

Company registration number: 09036310

**A M London Fashion Limited**

**Financial statements**

**31 May 2022**



**STEPHENSON COATES AUDIT LIMITED**  
CHARTERED ACCOUNTANTS

West 2, Asama Court, Newcastle Business Park, Newcastle upon Tyne, NE4 7YD  
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## **A M London Fashion Limited**

### **Contents**

|                                             | <b>Page</b>    |
|---------------------------------------------|----------------|
| Directors and other information             | <b>1</b>       |
| Strategic report                            | <b>2 - 4</b>   |
| Director's report                           | <b>5 - 6</b>   |
| Independent auditor's report to the members | <b>7 - 10</b>  |
| Statement of income and retained earnings   | <b>11</b>      |
| Statement of financial position             | <b>12 - 13</b> |
| Statement of cash flows                     | <b>14</b>      |
| Notes to the financial statements           | <b>15 - 28</b> |

**A M London Fashion Limited**

**Directors and other information**

|                          |                                                                                                                     |
|--------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Director</b>          | S Mehan                                                                                                             |
| <b>Company number</b>    | 09036310                                                                                                            |
| <b>Registered office</b> | Oakland House<br>Talbot Road<br>Old Trafford<br>Manchester<br>M16 0PQ                                               |
| <b>Business address</b>  | Oakland House<br>Talbot Road<br>Old Trafford<br>Manchester<br>M16 0PQ                                               |
| <b>Auditor</b>           | Stephenson Coates Audit Limited<br>West 2, Asama Court<br>Newcastle Business Park<br>Newcastle upon Tyne<br>NE4 7YD |
| <b>Bankers</b>           | HSBC UK<br>2-4 St Ann's Square<br>Manchester<br>M2 7HD                                                              |

## **A M London Fashion Limited**

### **Strategic report Year ended 31 May 2022**

#### **Strategic report**

The director presents his strategic report for the year ended 31 May 2022.

#### **Principal activities**

The company was incorporated in May 2014. The company design, source and sell quality clothing in the fashion sector at a competitive price through wholesale and online. AM London is aimed at the whole family and is focused on building its portfolio of Threadbare brands.

#### **Business Review**

As we reflect on the financial year ended 31 May 2022, it is crucial to evaluate the performance and financial standing of our fashion clothing company. Over the past year, our business has flourished, catering to a diverse customer base that includes wholesale accounts in the UK and international clients. Additionally, we have successfully established a robust direct-to-consumer (D2C) presence through our website and multiple online marketplaces. This business review aims to provide a comprehensive overview of our company's performance and financial achievements.

#### **Financial Performance**

- Revenue Growth: Throughout the year, our company experienced significant revenue growth arising from expanding sales channels and increasing customer demand. The combined sales from wholesale accounts, international clients, and our D2C platforms contributed to a remarkable increase in overall revenue. Revenue was £42.1m (2021: £26.1m) an increase of 62%. Gross profits also increased to £7.6m (2021: £5.2m) an increase of 46%.

- Wholesale Accounts: We have successfully developed and maintained strong relationships with our wholesale accounts within the UK. By consistently delivering high-quality fashion clothing products and exceptional customer service, we have solidified our position as a preferred supplier in the market.

- International Expansion: Our concerted efforts to tap into international markets have paid off. We have successfully built a substantial customer base overseas, resulting in increased sales and brand recognition. This achievement underscores our commitment to global expansion and diversification.

- D2C Sales Platforms: Our investments in establishing a strong online presence have yielded fruitful results. Our website, combined with strategic partnerships with various online marketplaces, has significantly boosted our direct sales to end consumers. This expansion has allowed us to reach a wider audience and strengthen our brand identity.

#### **Operational Highlights**

- Product Portfolio: Our fashion clothing company has consistently offered a diverse range of stylish and on-trend clothing for men, women, and children. By staying attuned to the latest fashion trends and customer preferences, we have been able to curate a product portfolio that appeals to a wide customer base.

- Supply Chain Management: Efficient supply chain management has been a key factor in our success. By streamlining processes and maintaining strong relationships with suppliers, we have ensured a steady flow of high-quality inventory, enabling us to meet customer demands promptly and maintain a competitive edge.

- Customer Engagement: Our commitment to exceptional customer service has been instrumental in building lasting relationships with both wholesale and direct customers. Prompt responses to inquiries, quick resolution of issues, and personalized experiences have all contributed to customer satisfaction and loyalty.

## **A M London Fashion Limited**

### **Strategic report (continued)**

**Year ended 31 May 2022**

#### **Future Outlook**

As we reflect on the achievements of the past year, it is crucial to look ahead and identify areas for further growth and improvement. Key focus areas for the upcoming year include:

- **Market Expansion:** Continuously seeking new opportunities to expand our presence in international markets by targeting additional wholesale accounts and exploring partnerships with distributors and retailers.
- **E-commerce Enhancements:** Investing in technology and infrastructure to optimize our D2C platforms, ensuring seamless customer experiences, and exploring emerging online marketplaces to diversify our sales channels further.
- **Product Innovation:** Staying ahead of fashion trends and introducing new product lines to meet the evolving needs and preferences of our customers, while maintaining the high-quality standards for which we are known.

#### **Risk and Uncertainties**

On an annual basis, the board review the principal risks and uncertainties that face the company, and these are identified as follows: -

##### **Concentration Risk**

The company continues to diversify into different sectors and explore new opportunities. The company was originally setup as a men's brand but has most recently setup ranges in ladies, childrenswear and even pets and accessories. The diversity of the company's activities ensures no reliance on one fashion sector.

##### **Currency Risk**

The primary foreign currencies which the company has exchange rate fluctuation exposure to are US dollars and Euros. The company manages these risks well by trading at a favourable rate and securing forward contracts in line with buying patterns.

##### **Competition Risk**

Competitors may be able to offer the customer like for like product, but the company always ensures they are ahead of the trends. We analyse our competitors thoroughly and are constantly looking for new sources to develop innovative products and offer new ranges to customers.

##### **Ageing Stock Risk**

Due to the nature of fashion and trends, we will always have an element of outdated stock. However, the company have recently secured more FOB contracts which puts the risk of ageing stock onto customers. The company will continue to monitor aged stock and build relationships with discount outlets to ensure ageing stock does not build up.

##### **Credit Risk**

For every customer the company brings on board, we try to ensure that we have sufficient credit insurance in place in the event that a customer fails to pay the debt owed. We regularly manage our debtors effectively through strong credit controls.

##### **Supply Chain Risk**

As a company, we regularly review our suppliers to ensure they deliver our expectations of quality. We continue to build our relationships with factories and have a team in place to ensure ethical requirements are met.

## **A M London Fashion Limited**

### **Strategic report (continued)**

**Year ended 31 May 2022**

#### **Cost of Living crisis**

It's been over a year since UK households were plunged into the cost of living crisis, and we've been tracking how people have been coping ever since. Energy bills were, and continue to be, a key concern for consumers over the last 12 months. But while typical energy bills had doubled since February 2022, consumer concern has started to drop with the news of falling energy prices.

Despite the fact that the cost of living crisis has been with us for over a year, people seem less worried about rising food and fuel costs. Instead, their concern has shifted to housing costs. The Bank of England increased base rates to over 4% in May 2023.

We continuously monitor the situation but we market ourselves as an affordable brand and see this is an opportunity to capture more market share over the coming months.

#### **Other International**

**Bangladesh:** Our office in Bangladesh continues to grow to support our sourcing strategy. 20 staff members support the UK office with factory onboarding, audits and compliance checks. The team will manage the sourcing of fabrics along with testing the materials to industry standard.

**Russia:** Since the outbreak of the war in Ukraine, we drastically reduced our sales to Russian customers. As the government sanctions became clear throughout the year, we have stopped all imports into Russia. In addition, we have supported the people of Ukraine with clothing and cash donations throughout the year to help those affected by the war.

#### **Conclusion**

In conclusion, our fashion clothing company has experienced a successful year, marked by significant revenue growth, strong relationships with wholesale and international clients, and a thriving D2C sales platform. These achievements are a testament to the dedication and hard work of our entire team. As we prepare to embark on the next year, we remain committed to innovation, customer satisfaction, and sustainable growth. With a solid foundation in place, we are well-positioned to capitalize on new opportunities and maintain our position as a leading player in the fashion industry.

This report was approved by the board of directors on 15 June 2023 and signed on behalf of the board by:



S Mehan  
Director

## **A M London Fashion Limited**

### **Director's report Year ended 31 May 2022**

The director presents his report and the financial statements of the company for the year ended 31 May 2022.

#### **Director**

The director who served the company during the year was as follows:

S Mehan

#### **Dividends**

The Directors have paid a dividend of £Nil during the year (2021: 87,000).

#### **Future developments**

Future developments are outlined in the strategic report.

#### **Financial instruments**

The company has a level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are largely conducted in sterling and US dollars. The company makes use of invoice discounting facilities and credit insurance. The company does not enter into any formally designated hedging arrangements.

#### **Director's responsibilities statement**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him 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.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**A M London Fashion Limited**

**Director's report (continued)**  
**Year ended 31 May 2022**

This report was approved by the board of directors on 15 June 2023 and signed on behalf of the board by:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

S Mehan  
Director

**A M London Fashion Limited**

**Independent auditor's report to the members of  
A M London Fashion Limited  
Year ended 31 May 2022**

**Opinion**

We have audited the financial statements of A M London Fashion Limited (the 'company') for the year ended 31 May 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2022 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.

**Basis for opinion**

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 opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

**Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **A M London Fashion Limited**

### **Independent auditor's report to the members of A M London Fashion Limited (continued) Year ended 31 May 2022**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

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 the returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **A M London Fashion Limited**

### **Independent auditor's report to the members of A M London Fashion Limited (continued) Year ended 31 May 2022**

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the director and other management. The most significant identified that directly affect the financial statements include financial reporting legislation, distributable profits legislation and taxation legislation. The company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: those relating to fast fashion, including Modern Slavery Act 2015, National Minimum Wages Act 1998, Employment Law, Environmental Act 2021 and Textile Labelling Laws, recognising the nature of the company's activities. Additionally as the company trade overseas, we have noted the following as applicable: Anti Money Laundering Act 2018 and Russian (Sanctions) Regulations 2019.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of the director and management as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud - one instance was noted in the year by the client;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates. We have noted key accounting estimates as stock provision, bonus provision and bad debt provision;
- review of key accounting nominals for evidence of legal fees which may indicate any non-compliance;
- review and testing of nominals susceptible to management override, notably travel and entertainment costs;
- review of trade with Russia in light of our knowledge of the company's previous trade with the country and the ongoing conflict in Ukraine. In the year we have noted £1.9m of sales to Russia, with activity covering the full 12 months. We have not noted any breaches of sanctions in place within UK.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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.

**A M London Fashion Limited**

**Independent auditor's report to the members of  
A M London Fashion Limited (continued)  
Year ended 31 May 2022**



John Oswald (Senior Statutory Auditor)

For and on behalf of  
Stephenson Coates Audit Limited  
Chartered Accountants  
West 2, Asama Court  
Newcastle Business Park  
Newcastle upon Tyne  
NE4 7YD

15 June 2023

**A M London Fashion Limited**

**Statement of income and retained earnings  
Year ended 31 May 2022**

|                                                                     | Note      | 2022<br>£        | 2021<br>£        |
|---------------------------------------------------------------------|-----------|------------------|------------------|
| <b>Turnover</b>                                                     | <b>4</b>  | 42,141,753       | 26,053,658       |
| Cost of sales                                                       |           | (34,489,094)     | (20,876,650)     |
| <b>Gross profit</b>                                                 |           | 7,652,659        | 5,177,008        |
| Administrative expenses                                             |           | (4,601,077)      | (2,800,768)      |
| Other operating income                                              | <b>5</b>  | 203,848          | 50,375           |
| <b>Operating profit</b>                                             | <b>6</b>  | 3,255,430        | 2,426,615        |
| Interest payable and similar expenses                               | <b>10</b> | (131,378)        | (94,182)         |
| <b>Profit before taxation</b>                                       |           | 3,124,052        | 2,332,433        |
| Tax on profit                                                       | <b>11</b> | (562,669)        | (451,287)        |
| <b>Profit for the financial year and total comprehensive income</b> |           | <u>2,561,383</u> | <u>1,881,146</u> |
| Dividends declared and paid or payable during the year              |           | -                | (87,000)         |
| <b>Retained earnings at the start of the year</b>                   |           | 2,197,452        | 403,306          |
| <b>Retained earnings at the end of the year</b>                     |           | <u>4,758,835</u> | <u>2,197,452</u> |

All the activities of the company are from continuing operations.

The notes on pages 15 to 28 form part of these financial statements.

**A M London Fashion Limited**

**Statement of financial position  
31 May 2022**

|                                                                | Note | 2022<br>£    | £       | 2021<br>£   | £       |
|----------------------------------------------------------------|------|--------------|---------|-------------|---------|
| <b>Fixed assets</b>                                            |      |              |         |             |         |
| Intangible assets                                              | 12   | 31,107       |         | 12,057      |         |
| Tangible assets                                                | 13   | 452,697      |         | 435,167     |         |
| Investments                                                    | 14   | 850          |         | -           |         |
|                                                                |      |              | 484,654 |             | 447,224 |
| <b>Current assets</b>                                          |      |              |         |             |         |
| Stocks                                                         | 15   | 7,299,697    |         | 3,883,958   |         |
| Debtors                                                        | 16   | 10,491,048   |         | 6,085,635   |         |
| Cash at bank and in hand                                       |      | 1,763,721    |         | 2,244,630   |         |
|                                                                |      | 19,554,466   |         | 12,214,223  |         |
| <b>Creditors: amounts falling due within one year</b>          | 17   | (14,308,412) |         | (7,759,741) |         |
| <b>Net current assets</b>                                      |      | 5,246,054    |         | 4,454,482   |         |
| <b>Total assets less current liabilities</b>                   |      | 5,730,708    |         | 4,901,706   |         |
| <b>Creditors: amounts falling due after more than one year</b> | 18   | (910,063)    |         | (2,662,442) |         |
| <b>Provisions for liabilities</b>                              | 19   | (61,610)     |         | (41,612)    |         |
| <b>Net assets</b>                                              |      | 4,759,035    |         | 2,197,652   |         |
| <b>Capital and reserves</b>                                    |      |              |         |             |         |
| Called up share capital                                        | 23   | 200          |         | 200         |         |
| Profit and loss account                                        | 24   | 4,758,835    |         | 2,197,452   |         |
| <b>Shareholders funds</b>                                      |      | 4,759,035    |         | 2,197,652   |         |

The notes on pages 15 to 28 form part of these financial statements.

**A M London Fashion Limited**

**Statement of financial position (continued)**  
**31 May 2022**

These financial statements were approved by the board of directors and authorised for issue on 15 June 2023, and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'S Mehan', written over a horizontal line.

S Mehan  
Director

Company registration number: 09036310

**The notes on pages 15 to 28 form part of these financial statements.**

**A M London Fashion Limited**

**Statement of cash flows**  
**Year ended 31 May 2022**

|                                                           | <b>2022</b>        |  | <b>2021</b>        |
|-----------------------------------------------------------|--------------------|--|--------------------|
|                                                           | <b>£</b>           |  | <b>£</b>           |
| <b>Cash flow from operating activities</b>                |                    |  |                    |
| Profit for the year                                       | 2,561,383          |  | 1,881,146          |
| <i>Adjustments for:</i>                                   |                    |  |                    |
| Depreciation of tangible assets                           | 146,188            |  | 42,603             |
| Amortisation of intangible assets                         | 15,039             |  | 12,698             |
| Government grant income                                   | -                  |  | 30,695             |
| Interest payable and similar expenses                     | 131,378            |  | 94,182             |
| Tax on profit                                             | 562,669            |  | 451,287            |
| Accrued expenses / (income)                               | 372,733            |  | 148,934            |
| <i>Changes in:</i>                                        |                    |  |                    |
| (Increase) / decrease in stock                            | - 3,415,739        |  | - 76,215           |
| (Increase) / decrease in trade and other debtors          | - 4,405,413        |  | - 3,783,040        |
| Increase / (decrease) in trade and other creditors        | 2,837,968          |  | 946,476            |
| Cash generated from operations                            | <u>- 1,193,794</u> |  | <u>- 2,205,576</u> |
| Interest paid                                             | - 131,378          |  | - 94,182           |
| Tax paid                                                  | -                  |  | 59,863             |
| Net cash used in operating activities                     | <u>- 1,325,172</u> |  | <u>- 2,359,621</u> |
| <b>Cash flow from investing activities</b>                |                    |  |                    |
| Payments made in connection with new business investments | - 850              |  | -                  |
| Purchase of tangible assets                               | - 163,718          |  | - 62,195           |
| Purchase of intangible assets                             | - 34,089           |  | - 11,826           |
| Net cash used in investing activities                     | <u>- 198,657</u>   |  | <u>- 74,021</u>    |
| <b>Cash flow from financing activities</b>                |                    |  |                    |
| Proceeds / (repayments) from borrowings                   | 3,735,452          |  | 3,616,797          |
| Government grant income                                   | -                  |  | 30,695             |
| Payment of finance lease liabilities                      | - 3,356            |  | - 16,344           |
| Equity dividends paid                                     | -                  |  | 87,000             |
| Net cash used in financing activities                     | <u>3,732,096</u>   |  | <u>3,544,148</u>   |
| <b>Net increase / (decrease) in net debt</b>              | <b>2,208,267</b>   |  | <b>1,110,506</b>   |
| Net debt at start of year                                 | - 4,514,071        |  | - 3,403,565        |
| Net debt at end of year                                   | - 6,722,338        |  | - 4,514,071        |

**Analysis of changes in net debt in the year**

|                              | <b>1 June 2021</b> |  | <b>Cash flows</b>  |  | <b>31 May 2022</b> |
|------------------------------|--------------------|--|--------------------|--|--------------------|
| Cash at bank and in hand     | 2,244,630          |  | 480,909            |  | 1,763,721          |
| Bank overdraft               | -                  |  | -                  |  | -                  |
| Bank loan < 1 year           | - 110,630          |  | 177,076            |  | 287,706            |
| Bank loan > 1 year           | - 2,662,422        |  | 1,752,359          |  | 910,063            |
| Invoice financing facilities | - 3,985,649        |  | 3,302,641          |  | 7,288,290          |
|                              | <u>- 4,514,071</u> |  | <u>- 2,208,267</u> |  | <u>- 6,722,338</u> |

## **A M London Fashion Limited**

### **Notes to the financial statements Year ended 31 May 2022**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Oakland House, Talbot Road, Old Trafford, Manchester, M16 0PQ.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Triennial review 2017 amendments to the standard have been early adopted.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources and banking facilities to continue in operational existence for the next 12 months. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

##### **Consolidation**

The company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that its subsidiaries are excluded from consolidation on the grounds that their inclusion is not material for the purpose of giving a true and fair view.

##### **Judgements and key sources of estimation uncertainty**

Stock is carried at the lower of cost and net realisable value, which requires an estimation of products' future selling prices. A provision is also made to write down any slow-moving or obsolete inventory to net realisable value. The provision at 31 May 2022 was £1,023,605 (2021: £1,031,505). The provision requires estimates for shrinkage, the expected future selling price of items and identification of aged and obsolete items.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

## **A M London Fashion Limited**

### **Notes to the financial statements (continued) Year ended 31 May 2022**

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

#### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Patents, trademarks & licenses                      -    25%       straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

## **A M London Fashion Limited**

### **Notes to the financial statements (continued) Year ended 31 May 2022**

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                   |       |               |
|-------------------|-------|---------------|
| Plant & Machinery | - 25% | straight line |
| Motor Vehicles    | - 33% | straight line |

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Fixed asset investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition. Stock is recognised when the significant risks and rewards of ownership have transferred to the company, being on receipt into the UK.

#### **Hire purchase and finance leases**

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

## **A M London Fashion Limited**

### **Notes to the financial statements (continued)**

**Year ended 31 May 2022**

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**A M London Fashion Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 May 2022**

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

**4. Turnover**

Turnover arises from:

|               | <b>2022</b>       | 2021              |
|---------------|-------------------|-------------------|
|               | £                 | £                 |
| Sale of goods | 42,141,753        | 26,053,658        |
|               | <u>42,141,753</u> | <u>26,053,658</u> |

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

|          | <b>2022</b>       | 2021              |
|----------|-------------------|-------------------|
|          | £                 | £                 |
| UK sales | 31,539,311        | 21,401,820        |
| Overseas | 10,602,442        | 4,651,838         |
|          | <u>42,141,753</u> | <u>26,053,658</u> |

**5. Other operating income**

|                                                     | <b>2022</b>    | 2021          |
|-----------------------------------------------------|----------------|---------------|
|                                                     | £              | £             |
| Rental income                                       | 7,274          | -             |
| Management charges receivable                       | 204,930        | 421           |
| Receipts under the Coronavirus Job Retention Scheme | -              | 30,695        |
| Royalties receivable                                | 2,652          | 5,004         |
| Other operating income                              | (11,008)       | 14,255        |
|                                                     | <u>203,848</u> | <u>50,375</u> |

**A M London Fashion Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 May 2022**

**6. Operating profit**

Operating profit is stated after charging/(crediting):

|                                                        | <b>2022</b>   | 2021         |
|--------------------------------------------------------|---------------|--------------|
|                                                        | £             | £            |
| Amortisation of intangible assets                      | 15,039        | 12,698       |
| Depreciation of tangible assets                        | 146,188       | 42,603       |
| (Gain)/loss on disposal of tangible assets             | (27,304)      | -            |
| Impairment of trade debtors                            | (1,368)       | 301,413      |
| Foreign exchange differences                           | (1,499,866)   | (668,951)    |
| Fees payable for the audit of the financial statements | <u>12,000</u> | <u>8,500</u> |

**7. Auditors remuneration**

|                                                        | <b>2022</b>   | 2021         |
|--------------------------------------------------------|---------------|--------------|
|                                                        | £             | £            |
| <b>Fees payable to Stephenson Coates Audit Limited</b> |               |              |
| Fees payable for the audit of the financial statements | <u>12,000</u> | <u>8,500</u> |

**8. Staff costs**

The average number of persons employed by the company during the year, including the director, amounted to:

|                      | <b>2022</b> | 2021      |
|----------------------|-------------|-----------|
|                      | 75          | 43        |
| Administrative staff | <u>75</u>   | <u>43</u> |

The aggregate payroll costs incurred during the year were:

|                       | <b>2022</b>      | 2021             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 2,287,103        | 1,350,391        |
| Social security costs | 206,719          | 140,602          |
| Other pension costs   | 60,205           | 33,033           |
|                       | <u>2,554,027</u> | <u>1,524,026</u> |

**A M London Fashion Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 May 2022**

**9. Directors remuneration**

The director's aggregate remuneration in respect of qualifying services was:

|              | <b>2022</b>       | 2021              |
|--------------|-------------------|-------------------|
|              | <b>£</b>          | <b>£</b>          |
| Remuneration | 193,426           | 108,536           |
|              | <u>          </u> | <u>          </u> |

The number of directors who accrued benefits under company pension plans was as follows:

|                            | <b>2022</b>       | 2021              |
|----------------------------|-------------------|-------------------|
|                            | <b>Number</b>     | <b>Number</b>     |
| Defined contribution plans | 1                 | 1                 |
|                            | <u>          </u> | <u>          </u> |

**10. Interest payable and similar expenses**

|                                                   | <b>2022</b>    | 2021          |
|---------------------------------------------------|----------------|---------------|
|                                                   | <b>£</b>       | <b>£</b>      |
| Bank loans and overdrafts                         | 56,296         | 59,367        |
| Other loans made to the company:                  |                |               |
| Finance leases and hire purchase contracts        | 3,356          | 2,498         |
| Other interest on other loans made to the company | 71,726         | 32,317        |
|                                                   | <u>131,378</u> | <u>94,182</u> |

**A M London Fashion Limited**

**Notes to the financial statements (continued)**

**Year ended 31 May 2022**

**11. Tax on profit**

**Major components of tax expense**

|                                                | <b>2022</b>           | 2021                  |
|------------------------------------------------|-----------------------|-----------------------|
|                                                | £                     | £                     |
| <b>Current tax:</b>                            |                       |                       |
| UK current tax expense                         | 593,076               | 414,326               |
| Adjustments in respect of previous periods     | (50,405)              | -                     |
| Total current tax                              | <u>542,671</u>        | <u>414,326</u>        |
| <b>Deferred tax:</b>                           |                       |                       |
| Origination and reversal of timing differences | 19,998                | 36,961                |
| <b>Tax on profit</b>                           | <u><u>562,669</u></u> | <u><u>451,287</u></u> |

**Reconciliation of tax expense**

The tax assessed on the profit for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%).

|                                                    | <b>2022</b>           | 2021                  |
|----------------------------------------------------|-----------------------|-----------------------|
|                                                    | £                     | £                     |
| Profit before taxation                             | <u>3,124,052</u>      | <u>2,332,433</u>      |
| Profit multiplied by rate of tax                   | 593,570               | 443,162               |
| Adjustments in respect of prior periods            | (50,405)              | -                     |
| Effect of expenses not deductible for tax purposes | 24,037                | 17,960                |
| Rate difference                                    | 4,799                 | 8,518                 |
| Utilisation of tax losses                          | -                     | (1,792)               |
| Enhanced allowances claimed                        | (9,332)               | (2,184)               |
| Non trade loan relationship brought forward        | -                     | (14,377)              |
| <b>Tax on profit</b>                               | <u><u>562,669</u></u> | <u><u>451,287</u></u> |

**A M London Fashion Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 May 2022**

**12. Intangible assets**

|                        | Patents,<br>trademarks<br>& licences<br>£ | Total<br>£    |
|------------------------|-------------------------------------------|---------------|
| <b>Cost</b>            |                                           |               |
| At 1 June 2021         | 46,836                                    | 46,836        |
| Additions              | 34,089                                    | 34,089        |
| Disposals              | (31,866)                                  | (31,866)      |
| <b>At 31 May 2022</b>  | <u>49,059</u>                             | <u>49,059</u> |
| <b>Amortisation</b>    |                                           |               |
| At 1 June 2021         | 34,779                                    | 34,779        |
| Charge for the year    | 15,039                                    | 15,039        |
| Disposals              | (31,866)                                  | (31,866)      |
| <b>At 31 May 2022</b>  | <u>17,952</u>                             | <u>17,952</u> |
| <b>Carrying amount</b> |                                           |               |
| <b>At 31 May 2022</b>  | <u>31,107</u>                             | <u>31,107</u> |
| At 31 May 2021         | <u>12,057</u>                             | <u>12,057</u> |

**13. Tangible assets**

|                        | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Total<br>£     |
|------------------------|-----------------------------|------------------------|----------------|
| <b>Cost</b>            |                             |                        |                |
| At 1 June 2021         | 425,939                     | 73,563                 | 499,502        |
| Additions              | 163,718                     | -                      | 163,718        |
| Disposals              | (25,145)                    | -                      | (25,145)       |
| <b>At 31 May 2022</b>  | <u>564,512</u>              | <u>73,563</u>          | <u>638,075</u> |
| <b>Depreciation</b>    |                             |                        |                |
| At 1 June 2021         | 61,231                      | 3,104                  | 64,335         |
| Charge for the year    | 127,793                     | 18,395                 | 146,188        |
| Disposals              | (25,145)                    | -                      | (25,145)       |
| <b>At 31 May 2022</b>  | <u>163,879</u>              | <u>21,499</u>          | <u>185,378</u> |
| <b>Carrying amount</b> |                             |                        |                |
| <b>At 31 May 2022</b>  | <u>400,633</u>              | <u>52,064</u>          | <u>452,697</u> |
| At 31 May 2021         | <u>364,708</u>              | <u>70,459</u>          | <u>435,167</u> |

**A M London Fashion Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 May 2022**

**14. Investments**

|                                | Shares in<br>group<br>undertakings | Total      |
|--------------------------------|------------------------------------|------------|
|                                | £                                  | £          |
| <b>Cost</b>                    |                                    |            |
| At 1 June 2021                 | -                                  | -          |
| Additions                      | 850                                | 850        |
| <b>At 31 May 2022</b>          | <u>850</u>                         | <u>850</u> |
| <b>Impairment</b>              |                                    |            |
| At 1 June 2021 and 31 May 2022 | <u>-</u>                           | <u>-</u>   |
| <b>Carrying amount</b>         |                                    |            |
| At 31 May 2022                 | <u>850</u>                         | <u>850</u> |
| At 31 May 2021                 | <u>-</u>                           | <u>-</u>   |

**Investments in group undertakings**

|                                | Registered office                                      | Class of<br>share | Percentage<br>of shares<br>held |
|--------------------------------|--------------------------------------------------------|-------------------|---------------------------------|
| <b>Subsidiary undertakings</b> |                                                        |                   |                                 |
| A M London BV                  | The company is registered in<br>Zenevaar, Netherlands. | Ordinary          | 100                             |

**15. Stocks**

|                                     | 2022<br>£          | 2021<br>£          |
|-------------------------------------|--------------------|--------------------|
| Finished goods and goods for resale | 8,323,302          | 4,915,463          |
| Stock impairment                    | <u>(1,023,605)</u> | <u>(1,031,505)</u> |
|                                     | <u>7,299,697</u>   | <u>3,883,958</u>   |

**A M London Fashion Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 May 2022**

**16. Debtors**

|                                        | <b>2022</b>       | 2021             |
|----------------------------------------|-------------------|------------------|
|                                        | <b>£</b>          | <b>£</b>         |
| Trade debtors                          | 8,921,694         | 5,798,254        |
| Amounts owed by subsidiary undertaking | 514,931           | -                |
| Prepayments and accrued income         | 68,917            | 75,094           |
| Other debtors                          | 985,506           | 212,287          |
|                                        | <u>10,491,048</u> | <u>6,085,635</u> |

Included within other debtors are amounts due from the Director of £566,233 (2021: £Nil) and amounts due from connected company Vogue Sourcing Limited of £387,832 (2021: £180,847) (see Note 26).

**17. Creditors: amounts falling due within one year**

|                                  | <b>2022</b>       | 2021             |
|----------------------------------|-------------------|------------------|
|                                  | <b>£</b>          | <b>£</b>         |
| Bank loans and facilities        | 7,575,996         | 4,096,260        |
| Trade creditors                  | 4,770,782         | 2,165,002        |
| Accruals and deferred income     | 372,733           | 138,934          |
| Corporation tax                  | 1,007,488         | 463,802          |
| Social security and other taxes  | 380,309           | 381,920          |
| Obligations under finance leases | 46,181            | 66,345           |
| Director loan accounts (Note 26) | -                 | 409,029          |
| Other creditors                  | 154,923           | 38,449           |
|                                  | <u>14,308,412</u> | <u>7,759,741</u> |

Included within creditors: amounts falling due within one year is the amount £287,706 (2021: £110,630) in respect of bank loans falling due within one year of the reporting date.

**18. Creditors: amounts falling due after more than one year**

|            | <b>2022</b>    | 2021             |
|------------|----------------|------------------|
|            | <b>£</b>       | <b>£</b>         |
| Bank loans | <u>910,063</u> | <u>2,662,442</u> |

Included within creditors: amounts due after more than one year is an amount of £910,063 (2021: £2,462,422) in respect of bank loans due within 2 - 5 years of the reporting date, and £Nil (2021: £200,000) in respect of bank loans due after more than 5 years from the reporting date.

**Secured loans**

Bank loans totalling £816,667 are secured. First fixed charges are secured over books and other debts. First floating charges are secured over all assets.

**A M London Fashion Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 May 2022**

**19. Provisions**

|                       | Deferred tax<br>(note 20) | Total         |
|-----------------------|---------------------------|---------------|
|                       | £                         | £             |
| At 1 June 2021        | 41,612                    | 41,612        |
| Additions             | 19,998                    | 19,998        |
| <b>At 31 May 2022</b> | <u>61,610</u>             | <u>61,610</u> |

**20. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

|                                  | 2022          | 2021          |
|----------------------------------|---------------|---------------|
|                                  | £             | £             |
| Included in provisions (note 19) | <u>61,610</u> | <u>41,612</u> |

The deferred tax account consists of the tax effect of timing differences in respect of:

|                                | 2022          | 2021          |
|--------------------------------|---------------|---------------|
|                                | £             | £             |
| Accelerated capital allowances | <u>61,610</u> | <u>41,612</u> |

**21. Employee benefits**

The amount recognised in profit or loss in relation to defined contribution plans was £60,205 (2021: £33,033).

**22. Government grants**

The amounts recognised in the financial statements for government grants are as follows:

|                                              | 2022     | 2021          |
|----------------------------------------------|----------|---------------|
|                                              | £        | £             |
| Recognised in other operating income:        |          |               |
| Government grants released to profit or loss | <u>-</u> | <u>30,695</u> |

**23. Called up share capital**

**Issued, called up and fully paid**

|                                              | 2022       |            | 2021       |
|----------------------------------------------|------------|------------|------------|
|                                              | No         | £          | No         |
|                                              | 200        | 200        | 200        |
| Ordinary share capital shares of £ 1.00 each | <u>200</u> | <u>200</u> | <u>200</u> |

**A M London Fashion Limited**

**Notes to the financial statements (continued)**  
**Year ended 31 May 2022**

**24. Reserves**

The profit and loss account balance represents accumulated, undistributed, post tax profits.

**25. Operating leases**

**The company as lessee**

The total future minimum lease payments under non-cancellable operating leases are as follows:

|                                              | <b>2022</b>    | <b>2021</b>    |
|----------------------------------------------|----------------|----------------|
|                                              | <b>£</b>       | <b>£</b>       |
| Not later than 1 year                        | 109,777        | 33,553         |
| Later than 1 year and not later than 5 years | 375,783        | 457,146        |
|                                              | <u>485,560</u> | <u>490,699</u> |

Comparative operating lease commitments have been re-stated in the current year as a result of errors noted in relation to FY 2021 disclosures.

**26. Related party transactions**

During the year the company entered into the following transactions with related parties:

|                                 | <b>Transaction value</b> |                | <b>Balance owed by/(owed to)</b> |                |
|---------------------------------|--------------------------|----------------|----------------------------------|----------------|
|                                 | <b>2022</b>              | <b>2021</b>    | <b>2022</b>                      | <b>2021</b>    |
|                                 | <b>£</b>                 | <b>£</b>       | <b>£</b>                         | <b>£</b>       |
| Director loan account - S Mehan | 975,262                  | 39,830         | 566,233                          | (409,029)      |
| Vogue Sourcing Limited          | 104,047                  | 242,573        | 387,832                          | 180,847        |
| Xtravagant Limited              | 18,711                   | -              | -                                | -              |
| AM London BV                    | 514,931                  | -              | 514,931                          | -              |
|                                 | <u>1,612,951</u>         | <u>282,403</u> | <u>1,469,006</u>                 | <u>139,827</u> |

Vogue Sourcing Limited is a related party of the Director.

Xtravagant Limited is a company under common control.

Anoushka Mehan is the daughter of the Director and an employee of the company. At the year end, £1,500 of gross wages remain unpaid.

AM London BV is a 100% subsidiary of the company - consolidated accounts have not been prepared.

All transactions have been performed on an arm's length basis.

**A M London Fashion Limited**

**Notes to the financial statements (continued)**

**Year ended 31 May 2022**

**27. Controlling party**

The company is controlled by S. Mehan and A. Mehan, being equal shareholders.