,850)
Movements in the year	1,145		1,145
At 31 December 2012	<u>5,728</u>	<u>-</u>	<u>5,728</u>

20. Provision for deferred taxation - Group

	2012 £	2011 £
Accelerated capital allowances	5,728	4,583
Provision for deferred tax	<u>5,728</u>	<u>4,583</u>
Provision at 1 January 2012	4,583	
Deferred tax charge in profit and loss account	1,145	
Provision at 31 December 2012	<u>5,728</u>	

Cema Limited

**Notes to the consolidated financial statements
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21. Share capital	2012 £	2011 £
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
4 Ordinary D shares of £1 each	4	4
	<u>10,017</u>	<u>10,017</u>
 Equity Shares		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
 Non Equity Shares		
8 Ordinary B shares of £1 each	8	8
5 Ordinary C shares of £1 each	5	5
4 Ordinary D shares of £1 each	4	4
	<u>17</u>	<u>17</u>

Cema Limited

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22. Equity Reserves - Group	Share premium account £	Profit and loss account £	Minority interest £	Total £
At 1 January 2012	2,968	4,183,253	(277,328)	3,908,893
Transfer relating to minority interest		4,283		4,283
Profit for the year		167,154		167,154
Other movements	-	-	(67,704)	(67,704)
Equity Dividends		(8,000)		(8,000)
At 31 December 2012	<u>2,968</u>	<u>4,346,690</u>	<u>(345,032)</u>	<u>4,004,626</u>

Equity Reserves - Company	Share premium account £	Profit and loss account £	Total £
At 1 January 2012	2,968	4,719,883	4,722,851
Profit for the year	-	23,307	23,307
At 31 December 2012	<u>2,968</u>	<u>4,743,190</u>	<u>4,746,158</u>

23. Reconciliation of movements in shareholders' funds	2012 £	Group 2011 £	2012	Company 2011
Profit/(loss) for the year	167,154	(85,531)	23,307	108,365
Dividends	(8,000)	-	-	-
	<u>159,154</u>	<u>(85,531)</u>	<u>23,307</u>	<u>108,365</u>
Net proceeds of equity share issue	-	180	-	380
Adjustment on minority interest	(63,421)	-	-	-
Net addition to shareholders' funds	95,733	(85,351)	23,307	108,745
Opening shareholders' funds	3,918,910	4,004,261	4,732,868	4,624,123
Closing shareholders' funds	<u>4,014,643</u>	<u>3,918,910</u>	<u>4,756,175</u>	<u>4,732,868</u>

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Notes to the consolidated financial statements for the year ended 31 December 2012

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24. Financial commitments

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date:				
Within one year	25,975	59,161	7,160	936
Between one and five years	72,014	72,014	18,155	29,382
	<u>97,989</u>	<u>131,175</u>	<u>25,315</u>	<u>30,318</u>

25. Controlling interest

The ultimate controlling party of Cema Limited is Mr F G Ciaurro who owns 53% of the shares

Cema Limited

**Notes to the consolidated financial statements
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26. Gross cash flows

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	319,724	58
Interest paid	(217,900)	(183,069)
	<u>101,824</u>	<u>(183,011)</u>
Taxation		
Corporation tax paid	<u>-</u>	<u>(48,767)</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(101,989)	(631,791)
Payments to acquire investments	-	(200,991)
Receipts from sales of intangible assets	7,957	-
Receipts from sales of tangible assets	34,832	48,814
Receipts from sales of investments	36,000	-
	<u>(23,200)</u>	<u>(783,968)</u>
Acquisitions and disposals		
Receipts on disposal of group interests	<u>(26,000)</u>	<u>-</u>
Financing		
Issue of ordinary share capital	-	180
Other new long term loans	245,953	-
Other new short term loans	215,545	113,588
	<u>461,498</u>	<u>113,768</u>

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**Notes to the consolidated financial statements
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27 Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Overdrafts	(55,748)	(743,219)		(798,967)
Debt due within one year	(607,572)	(215,545)	-	(823,117)
Debt due after one year	-	(245,953)	-	(245,953)
Finance leases and hire purchase contracts	-	-	(153,923)	(153,923)
	<u>(607,572)</u>	<u>(461,498)</u>	<u>(153,923)</u>	<u>(1,222,993)</u>
Net funds	<u>(663,320)</u>	<u>(1,204,717)</u>	<u>(153,923)</u>	<u>(2,021,960)</u>