
Tema Engineering Limited Audited Financial Statements

For the Year Ended 31 March 2016
Company Registration No: 05458142



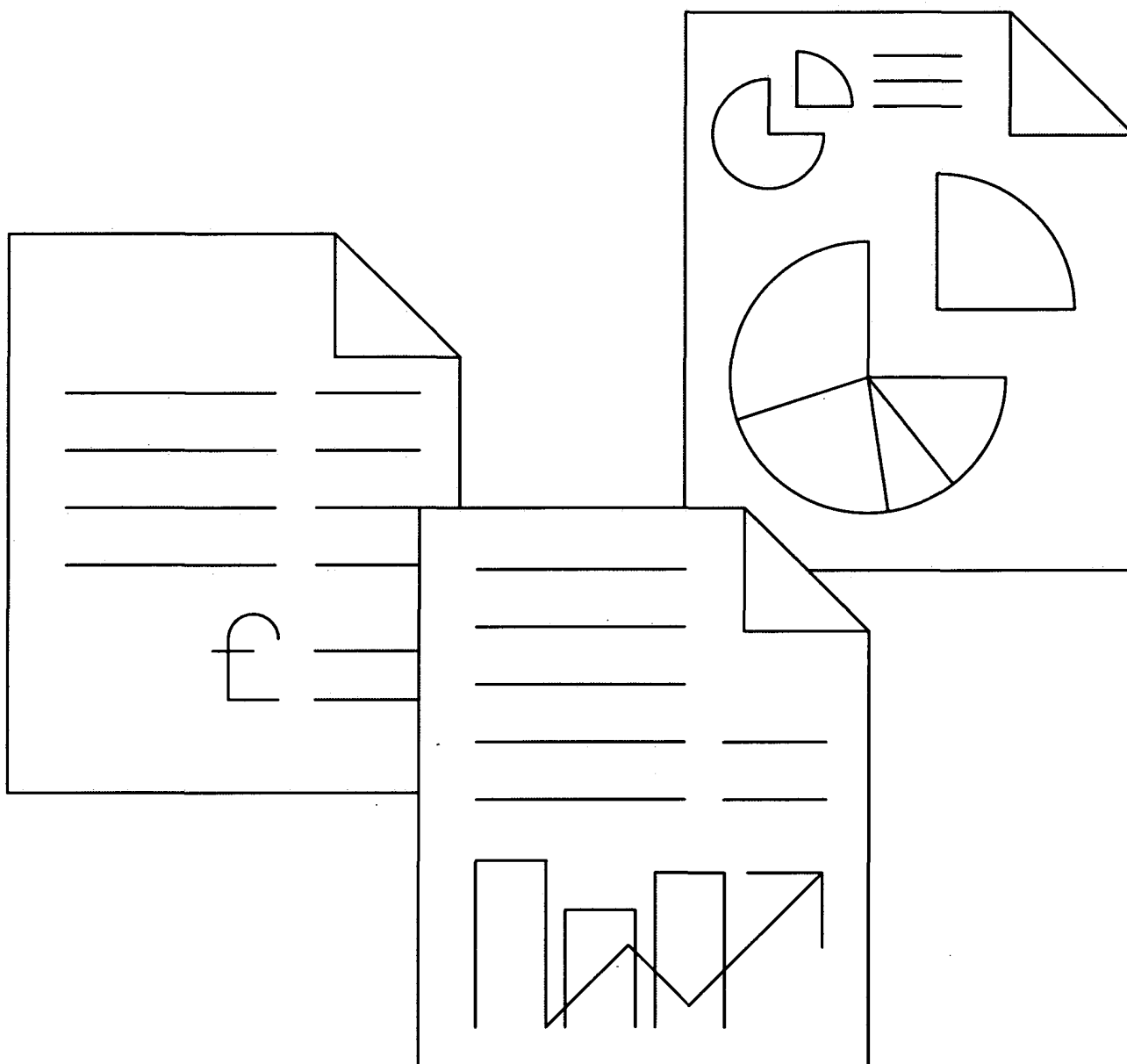
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REGISTERED NUMBER: 05458142

Tema Engineering Limited
Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 March 2016

Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ



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for the Year Ended 31 March 2016**

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Tema Engineering Limited
Company Information
for the Year Ended 31 March 2016

Directors:

Mr M Donovan
Mr P Bryant
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



Tema Engineering Limited
Strategic Report
for the Year Ended 31 March 2016

The directors present their strategic report for the year ended 31 March 2016.

Review of business

The balance sheet shows the company's financial position at the year-end, with net assets of £700,692 (2015: £667,657)

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: 22-12-16



Tema Engineering Limited

Report of the Directors for the Year Ended 31 March 2016

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

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 2016.

Directors

The directors shown below have held office during the whole of the period from 1 April 2015 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 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 2016**

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: 22-12-16



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 2016 on pages seven to nineteen. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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: 22/12/16



Tema Engineering Limited
Statement of Comprehensive Income
for the Year Ended 31 March 2016

	Notes	2016 £	2015 £
Turnover		5,224,688	11,908,961
Cost of sales		(3,964,087)	(9,602,526)
Gross profit		1,260,601	2,306,435
Administrative expenses		(1,295,339)	(1,412,678)
		(34,738)	893,757
Other operating income		80,000	-
Operating profit		45,262	893,757
Interest payable and similar charges	3	(2,122)	(2,053)
Profit on ordinary activities before taxation	4	43,140	891,704
Tax on profit on ordinary activities	5	(10,105)	(168,762)
Profit for the financial year		33,035	722,942
Other comprehensive income		-	-
Total comprehensive income for the year		33,035	722,942

The notes form part of these financial statements



Tema Engineering Limited (Registered number: 05458142)

**Balance Sheet
31 March 2016**

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	7	-	-
Tangible assets	8	255,586	259,435
		<u>255,586</u>	<u>259,435</u>
Current assets			
Stocks	9	49,557	19,909
Debtors	10	1,261,350	1,975,416
Cash at bank and in hand		93,940	881,548
		<u>1,404,847</u>	<u>2,876,873</u>
Creditors			
Amounts falling due within one year	11	(909,951)	(2,396,800)
Net current assets		<u>494,896</u>	<u>480,073</u>
Total assets less current liabilities		<u>750,482</u>	<u>739,508</u>
Creditors			
Amounts falling due after more than one year	12	(28,618)	(41,775)
Provisions for liabilities	15	(21,172)	(30,076)
Net assets		<u>700,692</u>	<u>667,657</u>
Capital and reserves			
Called up share capital	16	1	1
Retained earnings	17	700,691	667,656
Shareholders' funds		<u>700,692</u>	<u>667,657</u>

The financial statements were approved by the Board of Directors on 22-12-16 and were signed on its behalf by:


.....
Mr M Donovan - Director

The notes form part of these financial statements



Tema Engineering Limited

**Statement of Changes in Equity
for the Year Ended 31 March 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	1	444,714	444,715
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	722,942	722,942
Balance at 31 March 2015	1	667,656	667,657
Changes in equity			
Total comprehensive income	-	33,035	33,035
Balance at 31 March 2016	1	700,691	700,692

The notes form part of these financial statements



Tema Engineering Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

1. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

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 FRS 102.

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.



Tema Engineering Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

2. Staff costs

	2016 £	2015 £
Wages and salaries	1,710,598	3,918,597
Social security costs	188,080	356,676
Other pension costs	-	280
	<u>1,898,678</u>	<u>4,275,553</u>

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

	2016	2015
Admin and support	11	7
Production	57	78
Directors	2	2
	<u>70</u>	<u>87</u>

3. Interest payable and similar charges

	2016 £	2015 £
Bank interest	521	736
Hire purchase	1,601	1,317
	<u>2,122</u>	<u>2,053</u>

4. Profit on ordinary activities before taxation

The profit on ordinary activities is stated after charging/(crediting):

	2016 £	2015 £
Hire of plant and machinery	361,377	861,750
Depreciation - owned assets	39,352	44,087
Depreciation - assets on hire purchase contracts	30,315	24,218
Loss/(profit) on disposal of fixed assets	3,546	(658)
Auditors' remuneration	3,000	3,000
Auditors' remuneration for non audit work	2,000	2,000
	<u>439,580</u>	<u>938,407</u>
Directors' remuneration	<u>127,430</u>	<u>122,500</u>



Tema Engineering Limited
Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

5. Taxation

Analysis of the tax charge

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

	2016 £	2015 £
Current tax:		
UK corporation tax	19,009	171,070
Deferred tax	(8,904)	(2,308)
Tax on profit on ordinary activities	<u>10,105</u>	<u>168,762</u>

6. Dividends

	2016 £	2015 £
Ordinary Share Capital share of £1 Interim	<u>-</u>	<u>500,000</u>

7. Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2015	
and 31 March 2016	<u>1</u>
Amortisation	
At 1 April 2015	
and 31 March 2016	<u>1</u>
Net book value	
At 31 March 2016	<u>-</u>
At 31 March 2015	<u>-</u>



Tema Engineering Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

8. Tangible fixed assets

	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
Cost				
At 1 April 2015	12,832	458,337	232,370	703,539
Additions	-	7,513	67,851	75,364
Disposals	-	-	(12,238)	(12,238)
At 31 March 2016	12,832	465,850	287,983	766,665
Depreciation				
At 1 April 2015	12,832	353,932	77,340	444,104
Charge for year	-	26,890	42,777	69,667
Eliminated on disposal	-	-	(2,692)	(2,692)
At 31 March 2016	12,832	380,822	117,425	511,079
Net book value				
At 31 March 2016	-	85,028	170,558	255,586
At 31 March 2015	-	104,405	155,030	259,435

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

	Motor vehicles £
Cost	
At 1 April 2015	132,411
Additions	53,141
At 31 March 2016	185,552
Depreciation	
At 1 April 2015	33,468
Charge for year	30,315
At 31 March 2016	63,783
Net book value	
At 31 March 2016	121,769
At 31 March 2015	98,943

9. Stocks

	2016 £	2015 £
Work-in-progress	49,557	19,909



Tema Engineering Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

10. Debtors: amounts falling due within one year

	2016	2015
	£	£
Trade debtors	498,208	1,557,116
Amounts owed by group undertakings	618,399	316,053
Amounts recoverable on contract	3,192	3,192
Other debtors	-	38,479
Accrued income	80,000	-
Prepayments	61,551	60,576
	<u>1,261,350</u>	<u>1,975,416</u>

11. Creditors: amounts falling due within one year

	2016	2015
	£	£
Hire purchase contracts (see note 13)	46,471	39,705
Trade creditors	530,164	1,067,040
Amounts owed to group undertakings	180,000	213,604
Tax	19,009	171,078
VAT	54,777	295,954
Other creditors	57,211	231,337
Accrued expenses	22,319	378,082
	<u>909,951</u>	<u>2,396,800</u>

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

	2016	2015
	£	£
Hire purchase contracts (see note 13)	<u>28,618</u>	<u>41,775</u>

13. Leasing agreements

Minimum lease payments under hire purchase fall due as follows:

	2016	2015
	£	£
Net obligations repayable:		
Within one year	46,471	39,705
Between one and five years	<u>28,618</u>	<u>41,775</u>
	<u>75,089</u>	<u>81,480</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

	2016	2015
	£	£
Deferred tax	<u>21,172</u>	<u>30,076</u>



Tema Engineering Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2016

15. Provisions for liabilities - continued

	Deferred tax £
Balance at 1 April 2015	30,076
Utilised during year	(8,904)
	<u>21,172</u>
Balance at 31 March 2016	<u>21,172</u>

16. Called up share capital

Allotted, issued and fully paid:		Nominal value:	2016 £	2015 £
Number:	Class:			
1	Ordinary Share Capital	£1	<u>1</u>	<u>1</u>

17. Reserves

	Retained earnings £
At 1 April 2015	667,656
Profit for the year	33,035
	<u>700,691</u>
At 31 March 2016	<u>700,691</u>

18. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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 (2015 - £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 (2015 - £nil).

Tema Protective Coatings Limited

Common Control

During the year the company made recharges of £193,112 (2015: £310,577) to Tema Protective Coatings Limited. The company also made sales of £5,995 (2015: £426) and purchases of £449,712 (2015: £898,982)

	2016 £	2015 £
Amount due to related party at the balance sheet date	<u>57,211</u>	<u>192,858</u>



Tema Engineering Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

18. Related party disclosures - continued

3D Property Investments Limited

Common Control

During the year the company made sales of £Nil (2015: £Nil) and purchases of £67,500 (2015: £Nil)

	2016 £	2015 £
Amount due to related party at the balance sheet date	<u>22,500</u>	<u>-</u>

Western Welding and Engineering Company Limited

Common Control

During the year the company made recharges of £80,000 (2015: £Nil) to Western Welding and Engineering Company Ltd. The company also made sales of £5,100 (2015: £Nil) and purchases of £167,647 (2015: £Nil)

	2016 £	2015 £
Amount due from related party at the balance sheet date	<u>300</u>	<u>-</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.



Tema Engineering Limited
Reconciliation of Equity
1 April 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets				
Tangible assets		264,065	-	264,065
Current assets				
Stocks		106,638	-	106,638
Debtors		1,502,969	-	1,502,969
Cash at bank and in hand		98,024	-	98,024
		1,707,631	-	1,707,631
Creditors				
Amounts falling due within one year		(1,436,334)	-	(1,436,334)
Net current assets		271,297	-	271,297
Total assets less current liabilities		535,362	-	535,362
Creditors				
Amounts falling due after more than one year		(58,263)	-	(58,263)
Provisions for liabilities		(32,384)	-	(32,384)
Net assets		444,715	-	444,715
Capital and reserves				
Called up share capital		1	-	1
Retained earnings		444,714	-	444,714
Shareholders' funds		444,715	-	444,715

The notes form part of these financial statements



Tema Engineering Limited
Reconciliation of Equity - continued
31 March 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets				
Tangible assets		259,435	-	259,435
Current assets				
Stocks		19,909	-	19,909
Debtors		1,975,416	-	1,975,416
Cash at bank and in hand		881,548	-	881,548
		<u>2,876,873</u>	<u>-</u>	<u>2,876,873</u>
Creditors				
Amounts falling due within one year		(2,396,800)	-	(2,396,800)
Net current assets		<u>480,073</u>	<u>-</u>	<u>480,073</u>
Total assets less current liabilities		739,508	-	739,508
Creditors				
Amounts falling due after more than one year		(41,775)	-	(41,775)
Provisions for liabilities		<u>(30,076)</u>	<u>-</u>	<u>(30,076)</u>
Net assets		<u>667,657</u>	<u>-</u>	<u>667,657</u>
Capital and reserves				
Called up share capital		1	-	1
Retained earnings		667,656	-	667,656
Shareholders' funds		<u>667,657</u>	<u>-</u>	<u>667,657</u>

The notes form part of these financial statements



Tema Engineering Limited

**Reconciliation of Profit
for the Year Ended 31 March 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Turnover	11,908,961	-	11,908,961
Cost of sales	(9,602,526)	-	(9,602,526)
Gross profit	2,306,435	-	2,306,435
Administrative expenses	(1,412,678)	-	(1,412,678)
Operating profit	893,757	-	893,757
Interest payable and similar charges	(2,053)	-	(2,053)
Profit on ordinary activities before taxation	891,704	-	891,704
Tax on profit on ordinary activities	(168,762)	-	(168,762)
Profit for the financial year	722,942	-	722,942

The notes form part of these financial statements