

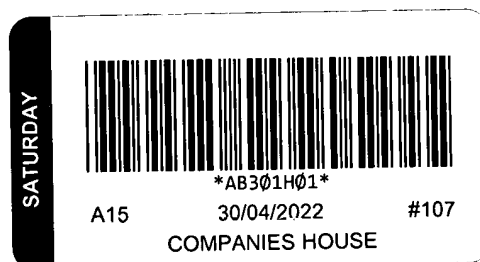
Registration number: 06664351

Mediterranean Linens Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2021

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 2021**

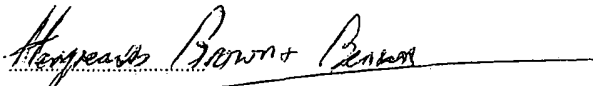
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Mediterranean Linens Limited for the year ended 31 March 2021 as set out on pages 3 to 9 from the company's accounting records and from information and explanations you have given 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/cn/members/regulations-standards-and-guidance/>.

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 loss 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.



Hargreaves Brown & Benson
1 Bond Street
Colne
Lancashire
BB8 9DG
22 March 2022

Mediterranean Linens Limited
(Registration number: 06664351)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	2,492,968	2,501,663
Current assets			
Stocks	5	1,248,338	947,632
Debtors	6	413,365	525,934
Cash at bank and in hand		8,251	64,749
		<u>1,669,954</u>	<u>1,538,315</u>
Creditors: Amounts falling due within one year	7	<u>(923,812)</u>	<u>(875,393)</u>
Net current assets		<u>746,142</u>	<u>662,922</u>
Total assets less current liabilities		3,239,110	3,164,585
Creditors: Amounts falling due after more than one year	7	(3,921,984)	(3,771,901)
Provisions for liabilities		<u>228,573</u>	<u>214,219</u>
Net liabilities		<u>(454,301)</u>	<u>(393,097)</u>
Capital and reserves			
Called up share capital		150,000	150,000
Profit and loss account		<u>(604,301)</u>	<u>(543,097)</u>
Total equity		<u>(454,301)</u>	<u>(393,097)</u>

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.

Director's responsibilities:

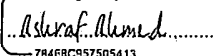
- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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.

Mediterranean Linens Limited
(Registration number: 06664351)
Balance Sheet as at 31 March 2021

Approved and authorised by the director on 22 March 2022

DocuSigned by:

7846BC957505413...
Mr A S Ahmed
Director

Mediterranean Linens Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

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 22 March 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.

Tangible assets

Tangible assets are stated in the statement of financial position 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

Mediterranean Linens Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

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.

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.

Mediterranean Linens Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

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 (2020 - 8).

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 April 2020	2,442,402	126,634	6,915	2,575,951
At 31 March 2021	2,442,402	126,634	6,915	2,575,951
Depreciation				
At 1 April 2020	-	67,791	6,082	73,873
Charge for the year	-	8,942	168	9,110
At 31 March 2021	-	76,733	6,250	82,983
Carrying amount				
At 31 March 2021	2,442,402	49,901	665	2,492,968
At 31 March 2020	2,442,402	58,427	834	2,501,663

Included within the net book value of land and buildings above is £2,442,402 (2020 - £2,442,402) in respect of freehold land and buildings.

5 Stocks

	2021 £	2020 £
Other inventories	1,248,338	947,632

Mediterranean Linens Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Debtors

	2021 £	2020 £
Trade debtors	188,725	371,690
Other debtors	224,640	154,244
Total current trade and other debtors	<u>413,365</u>	<u>525,934</u>

7 Creditors

	Note	2021 £	2020 £
Due within one year			
Bank loans and overdrafts	8	85,800	76,667
Trade creditors		548,565	432,357
Taxation and social security		120,471	30,845
Other creditors		168,976	335,524
		<u>923,812</u>	<u>875,393</u>
Due after one year			
Loans and borrowings	8	2,488,751	2,487,783
Other non-current financial liabilities		1,433,233	1,284,118
		<u>3,921,984</u>	<u>3,771,901</u>

Within other creditors is the balanced owed to HSBC Invoice Finance in the sum of £132,346 (2020 - £298,681) which is secured by a fixed and floating charge over all the assets.

8 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	995,767	1,015,565
Other borrowings	1,492,984	1,472,218
	<u>2,488,751</u>	<u>2,487,783</u>

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

Mediterranean Linens Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

	2021	2020
	£	£
Current loans and borrowings		
Bank borrowings	<u>85,800</u>	<u>76,667</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.