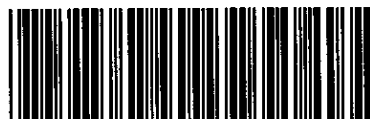


**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 July 2023**

for

Silverlining Furniture Group Limited

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Silverlining Furniture Group Limited

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Silverlining Furniture Group Limited

Company Information for the Year Ended 31 July 2023

Directors: J M Boddington
T J Boddington

Registered office: 114-120 Northgate Street
Chester
CH1 2HT

Registered number: 08053298 (England and Wales)

Senior statutory auditor: Robert Ellis FCA

Auditors: Ellis & Co (Accountants & Business Advisers) Ltd
Chartered Accountants
and Statutory Auditors
114-120 Northgate Street
Chester
CH1 2HT

Silverlining Furniture Group Limited

Group Strategic Report for the Year Ended 31 July 2023

The directors present their strategic report of the company and the group for the year ended 31 July 2023.

Incorporated in May 2012, Silverlining Furniture Group Limited is a private limited company which is family owned. The company is the holding company of a UK group which has four trading companies, one investment company, one non-trading company and two dormant companies. All of the subsidiaries are 100% owned by Silverlining Furniture Group Limited.

Review of business

The group had a satisfactory year in terms of margin and net profit however worldwide economic and geopolitical events are resulting in no or slower sales in some countries.

The results were boosted by a fuller order book and an element of profit from a large project cancellation.

2024 will again be more challenging due to continued overhead, labour and raw material cost increases.

The directors believe the group is in a good position to manage this period of ongoing uncertainty, given the actions taken to minimise inflationary costs and with the investments in new products, marketing and particularly expanding investment in new business development in strong existing and new markets, not affected by economic and geopolitical events.

Principal risks and uncertainties

The principal risks to the group include:

- Exchange rates: These are mitigated by agreeing all sale contracts in Sterling and being paid in Sterling.
- Gaps in production pipeline due to client decisions: this is avoided as much as possible by having multiple projects at any one time and continual monitoring by our scheduling department.
- China, Hong Kong and some East European markets falling away. These are being negated as stated above by expanding new business development in strong existing and new markets not effected by economic and geopolitical events.

Financial key performance indicators

Financial performance is measured by monthly work in progress calculations, gross profit monitoring of projects, profit and loss and balance sheet management accounts and weekly deposit and creditors analysis as well as daily cash flow.

During the year group turnover fell slightly to £7.6m (2022: £7.7m) and the group profit before tax was in line with the previous year at £1.7m (2022: £1.7m).

Silverlining Furniture Group Limited

Group Strategic Report for the Year Ended 31 July 2023

Other key performance indicators

Attracting, retaining, and developing employees is vital to the success of the group. The group has worked hard to improve culture in the last year through training, regular catch ups on individual's growth pathways, benchmarking salaries to be above market rates, flexible working/working from home, social, green, charity and employee forum committees, and payment of discretionary bonus, resulting in record retention and recruitment.

Skills in furniture making are enhanced by the group's investment in its own academy and training organization.

As a group working in the premium sector, quality is monitored on a daily basis to ensure we exceed the expectations of clients, especially as 98% of clients return and 78% of annual turnover is through repeat clients.

Financial risk management and funding

The company has no borrowing in the form of an overdraft or asset finance. The group does have a loan secured against a commercial building owned by the group which will be repaid within 4 years. The Loan to Value is less than 15% of the asset value and so constitutes a low risk.

Cashflow and cash reserves are strong due to contract deposits and stage payments in advance and strong retained earnings.

Debtors and creditors are reviewed and managed weekly. Monthly trade creditor and trade debtor balances are typically less than 5% of turnover. Creditors are paid weekly and any late payment of debtors is managed by placing the project on hold until any balance is paid.

To assess the group's and the parent company's ability to continue as a going concern, the directors have reviewed the group's trading performance and the group's business plans for a period of at least 12 months from the date of approval of these financial statements. The directors are satisfied that the group has the orders and resources going forward and the group and parent company are a going concern.

On behalf of the board:

Jonathan Mark Boddington

.....
J M Boddington - Director

Date: 14/03/2024
.....

Silverlining Furniture Group Limited

Report of the Directors for the Year Ended 31 July 2023

The directors present their report with the financial statements of the company and the group for the year ended 31 July 2023.

Dividends

Interim dividends were paid during the year. The first interim dividend was paid on 22 August 2022 at £320 per share and the last interim dividend of £140 per share was paid on 31 July 2023. The total interim dividends per share were £4,920. The directors recommend that no final dividend be paid.

The total dividends for the year ended 31 July 2023 will be £492,000.

Directors

The directors shown below have held office during the whole of the period from 1 August 2022 to the date of this report.

J M Boddington
T J Boddington

Disclosure in the strategic report

The directors have disclosed in the Group Strategic Report information regarding the principal risks and uncertainties affecting the group.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 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 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Silverlining Furniture Group Limited

**Report of the Directors
for the Year Ended 31 July 2023**

Auditors

The auditors, Ellis & Co (Accountants & Business Advisers) Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

Jonathan Mark Boddington

.....
J M Boddington - Director

Date: 14/03/2024
.....

Report of the Independent Auditors to the Members of Silverlining Furniture Group Limited

Opinion

We have audited the financial statements of Silverlining Furniture Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 affairs as at 31 July 2023 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 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 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.

Report of the Independent Auditors to the Members of Silverlining Furniture Group Limited

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Report of the Directors.

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page four, 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 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.

Report of the Independent Auditors to the Members of Silverlining Furniture Group Limited

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 a Report of the Auditors 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:

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then design and perform audit procedures in response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- the nature of the industry and sector, control environment and business performance including the design of remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets
- results of our enquiries of management about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed documentation of policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether management were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether management have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the completeness of revenue. In common with all audits under ISA (UK), we are also required to perform specific procedures to respond to the risk of management override.

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

**Report of the Independent Auditors to the Members of
Silverlining Furniture Group Limited**

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 a Report of the Auditors 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.

Robert Ellis FCA (Senior Statutory Auditor)
for and on behalf of Ellis & Co (Accountants & Business Advisers) Ltd
Chartered Accountants
and Statutory Auditors
114-120 Northgate Street
Chester
CH1 2HT

Date:

Silverlining Furniture Group Limited

Consolidated Income Statement for the Year Ended 31 July 2023

	Notes	31/7/23 £	31/7/22 £
Turnover	3	7,597,539	7,727,386
Cost of sales		4,200,708	4,579,929
Gross profit		3,396,831	3,147,457
Administrative expenses		1,859,009	1,764,994
		1,537,822	1,382,463
Other operating income		642	1,995
Operating profit	5	1,538,464	1,384,458
Gain on revaluation of investment property		180,000	300,000
		1,718,464	1,684,458
Interest payable and similar expenses	6	20,541	11,852
Profit before taxation		1,697,923	1,672,606
Tax on profit	7	373,230	310,908
Profit for the financial year		1,324,693	1,361,698
Profit attributable to: Owners of the parent		1,324,693	1,361,698

The notes form part of these financial statements

Silverlining Furniture Group Limited

**Consolidated
Other Comprehensive Income
for the Year Ended 31 July 2023**

	Notes	31/7/23 £	31/7/22 £
Profit for the year		1,324,693	1,361,698
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>1,324,693</u></u>	<u><u>1,361,698</u></u>
Total comprehensive income attributable to: Owners of the parent		<u><u>1,324,693</u></u>	<u><u>1,361,698</u></u>

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 July 2023

	Notes	31/7/23 £	31/7/22 £
Fixed assets			
Intangible assets	11	-	-
Tangible assets	12	252,065	256,095
Investments	13	-	-
Investment property	14	2,280,000	2,100,000
		<u>2,532,065</u>	<u>2,356,095</u>
Current assets			
Stocks	15	140,454	150,854
Debtors	16	1,206,820	1,112,227
Cash at bank and in hand		1,260,666	2,272,434
		<u>2,607,940</u>	<u>3,535,515</u>
Creditors			
Amounts falling due within one year	17	1,645,179	3,194,470
		<u>1,645,179</u>	<u>3,194,470</u>
Net current assets		<u>962,761</u>	<u>341,045</u>
Total assets less current liabilities		<u>3,494,826</u>	<u>2,697,140</u>
Creditors			
Amounts falling due after more than one year	18	(245,172)	(328,260)
Provisions for liabilities	22	(189,491)	(141,410)
		<u>(434,663)</u>	<u>(469,670)</u>
Net assets		<u><u>3,060,163</u></u>	<u><u>2,227,470</u></u>
Capital and reserves			
Called up share capital	23	100	100
Other reserves	24	658,033	523,033
Retained earnings	24	2,402,030	1,704,337
		<u>3,060,163</u>	<u>2,227,470</u>
Shareholders' funds		<u><u>3,060,163</u></u>	<u><u>2,227,470</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 14/03/2024 and were signed on its behalf by:

Jonathan Mark Boddington

.....
J M Boddington - Director

The notes form part of these financial statements

Company Statement of Financial Position
31 July 2023

	Notes	31/7/23		31/7/22	
		£	£	£	£
Fixed assets					
Intangible assets	11		-		-
Tangible assets	12		94,811		77,439
Investments	13		107		107
Investment property	14		-		-
			<u>94,918</u>		<u>77,546</u>
Current assets					
Stocks	15	69,827		77,003	
Debtors	16	1,980,585		5,560,101	
Cash at bank and in hand		55,708		54,907	
		<u>2,106,120</u>		<u>5,692,011</u>	
Creditors					
Amounts falling due within one year	17	1,073,132		5,249,449	
		<u>1,073,132</u>		<u>5,249,449</u>	
Net current assets			<u>1,032,988</u>		<u>442,562</u>
Total assets less current liabilities			<u>1,127,906</u>		<u>520,108</u>
Provisions for liabilities	22		<u>15,418</u>		<u>10,656</u>
Net assets			<u><u>1,112,488</u></u>		<u><u>509,452</u></u>
Capital and reserves					
Called up share capital	23		100		100
Retained earnings	24		<u>1,112,388</u>		<u>509,352</u>
Shareholders' funds			<u><u>1,112,488</u></u>		<u><u>509,452</u></u>
Company's profit for the financial year			<u><u>1,095,036</u></u>		<u><u>938,219</u></u>

The notes form part of these financial statements

Company Statement of Financial Position - continued
31 July 2023

The financial statements were approved by the Board of Directors and authorised for issue on 14/03/2024..... and were signed on its behalf by:

Jonathan Mark Boddington

.....
J M Boddington - Director

Silverlining Furniture Group Limited

**Consolidated Statement of Changes in Equity
for the Year Ended 31 July 2023**

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 August 2021	100	1,073,538	294,534	1,368,172
Changes in equity				
Dividends	-	(502,400)	-	(502,400)
Total comprehensive income	-	1,361,698	-	1,361,698
Transfer between reserves	-	(228,499)	228,499	-
Balance at 31 July 2022	<u>100</u>	<u>1,704,337</u>	<u>523,033</u>	<u>2,227,470</u>
Changes in equity				
Dividends	-	(492,000)	-	(492,000)
Total comprehensive income	-	1,324,693	-	1,324,693
Transfer between reserves	-	(135,000)	135,000	-
Balance at 31 July 2023	<u><u>100</u></u>	<u><u>2,402,030</u></u>	<u><u>658,033</u></u>	<u><u>3,060,163</u></u>

The notes form part of these financial statements

Silverlining Furniture Group Limited

**Company Statement of Changes in Equity
for the Year Ended 31 July 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2021	100	73,533	73,633
Changes in equity			
Dividends	-	(502,400)	(502,400)
Total comprehensive income	-	938,219	938,219
Balance at 31 July 2022	<u>100</u>	<u>509,352</u>	<u>509,452</u>
Changes in equity			
Dividends	-	(492,000)	(492,000)
Total comprehensive income	-	1,095,036	1,095,036
Balance at 31 July 2023	<u><u>100</u></u>	<u><u>1,112,388</u></u>	<u><u>1,112,488</u></u>

The notes form part of these financial statements

Silverlining Furniture Group Limited

Consolidated Statement of Cash Flows for the Year Ended 31 July 2023

	Notes	31/7/23 £	31/7/22 £
Cash flows from operating activities			
Cash generated from operations	1	(50,727)	(467,163)
Interest paid		(20,541)	(11,803)
Interest element of hire purchase or finance lease rental payments paid		-	(49)
Tax paid		(260,148)	(205,196)
Net cash from operating activities		<u>(331,416)</u>	<u>(684,211)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(105,264)	(140,615)
Sale of tangible fixed assets		-	25,101
Net cash from investing activities		<u>(105,264)</u>	<u>(115,514)</u>
Cash flows from financing activities			
Loan repayments in year		(83,088)	(85,540)
Capital repayments in year		-	(15,657)
Amount introduced by directors		-	3,397
Equity dividends paid		(492,000)	(502,400)
Net cash from financing activities		<u>(575,088)</u>	<u>(600,200)</u>
Decrease in cash and cash equivalents		<u>(1,011,768)</u>	<u>(1,399,925)</u>
Cash and cash equivalents at beginning of year	2	2,272,434	3,672,359
Cash and cash equivalents at end of year	2	<u>1,260,666</u>	<u>2,272,434</u>

The notes form part of these financial statements

Silverlining Furniture Group Limited

Notes to the Consolidated Statement of Cash Flows for the Year Ended 31 July 2023

1. Reconciliation of profit before taxation to cash generated from operations	31/7/23	31/7/22
	£	£
Profit before taxation	1,697,923	1,672,606
Depreciation charges	109,294	155,080
Profit on disposal of fixed assets	-	(19,144)
Gain on revaluation of fixed assets	(180,000)	(300,000)
Finance costs	20,541	11,852
	<hr/>	<hr/>
	1,647,758	1,520,394
Decrease/(increase) in stocks	10,400	(58,515)
Increase in trade and other debtors	(94,594)	(167,226)
Decrease in trade and other creditors	(1,614,291)	(1,761,816)
	<hr/>	<hr/>
Cash generated from operations	(50,727)	(467,163)
	<hr/>	<hr/>

2. Cash and cash equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 July 2023

	31/7/23	1/8/22
	£	£
Cash and cash equivalents	1,260,666	2,272,434
	<hr/>	<hr/>

Year ended 31 July 2022

	31/7/22	1/8/21
	£	£
Cash and cash equivalents	2,272,434	3,672,359
	<hr/>	<hr/>

3. Analysis of changes in net funds

	At 1/8/22	Cash flow	At 31/7/23
	£	£	£
Net cash			
Cash at bank and in hand	2,272,434	(1,011,768)	1,260,666
	<hr/>	<hr/>	<hr/>
	2,272,434	(1,011,768)	1,260,666
	<hr/>	<hr/>	<hr/>
Debt			
Debts falling due within 1 year	(90,000)	-	(90,000)
Debts falling due after 1 year	(328,260)	83,088	(245,172)
	<hr/>	<hr/>	<hr/>
	(418,260)	83,088	(335,172)
	<hr/>	<hr/>	<hr/>
Total	1,854,174	(928,680)	925,494
	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements for the Year Ended 31 July 2023

1. Statutory information

Silverlining Furniture Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation

In the parent company financial statements, the cost of a business combination is accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given and liabilities incurred or assumed plus the costs directly attributable to the business combination. On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities.

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertakings. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

2. Accounting policies - continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company'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.

In the opinion of the directors, there are no critical judgements other than those involving estimates.

The directors make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i. Stage of completion of contracts

The directors have used their judgement to estimate the stage of completion of contracts ongoing at 31 July 2023. Small variances in these estimates can have a significant impact on the turnover figure included in the financial statements.

ii. Valuation of Investment Property

The directors consider that the value of the commercial property at 31 July 2023 was £2.28m. The investment property was valued on an open market value basis with vacant possession by Legat Owen of Chester on 4 October 2023 for this amount.

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

2. Accounting policies - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Profit is recognised on long-term contracts if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity advances.

Long-term contracts

Amounts recoverable on long-term contracts are included in debtors and are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on account.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Trademarks are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost then subsequently at cost net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold improvements	- 20% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% reducing balance
Office equipment	- 20% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

2. Accounting policies - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing stock to its present location and position.

Financial instruments

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

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

Debt instruments are subsequently measured at amortised cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

2. Accounting policies - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis over the term of the agreement.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. Turnover

An analysis of the company's turnover has not been disclosed as it is deemed to be commercially sensitive.

4. Employees and directors

Staff costs were as follows:

	Group		Company	
	31/7/23	31/7/22	31/7/23	31/7/22
	£	£	£	£
Wages and salaries	2,276,124	2,096,116	360,368	286,411
Social security costs	239,887	223,298	36,067	31,320
Other pension costs	113,784	216,005	12,434	130,322
	<u>2,629,795</u>	<u>2,535,419</u>	<u>408,869</u>	<u>448,053</u>

The average number of employees during the year was as follows:

	Group		Company	
	31/7/23	31/7/22	31/7/23	31/7/22
Sales and marketing	2	2	2	2
Administration	6	6	6	6
Production	52	50	-	-
	<u>60</u>	<u>58</u>	<u>8</u>	<u>9</u>

	31/7/23	31/7/22
	£	£
Directors' remuneration	26,492	25,825
Directors' pension contributions to money purchase schemes	<u>-</u>	<u>120,000</u>

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

4. Employees and directors - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2
	<u>2</u>	<u>2</u>

5. Operating profit

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

	31/7/23	31/7/22
	£	£
Other operating leases	171,387	167,030
Depreciation - owned assets	109,294	155,081
Profit on disposal of fixed assets	-	(19,144)
Auditors' remuneration	36,575	36,000
Foreign exchange differences	(2,072)	-
	<u>214,184</u>	<u>338,967</u>

6. Interest payable and similar expenses

	31/7/23	31/7/22
	£	£
Interest on overdue tax	736	873
Bank loan interest	19,805	10,930
Hire purchase interest	-	49
	<u>20,541</u>	<u>11,852</u>

7. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31/7/23	31/7/22
	£	£
Current tax:		
UK corporation tax	325,149	260,148
Prior year overprovision	-	(36,364)
Total current tax	<u>325,149</u>	<u>223,784</u>
Deferred tax	48,081	87,124
Tax on profit	<u>373,230</u>	<u>310,908</u>

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

7. Taxation - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31/7/23 £	31/7/22 £
Profit before tax	<u>1,697,923</u>	<u>1,672,606</u>
Profit multiplied by the standard rate of corporation tax in the UK of 21% (2022 - 19%)	356,564	317,795
Effects of:		
Expenses not deductible for tax purposes	11,182	13,910
Adjustments to tax charge in respect of previous periods	-	(36,364)
Enhanced deductions	(2,209)	(18,371)
Deferred tax - change in tax rates	<u>7,693</u>	<u>33,938</u>
Total tax charge	<u>373,230</u>	<u>310,908</u>

8. Individual income statement

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. Dividends

	31/7/23 £	31/7/22 £
Ordinary shares of £1 each		
Interim	<u>492,000</u>	<u>502,400</u>

10. Reduced disclosure in the financial statements

The group has taken advantage of the reduced disclosure framework under FRS 102 not to include the parent company statement of cashflow.

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

11. Intangible fixed assets

Group

Trademarks
£

Cost

At 1 August 2022
and 31 July 2023

2,359

Amortisation

At 1 August 2022
and 31 July 2023

2,359

Net book value

At 31 July 2023

-

At 31 July 2022

-

Company

Trademarks
£

Cost

At 1 August 2022
and 31 July 2023

2,359

Amortisation

At 1 August 2022
and 31 July 2023

2,359

Net book value

At 31 July 2023

-

At 31 July 2022

-

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

12. Tangible fixed assets

Group

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £
Cost			
At 1 August 2022	488,070	970,778	59,726
Additions	20,748	10,156	-
At 31 July 2023	508,818	980,934	59,726
Depreciation			
At 1 August 2022	452,853	832,639	56,759
Charge for year	14,833	58,690	983
At 31 July 2023	467,686	891,329	57,742
Net book value			
At 31 July 2023	41,132	89,605	1,984
At 31 July 2022	35,217	138,139	2,967
	Motor vehicles £	Office equipment £	Totals £
Cost			
At 1 August 2022	77,249	182,614	1,778,437
Additions	43,950	30,410	105,264
At 31 July 2023	121,199	213,024	1,883,701
Depreciation			
At 1 August 2022	36,732	143,359	1,522,342
Charge for year	16,818	17,970	109,294
At 31 July 2023	53,550	161,329	1,631,636
Net book value			
At 31 July 2023	67,649	51,695	252,065
At 31 July 2022	40,517	39,255	256,095

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

12. Tangible fixed assets - continued

Company

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Totals £
Cost				
At 1 August 2022	488,070	59,726	182,614	730,410
Additions	20,748	-	30,410	51,158
At 31 July 2023	508,818	59,726	213,024	781,568
Depreciation				
At 1 August 2022	452,853	56,759	143,359	652,971
Charge for year	14,833	983	17,970	33,786
At 31 July 2023	467,686	57,742	161,329	686,757
Net book value				
At 31 July 2023	41,132	1,984	51,695	94,811
At 31 July 2022	35,217	2,967	39,255	77,439

13. Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 August 2022 and 31 July 2023	107
Net book value	
At 31 July 2023	107
At 31 July 2022	107

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

13. Fixed asset investments - continued

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Silverlining Furniture Limited

Registered office: United Kingdom

Nature of business: Makers of bespoke furniture

	%
Class of shares:	holding
Ordinary	100.00

	31/7/23	31/7/22
	£	£
Aggregate capital and reserves	494,312	459,620
Profit for the year	34,692	71,496

Silverlining Marine Limited

Registered office: United Kingdom

Nature of business: Makers of bespoke furniture

	%
Class of shares:	holding
Ordinary	100.00

	31/7/23	31/7/22
	£	£
Aggregate capital and reserves	593,998	547,889
Profit for the year	46,109	37,961

Silverlining Special Projects Limited

Registered office: United Kingdom

Nature of business: Makers of bespoke furniture

	%
Class of shares:	holding
Ordinary	100.00

	31/7/23	31/7/22
	£	£
Aggregate capital and reserves	72,440	102,533
(Loss)/profit for the year	(30,093)	58,644

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

13. Fixed asset investments - continued

Studio Silverlining Limited

Registered office: United Kingdom

Nature of business: Makers of bespoke furniture

	% holding	31/7/23	31/7/22
Class of shares:		£	£
Ordinary	100.00	(23,407)	(22,354)
Aggregate capital and reserves		(1,053)	(1,259)
Loss for the year			

Under section 479A Companies Act 2006, Studio Silverlining Limited (Company registration number 08052384) is exempt from the requirements relating to the audit of individual accounts.

Silverlining Commercial Properties Limited

Registered office: United Kingdom

Nature of business: Property investment

	% holding	31/7/23	31/7/22
Class of shares:		£	£
Ordinary	100.00	806,527	627,453
Aggregate capital and reserves		179,074	256,895
Profit for the year			

Silverlining Workshops Limited

Registered office: United Kingdom

Nature of business: Non-trading

	% holding	31/7/23	31/7/22
Class of shares:		£	£
Ordinary	100.00	3,922	3,922
Aggregate capital and reserves			

Under section 479A Companies Act 2006, Silverlining Workshops Limited (Company registration number 02886595) is exempt from the requirements relating to the audit of individual accounts.

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

13. Fixed asset investments - continued

Silverlining Interiors Limited

Registered office: United Kingdom

Nature of business: Dormant

	% holding	31/7/23	31/7/22
Class of shares:		£	£
Ordinary	100.00	1	1
Aggregate capital and reserves		<u>1</u>	<u>1</u>

Silverlining Yachts Limited

Registered office: United Kingdom

Nature of business: Dormant

	% holding	31/7/23	31/7/22
Class of shares:		£	£
Ordinary	100.00	1	1
Aggregate capital and reserves		<u>1</u>	<u>1</u>

14. Investment property

Group

	Total £
Fair value	
At 1 August 2022	2,100,000
Revaluations	180,000
At 31 July 2023	<u>2,280,000</u>
Net book value	
At 31 July 2023	<u>2,280,000</u>
At 31 July 2022	<u>2,100,000</u>
Fair value at 31 July 2023 is represented by:	
Valuation in 2023	<u>£</u> <u>2,280,000</u>

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

14. Investment property - continued

Group

If investment property had not been revalued it would have been included at the following historical cost:

	31/7/23	31/7/22
	£	£
Cost	1,615,923	1,615,923
Aggregate depreciation	(210,069)	(177,751)

The directors consider that the value of the commercial property at 31 July 2023 was £2.28m. The investment property was valued on an open market value basis with vacant possession by Legat Owen of Chester on 4 October 2023 for this amount.

Leasing agreements

Minimum lease receipts fall due as follows:

Group

	Non-cancellable operating lease	
	31/7/23	31/7/22
	£	£
Within one year	230,000	230,000
Between one and five years	862,500	920,000
Greater than five years		172,500
	<u>1,092,500</u>	<u>1,322,500</u>

The corresponding figures for the company are £Nil.

15. Stocks

	Group		Company	
	31/7/23	31/7/22	31/7/23	31/7/22
	£	£	£	£
Raw materials	64,627	73,851	-	-
Finished goods	75,827	77,003	69,827	77,003
	<u>140,454</u>	<u>150,854</u>	<u>69,827</u>	<u>77,003</u>

Silverlining Furniture Group Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2023**

16. Debtors: amounts falling due within one year

	Group		Company	
	31/7/23	31/7/22	31/7/23	31/7/22
	£	£	£	£
Trade debtors	350,574	160,569	-	-
Amounts owed by group undertakings	-	-	1,752,973	5,401,224
Amounts recoverable on contracts	382,205	378,512	-	-
Other debtors	9,159	16,649	85	85
Directors' loan accounts	4,917	4,917	4,917	4,917
VAT	77,010	249,490	-	-
Prepayments and accrued income	382,955	302,090	222,610	153,875
	<u>1,206,820</u>	<u>1,112,227</u>	<u>1,980,585</u>	<u>5,560,101</u>

17. Creditors: amounts falling due within one year

	Group		Company	
	31/7/23	31/7/22	31/7/23	31/7/22
	£	£	£	£
Bank loans and overdrafts (see note 19)	90,000	90,000	-	-
Payments on account	498,339	1,982,979	-	-
Trade creditors	340,276	397,497	130,086	194,807
Amounts owed to group undertakings	-	-	554,798	4,729,420
Tax	325,149	260,148	300,342	227,130
Social security and other taxes	60,924	55,426	9,438	5,749
VAT	-	-	28,648	11,195
Other creditors	66,332	57,845	3,655	2,037
Accruals and deferred income	264,159	350,575	46,165	79,111
	<u>1,645,179</u>	<u>3,194,470</u>	<u>1,073,132</u>	<u>5,249,449</u>

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

	Group	
	31/7/23	31/7/22
	£	£
Bank loans (see note 19)	<u>245,172</u>	<u>328,260</u>

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

19. Loans

An analysis of the maturity of loans is given below:

	Group	
	31/7/23	31/7/22
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>90,000</u>	<u>90,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>245,172</u>	<u>328,260</u>

20. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31/7/23	31/7/22
	£	£
Within one year	142,011	145,246
Between one and five years	146,672	256,676
	<u>288,683</u>	<u>401,922</u>

Company

	Non-cancellable operating leases	
	31/7/23	31/7/22
	£	£
Within one year	142,011	145,246
Between one and five years	146,672	256,676
	<u>288,683</u>	<u>401,922</u>

21. Secured debts

The following secured debts are included within creditors:

	Group	
	31/7/23	31/7/22
	£	£
Bank loans	<u>335,172</u>	<u>418,260</u>

Bank loans are secured by way of a charge over the investment property.

Silverlining Furniture Group Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2023**

22. Provisions for liabilities

	Group		Company	
	31/7/23	31/7/22	31/7/23	31/7/22
	£	£	£	£
Deferred tax				
Accelerated capital allowances	38,015	34,934	15,418	10,656
Other timing differences	151,476	106,476	-	-
	<u>189,491</u>	<u>141,410</u>	<u>15,418</u>	<u>10,656</u>

Group

	Deferred tax £
Balance at 1 August 2022	141,410
Charge to Income Statement during year	48,081
Balance at 31 July 2023	<u>189,491</u>

Company

	Deferred tax £
Balance at 1 August 2022	10,656
Charge to Income Statement during year	4,762
Balance at 31 July 2023	<u>15,418</u>

23. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/7/23	31/7/22
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

Silverlining Furniture Group Limited

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2023

24. Reserves

Group

	Retained earnings £	Other reserves £	Totals £
At 1 August 2022	1,704,337	523,033	2,227,370
Profit for the year	1,324,693		1,324,693
Dividends	(492,000)		(492,000)
Transfer between reserves	(135,000)	135,000	-
At 31 July 2023	<u>2,402,030</u>	<u>658,033</u>	<u>3,060,063</u>

Company

	Retained earnings £
At 1 August 2022	509,352
Profit for the year	1,095,036
Dividends	(492,000)
At 31 July 2023	<u>1,112,388</u>

Under FRS 102 surpluses on the revaluation of investment property are treated as fair value adjustments and are recognised in the Consolidated Income Statement. However under company law, these surpluses are not distributable. In these financial statements, the cumulative revaluation surpluses have been included in other reserves under profit and loss - not distributable. On disposal of an investment property, any revaluation surplus realised on disposal is transferred to distributable reserves.

25. Directors' advances, credits and guarantees

The following advances and credits to a director subsisted during the years ended 31 July 2023 and 31 July 2022:

	31/7/23 £	31/7/22 £
J M Boddington		
Balance outstanding at start of year	4,917	8,314
Amounts repaid	-	(3,397)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>4,917</u>	<u>4,917</u>

The maximum overdrawn balance during the year was £4,917. Advances to directors are interest free, unsecured and repayable on demand.