

MECHANICAL AIR SUPPLIES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

MECHANICAL AIR SUPPLIES LIMITED

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MECHANICAL AIR SUPPLIES LIMITED

Company Information

Directors MR Sochacz
SA Cox
K Miller

Company secretary SA Cox

Registered office Salatin House
19 Cedar Road
Sutton
England
SM2 5DA

Accountants Harmer Slater Limited
Chartered Accountants and Business Advisors
Salatin House
19 Cedar Road
Sutton
Surrey
SM2 5DA

MECHANICAL AIR SUPPLIES LIMITED

(Registration number: 2711708)

Statement of Financial Position as at 31 March 2023

	Note	2023 £	2022 £
Non-current assets			
Property, plant and equipment	<u>4</u>	214,551	290,954
Investments	<u>5</u>	1,487,400	1,487,400
		<u>1,701,951</u>	<u>1,778,354</u>
Current assets			
Inventories	<u>6</u>	725,892	643,175
Receivables	<u>7</u>	2,109,332	2,183,857
Cash at bank and in hand		647,930	822,380
		<u>3,483,154</u>	<u>3,649,412</u>
Payables: Amounts falling due within one year	<u>8</u>	(2,858,316)	(3,168,596)
Net current assets		<u>624,838</u>	<u>480,816</u>
Total assets less current liabilities		2,326,789	2,259,170
Creditors: Amounts falling due after more than one year	<u>8</u>	(633,974)	(786,414)
Provisions for liabilities		(52,879)	(54,058)
Net assets		<u>1,639,936</u>	<u>1,418,698</u>
Equity			
Called up share capital	<u>13</u>	107	109
Retained earnings	<u>13</u>	1,639,829	1,418,589
Shareholders' funds		<u>1,639,936</u>	<u>1,418,698</u>

For the financial year ending 31 March 2023 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.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Income statement.

MECHANICAL AIR SUPPLIES LIMITED

(Registration number: 2711708)

Statement of Financial Position as at 31 March 2023 (continued)

The financial statements of Mechanical Air Supplies Limited were approved and authorised for issue by the Board on 27 November 2023 and signed on its behalf by:

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SA Cox
Company secretary and director

MECHANICAL AIR SUPPLIES LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

1 General information

Mechanical Air Supplies Limited (the 'company') is a private company limited by share capital, registered in England and Wales under the Companies Act. The address of the registered office is given on page 1.

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, unless otherwise stated.

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 (£).

Group accounts not prepared

The company has taken advantage of the exemption not to prepare group accounts in Section 399 Companies Act 2006 on the grounds that it qualifies as a small company..

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.

Critical judgements and key sources of estimation uncertainties

There were no key sources of estimation uncertainties or critical judgements made by the directors in the process of applying the company's accounting policies with significant effect on the amounts recognised in the financial statements.

MECHANICAL AIR SUPPLIES LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

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.

Tax

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.

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
Short leasehold premises	10% on cost on a straight line basis

MECHANICAL AIR SUPPLIES LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment. Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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.

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.

MECHANICAL AIR SUPPLIES LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

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 Unaudited Financial Statements for the Year Ended 31 March 2023 (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 39 (2022 - 38).

4 Property, plant and equipment

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2022	7,996	315,771	275,807	599,574
Additions	-	3,058	-	3,058
Disposals	-	-	(42,810)	(42,810)
At 31 March 2023	7,996	318,829	232,997	559,822
Depreciation				
At 1 April 2022	5,595	177,192	125,833	308,620
Charge for the year	800	20,261	44,476	65,537
Eliminated on disposal	-	-	(28,886)	(28,886)
At 31 March 2023	6,395	197,453	141,423	345,271
Carrying amount				
At 31 March 2023	1,601	121,376	91,574	214,551
At 31 March 2022	2,401	138,579	149,974	290,954

Included within the net book value of land and buildings above is £1,601 (2022 - £2,401) in respect of short leasehold land and buildings.

5 Investments

	2023 £	2022 £
Investments in subsidiaries	1,487,400	1,487,400

MECHANICAL AIR SUPPLIES LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

5 Investments (continued)

Subsidiaries	£
Cost or valuation	
At 1 April 2022	<u>1,487,400</u>
Provision	
Carrying amount	
At 31 March 2023	<u>1,487,400</u>
At 31 March 2022	<u>1,487,400</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
M.A.S. Property Limited	Salatin House, 19 Cedar Road, Sutton SM2 5DA England and Wales	Ordinary	100%	100%

Subsidiary undertakings

M.A.S. Property Limited

The principal activity of M.A.S. Property Limited is property investment.

6 Inventories

	2023	2022
	£	£
Other inventories	<u>725,892</u>	<u>643,175</u>

MECHANICAL AIR SUPPLIES LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

7 Receivables

	2023 £	2022 £
Trade receivables	1,962,094	2,007,800
Other receivables	147,238	150,360
Corporation tax asset	-	25,697
	<u>2,109,332</u>	<u>2,183,857</u>

8 Payables

Payables: amounts falling due within one year

	2023 £	2022 £
Due within one year		
Loans and borrowings	1,043,630	1,322,613
Trade payable	1,519,277	1,676,463
Social security and other taxes	221,484	145,882
Corporation tax	50,259	-
Other payables	3,316	3,288
Accruals	20,350	20,350
	<u>2,858,316</u>	<u>3,168,596</u>

Due after one year

Loans and borrowings	<u>633,974</u>	<u>786,414</u>
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Payables: amounts falling due after more than one year

	Note	2023 £	2022 £
Due after one year			
Loans and borrowings	11	<u>633,974</u>	<u>786,414</u>

MECHANICAL AIR SUPPLIES LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

9 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2022	54,058	54,058
Additional provisions	(1,179)	(1,179)
At 31 March 2023	52,879	52,879

10 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	203,757	266,457
Later than one year and not later than five years	798,916	802,944
Later than five years	704,187	798,916
	1,706,860	1,868,317

The amount of non-cancellable operating lease payments recognised as an expense during the year was £169,536 (2022 - £140,153).

11 Loans and borrowings

	2023 £	2022 £
Non-current loans and borrowings		
Bank borrowings	544,369	630,663
Hire purchase contracts	89,605	155,751
	633,974	786,414

	2023 £	2022 £
Current loans and borrowings		
Bank borrowings	94,645	94,644
Hire purchase contracts	62,794	76,199
Directors' loans	886,191	1,151,770
	1,043,630	1,322,613

MECHANICAL AIR SUPPLIES LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

12 Dividends

Interim dividends paid

	2023 £	2022 £
Interim dividend of £Nil per each Ordinary shares	-	-
Interim dividend of £2.7599 (2022 - £1.8399) per each Ordinary A shares	24,000	16,000
	<u>24,000</u>	<u>16,000</u>

13 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £0.001 each	100,000	100	100,000	100
Ordinary A shares of £0.001 each	6,522	7	8,696	9
	<u>106,522</u>	<u>107</u>	<u>108,696</u>	<u>109</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.