Company registration number 09036310 (England and Wales)

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A.M. London Fashion Ltd

Annual report and financial statements

For the year ended 31 May 2025

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A.M. London Fashion Ltd

Company information

Directors	Mr S Mehan Ms A Mehan Mr D Tansill	 (Appointed 14 March 2025)
Company number	09036310	
Registered office	4th Floor Talbot Road Old Trafford Manchester England M16 0PQ	
Auditor	DJH Audit Limited The Exchange 5 Bank Street Bury Lancashire BL9 0DN	

A.M. London Fashion Ltd

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A.M. London Fashion Ltd

Strategic report

For the year ended 31 May 2025

The directors present the strategic report for the year ended 31 May 2025.

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.

Review of the business

As we reflect on the financial year ending 31 May 2025, it is crucial to evaluate the performance and financial standing of our fashion clothing company. In the year ended 31 May 2025, A.M. London Fashion Ltd turnover was £50.0m (2024: £40.4m), gross profits were £9.3m (2024: £7.5m). This shows significant growth and the senior management team continue to invest in all areas of the business to sustain this journey. Disciplined expense management and stock-supported online sales growth enabled the business to preserve cashflow and ensure the business had a profitable stable basis to continue growing heading into the 2026 financial year.

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 but has most recently setup ranges in ladies wear. The diversity of the Group's activities ensures no reliance on one fashion sector.

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 have recently secured 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. Thee has been investment in stock to increase the proposition offered to customers and help grow turnover.

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.

Key performance indicators

	2025 £'000s	2024 £'000s
Turnover	49,995	40,347
Gross Profit	9,249	7,453

- Turnover Growth: Throughout the year, our company experienced turnover growth through various sales channels. Combined sales from wholesale accounts, contract customers, and our D2C platforms contributed to a remarkable increase in overall turnover.

- 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 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: Establishing a strong brand presence for our D2C division has filtered through to substantial growth again in 2025. Our website, combined with a concentrated choice of strategic partners, has significantly boosted our direct sales to end consumers. This has allowed us to focus on the platforms that return optimum performance, as opposed to being spread across various platforms ineffectively.

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 stock, 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 turnover 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 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: 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 retailer.

- 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 information and explanations
Other International

Bangladesh: Our office in Bangladesh continues to grow from 26 employees in 2024 to 35 in 2025. 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 35 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

The Group has experienced an overall successful year, marked by significant turnover 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.

On behalf of the board

Mr D Tansill
Director
31/03/2026
Date: .....

A.M. London Fashion Ltd

Directors' report

For the year ended 31 May 2025

The directors present their annual report and financial statements for the year ended 31 May 2025.

Results and dividends
The results for the year are set out on page 7.

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

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

Mr S Mehan	
Ms A Mehan	
Mr D Tansill	(Appointed 14 March 2025)
Ms J Z Hartley	(Appointed 1 August 2024 and resigned 14 March 2025)

Auditor
DJH Audit Limited were appointed as auditor to the group on 15 May 2025 and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Medium-sized companies exemption
This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

D Tansill

Mr D Tansill
Director

31/03/2026
Date: .....

A.M. London Fashion Ltd

Directors' responsibilities statement

For the year ended 31 May 2025

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company 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.

A.M. London Fashion Ltd

Independent auditor's 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 2025 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 May 2025 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 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 and 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 auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The 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 their environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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 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 parent company or to cease operations, or have 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We considered the nature of the industry and sector in which the group operates; the control environment and business performance including key drivers for director's remuneration, bonus levels and performance targets.
- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.
- We considered 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, pension and tax legislation, or which had a fundamental effect on the operations of the group, including General Data Protection requirements, Anti-bribery and Corruption.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular, the estimation of the useful economic life of fixed assets, the level of provision required for impairment of stock, the level of provision required for bad and doubtful debts and categorising leases as finance or operating leases.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations in particular those that are central to the entity's ability to continue in operation.
- Testing key turnover lines, in particular cut-off and walk-through, for evidence of management bias.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant intercompany balances and transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance
with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

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.

DJH Audit Limited

Mr Richard Bell (Senior Statutory Auditor)
For and on behalf of DJH Audit Limited, Statutory Auditor
Accountants
The Exchange
5 Bank Street
Bury
Lancashire
BL9 0DN
Date: 2 April 2026

A.M. London Fashion Ltd

Group statement of comprehensive income

For the year ended 31 May 2025

	Notes	2025 £	2024 as restated £
Turnover	**3**	49,994,980	40,346,702
Cost of sales		(40,746,437)	(32,894,018)
Gross profit		9,248,543	7,452,684
Administrative expenses		(8,113,502)	(7,167,355)
Other operating income		-	2,229
Operating profit	**4**	1,135,041	287,558
Interest receivable and similar income	**7**	65,449	39,280
Interest payable and similar expenses	**8**	(59,105)	(109,276)
Profit before taxation		1,141,385	217,562
Tax on profit	**9**	(120,786)	139,247
Profit for the financial year		1,020,599	356,809
Other comprehensive income			
Currency translation gain arising in the year		2,947	2,494
Total comprehensive income for the year		1,023,546	359,303

Profit for the financial year is all attributable to the owners of the parent company.
Total comprehensive income for the year is all attributable to the owners of the parent company.

A.M. London Fashion Ltd

Group balance sheet

As at 31 May 2025

	Notes	2025 £	2025 £	2024 as restated £	2024 £
Fixed assets					
Intangible assets			2,765		13,805
Tangible assets	**11**		110,572		190,446
			113,337		204,251
Current assets					
Stocks	**14**	5,958,908		3,508,746	
Debtors	**15**	11,790,990		8,151,881	
Cash at bank and in hand		948,510		548,995	
		18,698,408		12,209,622	
Creditors: amounts falling due within one year	**16**	(15,865,390)		(10,216,987)	
Net current assets			2,833,018		1,992,635
Total assets less current liabilities			2,946,355		2,196,886
Creditors: amounts falling due after more than one year	**17**		(16,576)		(282,993)
Provisions for liabilities					
Deferred tax liability	**20**	-		7,660	
			-		(7,660)
Net assets			2,929,779		1,906,233
Capital and reserves					
Called up share capital	**22**		200		200
Other reserves			5,229		2,282
Profit and loss reserves			2,924,350		1,903,751
Total equity			2,929,779		1,906,233

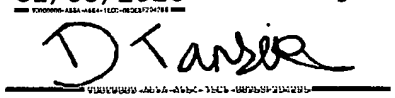
A.M. London Fashion Ltd

Group balance sheet (continued)

As at 31 May 2025

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 31/03/2026 and are signed on its behalf by:



Mr D Tansill
Director

Company registration number 09036310 (England and Wales)

A.M. London Fashion Ltd

Company balance sheet

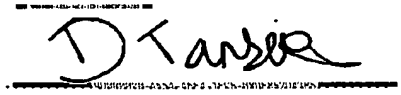
As at 31 May 2025

	Notes	2025 £	2025 £	2024 as restated £	2024 £
Fixed assets					
Intangible assets			2,765		13,805
Tangible assets	**11**		110,572		190,446
Investments	**12**		850		850
			114,187		205,101
Current assets					
Stocks	**14**	5,915,355		3,508,746	
Debtors	**15**	11,720,858		8,294,195	
Cash at bank and in hand		947,783		548,547	
		18,583,996		12,351,488	
Creditors: amounts falling due within one year	**16**	(15,625,786)		(10,084,047)	
Net current assets			2,958,210		2,267,441
Total assets less current liabilities			3,072,397		2,472,542
Creditors: amounts falling due after more than one year	**17**		(16,576)		(282,993)
Provisions for liabilities					
Deferred tax liability	**20**	-		7,660	
			-		(7,660)
Net assets			3,055,821		2,181,889
Capital and reserves					
Called up share capital	**22**		200		200
Profit and loss reserves			3,055,621		2,181,689
Total equity			3,055,821		2,181,889

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £873,932 (2024 - £262,110 profit).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 31/03/2026..... and are signed on its behalf by:



Mr D Tansill
Director

Company registration number 09036310 (England and Wales)

A.M. London Fashion Ltd

Group statement of changes in equity

For the year ended 31 May 2025

	Share capital	Currency translation reserve	Profit and loss reserves	Total
	£	£	£	£
As restated for the period ended 31 May 2024:				
Balance at 1 June 2023	200	(212)	1,525,253	1,525,241
Effect of change in accounting policy	-	-	21,689	21,689
As restated	200	(212)	1,546,942	1,546,930
Year ended 31 May 2024:				
Profit for the year	-	-	356,809	356,809
Other comprehensive income:				
Currency translation differences	-	2,494	-	2,494
Total comprehensive income	-	2,494	356,809	359,303
Balance at 31 May 2024	200	2,282	1,903,751	1,906,233
Year ended 31 May 2025:				
Profit for the year	-	-	1,020,599	1,020,599
Other comprehensive income:				
Currency translation differences	-	2,947	-	2,947
Total comprehensive income	-	2,947	1,020,599	1,023,546
Balance at 31 May 2025	200	5,229	2,924,350	2,929,779

A.M. London Fashion Ltd

Company statement of changes in equity

For the year ended 31 May 2025

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 31 May 2024:			
Balance at 1 June 2023	200	1,897,890	1,898,090
Effect of change in accounting policy	-	21,689	21,689
As restated	200	1,919,579	1,919,779
Year ended 31 May 2024:			
Profit and total comprehensive income for the year	-	262,110	262,110
Balance at 31 May 2024	200	2,181,689	2,181,889
Year ended 31 May 2025:			
Profit and total comprehensive income	-	873,932	873,932
Balance at 31 May 2025	200	3,055,621	3,055,821

A.M. London Fashion Ltd

Group statement of cash flows
For the year ended 31 May 2025

	Notes	2025 £	2025 £	2024 as restated £	2024 £
Cash flows from operating activities					
Cash generated from operations	27		696,884		3,986,412
Income taxes refunded			97,860		67,710
Net cash inflow from operating activities			794,744		4,054,122
Investing activities					
Purchase of tangible fixed assets		(54,844)		(30,822)	
Repayment of loans		(1,049,048)		-	
Interest received		65,449		39,280	
Net cash (used in)/generated from investing activities			(1,038,443)		8,458
Financing activities					
Repayment of bank loans		640,834		(200,090)	
Payment of finance leases obligations		(184,161)		(144,461)	
Movement on trade credit facility				(1,413,694)	
Movement on invoice discounting facility				(1,941,589)	
Interest paid		(59,105)		(113,148)	
Net cash generated from/(used in) financing activities			397,568		(3,812,982)
Net increase in cash and cash equivalents			153,869		249,598
Cash and cash equivalents at beginning of year			548,995		298,240
Effect of foreign exchange rates					1,157
Cash and cash equivalents at end of year			702,864		548,995
Relating to:					
Cash at bank and in hand			948,510		548,995
Bank overdrafts included in creditors payable within one year			(245,646)		-

1 Accounting policies

Company information

A.M. London Fashion Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 4th Floor, Oakland House, Talbot Road, Old Trafford, Manchester, M16 0PQ.

The group consists of A.M. London Fashion Ltd and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company A.M. London Fashion Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 May 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

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

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow t the Group and the turnover can be reliable measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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.

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets other than goodwill

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.

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

Patents, trademarks & licences	4 years

1.6 Tangible fixed assets

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

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

Fixtures and fittings	25% straight line
Motor vehicles	33% straightline

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

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1 Accounting policies **(Continued)**

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

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

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

1.9 Stocks

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

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

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

1 Accounting policies **(Continued)**

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

1 Accounting policies **(Continued)**

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.12 Equity instruments

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

1.13 Taxation

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

Current tax

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

Deferred tax

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

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

1 Accounting policies **(Continued)**

1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 Employee benefits

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

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

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

1.16 Retirement benefits

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 administrated funds.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.18 Foreign exchange

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

1.19 Changes in accounting estimates

During the year, the company reviewed its accounting estimate for the provision against obsolete stock, there has been no material effect to the accounts as a result of this change.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

	2025	2024
	£	£
Turnover analysed by geographical market		
United Kingdom	42,494,536	34,711,333
Europe	2,890,087	4,091,058
Rest of the world	4,610,357	1,544,311
	49,994,980	40,346,702

	2025	2024
	£	£
Other revenue		
Interest income	65,449	39,280

4 Operating profit

	2025	2024
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(65,583)	418,773
Fees payable to the group's auditor for the audit of the group's financial statements	27,500	91,805
Depreciation of owned tangible fixed assets	134,718	177,102
Amortisation of intangible assets	11,040	8,559

5 Employees

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

	Group		Company	
	2025	2024	2025	2024
	Number	Number	Number	Number
Administrative staff	70	71	70	71

Their aggregate remuneration comprised:

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Wages and salaries	3,905,177	3,458,668	3,905,177	3,458,668
Social security costs	321,237	288,261	321,237	288,261
Pension costs	62,616	62,043	62,616	62,043
	4,289,030	3,808,972	4,289,030	3,808,972

6 Directors' remuneration

	2025	2024
	£	£
Remuneration for qualifying services	523,667	498,379

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2025	2024
	£	£
Remuneration for qualifying services	493,500	498,379
Company pension contributions to defined contribution schemes	1,761	1,761

7 Interest receivable and similar income

	2025	2024
	£	£
Interest income		
Other interest income	65,449	39,280

8 Interest payable and similar expenses

	2025	2024
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	21,162	109,276
Other finance costs:		
Other interest	37,943	-
Total finance costs	59,105	109,276

9 Taxation

	2025	2024
	£	£
Current tax		
UK corporation tax on profits for the current period	133,771	52,482
Adjustments in respect of prior periods	-	(157,090)
Total current tax	133,771	(104,608)
Deferred tax		
Origination and reversal of timing differences	(12,985)	(34,639)
Total tax charge/(credit)	120,786	(139,247)

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

	2025	2024
	£	£
Profit before taxation	1,141,385	217,562
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	285,346	54,391
Tax effect of expenses that are not deductible in determining taxable profit	27,238	17,310
Unutilised tax losses carried forward	-	(24,674)
Adjustments in respect of prior years	-	(157,090)
Permanent capital allowances in excess of depreciation	17,499	-
Research and development tax credit	(159,645)	-
Deferred tax adjustments in respect of prior years	(12,985)	(5,509)
Unrelieved profit/ (loss) on foreign subsidiaries	(36,667)	(23,675)
Taxation charge/(credit)	120,786	(139,247)

10 Intangible fixed assets

Group	Patents, trademarks & licences
	£
Cost	
At 1 June 2024 and 31 May 2025	49,203
Amortisation and impairment	
At 1 June 2024	35,398
Amortisation charged for the year	11,040
At 31 May 2025	46,438
Carrying amount	
At 31 May 2025	2,765
At 31 May 2024	13,805

Company	Patents, trademarks & licences
	£
Cost	
At 1 June 2024 and 31 May 2025	49,203
Amortisation and impairment	
At 1 June 2024	35,398
Amortisation charged for the year	11,040
At 31 May 2025	46,438
Carrying amount	
At 31 May 2025	2,765
At 31 May 2024	13,805

11 Tangible fixed assets

Group	Fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 June 2024	632,957	73,563	706,520
Additions	54,844	-	54,844
At 31 May 2025	687,801	73,563	761,364
Depreciation and impairment			
At 1 June 2024	446,028	70,046	516,074
Depreciation charged in the year	131,201	3,517	134,718
At 31 May 2025	577,229	73,563	650,792
Carrying amount			
At 31 May 2025	110,572	-	110,572
At 31 May 2024	186,929	3,517	190,446

Company	Fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 June 2024	632,957	73,563	706,520
Additions	54,844	-	54,844
At 31 May 2025	687,801	73,563	761,364
Depreciation and impairment			
At 1 June 2024	446,028	70,046	516,074
Depreciation charged in the year	131,201	3,517	134,718
At 31 May 2025	577,229	73,563	650,792
Carrying amount			
At 31 May 2025	110,572	-	110,572
At 31 May 2024	186,929	3,517	190,446

12 Fixed asset investments

	Notes	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Investments in subsidiaries	13	-	-	850	850

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 June 2024 and 31 May 2025	850
Carrying amount	
At 31 May 2025	850
At 31 May 2024	850

13 Subsidiaries

Details of the company's subsidiaries at 31 May 2025 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
A.M. London BV	Zenevaar, Netherlands	Ordinary	100.00

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

14 Stocks

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Finished goods and goods for resale	5,958,908	3,508,746	5,915,355	3,508,746

15 Debtors

	Group		Company	
	2025	2024	2025	2024
Amounts falling due within one year:	£	£	£	£
Trade debtors	6,516,204	4,616,125	6,393,253	4,591,709
Corporation tax recoverable	715,757	715,757	715,757	715,757
Amounts owed by other related parties	-	-	61,981	166,730
Other debtors	3,491,693	2,517,665	3,482,531	2,517,665
Prepayments and accrued income	1,062,011	302,334	1,062,011	302,334
	11,785,665	8,151,881	11,715,533	8,294,195
Amounts falling due after more than one year:				
Deferred tax asset (note 20)	5,325	-	5,325	-
Total debtors	11,790,990	8,151,881	11,720,858	8,294,195

16 Creditors: amounts falling due within one year

		Group		Company	
		2025	2024	2025	2024
	Notes	£	£	£	£
Bank loans and overdrafts	**18**	1,286,481	200,000	1,286,481	200,000
Obligations under finance leases	**19**	-	117,745	-	117,745
Trade creditors		3,409,751	2,711,562	3,305,184	2,614,017
Amounts owed to group undertakings		-	-	-	178,036
Corporation tax payable		986,300	754,669	986,300	754,669
Other taxation and social security		771,209	676,376	755,185	660,171
Other creditors		7,738,052	4,631,853	7,637,589	4,453,817
Accruals and deferred income		1,673,597	1,124,782	1,655,047	1,105,592
		15,865,390	10,216,987	15,625,786	10,084,047

16 Creditors: amounts falling due within one year (Continued)

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.

17 Creditors: amounts falling due after more than one year

		Group		Company	
		2025	2024	2025	2024
	Notes	£	£	£	£
Bank loans and overdrafts	18	16,576	216,577	16,576	216,577
Obligations under finance leases	19	-	66,416	-	66,416
		16,576	282,993	16,576	282,993

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.

18 Loans and overdrafts

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	1,057,411	416,577	1,057,411	416,577
Bank overdrafts	245,646	-	245,646	-
	1,303,057	416,577	1,303,057	416,577
Payable within one year	1,286,481	200,000	1,286,481	200,000
Payable after one year	16,576	216,577	16,576	216,577

Details, terms and security of the loan is disclosed in notes 17 and 18.

19 Finance lease obligations

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	-	117,745	-	117,745
In two to five years	-	66,416	-	66,416
	-	184,161	-	184,161

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2025	Liabilities 2024	Assets 2025	Assets 2024
	£	£	£	£
Accelerated capital allowances	-	7,660	5,325	-

Company	Liabilities 2025	Liabilities 2024	Assets 2025	Assets 2024
	£	£	£	£
Accelerated capital allowances	-	7,660	5,325	-

Movements in the year:	Group 2025	Company 2025
	£	£
Liability at 1 June 2024	7,660	7,660
Credit to profit or loss	(12,985)	(12,985)
Asset at 31 May 2025	(5,325)	(5,325)

21 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	60,855	60,282

Included within creditors due within one year is a balance of £28,358 (2024: 7,392) in respect of contributions collected but not yet paid over to the pension scheme.

22 Share capital

Group and company	2025	2024	2025	2024
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	200	200	200	200

23 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.

24 Contingent liabilities

At the year end, letters of credit are in place for goods that have not yet been shipped at the year end totalling £2,942,942 (2024: £2,803,960).

25 Operating lease commitments

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

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Within one year	160,156	129,845	160,156	129,845
Between two and five years	487,057	73,362	487,057	73,362
	647,213	203,207	647,213	203,207

26 Related party transactions

Transactions with related parties
Directors' advances

Included within other debtors due within one year is a loan to a director, amounting to £3,169,809 (2024: £2,120,761). 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 £3,169,809.

Related Companies
During the period, the Group incurred costs totalling £249,527 (2024: £249,527) with companies under common control.

Included within other creditors are amounts due from the Group to a company under common control of £1,000,000 (2024: £1,178,036). Included within other debtors are amounts due to the Group from companies under common control of £29,456 (2024: £7,409).

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

Included within other debtors is a loan totaling £245,206 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.

27 Cash generated from group operations

	2025 £	2024 £
Profit after taxation	1,020,599	356,809
Adjustments for:		
Taxation charged/(credited)	120,786	(139,247)
Finance costs	59,105	109,276
Investment income	(65,449)	(39,280)
Amortisation and impairment of intangible assets	11,040	8,559
Depreciation and impairment of tangible fixed assets	134,718	177,102
Foreign exchange gains on cash equivalents	2,947	2,494
Movements in working capital:		
(Increase)/decrease in stocks	(2,450,162)	3,278,278
Increase in debtors	(2,584,736)	(34,969)
Increase in creditors	4,448,036	267,390
Cash generated from operations	696,884	3,986,412

28 Analysis of changes in net debt - group

	1 June 2024	Cash flows	Exchange rate movements	31 May 2025
	£	£	£	£
Cash at bank and in hand	548,995	402,462	(2,947)	948,510
Bank overdrafts	-	(245,646)	-	(245,646)
	548,995	156,816	(2,947)	702,864
Borrowings excluding overdrafts	(416,577)	(640,834)	-	(1,057,411)
Obligations under finance leases	(184,161)	184,161	-	-
	(51,743)	(299,857)	(2,947)	(354,547)

29 Prior period adjustment

Reconciliation of changes in equity - company

	1 June 2023	31 May 2024
	£	£
Adjustments to prior year		
Interest receivable not previously recognised prior to 2024	25,561	25,561
Interest receivable not previously recognised in 2024	-	39,280
Interest due on late paid corporation tax as a result of the above adjustments	(3,872)	(30,154)
Correction of corporation tax as a result of the above adjustments	-	(8,759)
Total adjustments	21,689	25,928
Equity as previously reported	1,898,090	2,155,961
Equity as adjusted	1,919,779	2,181,889
Analysis of the effect upon equity		
Profit and loss reserves	21,689	25,928

29 Prior period adjustment **(Continued)**

Reconciliation of changes in profit for the previous financial period

	2024 £
Adjustments to prior year	
Interest receivable not previously recognised in 2024	39,280
Interest due on late paid corporation tax as a result of the above adjustments	(26,282)
Correction of corporation tax as a result of the above adjustments	(8,759)
Total adjustments	4,239
Profit as previously reported	257,871
Profit as adjusted	262,110

Notes to reconciliation

Prior period adjustment

Following a review by management, it was identified that a loan received from a related party was incorrectly classified as a loan repayment of the overdrawn Directors loan account in 2023. As part of this review, it was also identified that interest had not been charged on the overdrawn Directors loan account. The accounts have therefore been restated to recognise the corrected debtor and creditor position along with the interest income not previously recognised.

As a result of the restatement, comparative amounts have been restated to increase the value of debtors by £1,200,000 in the period prior to 2024 and £1,000,000 in the year ended 2024 with corresponding increase in creditors. Interest receivable of £25,561 has been recognised in the period prior to 2024 and £39,280 in the year ended 2024.

The debtor and corresponding creditor for the S.455 tax position, due to the overdrawn Directors loan account, was recognised in the period prior to 2024 for £537,264. This was then reduced in 2024 by £80,228 due to a small repayment of the loan being received. Interest on late S.455 tax payable has been recognised, creating additional expenses of £19,621 in the year ended 2024.