

Mediterranean Linens Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2022

Hargreaves Brown & Benson
Chartered Accountants
1 Bond Street
Colne
Lancashire
BB8 9DG

Mediterranean Linens Limited

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Mediterranean Linens Limited

Company Information

Director	Mr A S Ahmed
Registered office	Enterprise House Billington Road Industrial Estate Billington Road Burnley Lancashire BB11 5UB
Accountants	Hargreaves Brown & Benson Chartered Accountants 1 Bond Street Colne Lancashire BB8 9DG

**Chartered Accountants' Report to the Director on the Preparation of the Unaudited
Statutory Accounts of
Mediterranean Linens Limited
for the Year Ended 31 March 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Mediterranean Linens Limited for the year ended 31 March 2022 as set out on pages 3 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of Mediterranean Linens Limited. Our work has been undertaken solely to prepare for your approval the accounts of Mediterranean Linens Limited and state those matters that we have agreed to state to the Board of Directors of Mediterranean Linens Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mediterranean Linens Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Mediterranean Linens Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Mediterranean Linens Limited. You consider that Mediterranean Linens Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Mediterranean Linens Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Hargreaves Brown & Benson
Chartered Accountants
1 Bond Street
Colne
Lancashire
BB8 9DG

26 May 2022

Mediterranean Linens Limited
(Registration number: 06664351)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>4</u>	2,485,203	2,492,968
Current assets			
Stocks	<u>5</u>	675,029	1,248,338
Debtors	<u>6</u>	1,228,490	413,365
Cash at bank and in hand		8,590	8,251
		<u>1,912,109</u>	<u>1,669,954</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(1,229,183)</u>	<u>(923,812)</u>
Net current assets		<u>682,926</u>	<u>746,142</u>
Total assets less current liabilities		3,168,129	3,239,110
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(3,732,563)</u>	<u>(3,921,984)</u>
Provisions for liabilities		<u>206,070</u>	<u>228,573</u>
Net liabilities		<u><u>(358,364)</u></u>	<u><u>(454,301)</u></u>
Capital and reserves			
Called up share capital		150,000	150,000
Profit and loss account		<u>(508,364)</u>	<u>(604,301)</u>
Shareholders' deficit		<u><u>(358,364)</u></u>	<u><u>(454,301)</u></u>

For the financial year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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 director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Mediterranean Linens Limited
(Registration number: 06664351)
Balance Sheet as at 31 March 2022

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.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 26 May 2022

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Mr A S Ahmed
Director

Mediterranean Linens Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Enterprise House Billington Road Industrial Estate
Billington Road
Burnley
Lancashire
BB11 5UB

These financial statements were authorised for issue by the director on 26 May 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Going concern

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

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Mediterranean Linens Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

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	20% reducing balance
Fixtures and fittings	15% reducing balance

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.

Trade debtors

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

Trade debtors 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 debtors 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.

Stocks

Stocks 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.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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.

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

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Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

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 Profit and Loss Account 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.

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.

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.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year was 8 (2021 - 8).

Mediterranean Linens Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2021	2,442,402	133,549	2,575,951
At 31 March 2022	2,442,402	133,549	2,575,951
Depreciation			
At 1 April 2021	-	82,981	82,981
Charge for the year	-	7,767	7,767
At 31 March 2022	-	90,748	90,748
Carrying amount			
At 31 March 2022	2,442,402	42,801	2,485,203
At 31 March 2021	2,442,402	50,566	2,492,968

Included within the net book value of land and buildings above is £2,442,402 (2021 - £2,442,402) in respect of freehold land and buildings.

5 Stocks

	2022 £	2021 £
Other inventories	675,029	1,248,338

6 Debtors

	2022 £	2021 £
Trade debtors	1,071,586	188,725
Prepayments	7,904	75,640
Other debtors	149,000	149,000
	1,228,490	413,365

Mediterranean Linens Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

7 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	<u>8</u>	96,448	85,800
Trade creditors		281,401	548,565
Taxation and social security		186,381	120,471
Accruals and deferred income		8,795	3,760
Other creditors		656,158	165,216
		<u>1,229,183</u>	<u>923,812</u>

Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings	<u>8</u>	2,432,676	2,488,751
Other non-current financial liabilities		1,299,887	1,433,233
		<u>3,732,563</u>	<u>3,921,984</u>

Within other creditors is the balanced owed to HSBC Invoice Finance in the sum of £623,492 (2021 - £132,346) which is secured by a fixed and floating charge over all the assets.

8 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Bank borrowings	895,690	995,767
Other borrowings	1,536,986	1,492,984
	<u>2,432,676</u>	<u>2,488,751</u>

The long term loans are secured by a fixed and floating charge over all the assets.

Mediterranean Linens Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

	2022	2021
	£	£
Current loans and borrowings		
Bank borrowings	<u>96,448</u>	<u>85,800</u>

9 Parent and ultimate parent undertaking

The company's immediate parent is Linen Supply Group Ltd, incorporated in England and Wales.
The ultimate controlling party is director Mr A S Ahmed.

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.