

Company Registration No. 04070786 (England and Wales)

**SUTTON VENTURE GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

# SUTTON VENTURE GROUP LIMITED

## Company information

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<b>Directors</b>	Mr R Sutton Mrs S M Sutton
<b>Secretary</b>	Mrs S M Sutton
<b>Company number</b>	04070786
<b>Registered office</b>	Sutton House Berry Hill Road Fenton Stoke on Trent Staffordshire ST4 2NL
<b>Auditor</b>	DJH Audit Limited The Glades Festival Way Festival Park Stoke on Trent Staffordshire ST1 5SQ

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# **SUTTON VENTURE GROUP LIMITED**

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# **SUTTON VENTURE GROUP LIMITED**

## **Strategic report**

### **FOR THE YEAR ENDED 30 JUNE 2021**

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The directors present the strategic report for the year ended 30 June 2021.

#### **Section 172(1) statement**

We have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 when performing our duty under section 172.

We have made consideration of:

- the likely consequences of any decision in the long term
- the interests of the company's employee
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

#### **Principal activity:**

The principal activity of the group continued to be research and design, sourcing, distribution, import and sale of electrical and houseware products.

The principal activity of the company continued to be that of a holding company to electrical wholesaler companies.

#### **Principal risks and uncertainties:**

##### ***Business strategy***

- Inappropriate strategies
- Poor investment decisions
- Inadequate execution

The group has clear strategies for growth and we will continue to make significant investment in our brands/ products and infrastructure to deliver these strategies.

At every annual general meeting and operating board meeting, strategic issues including risks and opportunities are discussed.

A comprehensive review of the group's performance against previous strategic targets would also take place in those meetings and by each department manager on a regular basis.

Communication of this information is relayed to all relevant stakeholders, investors, colleagues, suppliers and customers where appropriate.

# **SUTTON VENTURE GROUP LIMITED**

## **Strategic report (continued)**

### **FOR THE YEAR ENDED 30 JUNE 2021**

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#### ***Trading environment***

- Economic and financial conditions
- Cost of raw materials, services and overheads
- Competitor activity
- UK's exit from the European Union (Brexit)
- COVID-19 pandemic

#### **Fair review of the business:**

Our financial statements show that we have seen a healthy increase in sales turnover and profitability in what continues to be a buoyant market. Our broad range of brands/products and services ensures we appeal to a diverse demographic of customers.

Continued investment has been made into the company's infrastructure.

The group has embedded disciplines to maintain strong management of working capital and cash generation and has strong management of key relationships with banks and credit insurers.

The group operates a continuous review and challenge of its cost base in all areas. Through strong and long-standing relationships with many suppliers, the group is in a position to consider the key costs of the business in the short, medium and where appropriate long term and act accordingly.

Strong global sourcing capabilities with established buying operations in Asia continue to be leveraged to control the cost of goods sold and therefore benefit customers.

The volatility of the global economy exposes the group to both currency fluctuations, particularly the US Dollar and changes in freight costs.

In response to this risk the group uses forward booking of currencies to hedge against future currency rates.

In a highly competitive market, it is essential for the group to analyse the activity of its competitors and provide dynamic pricing structures to satisfy its customers.

The UK leaving the European Union ("Brexit") is only considered to be a medium risk to the group as it does not sell extensively into the EU and is already familiar with a wide range of different customs procedures based on its global sourcing experience. Potential inflationary pressure of incremental purchase tariffs will be passed onto all customers in line with the current business model.

The group's management team have fully acknowledged the COVID-19 pandemic and have implemented logistical and organisational changes to underpin its resilience to COVID-19. The key focus being to protect personnel, minimise the impact on critical work streams and ensure business continuity. COVID-19 may impact the group in varying ways, however overall to date this has had a positive impact on the group's trading performance. Management are closely monitoring the commercial and logistical aspects of all operations and believe the group will generate sufficient working capital and cash flows to continue for the foreseeable future.

# **SUTTON VENTURE GROUP LIMITED**

## **Strategic report (continued)**

### **FOR THE YEAR ENDED 30 JUNE 2021**

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#### **Development, performance and position:**

##### ***Sales and operational profit***

Turnover has increased by 60.48% to £131.3m (FY20: £81.9m) while the gross profit percentage has increased to 19.28% (FY20: 17.93%).

Administrative expenses have increased to £15.9m (FY20: £11.2m) however, operational profit has increased by 147.54% to £9.8m (FY20: £3.9m)

Management constantly review margins and stock levels in order to improve cash flows and continue to re-invest into new product ranges going forward.

##### ***Interest payable***

Interest payable has decreased by £107k to £451k (FY20: £558k).

##### ***Profit before tax***

The profit before tax for the year was £9.3m (FY20: £3.4m).

##### ***Taxation***

Taxation attributable to the PBT was £1.6m (FY20: £618k), representing an estimated effective tax rate of 17.42% (FY20: 18.28%).

##### ***Balance Sheet***

Net assets as at 30 June 2021 were £72.1m (FY20: £64.9m).

The value of closing stock as at 30 June 2021 was £15.4m (FY20: £9.8m).

Debtors as at 30 June 2021 increased by £1.5m to £37.8m (FY20: £36.3m).

Creditors (amounts falling due within one year) as at 30 June 2021 increased by £766k to £35.7m (FY20: £34.9m).

On behalf of the board

Mr R Sutton  
**Director**

30 March 2022  
**Date**

# SUTTON VENTURE GROUP LIMITED

## Directors' report

### FOR THE YEAR ENDED 30 JUNE 2021

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The directors present their annual report and financial statements for the year ended 30 June 2021.

#### Results and dividends

The results for the year are set out on page 11.

An interim ordinary dividend was paid amounting to £539,936. The directors do not recommend payment of a final dividend.

#### Directors

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

Mr R Sutton  
Mrs S M Sutton

#### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

#### Auditor

In accordance with the company's articles, a resolution proposing that DJH Audit Limited be reappointed as auditor of the group will be put at a General Meeting.

#### Energy and carbon report

	2021 kWh	2020 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	193,533	203,628
- Electricity purchased	1,149,308	1,076,838
- Fuel consumed for transport	1,357	18,946
	<u>1,344,198</u>	<u>1,299,412</u>

# SUTTON VENTURE GROUP LIMITED

## Directors' report (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	metric tonnes	metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	52.85	55.62
- Fuel consumed for owned transport	3.45	49.15
	<u>56.30</u>	<u>104.77</u>
Scope 2 - indirect emissions		
- Electricity purchased	124.57	139.09
	<u>124.57</u>	<u>139.09</u>
Total gross emissions	<u>180.87</u>	<u>243.86</u>
<i>Intensity ratio</i>		
Tonnes CO2e per average full-time employee	0.47	0.77
	<u>0.47</u>	<u>0.77</u>

#### *Quantification and reporting methodology*

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

#### *Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per average employee.

#### *Measures taken to improve energy efficiency*

The group is always looking for ways to reduce its carbon footprint.

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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



# **SUTTON VENTURE GROUP LIMITED**

## **Directors' report (continued)**

**FOR THE YEAR ENDED 30 JUNE 2021**

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### **Strategic report**

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

### **Statement of disclosure to auditor**

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

On behalf of the board

Mr R Sutton  
**Director**

30 March 2022

# **SUTTON VENTURE GROUP LIMITED**

## **Independent auditor's report**

### **TO THE MEMBERS OF SUTTON VENTURE GROUP LIMITED**

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#### **Opinion**

We have audited the financial statements of Sutton Venture Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **SUTTON VENTURE GROUP LIMITED**

## **Independent auditor's report (continued)**

### **TO THE MEMBERS OF SUTTON VENTURE GROUP LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

## **SUTTON VENTURE GROUP LIMITED**

### **Independent auditor's report (continued)**

#### **TO THE MEMBERS OF SUTTON VENTURE GROUP LIMITED**

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The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **SUTTON VENTURE GROUP LIMITED**

### **Independent auditor's report (continued)**

#### **TO THE MEMBERS OF SUTTON VENTURE GROUP LIMITED**

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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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

The Glades  
Festival Way  
Festival Park  
Stoke on Trent  
ST1 5SQ

30 March 2022

**Paul David Hulme FCCA  
(Senior Statutory Auditor)  
for and on behalf of  
DJH AUDIT LIMITED**

**Chartered Accountants  
Statutory Auditor**

## SUTTON VENTURE GROUP LIMITED

### Group profit and loss account

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	131,392,444	81,876,900
Cost of sales		(106,060,720)	(67,200,060)
<b>Gross profit</b>		25,331,724	14,676,840
Administrative expenses		(15,985,833)	(11,165,952)
Other operating income		408,580	429,604
<b>Operating profit</b>	<b>4</b>	9,754,471	3,940,492
Interest receivable and similar income	<b>7</b>	-	198
Interest payable and similar expenses	<b>8</b>	(450,546)	(557,728)
<b>Profit before taxation</b>		9,303,925	3,382,962
Tax on profit	<b>9</b>	(1,620,696)	(618,265)
<b>Profit for the financial year</b>	<b>27</b>	7,683,229	2,764,697
Profit for the financial year is attributable to:			
- Owners of the parent company		7,664,088	2,757,566
- Non-controlling interests		19,141	7,131
		7,683,229	2,764,697

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

## SUTTON VENTURE GROUP LIMITED

### Group statement of comprehensive income FOR THE YEAR ENDED 30 JUNE 2021

	2021 £	2020 £
<b>Profit for the year</b>	7,683,229	2,764,697
<b>Other comprehensive income</b>		
Revaluation of tangible fixed assets and intangible assets	-	45,882,408
Tax relating to other comprehensive income	-	(7,177,117)
<b>Other comprehensive income for the year</b>	-	38,705,291
<b>Total comprehensive income for the year</b>	7,683,229	41,469,988
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	7,624,346	41,422,921
- Non-controlling interests	58,883	47,067
	7,683,229	41,469,988

# SUTTON VENTURE GROUP LIMITED

## Group balance sheet

AS AT 30 JUNE 2021

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Intangible assets	11		49,101,000		48,980,000
Tangible assets	12		20,559,315		20,414,314
			<u>69,660,315</u>		<u>69,394,314</u>
<b>Current assets</b>					
Stocks	16	15,413,762		9,812,924	
Debtors	17	37,770,784		36,271,911	
Cash at bank and in hand		741,936		548,132	
		<u>53,926,482</u>		<u>46,532,967</u>	
<b>Creditors: amounts falling due within one year</b>	18	(35,745,459)		(34,979,077)	
<b>Net current assets</b>			<u>18,181,023</u>		<u>11,653,890</u>
<b>Total assets less current liabilities</b>			<u>87,841,338</u>		<u>81,048,204</u>
<b>Creditors: amounts falling due after more than one year</b>	19		(6,583,072)		(6,901,086)
<b>Provisions for liabilities</b>					
Deferred tax liability	22	9,171,680		9,204,019	
		<u>(9,171,680)</u>		<u>(9,204,019)</u>	
<b>Net assets</b>			<u><u>72,086,586</u></u>		<u><u>64,943,099</u></u>
<b>Capital and reserves</b>					
Called up share capital	25		25,100		25,100
Revaluation reserve	26		51,724,708		51,922,688
Profit and loss reserves	27		20,310,382		12,988,056
			<u>72,060,190</u>		<u>64,935,844</u>
<b>Equity attributable to owners of the parent company</b>			<u>72,060,190</u>		<u>64,935,844</u>
<b>Non-controlling interests</b>			26,396		7,255
			<u>72,086,586</u>		<u>64,943,099</u>



## **SUTTON VENTURE GROUP LIMITED**

### **Group balance sheet (continued)**

**AS AT 30 JUNE 2021**

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The financial statements were approved by the board of directors and authorised for issue on 30 March 2022 and are signed on its behalf by:

Mr R. Sutton  
**Director**

# SUTTON VENTURE GROUP LIMITED

## Company balance sheet

AS AT 30 JUNE 2021

		2021		2020	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		5,575,820		5,695,000
Investment properties	13		192,578		192,578
Investments	14		195,728		195,728
			<u>5,964,126</u>		<u>6,083,306</u>
<b>Current assets</b>					
Debtors	17	9,675,709		9,496,874	
Cash at bank and in hand		<u>560</u>		<u>369</u>	
		9,676,269		9,497,243	
<b>Creditors: amounts falling due within one year</b>	18	<u>(718,806)</u>		<u>(727,330)</u>	
<b>Net current assets</b>			<u>8,957,463</u>		<u>8,769,913</u>
<b>Total assets less current liabilities</b>			<u>14,921,589</u>		<u>14,853,219</u>
<b>Creditors: amounts falling due after more than one year</b>	19		(6,300,000)		(6,700,000)
<b>Provisions for liabilities</b>	22		-		(32,339)
<b>Net assets</b>			<u>8,621,589</u>		<u>8,120,880</u>
<b>Capital and reserves</b>					
Called up share capital	25		25,100		25,100
Revaluation reserve	26		3,456,102		3,482,002
Profit and loss reserves	27		<u>5,140,387</u>		<u>4,613,778</u>
<b>Total equity</b>			<u>8,621,589</u>		<u>8,120,880</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,040,451 (2020 - £892,823).

The financial statements were approved by the board of directors and authorised for issue on 30 March 2022 and are signed on its behalf by:

Mr R. Sutton  
Director

Company Registration No. 04070786

# SUTTON VENTURE GROUP LIMITED

## Group statement of changes in equity FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Revaluation reserve	Profit and loss reserves	Total non-controlling interest	controlling interest	Total
Notes	£	£	£	£	£	£
<b>Balance at 1 July 2019</b>	25,100	13,360,997	10,626,826	24,012,923	124	24,013,047
<b>Year ended 30 June 2020:</b>						
Profit for the year	-	-	2,757,566	2,757,566	7,131	2,764,697
Other comprehensive income:						
Revaluation of tangible fixed assets and intangible assets	-	45,882,408	-	45,882,408	-	45,882,408
Tax relating to other comprehensive income	-	(7,177,117)	-	(7,177,117)	-	(7,177,117)
Amounts attributable to non-controlling interests	-	-	(39,936)	(39,936)	39,936	-
Total comprehensive income for the year	-	38,705,291	2,717,630	41,422,921	47,067	41,469,988
Dividends	-	-	(500,000)	(500,000)	(39,936)	(539,936)
Transfers	-	(143,600)	143,600	-	-	-
<b>Balance at 30 June 2020</b>	25,100	51,922,688	12,988,056	64,935,844	7,255	64,943,099

## SUTTON VENTURE GROUP LIMITED

### Group statement of changes in equity (continued) FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Revaluation reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£
<b>Year ended 30 June 2021:</b>						
Profit for the year	-	-	7,664,088	7,664,088	19,141	7,683,229
Other comprehensive income:						
Amounts attributable to non-controlling interests	-	-	(39,742)	(39,742)	39,742	-
Total comprehensive income for the year	-	-	7,624,346	7,624,346	58,883	7,683,229
Dividends	-	-	(500,000)	(500,000)	(39,742)	(539,742)
Transfers	-	(197,980)	197,980	-	-	-
<b>Balance at 30 June 2021</b>	25,100	51,724,708	20,310,382	72,060,190	26,396	72,086,586

# SUTTON VENTURE GROUP LIMITED

## Company statement of changes in equity FOR THE YEAR ENDED 30 JUNE 2021

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 July 2019</b>		25,100	2,445,765	4,195,055	6,665,920
<b>Year ended 30 June 2020:</b>					
Profit for the year		-	-	892,823	892,823
Other comprehensive income:					
Revaluation of tangible fixed assets		-	1,062,137	-	1,062,137
Total comprehensive income for the year		-	1,062,137	892,823	1,954,960
Dividends	10	-	-	(500,000)	(500,000)
Transfers		-	(25,900)	25,900	-
<b>Balance at 30 June 2020</b>		25,100	3,482,002	4,613,778	8,120,880
<b>Year ended 30 June 2021:</b>					
Profit and total comprehensive income for the year		-	-	1,040,451	1,040,451
Dividends	10	-	-	(539,742)	(539,742)
Transfers		-	(25,900)	25,900	-
<b>Balance at 30 June 2021</b>		25,100	3,456,102	5,140,387	8,621,589

# SUTTON VENTURE GROUP LIMITED

## Group statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	£	2021 £	£	2020 £
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	30		(3,068,674)		655,346
Interest paid			(450,546)		(557,728)
Income taxes paid			(242,982)		(400,038)
<b>Net cash outflow from operating activities</b>			<b>(3,762,202)</b>		<b>(302,420)</b>
<b>Investing activities</b>					
Purchase of intangible assets		(121,000)		-	
Purchase of tangible fixed assets		(744,514)		(246,643)	
Proceeds on disposal of tangible fixed assets		174,325		42,171	
Interest received		-		198	
<b>Net cash used in investing activities</b>			<b>(691,189)</b>		<b>(204,274)</b>
<b>Financing activities</b>					
Proceeds from bank loans		2,355,733		1,983,308	
Payment of finance leases obligations		(168,670)		(280,366)	
Dividends paid to equity shareholders		(500,000)		(500,000)	
Dividends paid to non-controlling interests		(39,742)		(39,936)	
<b>Net cash generated from financing activities</b>			<b>1,647,321</b>		<b>1,163,006</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(2,806,070)</b>		<b>656,312</b>
Cash and cash equivalents at beginning of year			(6,175,794)		(6,832,106)
<b>Cash and cash equivalents at end of year</b>			<b>(8,981,864)</b>		<b>(6,175,794)</b>
<b>Relating to:</b>					
Cash at bank and in hand			741,936		548,132
Bank overdrafts included in creditors payable within one year			(9,723,800)		(6,723,926)

# **SUTTON VENTURE GROUP LIMITED**

## **Notes to the financial statements**

### **FOR THE YEAR ENDED 30 JUNE 2021**

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#### **1 Accounting policies**

##### **Company information**

Sutton Venture Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Sutton House, Berry Hill Road, Fenton, Stoke on Trent, Staffordshire, ST4 2NL.

The group consists of Sutton Venture Group Limited and all of its subsidiaries.

##### **1.1 Accounting convention**

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties to fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being the parent of the group that prepares publicly available consolidated financial statements, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

##### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

# **SUTTON VENTURE GROUP LIMITED**

## **Notes to the financial statements (continued)**

### **FOR THE YEAR ENDED 30 JUNE 2021**

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#### **1 Accounting policies**

**(Continued)**

The consolidated financial statements incorporate those of Sutton Venture Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

The following subsidiaries have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows includes the results and cashflows of the subsidiaries from the date of acquisition.

R K Wholesale Limited  
Powerforce Distribution Limited  
Clearco Specialists Limited (Dormant)  
Powerforce Homewares Limited (Dormant)  
Connexions Logistics Limited (Dormant)  
Sutton Venture Group Property Limited  
Sourcing Partner Limited  
Powerforce Distribution Ireland Limited  
Andrew Jarries (Homewares) Limited

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

#### **1.3 Going concern**

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

#### **1.4 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.



# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

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#### 1 Accounting policies

(Continued)

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

Revenue from rentals of property are recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from royalty agreements is recognised on an accruals basis in accordance with the substance of the agreement (usually on the sale of the right to use the entity's trademark), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at fair value less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Trademarks	Over 10 years on cost
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Where the directors consider the carrying amount of an intangible fixed asset is equal to its recoverable amount, no amortisation is charged.

#### 1.6 Tangible fixed assets

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

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

Freehold property	2% per annum on cost
Plant and machinery	15% per annum on net book value
Fixtures, fittings and equipment	15% / 25% per annum on net book value
Motor vehicles	25% per annum on net book value

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

# **SUTTON VENTURE GROUP LIMITED**

## **Notes to the financial statements (continued)**

### **FOR THE YEAR ENDED 30 JUNE 2021**

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#### **1 Accounting policies**

**(Continued)**

##### **1.7 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Property rented to a group entity is accounted for as tangible fixed assets.

##### **1.8 Fixed asset investments**

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

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

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

##### **1.9 Impairment of fixed assets**

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

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

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

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

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

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

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#### 1 Accounting policies

(Continued)

##### 1.10 Stocks

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

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

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

##### 1.11 Cash and cash equivalents

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

##### 1.12 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Other financial assets**

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

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

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#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

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

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

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

##### ***Derecognition of financial assets***

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

##### ***Classification of financial liabilities***

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

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

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

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

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

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#### 1 Accounting policies

(Continued)

##### **Other financial liabilities**

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

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

##### **Derecognition of financial liabilities**

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

#### 1.13 Equity instruments

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

#### 1.14 Taxation

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

##### **Current tax**

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

##### **Deferred tax**

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# **SUTTON VENTURE GROUP LIMITED**

## **Notes to the financial statements (continued)**

### **FOR THE YEAR ENDED 30 JUNE 2021**

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#### **1 Accounting policies**

**(Continued)**

##### **1.15 Employee benefits**

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

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

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

##### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.17 Leases**

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

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### **1.18 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

##### **1.19 Foreign exchange**

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

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 2 Judgements and key sources of estimation uncertainty

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

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

#### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Sale of electrical and houseware, warehousing and haulage.	131,392,444	81,876,900
	<u>131,392,444</u>	<u>81,876,900</u>
	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	-	198
Royalty income	228,384	193,870
Grants received	51,396	95,956
Rental income	116,979	138,286
	<u>396,769</u>	<u>428,310</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	109,199,038	75,326,809
European Union	21,702,629	6,195,338
Rest of the world	490,777	354,753
	<u>131,392,444</u>	<u>81,876,900</u>

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains/(losses)	(8,126)	1,365
Government grants	(51,396)	(95,956)
Depreciation of owned tangible fixed assets	694,362	678,477
Depreciation of tangible fixed assets held under finance leases	81,979	75,999
(Loss) / profit on disposal of tangible fixed assets	(35,767)	4,709
Operating lease charges	57,695	56,894
	<u>          </u>	<u>          </u>

#### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	6,821	7,261
Audit of the financial statements of the company's subsidiaries	36,535	36,000
	<u>          </u>	<u>          </u>
	43,356	43,261
	<u>          </u>	<u>          </u>

#### Subsidiary audit exemption

The following subsidiaries are claiming exemption from audit under Section 479A of the Companies Act 2006:

Clearco Specialists Limited - Company number 08480811

Sutton Venture Group Property Limited - Company number 08745798

#### 6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Management and administration	170	141	-	-
Warehouse, distribution and drivers	195	158	-	-
Sales	20	17	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	385	316	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	11,531,597	8,145,901	18,505	16,880
Social security costs	566,807	411,771	-	-
Pension costs	601,766	160,104	-	-
	<u>12,700,170</u>	<u>8,717,776</u>	<u>18,505</u>	<u>16,880</u>

#### 7 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	-	198
	<u>-</u>	<u>198</u>

#### 8 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	202,521	306,176
Other interest on financial liabilities	37,836	49,315
Interest on finance leases and hire purchase contracts	4,384	14,558
Other interest	205,805	187,679
	<u>450,546</u>	<u>557,728</u>

#### 9 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,596,281	602,615
Adjustments in respect of prior periods	-	(16,689)
	<u>1,596,281</u>	<u>585,926</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(75,585)	32,339
	<u>(75,585)</u>	<u>32,339</u>
<b>Total tax charge</b>	<u>1,520,696</u>	<u>618,265</u>

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 9 Taxation

(Continued)

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

	2021 £	2020 £
Profit before taxation	9,303,925	3,382,962
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,767,746	642,763
Tax effect of expenses that are not deductible in determining taxable profit	10,903	(2,567)
Adjustments in respect of prior years	-	(16,689)
Effect of overseas tax rates	1,484	(159)
Deferred tax	(75,585)	32,339
Depreciation and loss on disposal	140,711	144,245
Capital allowances	(127,063)	(58,167)
R&D tax adjustments	(97,500)	(123,500)
Taxation charge	1,620,696	618,265

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £	2020 £
Net deferred tax arising on:		
Revaluation of property / brand revaluations	-	7,177,117

#### Factors that may affect future tax charges:

Legislation introduced in the Finance Act 2020 (enacted 22 July 2020) repealed the proposed reduction of corporation tax from 19% to 17%, thereby maintaining the current rate of 19%

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

#### 10 Dividends

	2021 £	2020 £
Interim paid	579,678	515,000

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 11 Intangible fixed assets

Group	Goodwill £	Trademarks £	Total £
<b>Cost</b>			
At 1 July 2020	(534)	48,980,000	48,979,466
Additions		121,000	121,000
At 30 June 2021	(534)	49,101,000	49,100,466
<b>Amortisation and impairment</b>			
At 1 July 2020 and 30 June 2021	(534)	-	(534)
<b>Carrying amount</b>			
At 30 June 2021	-	49,101,000	49,101,000
At 30 June 2020	-	48,980,000	48,980,000

The company had no intangible fixed assets at 30 June 2021 or 30 June 2020.

No amortisation has been provided during the year. The brands were revalued by an independent valuer, BDO LLP in May 2021 to current market value. In the opinion of the directors the carrying amount of the asset remains equal to its recoverable amount.

An annual impairment review is carried out at each balance sheet date.

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 12 Tangible fixed assets

Group	Freehold property	Plant and fixtures, fittings machinery and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 July 2020	19,252,578	564,684	2,608,076	23,910,998
Additions	122,178	-	233,667	1,059,900
Disposals	-	-	(348,687)	(348,687)
At 30 June 2021	19,374,756	564,684	2,841,743	24,622,211
<b>Depreciation and impairment</b>				
At 1 July 2020	-	561,894	2,149,125	3,496,684
Depreciation charged in the year	386,480	2,790	123,890	776,341
Eliminated in respect of disposals	-	-	(210,129)	(210,129)
At 30 June 2021	386,480	564,684	2,273,015	4,062,896
<b>Carrying amount</b>				
At 30 June 2021	18,988,276	-	568,728	20,559,315
At 30 June 2020	19,252,578	2,790	458,951	20,414,314
<b>Company</b>		<b>Freehold property</b>	<b>Plant and machinery</b>	<b>Total</b>
		£	£	£
<b>Cost or valuation</b>				
At 1 July 2020 and 30 June 2021		5,695,000	120,000	5,815,000
<b>Depreciation and impairment</b>				
At 1 July 2020		-	120,000	120,000
Depreciation charged in the year		119,180	-	119,180
At 30 June 2021		119,180	120,000	239,180
<b>Carrying amount</b>				
At 30 June 2021		5,575,820	-	5,575,820
At 30 June 2020		5,695,000	-	5,695,000

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Fixtures, fittings and equipment	143,397	70,478	-	-
Motor vehicles	197,573	157,609	-	-
	<u>340,970</u>	<u>228,087</u>	<u>-</u>	<u>-</u>

Land and buildings with a carrying amount of £18.9m were revalued on 9 July 19 by Mark Weller MRICS of Lambert Smith Hampton, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

	Freehold land	
	2021 £	2020 £
<b>Group</b>		
Cost	9,161,000	9,161,000
Accumulated depreciation	(1,729,760)	(1,546,540)
Carrying value	<u>7,431,240</u>	<u>7,614,460</u>
<b>Company</b>		
Cost	4,400,000	4,400,000
Accumulated depreciation	(968,000)	(880,000)
Carrying value	<u>3,432,000</u>	<u>3,520,000</u>

#### 13 Investment property

	Group 2021 £	Company 2021 £
<b>Fair value</b>		
At 1 July 2020 and 30 June 2021	<u>-</u>	<u>192,578</u>

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 13 Investment property

(Continued)

Investment property comprises residential property. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

#### 14 Fixed asset investments

		Group 2021 £	2020 £	Company 2021 £	2020 £
	Notes				
Investments in subsidiaries	15	-	-	195,728	195,728

#### Movements in fixed asset investments

##### Company

Shares in  
subsidiaries  
£

##### Cost or valuation

At 1 July 2020 and 30 June 2021

195,728

##### Carrying amount

At 30 June 2021

195,728

At 30 June 2020

195,728

#### 15 Subsidiaries

Details of the company's subsidiaries at 30 June 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Clearco Specialists Limited	England and Wales	Ordinary	100.00
Connexions Logistics Limited	England and Wales	Ordinary	100.00
Powerforce Distribution Ireland Limited	Republic of Ireland	Ordinary	100.00
Powerforce Distribution Limited	England and Wales	Ordinary	100.00
Powerforce Homewares Limited	England and Wales	Ordinary	100.00
R K Wholesale Limited	England and Wales	Ordinary	100.00
Sourcing Partner Limited	England and Wales	Ordinary	80.00
Sutton Venture Group Property Limited	England and Wales	Ordinary	100.00
Andrew James (Homewares) Limited	England and Wales	Ordinary	100.00

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 16 Stocks

	2021	Group 2020	2021	Company 2020
	£	£	£	£
Goods for resale	15,413,762	9,812,924	-	-

#### 17 Debtors

	2021	Group 2020	2021	Company 2020
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	31,774,823	24,756,387	24,595	36,945
Corporation tax recoverable	210,608	194,639	-	-
Amounts due from subsidiary undertakings	-	-	9,245,320	9,177,565
Amounts due from fellow group undertakings	-	-	11,821	-
Other debtors	2,908,117	10,527,677	350,592	282,229
Prepayments and accrued income	2,833,990	793,208	135	135
	<u>37,727,538</u>	<u>36,271,911</u>	<u>9,632,463</u>	<u>9,496,874</u>

#### Amounts falling due after more than one year:

Deferred tax asset (note 22)	43,246	-	43,246	-
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#### Total debtors

	<u>37,770,784</u>	<u>36,271,911</u>	<u>9,675,709</u>	<u>9,496,874</u>
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#### 18 Creditors: amounts falling due within one year

		2021	Group 2020	2021	Company 2020
	Notes	£	£	£	£
Bank loans and overdrafts	20	15,078,659	9,323,052	400,000	400,000
Obligations under finance leases	21	99,713	86,379	-	-
Trade creditors		5,770,794	18,924,241	19,327	19,936
Amounts due to group undertakings		-	-	448	448
Corporation tax payable		2,363,058	893,790	228,625	227,984
Other taxation and social security		384,140	1,905,314	-	-
Other creditors		4,718,740	(8,561)	170	170
Accruals and deferred income		7,330,355	3,854,862	70,236	78,792
		<u>35,745,459</u>	<u>34,979,077</u>	<u>718,806</u>	<u>727,330</u>

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 19 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	20	6,300,000	6,700,000	6,300,000	6,700,000
Obligations under finance leases	21	149,062	15,680	-	-
Government grants	23	134,010	185,406	-	-
		<u>6,583,072</u>	<u>6,901,086</u>	<u>6,300,000</u>	<u>6,700,000</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets to which they relate.

#### 20 Loans and overdrafts

		Group		Company	
		2021	2020	2021	2020
		£	£	£	£
Bank loans		11,654,859	9,299,126	6,700,000	7,100,000
Bank overdrafts and invoice discounting		9,723,800	6,723,926	-	-
		<u>21,378,659</u>	<u>16,023,052</u>	<u>6,700,000</u>	<u>7,100,000</u>
Payable within one year		15,078,659	9,323,052	400,000	400,000
Payable after one year		<u>6,300,000</u>	<u>6,700,000</u>	<u>6,300,000</u>	<u>6,700,000</u>

Long term debt is in the form of a bank loan which is secured by a fixed charge over properties held at Stone Business Park, Berryhill Road, Fenton and Bute Street, Fenton.

The bank loan is a monthly repayment (capital and interest) instrument, maturing in January 2023. The interest rate is calculated at a percentage rate equal to 2.65% per annum above LIBOR.



# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 21 Finance lease obligations

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	99,713	86,379	-	-
In two to five years	149,062	15,680	-	-
	<u>248,775</u>	<u>102,059</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

#### 22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
<b>Group</b>				
Accelerated capital allowances	-	32,339	43,246	-
Deferred tax in relation to revalued intangible fixed assets	9,171,680	9,171,680	-	-
	<u>9,171,680</u>	<u>9,204,019</u>	<u>43,246</u>	<u>-</u>
	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
<b>Company</b>				
Accelerated capital allowances	-	32,339	43,246	-
	<u>-</u>	<u>32,339</u>	<u>43,246</u>	<u>-</u>
			Group 2021 £	Company 2021 £
<b>Movements in the year:</b>				
Liability at 1 July 2020			9,204,019	32,339
Credit to profit or loss			(75,585)	(75,585)
			<u>9,128,434</u>	<u>(43,246)</u>

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 22 Deferred taxation (Continued)

#### 23 Government grants

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Arising from government grants	134,010	185,406	-	-
	<u>134,010</u>	<u>185,406</u>	<u>-</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

Non-current liabilities	134,010	185,406	-	-
	<u>134,010</u>	<u>185,406</u>	<u>-</u>	<u>-</u>

#### 24 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	501,766	160,104
	<u>501,766</u>	<u>160,104</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 25 Share capital

Group and company	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	25,100	25,100	25,100	25,100
	<u>25,100</u>	<u>25,100</u>	<u>25,100</u>	<u>25,100</u>

Each class of ordinary shares carry full voting, dividend and capital distribution rights.

#### 26 Revaluation reserve

The revaluation reserve represents the excess of the fair value of assets over their book value.

#### 27 Profit and loss reserves

The retained earnings reserve holds the retained earnings of the Company, after the deduction of any dividends paid in the period.

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 28 Directors' transactions

Interest free loans have been granted by the group to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Director's loan	-	(553,145)	(612,523)	500,000	(665,668)
		<u>(553,145)</u>	<u>(612,523)</u>	<u>500,000</u>	<u>(665,668)</u>

#### 29 Controlling party

The ultimate controlling party is Mr R Sutton by virtue of his majority shareholding.

#### 30 Cash (absorbed by)/generated from group operations

	2021 £	2020 £
Profit for the year after tax	7,583,229	2,764,697
<b>Adjustments for:</b>		
Taxation charged	1,520,696	618,265
Finance costs	450,546	557,728
Investment income	-	(198)
(Gain)/loss on disposal of tangible fixed assets	(35,767)	4,709
Depreciation and impairment of tangible fixed assets	776,341	754,476
Increase in provisions	-	146,977
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(5,600,838)	1,599,539
Increase in debtors	(1,439,658)	(8,460,646)
(Decrease)/increase in creditors	(6,471,827)	2,765,755
Decrease in deferred income	(51,396)	(95,956)
<b>Cash (absorbed by)/generated from operations</b>	<u>(3,068,674)</u>	<u>655,346</u>

# SUTTON VENTURE GROUP LIMITED

## Notes to the financial statements (continued)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 31 Analysis of changes in net debt - group

	1 July 2020	Cash flows	New finance leases	30 June 2021
	£	£	£	£
Cash at bank and in hand	548,132	193,804	-	741,936
Bank overdrafts	(6,723,926)	(2,999,874)	-	(9,723,800)
	(6,175,794)	(2,806,070)	-	(8,981,864)
Borrowings excluding overdrafts	(9,299,126)	(2,355,733)	-	(11,654,859)
Obligations under finance leases	(102,059)	168,670	(315,386)	(248,775)
	(15,576,979)	(4,993,133)	(315,386)	(20,885,498)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.