

EXCLUSIVE LINENS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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EXCLUSIVE LINENS LIMITED

COMPANY INFORMATION

Directors	Mr R F Waistell Mrs R E Waistell
Secretary	Mrs R E Waistell
Company number	02383895
Registered office	Unit 7 Finway Dallow Road Luton Beds LU1 1TR
Auditor	Mercer & Hole 72 London Road St Albans Hertfordshire AL1 1NS
Bankers	Barclays Bank plc 16 - 18 St Peter's Street St Albans Herts AL3 4DZ

EXCLUSIVE LINENS LIMITED

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EXCLUSIVE LINENS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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

Fair review of the business

The directors consider the results achieved on ordinary activities to be satisfactory in the light of current trading conditions. The financial position at the balance sheet date was also satisfactory with net assets of £4,474,264 (2015: £3,905,537).

Principal risks and uncertainties

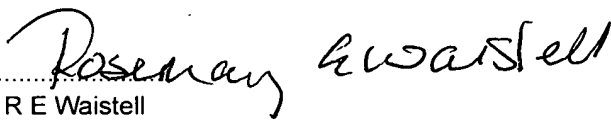
Competition risk is the principal risk to the company. The organisation manages this risk by providing a high quality service and maintaining strong relationships with customers.

The company's operation is also exposed to a credit risk and the managements are not delegated the responsibility of monitoring financial risk and seeks to limit the adverse effects on financial performance.

Other information and explanations

Foreign currency risk: the majority of transactions with suppliers in Asia are priced in US dollars. In order to minimise the exposure to exchange rate movements, we have fixed the rate forward. The impact of the dollar rate on the margin will continue to be felt in the second half of the year.

On behalf of the board


.....
Mrs R E Waistell
Director
01/09/2016

EXCLUSIVE LINENS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activities of the company in the year was that of the supply of linen to the hotel industry.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R F Waistell
Mrs R E Waistell

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Future developments

The company remains committed to providing quality service to its customers and continuing investing in new technology.

Auditor

The auditor, Mercer & Hole, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mrs R E Waistell

Director

01/09/2016

EXCLUSIVE LINENS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

The directors are responsible for preparing the annual report 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.

EXCLUSIVE LINENS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EXCLUSIVE LINENS LIMITED

We have audited the financial statements of Exclusive Linens Limited for the year ended 31 March 2016 set out on pages 6 to 22. 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 FRS 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 an auditor's report 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 annual report 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EXCLUSIVE LINENS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EXCLUSIVE LINENS 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.



Paul Webster FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

06/09/2016

Chartered Accountants
Statutory Auditor

72 London Road
St Albans
Hertfordshire
AL1 1NS

EXCLUSIVE LINENS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	8,030,994	7,829,350
Cost of sales		(6,330,089)	(6,363,685)
Gross profit		1,700,905	1,465,665
Distribution costs		(184,867)	(179,044)
Administrative expenses		(798,282)	(765,481)
Operating profit	4	717,756	521,140
Interest receivable and similar income	7	316	304
Interest payable and similar charges	8	(2,888)	(7,932)
Profit before taxation		715,184	513,512
Taxation	9	(146,458)	(110,521)
Profit for the financial year		568,726	402,991

The profit and loss account has been prepared on the basis that all operations are continuing operations.

EXCLUSIVE LINENS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
Profit for the year	568,726	402,991
Other comprehensive income	-	-
Total comprehensive income for the year	<u>568,726</u>	<u>402,991</u>

EXCLUSIVE LINENS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		660,237		673,575
Current assets					
Stocks	13	1,490,152		1,446,595	
Debtors	14	2,498,457		1,811,588	
Cash at bank and in hand		428,341		926,141	
		<u>4,416,950</u>		<u>4,184,324</u>	
Creditors: amounts falling due within one year	15	(602,923)		(908,799)	
Net current assets			<u>3,814,027</u>		<u>3,275,525</u>
Total assets less current liabilities			<u>4,474,264</u>		<u>3,949,100</u>
Creditors: amounts falling due after more than one year	16		-		(43,563)
Net assets			<u><u>4,474,264</u></u>		<u><u>3,905,537</u></u>
Capital and reserves					
Called up share capital	18		100		100
Profit and loss reserves			<u>4,474,164</u>		<u>3,905,437</u>
Total equity			<u><u>4,474,264</u></u>		<u><u>3,905,537</u></u>

The financial statements were approved by the board of directors and authorised for issue on 01/09/2016 and are signed on its behalf by:

Rosmary a waistell

Mrs R E Waistell
Director

Company Registration No. 02383895

EXCLUSIVE LINENS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2014		100	3,822,446	3,822,546
Period ended 31 March 2015:				
Profit and total comprehensive income for the year		-	402,991	402,991
Dividends	10	-	(320,000)	(320,000)
Balance at 31 March 2015		100	3,905,437	3,905,537
Period ended 31 March 2016:				
Profit and total comprehensive income for the year		-	568,726	568,726
Balance at 31 March 2016		100	4,474,164	4,474,264

EXCLUSIVE LINENS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(114,991)		1,025,488
Interest paid			(2,888)		(7,932)
Income taxes paid			(111,666)		(152,954)
Net cash (outflow)/inflow from operating activities			(229,545)		864,602
Investing activities					
Purchase of tangible fixed assets		(16,184)		(20,287)	
Proceeds on disposal of tangible fixed assets		-		6,700	
Proceeds from other investments and loans		(193,977)		-	
Interest received		316		304	
Net cash used in investing activities			(209,845)		(13,283)
Financing activities					
Repayment of bank loans		(58,410)		(153,368)	
Dividends paid		-		(320,000)	
Net cash used in financing activities			(58,410)		(473,368)
Net (decrease)/increase in cash and cash equivalents			(497,800)		377,951
Cash and cash equivalents at beginning of year			926,141		548,190
Cash and cash equivalents at end of year			428,341		926,141

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Exclusive Linens Limited is a company limited by shares incorporated in England and Wales. The registered office is Unit 7, Finway, Dallow Road, Luton, Beds, LU1 1TR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of Exclusive Linens Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Over 25 years
Plant and machinery	15% reducing balance
Office furniture and fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

3 Turnover and other revenue

	2016 £	2015 £
Other significant revenue		
Interest income	316	304

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	7,574,408	6,986,567
Overseas	456,586	842,783
	<u>8,030,994</u>	<u>7,829,350</u>

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains/(losses)	(73,817)	2,269
Fees payable to the company's auditor for the audit of the company's financial statements	5,500	4,000
Depreciation of owned tangible fixed assets	29,523	32,762
Profit on disposal of tangible fixed assets	-	(791)
Cost of stocks recognised as an expense	6,330,089	6,363,685
Operating lease charges	8,736	10,806

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Office and Management	9	10
Warehouse	2	2
	<u>11</u>	<u>12</u>

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2016	2015
		£	£
	Wages and salaries	527,251	438,775
	Social security costs	58,201	46,442
		<u>585,452</u>	<u>485,217</u>
6	Directors' remuneration		
		2016	2015
		£	£
	Remuneration for qualifying services	74,693	80,592
7	Interest receivable and similar income		
		2016	2015
		£	£
	Interest income		
	Interest on bank deposits	316	304
		<u>316</u>	<u>304</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	316	304
8	Interest payable and similar charges		
		2016	2015
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	2,888	7,932
9	Taxation		
		2016	2015
		£	£
	Current tax		
	UK corporation tax on profits for the current period	146,458	110,521
		<u>146,458</u>	<u>110,521</u>

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	715,184	513,512
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	143,037	107,838
Tax effect of expenses that are not deductible in determining taxable profit	2,665	3,336
Adjustments in respect of prior years	-	(568)
Permanent capital allowances in excess of depreciation	(5,150)	(3,782)
Depreciation on assets not qualifying for tax allowances	5,906	6,880
Adjustments in respect of financial assets	-	(791)
Tax at marginal rate	-	(2,392)
Tax expense for the year	146,458	110,521

10 Dividends

	2016 £	2015 £
Interim paid	-	320,000

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

11 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Office furniture and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2015	561,484	48,571	66,552	100,630	777,237
Additions	-	8,662	7,523	-	16,185
At 31 March 2016	561,484	57,233	74,075	100,630	793,422
Depreciation and impairment					
At 1 April 2015	5,615	24,800	16,535	56,712	103,662
Depreciation charged in the year	5,559	5,282	7,702	10,980	29,523
At 31 March 2016	11,174	30,082	24,237	67,692	133,185
Carrying amount					
At 31 March 2016	550,310	27,151	49,838	32,938	660,237
At 31 March 2015	555,869	23,770	50,017	43,919	673,575

12 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,486,205	1,796,703
Carrying amount of financial liabilities		
Measured at amortised cost	428,556	775,608

13 Stocks

	2016 £	2015 £
Finished goods and goods for resale	1,490,152	1,446,595

14 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	2,292,228	1,796,703
Other debtors	193,977	-
Prepayments and accrued income	12,252	14,885
	2,498,457	1,811,588

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

15 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	17	46,452	61,299
Trade creditors		194,320	591,956
Corporation tax		145,313	110,521
Other taxation and social security		29,054	66,233
Other creditors		-	4,276
Accruals and deferred income		187,784	74,514
		<u>602,923</u>	<u>908,799</u>

The bank overdraft is secured by a fixed and floating charge on all the assets of the company. The director RF Waistell has given £50,000 personal limited guarantee to Barclays Bank Plc.

16 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	17	-	43,563
		<u>-</u>	<u>43,563</u>

17 Loans and overdrafts

	2016 £	2015 £
Bank loans	46,452	104,862
	<u>46,452</u>	<u>104,862</u>
Payable within one year	46,452	61,299
Payable after one year	-	43,563
	<u>46,452</u>	<u>104,862</u>

The long-term loans are secured by fixed and floating charge over the freehold property.

18 Share capital

	2016 £	2015 £
Ordinary share capital		
Authorised		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	-	10,267
Between two and five years	11,702	16,090
	<u>11,702</u>	<u>26,357</u>

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	347,624	266,670
	<u>347,624</u>	<u>266,670</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016 £	2015 £
Key management personnel	87,873	4,276
	<u>87,873</u>	<u>4,276</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		Amounts owed by related parties	
	2016		2015	
	Balance £	Net £	Balance £	Net £
Key management personnel	193,977	193,977	-	-
	<u>193,977</u>	<u>193,977</u>	<u>-</u>	<u>-</u>

EXCLUSIVE LINENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

20 Related party transactions

(Continued)

No guarantees have been given or received.

21 Directors' transactions

Dividends totalling £0 (2015 - £320000) were paid in the year in respect of shares held by the company's directors.

22 Controlling party

The company is controlled by Mr RF Waistell and Mrs RE Waistell.

23 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	568,726	402,991
Adjustments for:		
Taxation charged	146,458	110,521
Finance costs	2,888	7,932
Investment income	(316)	(304)
Gain on disposal of tangible fixed assets	-	(791)
Depreciation and impairment of tangible fixed assets	29,523	32,762
Movements in working capital:		
(Increase) in stocks	(43,557)	(13,719)
(Increase)/decrease in debtors	(492,892)	311,639
(Decrease)/increase in creditors	(325,821)	174,457
Cash (absorbed by)/generated from operations	(114,991)	1,025,488