Registered number: 09036310

A.M. London Fashion Ltd

Annual Report and Consolidated Financial Statements

For the Year Ended 31 May 2024

A.M. London Fashion Ltd

Company Information

Directors	A Mehan S Mehan D Tansill (appointed 14 March 2025)
Registered number	09036310
Registered office	4th Floor Oakland House Talbot Road Old Trafford Manchester England M16 0PQ
Independent auditors	Hurst Accountants Limited Chartered Accountants & Statutory Auditors 3 Stockport Exchange Stockport Cheshire SK1 3GG
Bankers	HSBC UK 2-4 St Ann's Sqaure Manchester M2 7HD

A.M. London Fashion Ltd

Contents

	Page
Group Strategic Report	1 - 4
Directors' Report	5 - 6
Independent Auditors' Report	7 - 10
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Financial Position	12
Company Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16 - 17
Consolidated Analysis of Net Debt	18
Notes to the Financial Statements	19 - 37

Group Strategic Report
For the Year Ended 31 May 2024

Introduction

The directors present their Strategic Report and audited financial statements for the year ended 31 May 2024.

Principal activities

A.M. London Fashion Limited was incorporated in May 2014. The Group design, source and sell quality clothing in the fashion sector at a competitive price through wholesale and online. A.M. 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 ending 31 May 2024, it is crucial to evaluate the performance and financial standing of our fashion clothing company. Unlike previous years, due to the bad debt carried forward from 2023 year-end, the company transitioned into a period of consolidation. The company stripped back its marketing & overheads investment as well as consolidating its D2C presence to preserve cashflow and ensure the business had a profitable stable basis to continue growing heading into the 2025 financial year.

Financial Performance

Key Performance Indicators

	2024	*2023*
	£000s	*£000s*
Revenue	**40,347**	*57,214*
Gross Profit	**7,453**	*10,026*

• Revenue decline: Our company experienced a decline in revenue growth off the back of the bad debt issue in FY23, resulting in the company consolidating its product offering and reducing its number of trading platforms to ensure the business met all its obligations to give a sound footstep to continue growing heading into FY25. Combined sales from wholesale accounts, contract customers, and our D2C platforms contributed towards a healthy overall net revenue of £40.3m (2023: £57.2m) a decrease of 30%. Gross profits decreased to £7.5m (2023: £10.0m) a decrease of 26%.

• Wholesale Accounts: We have successfully developed and maintained strong relationships with our wholesale accounts within the UK, but also diversified to European customers as we continue to service a diverse set of clients. By consistently delivering high-quality fashion clothing products and personable customer service, we have solidified our position as a preferred supplier in the market.

• International Expansion: Our concerted efforts to tap into international markets paused in FY24, off the back of the bad debt issue that hit at the back end of FY23. We had successfully built a substantial customer base overseas, resulting in increased sales and brand recognition. This achievement and hard work will not go to waste, as we look to launch again in FY25 with a trusted partner.

• D2C Sales Platforms: Establishing a strong brand presence for our D2C division has helped maintain a healthy net revenue position, even whilst marketing and overhead investment was significantly reduced to meet outstanding creditors. Going forwards, our website and concentrated choice of strategic partners, will play a crucial role in boosting our direct sales to end consumers as we look to grow again heading into FY25. We are now able to focus again on the platforms that return optimum performance, as opposed to being spread across various platforms ineffectively.

Financial Performance (Continued)

• Off the back of the bad debt issue in FY23, management has continued to work hard to mitigate potential losses moving forward:

o Enhanced Credit Assessment: The Group has reviewed and enhanced its credit assessment and risk management processes for all customers, to identify and address over trading situations at an early stage.

o Tightened Credit Control Measures: Management has continued to introduce tightened credit control measures, including more frequent credit checks, credit limits, and regular monitoring of customer trading patterns to prevent similar occurrences.

o Improved communication and collaboration: The Group has continued to focus on improving communication and collaboration between finance and sales teams to better assess and manage credit risks associated with over trading.

o Diversification of Customer Base: The Group is actively seeking to diversify its customer base across the UK and Internationally to reduce reliance on a single customer and mitigate future bade debt risks.

The Group remains focused on maintaining a strong financial position and facilitating sustainable growth in all its market operations including the European market and looks forward to growing the business again in FY25 and returning to growth.

Operational Highlights

• Product Portfolio: Our fashion clothing company has consistently offered a diverse range of stylish and on-trend clothing for men and women. 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: By strengthening our presence in territories we source from, we have improved efficiency within our supply chain management. This has been a key factor in our success in streamlining costs and processes and providing excellent service to our customers alongside our stylish, on trend clothing. By improving our operations, we have maintained strong relationships with suppliers, and managed our inventory, enabling us to meet customer demands promptly and maintain a competitive edge.

• Customer Engagement: Our commitment to exceptional customer service has attributed to our continued success. We have been flexible as our customers are both the end consumer, as well as servicing other businesses (B2B) on a contract basis. This has been instrumental in building lasting relationships with all revenue streams. Prompt and efficient responses to consumer enquiries, quick resolution of issues, and our personalised approach have all contributed to customer satisfaction and loyalty.

Future Outlook

As we reflect on the key achievement of stabilising the business this year to allow a firm foot holding to return back to growth, it is crucial to look ahead and identify areas for growth and improvement. Key focus areas for the upcoming year include:

• Market Expansion: Our emphasis has been on growing our UK market; however, we have the resource and capabilities to serve a broader customer base in external territories. We are continuously seeking these new opportunities to expand our presence internationally 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. Sales data is now becoming increasingly valuable given the increase over the past year. We can use this to ensure our products are being sold on the most efficient platforms at the right time.

• 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.

Other International

Bangladesh: Our office in Bangladesh continued to grow from 26 employees in 2023 to 28 in 2024. This is to support our sourcing strategy and contract business. We feel having a presence in territory ensures that our customers are fully serviced. Our 28 staff members support the UK office with factory onboarding, audits and compliance checks. The team manage the sourcing of fabrics along with testing the materials to industry standard. As this office grows within our company, so will our supply base who we consider as our partners. By improving partnership relationships, we are all becoming more aligned in servicing our customers.

Conclusion

Whilst top line revenue and gross profits have declined, the Group have done fantastically well to stabilise the business and clear all outstanding creditors – even whilst experiencing a huge £5m bad debt write off at the back end of last financial year. The group has continued to forge 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 capitalise on new opportunities and maintain our position as a leading player in the fashion industry.

Principal Risks and Uncertainties

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

Concentration Risk

The Group continues to diversify into different sectors and explore new opportunities. The Group was originally setup as a men's brand and in recent years has setup ranges in ladies, childrenswear and even pets and accessories. Going forwards, the group looks to focus on its menswear and ladieswear operations going forwards.

Currency Risk

The primary foreign currencies which the Group has exchange rate fluctuation exposure to are US dollars and Euros. The Group 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 Group 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 Group has continued to secure more FOB contracts which puts the risk of ageing stock onto customers. The Group will continue to monitor aged stock and build relationships with discount outlets to ensure ageing stock does not build up.

Credit Risk

Despite the challenge of the bad debt at the end of FY23, the Group did not experience a complete loss of liquidity or financial insolvency. The Group has successfully managed to navigate through this difficult period and has taken steps to mitigate the impact of the previous years bad debt on our overall financial health.

The Group has demonstrated resilience and agility in the face of this challenge. Our continued focus on the effective cashflow management, strengthened forecasting, and ongoing bank support has enabled us to maintain a strong cash position and positive net assets, even in the presence of the exceptional event.

The Group has undertaken thorough review of the credit risks management processes and implemented additional measure to limit future exposure to similar event.

Supply Chain Risk

As a Group, 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.

This report was approved by the board and signed on its behalf.

D Tansill
Director

Date: 29 May 2025

Directors' Report
For the Year Ended 31 May 2024

The directors present their report and the financial statements for the year ended 31 May 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £352,570 *(2023 -loss £3,075,757)*.

The Directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

J Hartley (appointed 17 July 2023, resigned 14 March 2025)
A Mehan (appointed 17 July 2023)
S Mehan

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group or Company since the year end.

Auditors

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

D Tansill
Director

Date: 29 May 2025

Independent Auditors' Report to the Members of A.M. London Fashion Ltd

Opinion

We have audited the financial statements of A.M. London Fashion Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 May 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 Group's and of the parent Company's affairs as at 31 May 2024 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' 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 Group's or the parent 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 directors 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 Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are 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 directors determine 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 directors are responsible for assessing the Group's and the parent 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Group 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:

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

• The nature of the industry and sector in which the group operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.

• The outcome of enquiries of management, including whether management was aware of any instances of non- compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.

• Supporting documentation relating to the group's policies and procedures for:

- Identifying, evaluating, and complying with laws and regulations

- Detecting and responding to the risks of fraud

• The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

• The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

• The legal and regulatory framework in which the group operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the group, including General Data Protection requirements, Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

• Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.

• Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.

• Evaluation of management's controls designed to prevent and detect irregularities.

• Enquiring of management about any actual and potential litigation and claims.

• Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

We have also considered the risk of fraud through management override of controls by:

• Testing the appropriateness of journal entries and other adjustments. We have used data analytics software to identify accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or error.

• Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

• Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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.

John Glover (Senior Statutory Auditor)
for and on behalf of
Hurst Accountants Limited
Chartered Accountants & Statutory Auditors
3 Stockport Exchange
Stockport
Cheshire
SK1 3GG

30 May 2025

Consolidated Statement of Comprehensive Income
For the Year Ended 31 May 2024

	Note	2024 £	2023 £
Turnover	4	**40,346,702**	*57,213,907*
Cost of sales		**(32,894,018)**	*(47,188,008)*
Gross profit		**7,452,684**	*10,025,899*
Administrative expenses		**(7,167,355)**	*(8,387,398)*
Exceptional administrative expenses	12	**-**	*(5,051,683)*
Other operating income	5	**2,229**	*30,414*
Operating profit/(loss)	6	**287,558**	*(3,382,768)*
Interest payable and similar expenses	10	**(82,994)**	*(305,376)*
Profit/(loss) before taxation		**204,564**	*(3,688,144)*
Tax on profit/(loss)	11	**148,006**	*612,387*
Profit/(loss) for the financial year		**352,570**	*(3,075,757)*
Foreign exchange differences on consolidation		**2,494**	*310*
Total comprehensive income for the year		**355,064**	*(3,075,447)*
Profit/(loss) for the year attributable to:			
Owners of the parent Company		**352,570**	*(3,075,757)*

The notes on pages 19 to 37 form part of these financial statements.

Consolidated Statement of Financial Position
As at 31 May 2024

	Note		2024 £		2023 £
Fixed assets					
Intangible assets	13		**13,805**		*22,364*
Tangible assets	14		**190,446**		*336,726*
			204,251		*359,090*
Current assets					
Stocks	16	**3,508,746**		*6,787,024*	
Debtors: amounts falling due within one year	17	**6,635,388**		*6,605,960*	
Cash at bank and in hand	18	**548,995**		*420,609*	
		10,693,129		*13,813,593*	
Creditors: amounts falling due within one year	19	**(8,726,422)**		*(12,023,985)*	
Net current assets			**1,966,707**		*1,789,608*
Total assets less current liabilities			**2,170,958**		*2,148,698*
Creditors: amounts falling due after more than one year	20		**(282,993)**		*(581,158)*
Provisions for liabilities					
Deferred taxation	23		**(7,660)**		*(42,299)*
Net assets			**1,880,305**		*1,525,241*
Capital and reserves					
Called up share capital	24		**200**		*200*
Foreign exchange reserve	25		**2,282**		*(212)*
Profit and loss account	25		**1,877,823**		*1,525,253*
			1,880,305		*1,525,241*

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

D Tansill
Director

Date: 29 May 2025

The notes on pages 19 to 37 form part of these financial statements.

A.M. London Fashion Ltd
Registered number: 09036310

Company Statement of Financial Position
As at 31 May 2024

	Note		2024 £		*2023 £*
Fixed assets					
Intangible assets	13		**13,805**		*22,364*
Tangible assets	14		**190,446**		*336,726*
Investments	15		**850**		*850*
			205,101		*359,940*
Current assets					
Stocks	16	**3,508,746**		*6,787,024*	
Debtors: amounts falling due within one year	17	**6,777,702**		*5,163,920*	
Cash at bank and in hand	18	**548,547**		*412,144*	
		10,834,995		*12,363,088*	
Creditors: amounts falling due within one year	19	**(8,593,482)**		*(10,201,481)*	
Net current assets			**2,241,513**		*2,161,607*
Total assets less current liabilities			**2,446,614**		*2,521,547*
Creditors: amounts falling due after more than one year	20		**(282,993)**		*(581,158)*
Provisions for liabilities					
Deferred taxation	23		**(7,660)**		*(42,299)*
Net assets			**2,155,961**		*1,898,090*
Capital and reserves					
Called up share capital	24		**200**		*200*
Profit and loss account	25		**2,155,761**		*1,897,890*
			2,155,961		*1,898,090*

The Company's profit for the year was £257,871 (2023: *loss of 2,860,945*).

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

D Tansill
Director

Date: 29 May 2025

The notes on pages 19 to 37 form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 31 May 2024

	Called up share capital £	Foreign exchange reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 June 2022	**200**	**(522)**	**4,601,010**	**4,600,688**	**4,600,688**
Comprehensive deficit for the year					
Loss for the year	-	-	**(3,075,757)**	**(3,075,757)**	**(3,075,757)**
Foreign exchange differences on consolidation	**-**	**310**	**-**	**310**	**310**
Other comprehensive income for the year	**-**	**310**	**-**	**310**	**310**
Total comprehensive deficit for the year	**-**	**310**	**(3,075,757)**	**(3,075,447)**	**(3,075,447)**
At 1 June 2023	**200**	**(212)**	**1,525,253**	**1,525,241**	**1,525,241**
Comprehensive income for the year					
Profit for the year	-	-	**352,570**	**352,570**	**352,570**
Foreign exchange differences on consolidation	**-**	**2,494**	**-**	**2,494**	**2,494**
Other comprehensive income for the year	**-**	**2,494**	**-**	**2,494**	**2,494**
Total comprehensive income for the year	**-**	**2,494**	**352,570**	**355,064**	**355,064**
At 31 May 2024	**200**	**2,282**	**1,877,823**	**1,880,305**	**1,880,305**

The notes on pages 19 to 37 form part of these financial statements.

Company Statement of Changes in Equity
For the Year Ended 31 May 2024

	Called up share capital £	Profit and loss account £	Total equity £
At 1 June 2022	**200**	**4,758,835**	**4,759,035**
Comprehensive deficit for the year			
Loss for the year	-	**(2,860,945)**	**(2,860,945)**
At 1 June 2023	**200**	**1,897,890**	**1,898,090**
Comprehensive income for the year			
Profit for the year	-	**257,871**	**257,871**
At 31 May 2024	**200**	**2,155,761**	**2,155,961**

The notes on pages 19 to 37 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 May 2024

	2024 £	*2023* *£*
Cash flows from operating activities		
Profit/(loss) for the financial year	**352,570**	*(3,075,757)*
Adjustments for:		
Amortisation of intangible assets	**8,559**	*8,887*
Depreciation of tangible assets	**177,102**	*153,594*
Foreign exchange movements	**2,494**	*310*
Interest paid	**82,994**	*305,376*
Taxation credit	**(148,006)**	*(612,387)*
Decrease in stocks	**3,278,278**	*512,673*
Decrease in debtors	**334,405**	*3,993,548*
Decrease in creditors	**(25,148)**	*(1,145,929)*
Corporation tax paid	**-**	*(414,326)*
Net cash generated from/(used in) operating activities	**4,063,248**	*(274,011)*
Cash flows from investing activities		
Purchase of intangible fixed assets	**-**	*(144)*
Purchase of tangible fixed assets	**(30,822)**	*(37,623)*
Net cash used in investing activities	**(30,822)**	*(37,767)*

Consolidated Statement of Cash Flows (continued)
For the Year Ended 31 May 2024

	2024 £	*2023* *£*
Cash flows from financing activities		
Repayment of loans	**(200,090)**	*(200,000)*
Repayment of finance leases	**(144,461)**	*(127,816)*
Movements on trade credit facility	**(1,413,694)**	*517,612*
Movements on invoice discounting facility	**(1,941,589)**	*(1,041,117)*
Interest paid	**(82,994)**	*(295,271)*
HP interest paid	**-**	*(10,105)*
Net cash used in financing activities	**(3,782,828)**	*(1,156,697)*
Net increase/(decrease) in cash and cash equivalents	**249,598**	*(1,468,475)*
Cash and cash equivalents at beginning of year	**298,240**	*1,766,715*
Cash and cash equivalents at the end of year	**547,838**	*298,240*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**548,995**	*420,609*
Bank overdrafts	**(1,157)**	*(122,369)*
	547,838	*298,240*

The notes on pages 19 to 37 form part of these financial statements.

Consolidated Analysis of Net Debt
For the Year Ended 31 May 2024

	At 1 June 2023 £	Cash flows £	Other non-cash changes £	At 31 May 2024 £
Cash at bank and in hand	420,609	128,386	-	548,995
Bank overdrafts	(122,369)	121,212	-	(1,157)
Debt due after 1 year	(416,667)	-	200,090	(216,577)
Debt due within 1 year	(3,207,388)	1,619,030	(200,090)	(1,788,448)
Finance leases	(328,622)	144,461	-	(184,161)
	(3,654,437)	2,013,089	-	(1,641,348)

The notes on pages 19 to 37 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 May 2024

1. General information

A.M. London Fashion Limited is a private company limited by shares, incorporated in England and Wales and its registered office is 4th Floor, Oakland House, Talbot Road, Old Trafford, Manchester, M16 0PQ. The company's registered number is 09036310.

The Group and Company's principal activity is to design, source and sell quality clothing in the fashion sector at a competitive price through wholesale and online.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The group's functional and presentational currency is GBP.

Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

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

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

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

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

2. Accounting policies (continued)

2.6 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

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

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

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents, trademarks & licenses	-	4 years

2. Accounting policies (continued)

2.13 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Plant and machinery	-	25%	straight line
Motor vehicles	-	33%	straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a standard costing basis.

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

2.16 Debtors

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

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. Accounting policies (continued)

2.18 Creditors

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

2.19 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.20 Financial instruments

Financial instruments are recognised in the Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

2. Accounting policies (continued)

2.20 Financial instruments (continued)

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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

Basic financial liabilities, which include trade and other creditors, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

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

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

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

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

Preparation of the financial statements requires management to make judgements and estimates that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual outcomes may differ from these judgements, estimates and assumptions. The following judgement has had the most significant effect on amounts recognised in the financial statements:

Measurement of provision for obsolete stock

The stock provision is determined by ageing the stock in conjunction with management's knowledge and experience of stock movements. The provision applied reduces the carrying value to its selling price less costs to sell. Accordingly, provision for impairment is made where the net realisable value is less than the cost based on best estimates by management. The value of stock held at the year end totalled £3,508,746 (2023: *£6,787,024*), which includes impairments of £366,067 (2023: *£1,162,480*).

Measurement of provision for credit notes

The credit note provision is determined by analysing historical return percentages in conjunction with management's knowledge and experience of customer return behaviours. The provision applied reduces the carrying value of sales to reflect the expected returns. Accordingly, provision for credit notes is made where the estimated returns are based on the best estimate by management. The value of the credit note provision at year end totalled £626,950 (2023: *£1,109,547*).

4. Turnover

The whole of the turnover is attributable to the Group's principal activity.

Analysis of turnover by country of destination:

	2024 £	*2023* *£*
United Kingdom	**34,711,333**	*35,131,998*
Europe	**4,091,058**	*21,515,165*
Rest of the world	**1,544,311**	*566,744*
	40,346,702	*57,213,907*

5. Other operating income

	2024 £	*2023* *£*
Other operating income	**2,229**	-
Insurance claims receivable	**-**	*30,414*
	2,229	*30,414*

6. Operating profit/(loss)

The operating (loss)/profit is stated after charging/(crediting):

	2024	*2023*
	£	*£*
Exchange differences	**418,773**	*(1,023,456)*
Other operating lease rentals	**187,016**	*115,480*

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2024	*2023*
	£	*£*
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	**40,700**	*34,000*
Fee's payable to the Group's auditors in respect of all other services		
Taxation compliance services	**2,775**	*2,500*
All non-audit services not included above	**4,250**	*3,500*

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2024	*Group 2023*	Company 2024	*Company 2023*
	£	*£*	£	*£*
Wages and salaries	**3,458,668**	*3,392,985*	**3,458,668**	*3,392,985*
Social security costs	**288,261**	*302,205*	**288,261**	*302,205*
Cost of defined contribution scheme	**62,043**	*76,480*	**62,043**	*76,480*
	3,808,972	*3,771,670*	**3,808,972**	*3,771,670*

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2024	*Group 2023*	Company 2024	*Company 2023*
	No.	*No.*	No.	*No.*
Administrative staff	**71**	*86*	*71*	*86*

9. Directors' remuneration

	2024 £	*2023* *£*
Directors' emoluments	**498,379**	*250,000*
Group contributions to defined contribution pension schemes	**1,761**	*1,761*
	500,140	*251,761*

During the year retirement benefits were accruing to 1 director *(2023 -1)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £498,379 *(2023 -£250,000)*.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £ 1,761 *(2023 -£1,761)*.

10. Interest payable and similar expenses

	2024 £	*2023* *£*
Bank interest payable	**73,864**	*64,939*
Other interest payable	**9,130**	*230,332*
Finance leases and hire purchase contracts	**-**	*10,105*
	82,994	*305,376*

11. Taxation

	2024 £	*2023* *£*
Corporation tax		
Current tax on profits for the year	**43,723**	*-*
Adjustments in respect of previous periods	**(157,090)**	*(593,076)*
Total current tax	**(113,367)**	*(593,076)*
Deferred tax		
Origination and reversal of timing differences	**(34,639)**	*(19,311)*
Total deferred tax	**(34,639)**	*(19,311)*
Tax on profit/(loss)	**(148,006)**	*(612,387)*

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2023 -higher than)* the standard rate of corporation tax in the UK of 25% *(2023 - 20%)*. The differences are explained below:

	2024 £	*2023* *£*
Profit/(loss) on ordinary activities before tax	**204,564**	*(3,688,144)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 -20%)	**51,141**	*(737,629)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**11,801**	*41,439*
Utilisation of tax losses	**(24,674)**	*593,076*
Adjustments to tax charge in respect of prior periods	**(157,090)**	*(593,076)*
Adustment to deferred tax charge in respect of prior periods	**(5,509)**	-
Other timing differences leading to an increase (decrease) in taxation	**-**	*2,392*
Unrelieved tax losses carried forward	-	*42,850*
Unrelieved loss on foreign subsidiaries	**(23,675)**	*37,722*
Fixed asset differences	-	*(2,040)*
Changes in rates on carried back losses	**-**	*2,879*
Total tax charge for the year	**(148,006)**	*(612,387)*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Exceptional items

	2024 £	*2023* *£*
Bad debt	**-**	*5,051,683*

During the previous reporting period, the Group incurred a significant bad debt of £5m in its European geographical operations. The bad debt resulted from over trading with a customer in Germany and their subsequent inability to fulfil their financial obligations to the Group.

13. Intangible assets

Group and Company

	Patents, trademarks & licenses
	£
Cost	
At 1 June 2023	**49,203**
At 31 May 2024	**49,203**
Amortisation	
At 1 June 2023	**26,839**
Charge for the year	**8,559**
At 31 May 2024	**35,398**
Net book value	
At 31 May 2024	**13,805**
At 31 May 2023	*22,364*

All of the Group's intangible fixed assets are held in the Parent company

14. Tangible fixed assets

Group and Company

	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1 June 2023	**602,135**	**73,563**	**675,698**
Additions	**30,822**	**-**	**30,822**
At 31 May 2024	**632,957**	**73,563**	**706,520**
Depreciation			
At 1 June 2023	**293,197**	**45,775**	**338,972**
Charge for the year	**152,831**	**24,271**	**177,102**
At 31 May 2024	**446,028**	**70,046**	**516,074**
Net book value			
At 31 May 2024	**186,929**	**3,517**	**190,446**
At 31 May 2023	*308,938*	*27,788*	*336,726*

All of the Group's tangible fixed assets are held in the Parent company

15. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost	
At 1 June 2023	**850**
At 31 May 2024	**850**

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
A.M. London BV	Zenevaar, Netherlands	Ordinary	100%

The principal activity of A.M. London BV is to design, source and sell quality clothing in the fashion sector at a competitive price through wholesale.

16. Stocks

	Group 2024	*Group 2023*	Company 2024	*Company 2023*
	£	*£*	£	*£*
Finished goods and goods for resale	**3,508,746**	*6,787,024*	**3,508,746**	*6,787,024*

17. Debtors

	Group 2024	*Group 2023*	Company 2024	*Company 2023*
	£	*£*	£	*£*
Trade debtors	**4,616,126**	*5,682,814*	**4,591,710**	*4,105,045*
Amounts owed by group undertakings	-	-	**166,730**	*154,606*
Other debtors	**1,452,824**	*438,870*	**1,452,824**	*430,747*
Prepayments and accrued income	**302,334**	*484,276*	**302,334**	*473,522*
Tax recoverable	**264,104**	-	**264,104**	-
	6,635,388	*6,605,960*	**6,777,702**	*5,163,920*

18. Cash and cash equivalents

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Cash at bank and in hand	**548,995**	*420,609*	**548,547**	*412,144*
Less: bank overdrafts	**(1,157)**	*(122,369)*	**-**	*(114,769)*
	547,838	*298,240*	**548,547**	*297,375*

19. Creditors: Amounts falling due within one year

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Bank overdrafts	**1,157**	*122,369*	**-**	*114,769*
Bank loans	**200,000**	*200,000*	**200,000**	*200,000*
Trade creditors	**2,711,562**	*3,470,677*	**2,614,017**	*2,765,627*
Trade credit facility	**1,581,056**	*2,994,750*	**1,581,056**	*2,994,750*
Corporation tax	**264,104**	*13,638*	**264,104**	*13,638*
Other taxation and social security	**676,376**	*593,069*	**660,171**	*593,069*
Obligations under finance lease and hire purchase contracts	**117,745**	*164,131*	**117,745**	*164,131*
Invoice discounting facility	**1,789,186**	*3,730,775*	**1,785,835**	*2,639,857*
Other creditors	**264,962**	*202,170*	**264,962**	*202,170*
Accruals and deferred income	**1,120,274**	*532,406*	**1,105,592**	*513,470*
	8,726,422	*12,023,985*	**8,593,482**	*10,201,481*

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

Invoice discounting facilities are secured on the trade debts to which they relate.

Bank facilities, including overdrafts, are secured by way of a fixed and floating charge over the Group's assets.

Trade credit facility is secured against the stock to which it relates.

The bank loan was obtained under the Coronavirus Business Interruption Loan scheme, secured by the Government. The loan is for a 6 year term and carries interest at a rate of 3.99% per annum over the Bank of England Base Rate.

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

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Bank loans	**216,577**	*416,667*	**216,577**	*416,667*
Net obligations under finance leases and hire purchase contracts	**66,416**	*164,491*	**66,416**	*164,491*
	282,993	*581,158*	**282,993**	*581,158*

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

The bank loan was obtained under the Coronavirus Business Interruption Loan scheme, secured by the Government. The loan is for a 6 year term and carries interest at a rate of 3.99% per annum over the Bank of England Base Rate.

21. Loans

Analysis of the maturity of loans is given below:

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Amounts falling due within one year				
Bank loans	**200,000**	*200,000*	**200,000**	*200,000*
Amounts falling due 1-2 years				
Bank loans	**200,000**	*200,000*	**200,000**	*200,000*
Amounts falling due 2-5 years				
Bank loans	**16,577**	*216,667*	**16,577**	*216,667*
	416,577	*616,667*	**416,577**	*616,667*

Details, terms and security of the loan is disclosed in notes 19 and 20.

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Within one year	**117,745**	*164,131*	**117,745**	*164,131*
Between 1-5 years	**66,416**	*164,581*	**66,416**	*164,581*
	184,161	*328,712*	**184,161**	*328,712*

23. Deferred taxation

Group

	2024	2023
	£	£
Liability at beginning of year	**42,299**	*61,610*
Credited to profit or loss	**(34,639)**	*(19,311)*
Liability at end of year	**7,660**	*42,299*

Company

	2024	2023
	£	£
Liability at beginning of year	**42,299**	*61,610*
Credited to profit or loss	**(34,639)**	*(19,311)*
Liability at end of year	**7,660**	*42,299*

	Group 2024	Group 2023	Company 2024	Company 2023
	£	£	£	£
Accelerated capital allowances	**9,508**	*45,504*	**9,508**	*45,504*
Pension surplus	**(1,848)**	*(3,205)*	**(1,848)**	*(3,205)*
	7,660	*42,299*	**7,660**	*42,299*

24. Share capital

	2024	*2023*
	£	*£*
Allotted, called up and fully paid		
200 *(2023 -200)* Ordinary shares of £1.00 each	**200**	*200*

25. Reserves

Foreign exchange reserve

The foreign exchange reserve relates to retranslation gains or losses on the consolidation of foreign subsidiaries.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

26. Contingent liabilities

At the year end, letters of credit are in place for goods that have not yet shipped at the year end totalling £2,803,960 (2023: *£3,191,569*).

27. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held seperately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £62,043 (2023: *£76,480*). Contributions totalling £7,392 (2023: £12,638) were payable to the fund at the balance sheet date and are included in creditors.

28. Commitments under operating leases

At 31 May 2024 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2024	*Group 2023*	Company 2024	*Company 2023*
	£	*£*	£	*£*
Not later than 1 year	**129,845**	*128,877*	**129,845**	*128,877*
Later than 1 year and not later than 5 years	**73,362**	*203,467*	**73,362**	*203,467*
	203,207	*332,344*	**203,207**	*332,344*

29. Other financial commitments

The bank have provided a guarantee in favour of H M Revenue & Customs limited to £800,000 (*2023: £800,000*)

30. Related party transactions

Directors' advances

Included within other debtors due within one year is a loan to a director, amounting to £1,055,920 (2023: *£369,374*). Amounts repaid during the year totalled £Nil. There are no terms and conditions associated with this balance. The maximum amount outstanding during the year was £1,055,920.

Related Companies

During the period, the Group incurred costs totalling £249,527 (2023: *£50,683*) and recognised revenue totalling £Nil (2023: *£10,359*) with companies under common control.

Included within other creditors are amounts due from the Group to a company under common control of £178,036 (2023: *£4,302*). Included within other debtors are amounts due to the Group from companies under common control of £7,409 (2023: *£Nil*).

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

Included within other debtors is a loan totaling £229,150 to a company under common control. There are no terms and conditions associated with this loan.

The directors have chosen not to disclose transactions entered into with other companies wholly owned within the group as permitted under FRS 102 paragraph 33.1A.

31. Controlling party

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

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.