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Company Registration No. 2588842 (England and Wales)

AAK LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

THURSDAY



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COMPANIES HOUSE

AAK LIMITED

COMPANY INFORMATION

Directors	M I Kindler N Helfgott
Company number	2588842
Registered office	Acre House 11-15 William Road London NW1 3ER United Kingdom
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Business address	Suite 6, Accurist House 44 Baker Street London W1M 1DH Great Britain
Bankers	HSBC Bank Plc (Pall Mall, London) 69 Pall Mall London SW1Y 5EY

AAK LIMITED

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AAK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The directors present the strategic report and financial statements for the year ended 30 June 2015.

Review of the business

The principal activity of the company continues to be that of clothing wholesalers.

The company made a pre-tax profit of £687,316 (2014 - £628,418) for the year on a turnover of £12,730,221 (2014 - £12,308,874).

At 30 June 2015 the company had net assets of £2,040,265 (2014 - £1,692,361).

Principal risks and uncertainties

The principal risks and uncertainties facing the company relate to changes in consumer preferences and the following factors:-

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The company's policy throughout the year has been to ensure continuity and funding by working with the company's bankers.

Foreign Currency risk

The company is exposed to transaction foreign currency risk. The risk of currency fluctuations are mitigated by using foreign exchange banking facilities and advice.

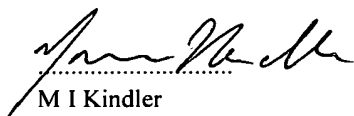
Credit risk

In order to manage credit risk the directors set limits for customers based on combination of payment history and third party references. Credit limits are reviewed regularly.

Key performance indicators

In the opinion of the directors there are no Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

On behalf of the board



M I Kindler

Director

..... 29/03/2016

AAK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The directors present their report and financial statements for the year ended 30 June 2015.

Dividends

Interim ordinary dividends were paid amounting to £400,000. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

M I Kindler

N Helfgott

Statement of disclosure to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

The auditors, H W Fisher & Company, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the board



M I Kindler

Director

29/03/2016

AAK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' 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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AAK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AAK LIMITED

We have audited the financial statements of AAK Limited for the year ended 30 June 2015 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report, Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AAK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF AAK LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and 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.

Navinchandra Thaker (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

29/3/2016

AAK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 £	2014 £
Turnover	2	12,730,221	12,308,874
Cost of sales		(10,992,976)	(10,641,360)
Gross profit		1,737,245	1,667,514
Administrative expenses		(1,086,249)	(1,072,609)
Other operating income		59,935	45,706
Operating profit	3	710,931	640,611
Interest payable and similar charges	6	(23,615)	(12,193)
Profit on ordinary activities before taxation		687,316	628,418
Tax on profit on ordinary activities	7	(144,412)	(145,216)
Profit for the year	17	542,904	483,202

The profit and loss account has been prepared on the basis that all operations are continuing operations.

AAK LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 £	2014 £
Profit for the financial year		542,904	483,202
Unrealised surplus on revaluation of properties		205,000	-
Total recognised gains and losses relating to the year		<u>747,904</u>	<u>483,202</u>

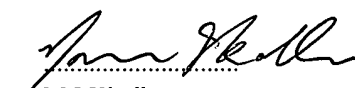
AAK LIMITED

BALANCE SHEET

AS AT 30 JUNE 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	9		1,787,304		1,583,891
Current assets					
Stocks	10	3,358,650		2,383,131	
Debtors	11	1,130,487		1,242,755	
Cash at bank and in hand		703,149		374,133	
		5,192,286		4,000,019	
Creditors: amounts falling due within one year	12	(3,776,804)		(2,728,754)	
Net current assets			1,415,482		1,271,265
Total assets less current liabilities			3,202,786		2,855,156
Creditors: amounts falling due after more than one year	13		(1,158,259)		(1,158,259)
Provisions for liabilities	14		(4,262)		(4,536)
			2,040,265		1,692,361
Capital and reserves					
Called up share capital	16		290		290
Revaluation reserve	17		694,360		489,360
Profit and loss account	17		1,345,615		1,202,711
Shareholders' funds	18		2,040,265		1,692,361

Approved by the Board and authorised for issue on 29/03/2016


M I Kindler
Director

Company Registration No. 2588842

AAK LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	£	2015 £	£	2014 £
Net cash inflow from operating activities	19		328,245		251,558
Returns on investments and servicing of finance					
Interest paid		(23,615)		(12,193)	
Net cash outflow for returns on investments and servicing of finance			(23,615)		(12,193)
Taxation			(140,680)		(296,942)
Capital expenditure					
Payments to acquire tangible assets		(3,428)		(4,429)	
Net cash outflow for capital expenditure			(3,428)		(4,429)
Equity dividends paid			(400,000)		(400,000)
Decrease in cash in the year	21, 20		(239,478)		(462,006)

AAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Turnover

Turnover represents amounts receivable for goods and services supplied net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Investment property	See note below
Fixtures, fittings & equipment	20% reducing balance

Investment properties are included in the balance sheet at their open market value, and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.6 Pensions

The company makes payments to defined contributions pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.7 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

AAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2015 £	2014 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	5,015	5,130
	Operating lease rentals	80,427	39,858
	Fees payable to the company's auditor for the audit of the company's annual accounts	15,000	14,000
		<u> </u>	<u> </u>

4	Directors' remuneration	2015 £	2014 £
	Remuneration for qualifying services	101,480	101,480
	Company pension contributions to defined contribution schemes	3,195	2,654
		<u> </u>	<u> </u>
		104,675	104,134
		<u> </u>	<u> </u>

5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Sales and administration	14	14
	<u> </u>	<u> </u>

Employment costs	2015 £	2014 £
Wages and salaries	532,165	501,921
Social security costs	54,176	53,248
Other pension costs	3,195	2,654
	<u> </u>	<u> </u>
	589,536	557,823
	<u> </u>	<u> </u>

AAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

6	Interest payable	2015	2014
		£	£
	On bank loans	23,615	12,193
		<u> </u>	<u> </u>
7	Taxation	2015	2014
		£	£
	Domestic current year tax		
	U.K. corporation tax	144,686	140,680
		<u> </u>	<u> </u>
	Total current tax	144,686	140,680
	Deferred tax		
	Origination and reversal of timing differences	(274)	4,536
		<u> </u>	<u> </u>
		144,412	145,216
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	687,316	628,418
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.75% (2014 - 22.50%)	142,618	141,394
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	3,272	4,502
	Depreciation add back	1,774	1,154
	Capital allowances	(1,490)	(1,056)
	Other tax adjustments	(1,488)	(5,314)
		<u> </u>	<u> </u>
		2,068	(714)
		<u> </u>	<u> </u>
	Current tax charge for the year	144,686	140,680
		<u> </u>	<u> </u>
8	Dividends	2015	2014
		£	£
	Ordinary interim paid	400,000	400,000
		<u> </u>	<u> </u>

AAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

9 Tangible fixed assets

	Investment property	Fixtures, fittings & equipment	Total
	£	£	£
Cost or valuation			
At 1 July 2014	1,560,000	94,033	1,654,033
Additions	-	3,428	3,428
Revaluation	205,000	-	205,000
At 30 June 2015	1,765,000	97,461	1,862,461
Depreciation			
At 1 July 2014	-	70,142	70,142
Charge for the year	-	5,015	5,015
At 30 June 2015	-	75,157	75,157
Net book value			
At 30 June 2015	1,765,000	22,304	1,787,304
At 30 June 2014	1,560,000	23,891	1,583,891

The investment properties were valued on an open market basis by Lamberts Chartered Surveyors and Bruton Knowles in June 2015. The valuations were carried out by RICS registered valuers.

On an historical cost basis these would have been included at an original cost of £1,070,640 (2014 - £1,070,640).

10	Stocks	2015 £	2014 £
	Finished goods and goods for resale	3,358,650	2,383,131
11	Debtors	2015 £	2014 £
	Trade debtors	1,059,294	1,031,327
	Other debtors	41,932	184,065
	Prepayments and accrued income	29,261	27,363
		1,130,487	1,242,755

AAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

12 Creditors: amounts falling due within one year	2015	2014
	£	£
Bank loans	1,589,638	1,021,144
Trade creditors	1,323,997	897,435
Corporation tax	144,686	140,680
Other taxes and social security costs	140,514	18,118
Directors' current accounts	282,544	255,325
Other creditors	31,734	31,633
Accruals and deferred income	263,691	364,419
	<u>3,776,804</u>	<u>2,728,754</u>

The bank facilities are secured by a debenture over all the assets of the company.

13 Creditors: amounts falling due after more than one year	2015	2014
	£	£
Other creditors	<u>1,158,259</u>	<u>1,158,259</u>

Other creditors represent an amount due to AAK Enterprises Limited, a company controlled by M I Kindler, a director of AAK Limited.

14 Provisions for liabilities	Deferred tax liability
	£
Balance at 1 July 2014	4,536
Profit and loss account	(274)
Balance at 30 June 2015	<u>4,262</u>

The deferred tax liability is made up as follows:

	2015	2014
	£	£
Accelerated capital allowances	<u>4,262</u>	<u>4,536</u>

AAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

15 Retirement Benefits

Defined contribution scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2015 £	2014 £
Contributions payable by the company for the year	3,195	2,654

16 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
200 Ordinary shares of £1 each	200	200
90 Ordinary 'A' shares of £1 each	90	90
	290	290

The ordinary 'A' shares were issued at £1,600 each but only £1 per share called up.

The company has granted share options to 1 employee over 100 ordinary shares under the Enterprise Management Initiative Scheme. The exercise price is £758 per share for 66 of the share options and £1,600 per share for 34 of the share options.

All of the options granted have a maximum contractual life of 10 years and there are no vesting conditions attached to the share options.

At 30 June 2015 all share options were outstanding and exercisable.

17 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 July 2014	489,360	1,202,711
Profit for the year	-	542,904
Dividends paid	-	(400,000)
Revaluation during the year	205,000	-
Balance at 30 June 2015	694,360	1,345,615

AAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

18	Reconciliation of movements in Shareholders' funds	2015	2014
		£	£
	Profit for the financial year	542,904	483,202
	Dividends	(400,000)	(400,000)
		<u>142,904</u>	<u>83,202</u>
	Other recognised gains and losses	205,000	-
		<u>347,904</u>	<u>83,202</u>
	Net addition to shareholders' funds	347,904	83,202
	Opening Shareholders' funds	1,692,361	1,609,159
		<u>2,040,265</u>	<u>1,692,361</u>
	Closing Shareholders' funds		
		<u>2,040,265</u>	<u>1,692,361</u>
19	Reconciliation of operating profit to net cash inflow from operating activities	2015	2014
		£	£
	Operating profit	710,931	640,611
	Depreciation of tangible assets	5,015	5,130
	Increase in stocks	(975,519)	(897,611)
	Decrease in debtors	112,268	93,208
	Increase in creditors within one year	475,550	410,220
		<u>328,245</u>	<u>251,558</u>
	Net cash inflow from operating activities		
		<u>328,245</u>	<u>251,558</u>
20	Reconciliation of net cash flow to movement in net debt	2015	2014
		£	£
	Decrease in cash in the year	(239,478)	(462,006)
		<u>(239,478)</u>	<u>(462,006)</u>
	Movement in net debt in the year	(239,478)	(462,006)
	Opening net debt	(1,805,270)	(1,343,264)
		<u>(2,044,748)</u>	<u>(1,805,270)</u>
	Closing net debt		
		<u>(2,044,748)</u>	<u>(1,805,270)</u>

AAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

21 Analysis of net debt	1 July 2014	Cash flow	Other non-cash changes	30 June 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	374,133	329,016	-	703,149
Bank loans	(1,021,144)	(568,494)	-	(1,589,638)
	<u>(647,011)</u>	<u>(239,478)</u>	<u>-</u>	<u>(886,489)</u>
Debt:				
Debts falling due after one year	(1,158,259)	-	-	(1,158,259)
Net debt	<u><u>(1,805,270)</u></u>	<u><u>(239,478)</u></u>	<u><u>-</u></u>	<u><u>(2,044,748)</u></u>

22 Contingent liabilities

At the year end AAK Limited had forward contract commitments totalling £759,105.

23 Financial commitments

At 30 June 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2016:

	Land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
Between two and five years	70,000	70,000
	<u><u>70,000</u></u>	<u><u>70,000</u></u>

24 Controlling parties

The director, M I Kindler is the controlling party by virtue of his shareholding in the issued ordinary share capital of the company.

25 Related party relationships and transactions

At 30 June 2015, AAK Limited owed £1,158,259 (2014: £1,158,259) to AAK Enterprises Limited, a company in which the director, M I Kindler has a 100% shareholding.

At 30 June 2015, AAK Limited owed £34,138 (2014: £156,013) to M I Kindler and owed £248,406 (2014: £99,312) to N Helfgott, both of whom are directors of the company.