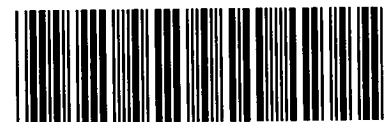


**Tema Engineering Limited**  
**Strategic Report, Report of the Directors and**  
**Audited Financial Statements for the Year Ended 31 March 2014**

Haines Watts Wales LLP  
7 Neptune Court  
Vanguard Way  
CARDIFF  
CF24 5PJ

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**Tema Engineering Limited**

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for the Year Ended 31st March 2014**

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**Tema Engineering Limited**  
**Company Information**  
**for the Year Ended 31 March 2014**

<b>Directors:</b>	Mr M Donovan Mr P Bryant Mr K James Mr A Marinos
<b>Secretary:</b>	Mr A Rowles
<b>Registered office:</b>	Coleridge Road Leckwith Industrial Estate CARDIFF CF11 8BT
<b>Registered number:</b>	05458142
<b>Auditors:</b>	Haines Watts Wales LLP 7 Neptune Court Vanguard Way CARDIFF CF24 5PJ

**Tema Engineering Limited**  
**Strategic Report**  
**for the Year Ended 31 March 2014**

The directors present their strategic report for the year ended 31 March 2014.

**Review of business**

The results for the financial year are set out in detail on page 6, and the position of the group at the year-end is set out on page 7.

The balance sheet shows the company's financial position at the year-end, with net assets of £444,715 (2013: £183,338)

The directors consider the result for the year to be satisfactory, and are confident that profitability will be maintained in the forthcoming financial year.

**Principal risks and uncertainties**

The directors undertake periodic reviews of the operating risks faced by the group.

**On behalf of the board:**



.....  
Mr M Donovan - Director

Date: 12/11/14 .....

## **Tema Engineering Limited**

### **Report of the Directors for the Year Ended 31 March 2014**

The directors present their report with the financial statements of the company for the year ended 31 March 2014.

#### **Principal activity**

The principal activity of the company in the year under review was that of manufacture of pressure vessels, tanks, pipework and associated structural steelwork along with engineering services including machining and plant installations.

#### **Dividends**

No dividends will be distributed for the year ended 31 March 2014.

#### **Directors**

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

Mr M Donovan

Mr K James

Mr A Marinos

Other changes in directors holding office are as follows:

Mr P Bryant - appointed 1 July 2013

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Report of the Directors 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 then 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.

**Tema Engineering Limited**

**Report of the Directors  
for the Year Ended 31 March 2014**

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**On behalf of the board:**



.....  
Mr M Donovan - Director

Date: 12/11/14 .....

## **Report of the Independent Auditors to the Members of Tema Engineering Limited**

We have audited the financial statements of Tema Engineering Limited for the year ended 31 March 2014 on pages seven to fourteen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for 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 March 2014 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
Tema Engineering Limited**

**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.



Stephen Lucey (Senior Statutory Auditor)  
for and on behalf of Haines Watts Wales LLP  
7 Neptune Court  
Vanguard Way  
CARDIFF  
CF24 5PJ

Date: .....

17 November 2014



**Tema Engineering Limited**

**Profit and Loss Account  
for the Year Ended 31 March 2014**

	Notes	2014 £	2013 £
<b>Turnover</b>		6,518,178	2,475,430
Cost of sales		<u>(4,840,189)</u>	<u>(1,911,973)</u>
<b>Gross profit</b>		1,677,989	563,457
Administrative expenses		<u>(1,335,323)</u>	<u>(733,105)</u>
<b>Operating profit/(loss)</b>	3	342,666	(169,648)
Interest payable and similar charges	4	<u>(2,013)</u>	<u>(2,341)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		340,653	(171,989)
Tax on profit/(loss) on ordinary activities	5	<u>(79,276)</u>	<u>16,618</u>
<b>Profit/(loss) for the financial year</b>		<u><u>261,377</u></u>	<u><u>(155,371)</u></u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the current year or previous year.

**Total recognised gains and losses**


The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

**Balance Sheet**  
**31 March 2014**

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Intangible assets	6	-	-
Tangible assets	7	264,065	233,120
		<u>264,065</u>	<u>233,120</u>
<b>Current assets</b>			
Stocks	8	106,638	485,550
Debtors	9	1,502,969	406,093
Cash at bank and in hand		98,024	168
		<u>1,707,631</u>	<u>891,811</u>
<b>Creditors</b>			
Amounts falling due within one year	10	(1,436,334)	(915,766)
<b>Net current assets/(liabilities)</b>		<u>271,297</u>	<u>(23,955)</u>
<b>Total assets less current liabilities</b>		535,362	209,165
<b>Creditors</b>			
Amounts falling due after more than one year	11	(58,263)	(12,805)
<b>Provisions for liabilities</b>	15	(32,384)	(13,022)
<b>Net assets</b>		<u>444,715</u>	<u>183,338</u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Profit and loss account	17	444,714	183,337
<b>Shareholders' funds</b>	20	<u>444,715</u>	<u>183,338</u>

The financial statements were approved by the Board of Directors on 17 November 2014 and were signed on its behalf by:

  
.....  
Mr M Donovan - Director

## **Tema Engineering Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2014**

#### **1. Accounting policies**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

##### **Cash flow exemption**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

##### **Turnover**

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue represents income recognised in respect of services provided during the period.

##### **Goodwill**

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill is being amortised evenly over its estimated useful life of 1 year.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- Straight line over the lease term
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

##### **Work in progress**

Work in progress is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### **Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

##### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Tema Engineering Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2014**

**2. Staff costs**

	2014 £	2013 £
Wages and salaries	1,736,241	1,091,227
Social security costs	181,331	130,181
	<u>1,917,572</u>	<u>1,221,408</u>

The average monthly number of employees during the year was as follows:

	2014	2013
Admin and support	10	4
Production	40	24
Directors	4	-
	<u>54</u>	<u>28</u>

**3. Operating profit/(loss)**

The operating profit (2013 - operating loss) is stated after charging/(crediting):

	2014 £	2013 £
Hire of plant and machinery	167,027	93,351
Depreciation - owned assets	55,599	76,565
Depreciation - assets on hire purchase contracts	6,917	2,333
Loss/(profit) on disposal of fixed assets	1,957	(9,585)
Auditors' remuneration	3,000	3,000
Auditors' remuneration for non audit work	2,000	-
Other non-audit services	-	2,000
	<u>132,500</u>	<u>55,000</u>

**4. Interest payable and similar charges**

	2014 £	2013 £
Bank interest	804	618
Hire purchase	1,209	1,723
	<u>2,013</u>	<u>2,341</u>

**5. Taxation**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
Current tax:		
UK corporation tax	59,914	-
Deferred tax	19,362	(16,618)
Tax on profit/(loss) on ordinary activities	<u>79,276</u>	<u>(16,618)</u>

**Tema Engineering Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2014**

**6. Intangible fixed assets**

	Goodwill £
<b>Cost</b>	
At 1 April 2013 and 31 March 2014	1
<b>Amortisation</b>	
At 1 April 2013 and 31 March 2014	1
<b>Net book value</b>	
At 31 March 2014	-
At 31 March 2013	-

**7. Tangible fixed assets**

	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
<b>Cost</b>				
At 1 April 2013	12,832	451,777	104,223	568,832
Additions	-	4,440	108,896	113,336
Disposals	-	-	(33,645)	(33,645)
At 31 March 2014	12,832	456,217	179,474	648,523
<b>Depreciation</b>				
At 1 April 2013	10,133	274,342	51,237	335,712
Charge for year	2,184	45,007	15,325	62,516
Eliminated on disposal	-	-	(13,770)	(13,770)
At 31 March 2014	12,317	319,349	52,792	384,458
<b>Net book value</b>				
At 31 March 2014	515	136,868	126,682	264,065
At 31 March 2013	2,699	177,435	52,986	233,120

**Tema Engineering Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2014**

**7. Tangible fixed assets - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>Cost</b>	
At 1 April 2013	22,401
Additions	83,710
	<hr/>
At 31 March 2014	106,111
<b>Depreciation</b>	
At 1 April 2013	2,333
Charge for year	6,917
	<hr/>
At 31 March 2014	9,250
<b>Net book value</b>	
At 31 March 2014	96,861
	<hr/>
At 31 March 2013	20,068
	<hr/>

**8. Stocks**

	2014 £	2013 £
Work-in-progress	106,638	485,550
	<hr/>	<hr/>

**9. Debtors: amounts falling due within one year**

	2014 £	2013 £
Trade debtors	1,379,331	257,995
Amounts recoverable on contract	57,852	25,059
Other debtors	-	29,654
VAT	-	39,604
Prepayments	65,786	53,781
	<hr/>	<hr/>
	1,502,969	406,093
	<hr/>	<hr/>

**10. Creditors: amounts falling due within one year**

	2014 £	2013 £
Bank loans and overdrafts (see note 12)	-	33,352
Hire purchase contracts (see note 13)	32,311	24,061
Trade creditors	730,370	121,708
Amounts owed to group undertakings	405,817	725,210
Tax	59,965	51
Social security and other taxes	-	227
VAT	187,205	-
Wages & salaries control	-	779
Accrued expenses	20,666	10,378
	<hr/>	<hr/>
	1,436,334	915,766
	<hr/>	<hr/>

**Tema Engineering Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2014**

**11. Creditors: amounts falling due after more than one year**

	2014 £	2013 £
Hire purchase contracts (see note 13)	<u>58,263</u>	<u>12,805</u>

**12. Loans**

An analysis of the maturity of loans is given below:

	2014 £	2013 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>33,352</u>

**13. Obligations under hire purchase contracts**

	2014 £	2013 £
Net obligations repayable:		
Within one year	32,311	24,061
Between one and five years	58,263	12,805
	<u>90,574</u>	<u>36,866</u>

**14. Secured debts**

The bank facility is secured by an unlimited Debenture dated 07/07/2009 incorporating a fixed and floating charge.

Hire Purchase creditors are secured against the assets to which they relate.

**15. Provisions for liabilities**

	2014 £	2013 £
Deferred tax	<u>32,384</u>	<u>13,022</u>

	Deferred tax £
Balance at 1 April 2013	13,022
Charge to Profit and Loss Account during year	<u>19,362</u>
Balance at 31 March 2014	<u>32,384</u>

**16. Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
1	Ordinary Share Capital	£1	<u>1</u>	<u>1</u>

**Tema Engineering Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2014**

**17. Reserves**

	Profit and loss account £
At 1 April 2013	183,337
Profit for the year	<u>261,377</u>
At 31 March 2014	<u><u>444,714</u></u>

**18. Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

**Penarth Industrial Services Retirement Benefit Scheme**

Pension Scheme of the Parent company

During the year the company paid rent of £114,000 (2013 - £95,000) to the Penarth Industrial Services Retirement Benefit Pension Scheme. At the balance sheet date the amount due to Penarth Industrial Services Retirement Benefit Scheme was £nil (2013 - £nil).

**Tema Protective Coatings Limited**

Common Control

During the year the company made recharges of £298,431 (2013: £24,582) to Tema Protective Coatings Limited. The company also made purchases of £280,054 (2013: £nil)

	2014 £	2013 £
Amount due from related party at the balance sheet date	<u>-</u>	<u>29,654</u>

**19. Ultimate controlling party**

The ultimate controlling party is Mr M Donovan.

The company is controlled by Penarth Industrial Services Limited who hold 100% of the issued share capital.

**20. Reconciliation of movements in shareholders' funds**

	2014 £	2013 £
Profit/(loss) for the financial year	<u>261,377</u>	<u>(155,371)</u>
<b>Net addition/(reduction) to shareholders' funds</b>	<u>261,377</u>	<u>(155,371)</u>
Opening shareholders' funds	<u>183,338</u>	<u>338,709</u>
<b>Closing shareholders' funds</b>	<u><u>444,715</u></u>	<u><u>183,338</u></u>