

Registration number: 2711708

REGISTRAR OF COMPANIES

MECHANICAL AIR SUPPLIES LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



MECHANICAL AIR SUPPLIES LIMITED

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MECHANICAL AIR SUPPLIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report on the affairs of Mechanical Air Supplies Limited, together with the financial statements for the year ended 31 March 2021.

Principal activity

The principal activity of the company is manufacture of air conditioning parts

Directors of the company

The directors who served throughout the year and up to date of authorisation of this report were as follows:

M R Sochacz

S A Cox

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Small companies provision statement

The directors have taken advantage of the small companies exemptions provided by sections 414B and 415A of the Companies Act 2006 from the requirement to prepare a strategic report and in preparing the directors' report on the grounds that the company is entitled to prepare its accounts for the year in accordance with the small companies regime.

The directors' report was approved by the Board on 30 September 2021 and signed on its behalf by:



S A Cox

Company secretary and director

MECHANICAL AIR SUPPLIES LIMITED

(REGISTRATION NUMBER: 2711708) STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Non-current assets			
Property, plant and equipment	4	169,317	137,237
Current assets			
Inventories	6	547,198	569,248
Receivables	7	2,182,826	1,797,969
Other financial assets	5	131,200	101,534
Cash at bank and in hand	8	322,748	477,400
		<u>3,183,972</u>	<u>2,946,151</u>
Payables: Amounts falling due within one year	9	<u>(1,763,238)</u>	<u>(1,527,485)</u>
Net current assets		<u>1,420,734</u>	<u>1,418,666</u>
Total assets less current liabilities		1,590,051	1,555,903
Payables: Amounts falling due after more than one year	9	(87,916)	(50,269)
Provisions for liabilities		<u>(35,553)</u>	<u>(23,566)</u>
Net assets		<u>1,466,582</u>	<u>1,482,068</u>
Equity			
Called up share capital	10	100	100
Retained earnings	10	<u>1,466,482</u>	<u>1,481,968</u>
Total equity		<u>1,466,582</u>	<u>1,482,068</u>

MECHANICAL AIR SUPPLIES LIMITED

(REGISTRATION NUMBER: 2711708)
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021 (CONTINUED)

For the financial year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A - small entities.

Approved and authorised by the Board on 30 September 2021 and signed on its behalf by:



S A Cox
Company secretary and director

MECHANICAL AIR SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 General information

Mechanical Air Supplies Limited (the 'company') is a private company limited by share capital incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors report on page 2.

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of the company is considered to be pound sterling (£) because that is the currency of the primary economic environment in which the company operates. The financial statements are presented in pound sterling (£).

Judgements

There are no critical judgements made by the directors in the process of applying the company's accounting policies which have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

MECHANICAL AIR SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

2 Accounting policies (continued)

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	10% and 20% on cost on a straight line basis
Fixtures and fittings	20% on cost on a straight line basis
Motor vehicles	20% on cost on a straight line basis
Computer equipment	33% on cost on a straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Receivables

Receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

MECHANICAL AIR SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

2 Accounting policies (continued)

Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

MECHANICAL AIR SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

2 Accounting policies (continued)

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 36 (2020 - 34).

MECHANICAL AIR SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

4 Property, plant and equipment

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2020	7,996	37,069	128,699	16,242	218,302	408,308
Additions	-	-	7,114	1,891	86,940	95,945
Disposals	-	-	-	-	(95,255)	(95,255)
At 31 March 2021	<u>7,996</u>	<u>37,069</u>	<u>135,813</u>	<u>18,133</u>	<u>209,987</u>	<u>408,998</u>
Depreciation						
At 1 April 2020	3,996	21,660	112,123	11,731	121,561	271,071
Charge for the year	799	2,484	4,284	3,227	39,874	50,668
Eliminated on disposal	-	-	-	-	(82,058)	(82,058)
At 31 March 2021	<u>4,795</u>	<u>24,144</u>	<u>116,407</u>	<u>14,958</u>	<u>79,377</u>	<u>239,681</u>
Carrying amount						
At 31 March 2021	<u>3,201</u>	<u>12,925</u>	<u>19,406</u>	<u>3,175</u>	<u>130,610</u>	<u>169,317</u>
At 31 March 2020	<u>4,000</u>	<u>15,409</u>	<u>16,576</u>	<u>4,511</u>	<u>96,741</u>	<u>137,237</u>

Included in motor vehicles are assets with a net book value of £117,810 (2020 : £64,344) purchased on hire purchase.

5 Other financial assets

	2021 £	2020 £
Current financial assets		
Financial assets at fair value through profit and loss	<u>131,200</u>	<u>101,534</u>

6 Inventories

	2021 £	2020 £
Other inventories	<u>547,198</u>	<u>569,248</u>

MECHANICAL AIR SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

7 Receivables

	2021 £	2020 £
Trade receivables	1,835,592	1,626,197
Other receivables	347,234	171,772
	<u>2,182,826</u>	<u>1,797,969</u>

8 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>322,748</u>	<u>477,400</u>

9 Payables

	2021 £	2020 £
Due within one year		
Loans and borrowings	39,909	20,107
Trade payables	1,336,722	1,182,795
Corporation tax	8,633	56,542
Social security and other taxes	323,376	188,477
Other payables	<u>54,598</u>	<u>79,564</u>
	<u>1,763,238</u>	<u>1,527,485</u>
Due after one year		
Loans and borrowings	<u>87,916</u>	<u>50,269</u>

MECHANICAL AIR SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

10 Share capital and reserves

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The company has one class of share capital which carries no right to fixed income.

Reserves

The retained earnings reserve represents cumulative profit or losses net of dividends paid and other adjustments.

11 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	39,909	23,007
Later than one year and not later than five years	<u>87,916</u>	<u>57,516</u>
	<u>127,825</u>	<u>80,523</u>

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	245,697	279,136
Later than one year and not later than five years	<u>12,964</u>	<u>235,435</u>
	<u>258,661</u>	<u>514,571</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £279,774 (2020 - £279,519).