

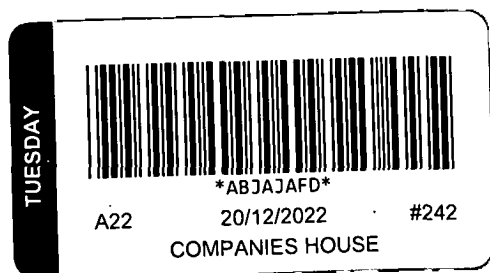
MHS Radiators Limited

Audited Financial Statements

Year Ended

31 December 2021

Company Number 01845418



MHS Radiators Limited

Contents

	Page
Statement of Financial Position	1 - 2
Statement of Changes in Equity	3
Notes to the Financial Statements	4 - 13

MHS Radiators Limited

Registered number: 01845418

Statement of Financial Position

As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	164,054	130,346
		<u>164,054</u>	<u>130,346</u>
Current assets			
Stocks	6	1,225,889	911,767
Debtors	7	232,447	232,447
Debtors: amounts falling due within one year	7	1,431,413	1,228,370
Cash and cash equivalents	8	189,967	252,524
		<u>3,079,716</u>	<u>2,625,108</u>
Creditors: amounts falling due within one year	9	(1,827,060)	(1,777,326)
Net current assets		<u>1,252,656</u>	<u>847,782</u>
Creditors: amounts falling due after more than one year	10	(4,328)	(10,455)
Net assets		<u><u>1,412,382</u></u>	<u><u>967,673</u></u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account		1,411,382	966,673
Total Equity		<u><u>1,412,382</u></u>	<u><u>967,673</u></u>

MHS Radiators Limited

Registered number: 01845418

Statement of Financial Position (continued) As at 31 December 2021

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
K P Mainstone

Director

Date:

09/12/2022

The notes on pages 4 to 13 form part of these financial statements.

MHS Radiators Limited

Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	1,000	1,101,235	1,102,235
Comprehensive loss for the year			
Loss for the year	-	(134,562)	(134,562)
At 1 January 2021	1,000	966,673	967,673
Comprehensive income for the year			
Profit for the year	-	444,709	444,709
At 31 December 2021	1,000	1,411,382	1,412,382

The notes on pages 4 to 13 form part of these financial statements.

MHS Radiators Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

MHS Radiators Limited is a private company, limited by the shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Unit 4 Genesis, Endeavour Drive, Basildon, Essex, SS14 3WF.

The principal activity of the company during the period was that of the assembly and distribution of radiators and associated fittings. The company sells mainly to trade customers.

These financial statements have been prepared in Pounds Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

Like most enterprises the company had been impacted by the COVID-19 pandemic during 2021. Post year end the company has continued to adapt to the new business environment and has seen activity levels strengthen in the early part of 2022. Consequently the directors do not consider there to be a material uncertainty to the company's ability to continue as a going concern.

MHS Radiators Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.3 Turnover

Turnover 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. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

MHS Radiators Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

MHS Radiators Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The company operates a defined contribution scheme for its employees, under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further obligations. The contributions are recognised as an expense in the period they fall due. Amounts not paid are shown as a liability. The assets of the pension plan are held separately from the company in independently administered funds.

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

MHS Radiators Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	10%
Plant and machinery	-	25%
Fixtures and fittings	-	15% to 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

MHS Radiators Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Due to the simplicity of the Company's transaction streams and year-end financial position, the directors consider there to be no critical judgements, estimates or assumptions in the preparation of these financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 24 (2020 - 29).

MHS Radiators Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

5. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 January 2021	73,220	25,465	101,166	199,851
Additions	31,071	16,370	30,796	78,237
At 31 December 2021	104,291	41,835	131,962	278,088
Depreciation				
At 1 January 2021	13,198	7,861	48,446	69,505
Charge for the year	3,604	7,787	33,138	44,529
At 31 December 2021	16,802	15,648	81,584	114,034
Net book value				
At 31 December 2021	87,489	26,187	50,378	164,054
At 31 December 2020	60,022	17,604	52,720	130,346

6. Stocks

	2021 £	2020 £
Finished goods and goods for resale	1,225,889	911,767

MHS Radiators Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

7. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	232,447	232,447
	<u>232,447</u>	<u>232,447</u>
Due within one year		
Trade debtors	930,845	863,909
Amounts owed by group undertakings	260,641	219,322
Other debtors	78,534	26,121
Prepayments and accrued income	152,393	119,018
Tax recoverable	9,000	-
	<u>1,431,413</u>	<u>1,228,370</u>

Amounts owed by group undertakings are interest free and repayable on demand.

8. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	189,967	252,524
	<u>189,967</u>	<u>252,524</u>

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	45,276	50,000
Trade creditors	944,149	982,171
Amounts owed to group undertakings	328,912	160,322
Tax payable	423	-
Other taxation and social security	229,862	322,930
Obligations under finance lease and hire purchase contracts	12,364	18,484
Other creditors	95,650	94,771
Accruals and deferred income	170,424	148,648
	<u>1,827,060</u>	<u>1,777,326</u>

Amounts owed to group undertakings are interest free and repayable on demand.

MHS Radiators Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

10. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	<u>4,328</u>	<u>10,455</u>

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

12. Pension commitments

The company's pension arrangements comprise a defined contribution scheme.

During the year the company made contributions of £109,861 (2020 - £46,160) to its defined contribution scheme and other personal pension arrangements for employees. No contribution was outstanding to pay at the year-end.

13. Related party transactions

The Company has taken exemption under section 33.1A of the Financial Reporting Standard 102 from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

14. Subsequent events

There have been no significant events affecting the company since the year end.

15. Controlling party

The company is equally controlled by the directors I P Bradley and K P Mainstone by virtue of their shareholding within the ultimate parent company, MHS Radiators (Holdings) Limited.

16. Ultimate parent company

The parent company is The Modular Heating Group Limited, a company incorporated in England and Wales. The ultimate parent company is MHS Radiators (Holdings) Limited, a company incorporated in England and Wales, by virtue of its 100% shareholding within The Modular Heating Group Limited. The registered office address for both of these companies is Unit 4 Genesis, Endeavour Drive, Basildon, Essex, SS14 3WF.

MHS Radiators Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

17. Auditors' Information

Directors' report was prepared in connection with the audit of the full annual accounts and directors' report. The directors have opted not to disclose to the registrar the qualified audit report and the directors' report for the year ended 30 September 2021.

Basis for qualified audit opinion

We were not appointed as auditor of the company until after 31 December 2021 and thus the corresponding figures were unaudited and in addition, we did not observe the counting of physical inventories at the start and end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 December 2020, which are included in the balance sheet at £911,767, and the inventory quantities held at 31 December 2021, which are included in the balance sheet at £1,225,889, by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount was necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Lever Brothers & Co acted as auditors and the Senior Statutory Auditor was Mr Shakil Raja. Lever Brothers & Co is registered at The Station Masters' House, 168 Thornbury Road, Isleworth TW7 4QE.