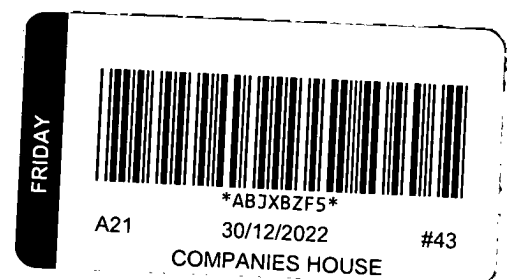


Registered number: 11267590

## SUDBURY SILK MILLS LIMITED

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



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**SUDBURY SILK MILLS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	T L Goldsmith D J Walters J D B Walters
<b>Company secretary</b>	Nicola Jane Currie
<b>Registered number</b>	11267590
<b>Registered office</b>	Sudbury Silk Mills Cornard Road Sudbury CO10 2XB
<b>Independent auditors</b>	Larking Gowen LLP Chartered Accountants & Statutory Auditors 1 Claydon Business Park Great Blakenham Ipswich IP6 0NL

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## SUDBURY SILK MILLS LIMITED

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## SUDBURY SILK MILLS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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#### Introduction

The principal activity of the company during the year was that of a holding company of a trading group. The company also holds cash, other investments and properties that are rented out both for use within the business and to third parties. The subsidiary companies are principally engaged in the designing and the weaving of silk and other luxury fabrics. One subsidiary also holds properties that are rented out for use within the business.

#### Business review

During the year, turnover increased by 21.4% to £7.0m (2021 - £5.7m), with a gross margin of 35.9% (2021 - 19.1%). The Group made a net profit before tax of £712k, primarily driven by significant increase in revenue, a rise in the valuation of investments and the improvement in results in the subsidiaries following recovery from the impact of the COVID-19 pandemic (2021 net loss before tax - £128k). Liquidity remains strong, with a current ratio of 4.1 (2021 - 4.4).

Given the current market conditions the directors are satisfied with the results for the year.

#### Principal risks and uncertainties

The principal risks and uncertainties remain those associated with any business manufacturing in the UK and supplying a global consumer market in an uncertain economic and political environment.


The trading environment for the coming year remains indeterminate with global rising costs and the UK economy predicted to enter into a recession. The directors have responded quickly and practically to these scenarios; ensuring the safety and wellbeing of our staff, controlling costs, preserving cash and improving efficiencies. The directors anticipate both continued investment in technology and profitable results.

#### Financial key performance indicators

The directors measure the Group's performance on gross profit and net profit achieved.

The Group's directors believe that further key performance indicators are not necessary or appropriate for an understanding of the development, performance or position of the business.

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



J D B Walters

Director

Date: 7 December 2022

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## SUDBURY SILK MILLS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their report and the financial statements for the year ended 31 March 2022.

#### Results and dividends

The profit for the year, after taxation, amounted to £561,504 (2021 - loss £149,647).

The directors have not proposed any dividends for the year (2020 - £Nil). Dividends of £38,831 were paid during the year (2020 - £Nil)

#### Directors

The directors who served during the year were:

T L Goldsmith  
D J Walters  
J D B Walters

#### Going concern and future developments

The Directors have been actively and closely involved in the affairs of the Group throughout the year to 31 March 2022, they continue to be involved and as such are aware of the effect of rising costs and economic uncertainty on the business and operations of the Group.

Revenues for the year ended 31 March 2022 have increased by 21.4% compared to the prior year as markets have begun to recover from impact of the COVID-19 pandemic. Net assets within the Group remain more than sufficient to meet its financial obligations when they become due.

The Directors continue to explore new market opportunities and plan to continue the investment in developing and sustaining the business going forward. Whilst there is clearly currently some future economic uncertainty, these conditions do not cast significant doubt about the ability of the company to continue as a going concern.

Based on this, the Directors have concluded that they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, and, based on the economic environment recovering within the timeframe being widely anticipated, at least twelve months from the date of signing these financial statements, they continue to adopt the going concern basis of accounting in preparing these financial statements. Further detail is included in the going concern accounting policy.

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## SUDBURY SILK MILLS LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 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.

#### 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 since the year end.

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**SUDBURY SILK MILLS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Auditors**

The auditors, Larking Gowen LLP, 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.



.....  
**J D B Walters**

Director

Date: 7 December 2022

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## SUDBURY SILK MILLS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUDBURY SILK MILLS LIMITED

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#### Opinion

We have audited the financial statements of Sudbury Silk Mills Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and 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 March 2022 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.



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## **SUDBURY SILK MILLS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUDBURY SILK MILLS LIMITED (CONTINUED)**

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#### **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.

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## SUDBURY SILK MILLS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUDBURY SILK MILLS LIMITED (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out 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, 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:

- Enquiry with management regarding any actual or potential litigations and claims against the company;
- Enquiry with management regarding any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging assumptions and judgments made by management in their significant accounting estimates, in particular in relation to the investment property valuation;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

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SUDBURY SILK MILLS LIMITED

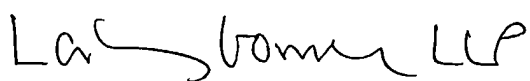
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUDBURY SILK MILLS LIMITED  
(CONTINUED)

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**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.

 LLP

Ian Fitch FCA (Senior statutory auditor)

for and on behalf of  
**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors

Ipswich

Date: 19 December 2022

**SUDBURY SILK MILLS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	6,956,159	5,731,489
Cost of sales		(4,459,855)	(4,638,069)
<b>Gross profit</b>		<b>2,496,304</b>	<b>1,093,420</b>
Distribution costs		(900,807)	(959,844)
Administrative expenses		(1,067,554)	(1,170,765)
Other operating income	5	49,896	415,231
Fair value movements		39,621	176,609
<b>Operating profit/(loss)</b>	6	<b>617,460</b>	<b>(445,349)</b>
Interest receivable and similar income	10	30,895	17,626
Interest payable and similar expenses	11	(24,888)	(12,422)
Profit on sale of investments		383,717	-
Other finance (expenditure)/income	12	(295,616)	311,856
<b>Profit/(loss) before taxation</b>		<b>711,568</b>	<b>(128,289)</b>
Tax on profit/(loss)	13	(150,064)	(21,358)
<b>Profit/(loss) for the financial year</b>		<b>561,504</b>	<b>(149,647)</b>
Unrealised surplus on revaluation of tangible fixed assets		-	100,000
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>100,000</b>
<b>Total comprehensive income for the year</b>		<b>561,504</b>	<b>(49,647)</b>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the parent Company		561,504	(149,647)
		<b>561,504</b>	<b>(149,647)</b>

The notes on pages 19 to 40 form part of these financial statements.

**SUDBURY SILK MILLS LIMITED**  
**REGISTERED NUMBER: 11267590**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	3,345,983	3,404,629
Investments	15	2,500	2,500
Investment property	16	1,827,498	1,827,498
		<u>5,175,981</u>	<u>5,234,627</u>
<b>Current assets</b>			
Stocks	17	2,394,053	2,200,740
Debtors: amounts falling due within one year	18	849,915	924,584
Current asset investments	19	2,876,797	2,283,032
Cash at bank and in hand	20	3,779,854	3,606,729
		<u>9,900,619</u>	<u>9,015,085</u>
Creditors: amounts falling due within one year	21	<u>(2,355,084)</u>	<u>(2,061,927)</u>
<b>Net current assets</b>		7,545,535	6,953,158
<b>Total assets less current liabilities</b>		<u>12,721,516</u>	<u>12,187,785</u>
Creditors: amounts falling due after more than one year	22	(228,578)	(277,338)
<b>Provisions for liabilities</b>			
Deferred tax	24	(223,107)	(73,043)
<b>Net assets</b>		<u><u>12,269,831</u></u>	<u><u>11,837,404</u></u>

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SUDBURY SILK MILLS LIMITED  
REGISTERED NUMBER: 11267590

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CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2022

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	Note	2022 £	2021 £
<b>Capital and reserves</b>			
Called up share capital	25	18,048	18,048
Revaluation reserve	26	1,652,665	1,652,665
Investment property reserve	26	790,355	790,355
Merger reserve	26	1,336,897	1,336,897
Profit and loss account	26	8,471,866	8,039,439
		<u>12,269,831</u>	<u>11,837,404</u>

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



.....  
J D B Walters

Director

Date: 7 December 2022

The notes on pages 19 to 40 form part of these financial statements.

**SUDBURY SILK MILLS LIMITED**  
**REGISTERED NUMBER: 11267590**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2022**

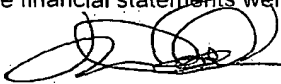
	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	15	1,810,403	1,810,403
Investment property	16	1,827,498	1,827,498
		<u>3,637,901</u>	<u>3,637,901</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	18	1,804	507,879
Current asset investments	19	2,876,797	2,283,032
Cash at bank and in hand	20	1,337,921	1,485,056
		<u>4,216,522</u>	<u>4,275,967</u>
Creditors: amounts falling due within one year	21	(125,947)	(77,236)
<b>Net current assets</b>		<u>4,090,575</u>	<u>4,198,731</u>
<b>Total assets less current liabilities</b>		<u>7,728,476</u>	<u>7,836,632</u>
<b>Provisions for liabilities</b>			
Deferred taxation	24	(83,072)	(63,135)
		<u>(83,072)</u>	<u>(63,135)</u>
<b>Net assets</b>		<u><u>7,645,404</u></u>	<u><u>7,773,497</u></u>

**SUDBURY SILK MILLS LIMITED**  
**REGISTERED NUMBER: 11267590**

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Capital and reserves</b>			
Called up share capital	25	18,048	18,048
Investment property reserve	26	145,000	145,000
Profit and loss account brought forward		7,610,449	7,414,485
Profit for the year		984	379,795
Other changes in the profit and loss account		(129,077)	(183,831)
Profit and loss account carried forward		7,482,356	7,610,449
		<u>7,645,404</u>	<u>7,773,497</u>

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

  
.....  
**J D B Walters**

Director

Date: 7 December 2022

The notes on pages 19 to 40 form part of these financial statements.



SUDBURY SILK MILLS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Revaluation reserve £	Investment property revaluation reserve £	Merger reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	18,048	1,552,665	645,355	1,336,897	9,018,272	12,571,237
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(149,647)	(149,647)
Surplus on revaluation of freehold property	-	100,000	-	-	-	100,000
Dividends paid	-	-	-	-	(38,831)	(38,831)
Transfer to investment reserve	-	-	145,000	-	(790,355)	(645,355)
<b>At 1 April 2021</b>	18,048	1,652,665	790,355	1,336,897	8,039,439	11,837,404
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	561,504	561,504
Dividends paid	-	-	-	-	(129,077)	(129,077)
<b>At 31 March 2022</b>	18,048	1,652,665	790,355	1,336,897	8,471,866	12,269,831

The notes on pages 19 to 40 form part of these financial statements.

**SUDBURY SILK MILLS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Investment property revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	<b>18,048</b>	<b>-</b>	<b>7,414,485</b>	<b>7,432,533</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	379,795	379,795
Dividends: Equity capital	-	-	(38,831)	(38,831)
Other movement type 1	-	145,000	(145,000)	-
<b>At 1 April 2021</b>	<b>18,048</b>	<b>145,000</b>	<b>7,610,449</b>	<b>7,773,497</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	984	984
<b>Contributions by and distributions to owners</b>				
Dividends paid	-	-	(129,077)	(129,077)
<b>At 31 March 2022</b>	<b>18,048</b>	<b>145,000</b>	<b>7,482,356</b>	<b>7,645,404</b>

The notes on pages 19 to 40 form part of these financial statements.

**SUDBURY SILK MILLS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	561,504	(149,647)
<b>Adjustments for:</b>		
Depreciation of tangible assets	256,719	249,918
Profit on disposal of tangible assets	-	(24,000)
Interest paid	24,888	12,422
Interest received	(414,612)	(17,626)
Taxation charge	150,064	21,358
(Increase)/decrease in stocks	(193,313)	503,769
Decrease in debtors	74,669	420,105
Decrease in creditors	93,762	(134,713)
Net fair value (gains) recognised in P&L	(39,621)	(495,686)
Corporation tax paid/(received)	-	7
<b>Net cash generated from operating activities</b>	<u>514,060</u>	<u>385,907</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(198,073)	(158,967)
Sale of tangible fixed assets	-	24,000
Purchase of current asset investments	(554,144)	(200,000)
Interest received	414,612	17,626
<b>Net cash from investing activities</b>	<u>(337,605)</u>	<u>(317,341)</u>

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**SUDBURY SILK MILLS LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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	2022 £	2021 £
<b>Cash flows from financing activities</b>		
New secured loans	-	50,000
Repayment of loans	(50,000)	-
Dividends paid	(67,708)	-
Interest paid	(24,888)	(12,422)
<b>Net cash used in financing activities</b>	<b>(142,596)</b>	<b>37,578</b>
<b>Net increase in cash and cash equivalents</b>	<b>33,859</b>	<b>106,144</b>
Cash and cash equivalents at beginning of year	2,503,842	2,397,698
<b>Cash and cash equivalents at the end of year</b>	<b>2,537,701</b>	<b>2,503,842</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,779,854	3,606,729
Bank overdrafts	(1,242,153)	(1,102,887)
	<b>2,537,701</b>	<b>2,503,842</b>

The notes on pages 19 to 40 form part of these financial statements.

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**SUDBURY SILK MILLS LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2022**

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	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	3,606,729	173,125	3,779,854
Bank overdrafts	(1,102,887)	(139,266)	(1,242,153)
Debt due after 1 year	(46,667)	46,667	-
Debt due within 1 year	(23,333)	23,333	-
Liquid investments	150,443	(12,996)	137,447
	<u>2,584,285</u>	<u>90,863</u>	<u>2,675,148</u>

The notes on pages 19 to 40 form part of these financial statements.

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## SUDBURY SILK MILLS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 1. General information

Sudbury Silk Mills Limited is a private company limited by shares and incorporated in England and Wales. It's registered head office is located at Sudbury Silk Mills, Cornard Road, Sudbury, United Kingdom, CO10 2XB.

#### 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 financial statements are presented in sterling which is the functional currency of the company rounded to the nearest £.

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.

##### 2.3 Going concern

As a result of impact of COVID-19 on the business' income, the Directors took significant action in terms of cost reduction activities in order to scale the business appropriately for future revenues.

The Directors have also rolled out a companywide programme to improve efficiencies and sustainability through waste elimination to ensure the Group meets its future financial targets.

The Group benefits from a strong net asset position and cash reserves remain strong.

Current economic conditions do not cast significant doubt on the ability of the Group to continue as a going concern. Profit and loss forecasts for the coming 12 months indicate a continued profitability and based on this, along with positive cash forecasts and a focus across the organisation on cost control, the Directors have concluded that they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future.

Based on applicable market sectors and the wider economic environment recovering within the timeframe anticipated, considering at least twelve months from the date of signing these financial statements, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements.

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## SUDBURY SILK MILLS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 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.

##### Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight line basis over the lease term.

##### 2.5 Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

##### 2.6 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.

##### 2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

##### 2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.9 Borrowing costs

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

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## SUDBURY SILK MILLS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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## 2. Accounting policies (continued)

### 2.10 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 Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

### 2.11 Foreign currency translation

#### Functional and presentation currency

The Company'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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.



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## SUDBURY SILK MILLS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.12 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 balance sheet 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 balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

##### 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.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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## SUDBURY SILK MILLS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.13 Tangible fixed assets (continued)

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:

Freehold property	- Fair value
Property improvements	- 4%
Plant and machinery	- 10 - 33%
Motor vehicles	- 20%
Fixtures and fittings	- 20%
Office equipment	- 33%

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.

Freehold property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

##### 2.14 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

##### 2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Other investments are stated at historic cost less impairment.

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## SUDBURY SILK MILLS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.16 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 first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

##### 2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment.

##### 2.18 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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.

##### 2.19 Creditors

Short-term creditors are measured at the transaction price.

##### 2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

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## SUDBURY SILK MILLS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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## 2. Accounting policies (continued)

### 2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

### 2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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## SUDBURY SILK MILLS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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

Areas of judgement and key sources of estimation uncertainty relate to provisions in respect of stock, credit notes, commission and investment properties.

##### **Stock provision**

The stock provisions are built on management experience. Provision is made for slow moving and obsolete stocks on an ageing basis to write down the value of raw materials to their net realisable amount.

##### **Credit Notes**

Provision is made for credit notes where customer credit claims relating to specific or seasonal quantities are requested in writing.

##### **Commission**

Commission accruals are derived directly from revenue at the contractually agreed rates determined within Agents' agreements.

##### **Investment and freehold properties**

Investment and freehold properties are valued annually by the directors by comparing the properties against similar properties. When the directors deem necessary, the properties are professionally valued. There is an inevitable degree of judgement involved in that each property is unique and value can only be ultimately reliably be tested in the market itself.

#### 4. Turnover

The whole turnover is attributable to principal activities of the group.

An analysis of turnover by geographical location has not been disclosed as the directors consider that such analysis would be seriously prejudicial to the business.

#### 5. Other operating income

	2022 £	2021 £
Coronavirus Job Retention Scheme income	26,980	415,231
Insurance claims receivable	22,916	-
	<u>49,896</u>	<u>415,231</u>

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SUDBURY SILK MILLS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**6. Operating profit/(loss)**

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

	2022 £	2021 £
Depreciation of tangible fixed assets	256,719	249,918
Exchange differences	(87,093)	37,957
Other operating lease rentals	-	1,750
	<u>          </u>	<u>          </u>

**7. Auditors' remuneration**

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	27,325	23,345
	<u>          </u>	<u>          </u>

**Fees payable to the Group's auditor and its associates in respect of:**

Taxation compliance services	5,150	5,583
Accounts production	9,600	9,135
	<u>          </u>	<u>          </u>
	14,750	14,718
	<u>          </u>	<u>          </u>

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**SUDBURY SILK MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**8. Employees**

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

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Wages and salaries	<b>2,686,849</b>	2,949,150	<b>59,022</b>	23,890
Social security costs	<b>237,638</b>	262,292	-	-
Cost of defined contribution scheme	<b>277,395</b>	301,606	-	-
	<b><u>3,201,882</u></b>	<u>3,513,048</u>	<b><u>59,022</u></b>	<u>23,890</u>

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

	<b>2022 No.</b>	<b>2021 No.</b>
Production staff	<b>36</b>	42
Administrative staff	<b>60</b>	58
	<b><u>96</u></b>	<u>100</u>

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL). Wages costs in Sudbury Silk Mills Limited are re-charged from other group companies.

**9. Directors' remuneration**

	<b>2022 £</b>	<b>2021 £</b>
Directors' emoluments	<b>177,336</b>	222,724
Company contributions to defined contribution pension schemes	<b>15,531</b>	14,560
	<b><u>192,867</u></b>	<u>237,284</u>

During the year retirement benefits were accruing to 1 directors (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £88,817 (2021 - £91,448).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,531 (2021 - £14,560).

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**SUDBURY SILK MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**10. Interest receivable**

	2022 £	2021 £
Other interest receivable	30,895	17,626
	<u>30,895</u>	<u>17,626</u>

**11. Interest payable and similar expenses**

	2022 £	2021 £
Bank interest payable	24,888	12,422
	<u>24,888</u>	<u>12,422</u>

**12. Other finance (expenditure)/income**

	2022 £	2021 £
Fair value (loss)/gain on investments	(295,616)	311,856
	<u>(295,616)</u>	<u>311,856</u>



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**SUDBURY SILK MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**13. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	(7)
	<u>-</u>	<u>(7)</u>
<b>Total current tax</b>	<u>-</u>	<u>(7)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	150,064	21,365
<b>Total deferred tax</b>	<u>150,064</u>	<u>21,365</u>
<b>Taxation on profit on ordinary activities</b>	<u>150,064</u>	<u>21,358</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	711,568	(128,289)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	135,198	(24,375)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,070	114
Fixed asset differences	(10,727)	95,507
Income not taxable for tax purposes	252	(27,550)
Other differences leading to an increase (decrease) in taxation	(29,274)	23,022
Deferred tax not recognised	-	(45,360)
Remeasurement of DT for change in tax rate	53,545	-
<b>Total tax charge for the year</b>	<u>150,064</u>	<u>21,358</u>

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SUDBURY SILK MILLS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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14. Tangible fixed assets - Group

Group

	Freehold property £	Property improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 April 2021	1,963,430	18,445	6,209,130	14,000	1,600,062	21,389	9,826,456
Additions	-	-	189,118	-	8,955	-	198,073
At 31 March 2022	1,963,430	18,445	6,398,248	14,000	1,609,017	21,389	10,024,529
<b>Depreciation</b>							
At 1 April 2021	138,430	3,013	4,749,813	14,000	1,502,199	14,372	6,421,827
Charge for the year	-	738	212,809	-	39,919	3,253	256,719
At 31 March 2022	138,430	3,751	4,962,622	14,000	1,542,118	17,625	6,678,546
<b>Net book value</b>							
At 31 March 2022	1,825,000	14,694	1,435,626	-	66,899	3,764	3,345,983
At 31 March 2021	1,825,000	15,432	1,459,317	-	97,863	7,017	3,404,629

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**SUDBURY SILK MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**15. Fixed asset investments**

**Group**

	Other fixed asset investments £
<b>Cost or valuation</b>	
At 1 April 2021	2,500
At 31 March 2022	<u>2,500</u>

**Company**

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	1,807,903	2,500	1,810,403
At 31 March 2022	<u>1,807,903</u>	<u>2,500</u>	<u>1,810,403</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Stephen Walters & Sons Limited	Ordinary	100%
Walters Holdings Limited	Ordinary	100%
Walters Trading Limited	Ordinary	100%
The Humphries Weaving Company Limited	Ordinary	100%
Wilkes Street Limited	Ordinary	100%
Glemsford Silk Mills Limited	Ordinary	100%
David Walters Fabrics Limited	Ordinary	100%
Spunella Limited	Ordinary	100%

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**SUDBURY SILK MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**16. Investment property**

**Group**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2021	<b>1,827,498</b>
<b>At 31 March 2022</b>	<b>1,827,498</b>

The 2022 valuations were made by the directors, on an open market value for existing use basis.

	<b>2022 £</b>	<b>2021 £</b>
<b>Revaluation reserves</b>		
At 1 April 2021	<b>790,355</b>	645,355
Net gain	-	145,000
<b>At 31 March 2022</b>	<b>790,355</b>	<b>790,355</b>

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	<b>2022 £</b>	<b>2021 £</b>
Historic cost	<b>1,037,143</b>	<b>1,037,143</b>

**Company**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2021	<b>1,827,498</b>
<b>At 31 March 2022</b>	<b>1,827,498</b>

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**SUDBURY SILK MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**16. Investment property (continued)**

The 2022 valuations were made by the directors, on an open market value for existing use basis.

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
<b>Revaluation reserves</b>		
At 1 April 2021	<b>145,000</b>	<i>-</i>
Net gain	<b>-</b>	<i>145,000</i>
<b>At 31 March 2022</b>	<b>145,000</b>	<i>145,000</i>

**17. Stocks**

	<b>Group</b>	<i>Group</i>
	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Raw materials and consumables	<b>1,549,157</b>	<i>1,348,794</i>
Work in progress (goods to be sold)	<b>315,587</b>	<i>355,230</i>
Finished goods and goods for resale	<b>529,309</b>	<i>496,716</i>
	<b>2,394,053</b>	<i>2,200,740</i>

The carrying value of stocks are stated net of impairment losses totalling £688,882 (2021 - £639,449). Impairment losses totalling £215,181 (2021 - £53,697) were recognised in profit and loss.

**SUDBURY SILK MILLS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**18. Debtors**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Trade debtors	<b>523,219</b>	497,006	-	-
Amounts owed by group undertakings	-	-	<b>146</b>	506,629
Amounts owed by joint ventures and associated undertakings	<b>29,670</b>	-	-	-
Other debtors	<b>35,767</b>	49,776	<b>993</b>	-
Prepayments and accrued income	<b>123,812</b>	219,860	<b>665</b>	1,250
Grants receivable	-	7,499	-	-
Financial instruments	<b>137,447</b>	150,443	-	-
	<b>849,915</b>	924,584	<b>1,804</b>	507,879

**19. Current asset investments**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Cash placed on deposit	<b>2,876,797</b>	2,283,032	<b>2,876,797</b>	2,283,032
	<b>2,876,797</b>	2,283,032	<b>2,876,797</b>	2,283,032

**20. Cash and cash equivalents**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Cash at bank and in hand	<b>3,779,854</b>	3,606,729	<b>1,337,921</b>	1,485,056
Less: bank overdrafts	<b>(1,242,153)</b>	(1,102,887)	-	-
	<b>2,537,701</b>	2,503,842	<b>1,337,921</b>	1,485,056

**SUDBURY SILK MILLS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**21. Creditors: Amounts falling due within one year**

	<b>Group</b>	<i>Group As restated</i>	<b>Company</b>	<i>Company As restated</i>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdrafts	<b>1,242,153</b>	1,102,887	-	-
Bank loans	-	3,333	-	-
Trade creditors	<b>539,999</b>	458,231	<b>37,698</b>	31,319
Amounts owed to other participating interests	<b>11,725</b>	-	-	-
Other taxation and social security	<b>120,129</b>	204,945	-	-
Other creditors	<b>163,941</b>	102,631	<b>79,314</b>	40,397
Accruals and deferred income	<b>277,137</b>	189,900	<b>8,935</b>	5,520
	<b>2,355,084</b>	2,061,927	<b>125,947</b>	77,236

**22. Creditors: Amounts falling due after more than one year**

	<b>Group</b>	<i>Group</i>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans	-	46,667
Other creditors	<b>228,578</b>	230,671
	<b>228,578</b>	277,338

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SUDBURY SILK MILLS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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23. Loans

	Group 2022 £	Group 2021 £
<b>Amounts falling due within one year</b>		
Bank loans	-	3,333
	<hr/>	<hr/>
	-	3,333
	<hr/>	<hr/>
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	10,000
	<hr/>	<hr/>
	-	10,000
	<hr/>	<hr/>
<b>Amounts falling due 2-5 years</b>		
Bank loans	-	30,000
	<hr/>	<hr/>
	-	30,000
	<hr/>	<hr/>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	6,667
	<hr/>	<hr/>
	-	6,667
	<hr/>	<hr/>
	-	50,000
	<hr/>	<hr/>



**SUDBURY SILK MILLS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**24. Deferred taxation**

**Group**

	2022 £	2021 £
At beginning of year	(73,043)	(51,678)
Charged to profit or loss	(150,064)	(21,365)
<b>At end of year</b>	<b>(223,107)</b>	<b>(73,043)</b>

**Company**

	2022 £	2021 £
At beginning of year	(63,135)	-
Charged to profit or loss	(19,937)	(63,135)
<b>At end of year</b>	<b>(83,072)</b>	<b>(63,135)</b>

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Accelerated capital allowances	(234,854)	(193,922)	-	-
Tax losses carried forward	87,130	175,985	-	-
Short term timing differences	7,689	8,029	-	-
Capital gains	(83,072)	(63,135)	(83,072)	(63,135)
	<b>(223,107)</b>	<b>(73,043)</b>	<b>(83,072)</b>	<b>(63,135)</b>

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**SUDBURY SILK MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**25. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
10,265 (2021 - 10,264) A1 Ordinary shares shares of £0.50 each	5,132	5,132
3,000 (2021 - 3,000) B1 Ordinary shares shares of £0.50 each	1,500	1,500
2,576 (2021 - 2,576) C1 Ordinary shares shares of £0.50 each	1,288	1,288
1,800 (2021 - 1,800) D1 Ordinary shares shares of £0.50 each	900	900
1,063 (2021 - 1,063) E1 Ordinary shares shares of £0.50 each	532	532
1,064 (2021 - 1,064) F1 Ordinary shares shares of £0.50 each	532	532
1,850 (2021 - 1,850) G1 Ordinary shares shares of £0.50 each	925	925
8,048 (2021 - 8,048) H1 Ordinary shares shares of £0.50 each	4,024	4,024
1,800 (2021 - 1,800) I1 Ordinary shares shares of £0.50 each	900	900
2,008 (2021 - 2,008) J1 Ordinary shares shares of £0.50 each	1,004	1,004
1,622 (2021 - 1,622) K1 Ordinary shares shares of £0.50 each	811	811
1,000 (2021 - 1,000) L1 Ordinary shares shares of £0.50 each	500	500
	<hr/> <b>18,048</b> <hr/>	<hr/> <b>18,048</b> <hr/>

Share capital represents the nominal value of shares issued, shares carry voting rights and an entitlement to dividends.

**26. Reserves**

**Revaluation reserve**

This reserves is used to record increases in the fair value of freehold property.

**Investment property revaluation reserve**

This reserves is used to record increases in the fair value of investment property.

**Merger Reserve**

The merger reserve arose on acquisition of subsidiary undertakings.

**Profit and loss account**

This account includes all current and prior periods retained profits and losses.

**27. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately 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 £277,395 (2021 - £301,606). Contributions totalling £24,226 (2021 - £23,875) were payable to the fund at the balance sheet date and are included in creditors.

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**SUDBURY SILK MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**28. Related party transactions**

During the year the group made design royalty payments of £86,542 (2021 - £85,340) to Spitalfields Fabrics Limited, a company with the same ultimate controlling party. At the year end the Group was owed £17,945 by Spitalfields Fabrics Limited (2021 - Group owed £9,854).

During the year the group received management charges of £60,534 (2021 - £28,356) from 1697 Limited, a company with the same ultimate controlling party. At the year end the group had £29,670 owed from 1697 Limited (2021 - £28,356).

**29. Controlling party**

The Walters family are the company's ultimate controlling party by virtue of their shareholding in the company.