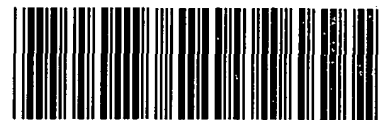


**Tema Engineering Limited**  
**Strategic Report, Report of the Directors and**  
**Audited Financial Statements for the Year Ended 31 March 2015**

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for the Year Ended 31 March 2015**

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**Tema Engineering Limited**  
**Company Information**  
**for the Year Ended 31 March 2015**

**Directors:** Mr M Donovan  
Mr K James  
Mr A Marinos

**Registered office:** Coleridge Road  
Leckwith Industrial Estate  
CARDIFF  
CF11 8BT

**Registered number:** 05458142

**Auditors:** Haines Watts Wales LLP, Statutory Auditors  
7 Neptune Court  
Vanguard Way  
CARDIFF  
CF24 5PJ

**Strategic Report  
for the Year Ended 31 March 2015**

The directors present their strategic report for the year ended 31 March 2015.

**Review of business**

The balance sheet shows the company's financial position at the year-end, with net assets of £667,657 (2014: £444,715)

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.

Price risk, credit risk, liquidity risk and cash flow risk

The group is also exposed to certain financial risks, and the directors develop and evaluate strategies and programmes on internal control to address the principal risks identified. Those identified are controlled as follows:

Credit risk

The group's principal financial assets are its bank balances and cash, trade debtors and investments. Provisions are made as required for any doubtful debts and impairments made where there is an identified loss event which could give rise to a reduction in the recoverability of cash flows.

Liquidity risk

In order to maintain liquidity to ensure that there are sufficient funds available for ongoing operations and future developments the group uses a mixture of long-term and short-term debt finance.

Cash flow risk

The group's trading activities are all within the United Kingdom and therefore it is not exposed to the risks of fluctuations in exchange rates during the financial year.

Exposure to adverse movements in interest rates is not considered by the directors to be a significant risk to the group.

**On behalf of the board:**



.....  
Mr M Donovan - Director

Date: 14.12.15 .....

**Report of the Directors  
for the Year Ended 31 March 2015**

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

**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**

An interim dividend of £500,000 per share was paid on 29 September 2014. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2015 will be £500,000.

**Directors**

The directors shown below have held office during the whole of the period from 1 April 2014 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 - resigned 19 December 2014

**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.

**Report of the Directors  
for the Year Ended 31 March 2015**

**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: 14-12-15 .....

## **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 2015 on pages seven to fifteen. 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 2015 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, Statutory Auditors  
7 Neptune Court  
Vanguard Way  
CARDIFF  
CF24 5PJ

Date:

14 December 2015



**Tema Engineering Limited (Registered number: 05458142)**

**Profit and Loss Account  
for the Year Ended 31 March 2015**

	Notes	2015 £	2014 £
<b>Turnover</b>		11,908,961	6,518,178
Cost of sales		(9,602,526)	(4,840,189)
<b>Gross profit</b>		2,306,435	1,677,989
Administrative expenses		(1,412,678)	(1,335,323)
<b>Operating profit</b>	3	893,757	342,666
Interest payable and similar charges	4	(2,053)	(2,013)
<b>Profit on ordinary activities before taxation</b>		891,704	340,653
Tax on profit on ordinary activities	5	(168,762)	(79,276)
<b>Profit for the financial year</b>		722,942	261,377

**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 profits for the current year or previous year.

The notes form part of these financial statements

**Balance Sheet**  
**31 March 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	7	-	-
Tangible assets	8	259,435	264,065
		<u>259,435</u>	<u>264,065</u>
<b>Current assets</b>			
Stocks	9	19,909	106,638
Debtors	10	1,975,416	1,502,969
Cash at bank and in hand		881,548	98,024
		<u>2,876,873</u>	<u>1,707,631</u>
<b>Creditors</b>			
Amounts falling due within one year	11	(2,396,800)	(1,436,334)
<b>Net current assets</b>		<u>480,073</u>	<u>271,297</u>
<b>Total assets less current liabilities</b>		739,508	535,362
<b>Creditors</b>			
Amounts falling due after more than one year	12	(41,775)	(58,263)
<b>Provisions for liabilities</b>	15	(30,076)	(32,384)
<b>Net assets</b>		<u>667,657</u>	<u>444,715</u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Profit and loss account	17	667,656	444,714
<b>Shareholders' funds</b>	20	<u>667,657</u>	<u>444,715</u>

The financial statements were approved by the Board of Directors on 14.12.15 and were signed on its behalf by:

  
.....  
Mr M Dorjovan - Director

**Notes to the Financial Statements  
for the Year Ended 31 March 2015**

**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 the cost less estimated residual value of 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.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015

1. Accounting policies - continued

**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.

2. Staff costs

	2015 £	2014 £
Wages and salaries	3,918,597	1,736,241
Social security costs	356,676	181,331
Other pension costs	280	-
	<u>4,275,553</u>	<u>1,917,572</u>

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

	2015	2014
Admin and support	7	10
Production	78	40
Directors	2	4
	<u>87</u>	<u>54</u>

3. Operating profit

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

	2015 £	2014 £
Hire of plant and machinery	861,750	167,027
Depreciation - owned assets	44,087	55,599
Depreciation - assets on hire purchase contracts	24,218	6,917
(Profit)/loss on disposal of fixed assets	(658)	1,957
Auditors' remuneration	3,000	3,000
Auditors' remuneration for non audit work	2,000	2,000
	<u>122,500</u>	<u>132,500</u>

4. Interest payable and similar charges

	2015 £	2014 £
Bank interest	736	804
Hire purchase	1,317	1,209
	<u>2,053</u>	<u>2,013</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015

5. **Taxation**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
UK corporation tax	171,070	59,914
Deferred tax	(2,308)	19,362
Tax on profit on ordinary activities	<u>168,762</u>	<u>79,276</u>

6. **Dividends**

	2015 £	2014 £
Ordinary Share Capital share of £1 Interim	<u>500,000</u>	<u>-</u>

7. **Intangible fixed assets**

	Goodwill £
<b>Cost</b>	
At 1 April 2014 and 31 March 2015	<u>1</u>
<b>Amortisation</b>	
At 1 April 2014 and 31 March 2015	<u>1</u>
<b>Net book value</b>	
At 31 March 2015	<u>-</u>
At 31 March 2014	<u>-</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015

8. Tangible fixed assets

	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
<b>Cost</b>				
At 1 April 2014	12,832	456,217	179,474	648,523
Additions	-	2,120	78,082	80,202
Disposals	-	-	(25,186)	(25,186)
At 31 March 2015	12,832	458,337	232,370	703,539
<b>Depreciation</b>				
At 1 April 2014	12,317	319,349	52,792	384,458
Charge for year	515	34,583	33,207	68,305
Eliminated on disposal	-	-	(8,659)	(8,659)
At 31 March 2015	12,832	353,932	77,340	444,104
<b>Net book value</b>				
At 31 March 2015	-	104,405	155,030	259,435
At 31 March 2014	515	136,868	126,682	264,065

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

	Motor vehicles £
<b>Cost</b>	
At 1 April 2014	106,111
Additions	26,300
At 31 March 2015	132,411
<b>Depreciation</b>	
At 1 April 2014	9,250
Charge for year	24,218
At 31 March 2015	33,468
<b>Net book value</b>	
At 31 March 2015	98,943
At 31 March 2014	96,861

9. Stocks

	2015 £	2014 £
Work-in-progress	19,909	106,638

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015

10. Debtors: amounts falling due within one year

	2015	2014
	£	£
Trade debtors	1,557,116	1,379,331
Amounts owed by group undertakings	316,053	-
Amounts recoverable on contract	3,192	57,852
Other debtors	38,479	-
Prepayments	60,576	65,786
	<u>1,975,416</u>	<u>1,502,969</u>

11. Creditors: amounts falling due within one year

	2015	2014
	£	£
Hire purchase contracts (see note 13)	39,705	32,311
Trade creditors	1,067,040	730,370
Amounts owed to group undertakings	213,604	405,817
Tax	171,078	59,965
VAT	295,954	187,205
Other creditors	231,337	-
Accrued expenses	378,082	20,666
	<u>2,396,800</u>	<u>1,436,334</u>

12. Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Hire purchase contracts (see note 13)	<u>41,775</u>	<u>58,263</u>

13. Obligations under hire purchase contracts

	2015	2014
	£	£
Net obligations repayable:		
Within one year	39,705	32,311
Between one and five years	<u>41,775</u>	<u>58,263</u>
	<u>81,480</u>	<u>90,574</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

	2015	2014
	£	£
Deferred tax	<u>30,076</u>	<u>32,384</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015**

**15. Provisions for liabilities - continued**

	Deferred tax £
Balance at 1 April 2014	32,384
Utilised during year	(2,308)
	<hr/>
Balance at 31 March 2015	30,076
	<hr/>

**16. Called up share capital**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2015 £	2014 £
1	Ordinary Share Capital	£1	<u>1</u>	<u>1</u>

**17. Reserves**

	Profit and loss account £
At 1 April 2014	444,714
Profit for the year	722,942
Dividends	(500,000)
	<hr/>
At 31 March 2015	667,656
	<hr/>

**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 £95,000 (2014 - £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 (2014 - £nil).

**Tema Protective Coatings Limited**

Common Control

During the year the company made recharges of £310,577 (2014: £298,431) to Tema Protective Coatings Limited. The company also made sales of £426 (2014: £nil) and purchases of £898,982 (2014: £280,054)

	2015 £	2014 £
Amount due to related party at the balance sheet date	<u>192,858</u>	<u>-</u>



**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2015**

**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**

	2015 £	2014 £
Profit for the financial year	722,942	261,377
Dividends	(500,000)	-
<b>Net addition to shareholders' funds</b>	<b>222,942</b>	<b>261,377</b>
Opening shareholders' funds	444,715	183,338
<b>Closing shareholders' funds</b>	<b>667,657</b>	<b>444,715</b>