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Company Registration No 4012032 (England and Wales)

POWERFORCE DISTRIBUTION LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2009

THURSDAY



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11/03/2010

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POWERFORCE DISTRIBUTION LIMITED

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POWERFORCE DISTRIBUTION LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2009

The director presents his report and financial statements for the year ended 30 June 2009

Principal activities and review of the business

The principal activity of the company continued to be that of small domestic appliances to the electrical retail market

The turnover for the company increased overall during the year. The inter group sales increased significantly as external sales decreased.

A lower profit level has resulted in the year due to the proportion of turnover of inter group sales to external customer sales.

A continuous review of all trading areas of the company is ongoing.

The director considers the company well placed to perform satisfactorily in the future.

Results and dividends

The results for the year are set out on page 4.

The director does not recommend payment of an ordinary dividend.

Director

The following director has held office since 1 July 2008:

R Sutton

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

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

POWERFORCE DISTRIBUTION LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2009

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

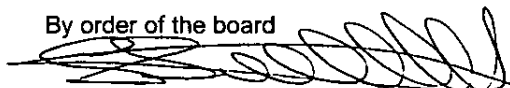
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



S Sutton
Secretary

090610

Date

POWERFORCE DISTRIBUTION LIMITED

INDEPENDENT AUDITORS' REPORT TO POWERFORCE DISTRIBUTION LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 12, together with the financial statements of Powerforce Distribution Limited for the year ended 30 June 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditors' report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

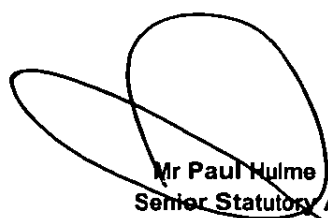
We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffordshire
ST5 0EZ

10/3/10



Mr Paul Hulme FCCA
Senior Statutory Auditor
For and on behalf of
DJH ACCOUNTANTS LIMITED

Chartered Certified Accountants
Registered Auditor

POWERFORCE DISTRIBUTION LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 £	2008 £
Turnover		12,333,540	11,436,057
Cost of sales		(11,762,096)	(10,742,676)
Gross profit		571,444	693,381
Administrative expenses		(876,095)	(959,025)
Operating loss	2	(304,651)	(265,644)
Other interest receivable and similar income		58	149
Interest payable and similar charges	4	(114,049)	(109,641)
Loss on ordinary activities before taxation		(418,642)	(375,136)
Tax on loss on ordinary activities	5	-	-
Loss for the year	10	(418,642)	(375,136)

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

There are no recognised gains and losses other than those passing through the profit and loss account

POWERFORCE DISTRIBUTION LIMITED

ABBREVIATED BALANCE SHEET

AS AT 30 JUNE 2009

	Notes	2009 £	2008 £
Current assets			
Stocks	6	4,562,445	2,886,131
Debtors	7	2,910,133	4,038,961
Cash at bank and in hand		21,184	27,734
		<u>7,493,762</u>	<u>6,952,826</u>
Creditors amounts falling due within one year	8	<u>(8,083,831)</u>	<u>(7,124,253)</u>
Total assets less current liabilities		<u>(590,069)</u>	<u>(171,427)</u>
Capital and reserves			
Called up share capital	9	90	90
Other reserves	10	10	10
Profit and loss account	10	(590,169)	(171,527)
Shareholders' funds	11	<u>(590,069)</u>	<u>(171,427)</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 09/03/10

R Sutton
Director

Company Registration No. 4012032

POWERFORCE DISTRIBUTION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	2009		2008	
	£	£	£	£
Net cash outflow from operating activities		(15,389)		(1,437,957)
Returns on investments and servicing of finance				
Interest received	58		149	
Interest paid	(114,049)		(109,641)	
Net cash outflow for returns on investments and servicing of finance		(113,991)		(109,492)
Net cash outflow before management of liquid resources and financing		(129,380)		(1,547,449)
Financing				
Purchase of own shares	-		(39,990)	
Net cash outflow from financing		-		(39,990)
Decrease in cash in the year		(129,380)		(1,587,439)

POWERFORCE DISTRIBUTION LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

1	Reconciliation of operating loss to net cash outflow from operating activities	2009	2008		
		£	£		
	Operating loss	(304,651)	(265,644)		
	Increase in stocks	(1,676,314)	(725,083)		
	Decrease/(increase) in debtors	1,128,828	(1,713,881)		
	Increase in creditors within one year	836,748	1,266,651		
	Net cash outflow from operating activities	<u>(15,389)</u>	<u>(1,437,957)</u>		
2	Analysis of net debt	1 July 2008	Cash flow	Other non-cash changes	30 June 2009
		£	£	£	£
	Net cash				
	Cash at bank and in hand	27,734	(6,550)	-	21,184
	Bank overdrafts	(2,334,285)	(122,830)	-	(2,457,115)
		<u>(2,306,551)</u>	<u>(129,380)</u>	<u>-</u>	<u>(2,435,931)</u>
	Bank deposits	-	-	-	-
	Net debt	<u>(2,306,551)</u>	<u>(129,380)</u>	<u>-</u>	<u>(2,435,931)</u>
3	Reconciliation of net cash flow to movement in net debt	2009	2008		
		£	£		
	Decrease in cash in the year	(129,380)	(1,587,439)		
	Movement in net debt in the year	(129,380)	(1,587,439)		
	Opening net debt	(2,306,551)	(719,112)		
	Closing net debt	<u>(2,435,931)</u>	<u>(2,306,551)</u>		

POWERFORCE DISTRIBUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company is reliant on financial support from its parent company, Sutton Venture Group Limited. Amounts outstanding at 30 June 2009 amounted to £1,784,060, in addition the company's bank overdraft is secured by a cross guarantee

The directors have prepared management accounts up to 31 December 2009 and budgets up to 30 June 2010. On the basis of this information, the directors consider it appropriate to prepare the financial statements on a going concern basis

1.2 Turnover

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

1.3 Stock

Stock is valued at the lower of cost and net realisable value

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Sutton Venture Group Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company

2 Operating loss	2009 £	2008 £
Operating loss is stated after charging		
Loss on foreign exchange transactions	9,796	-
Auditors' remuneration (including expenses and benefits in kind)	7,000	7,000
	<u> </u>	<u> </u>

3 Investment income	2009 £	2008 £
Bank interest	58	149
	<u> </u>	<u> </u>
	58	149
	<u> </u>	<u> </u>

POWERFORCE DISTRIBUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

4	Interest payable	2009	2008
		£	£
	On bank loans and overdrafts	114,049	109,641
		<u> </u>	<u> </u>
5	Taxation	2009	2008
	Current tax charge	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(418,642)	(375,136)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 - 21.00%)	(87,915)	(78,779)
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	-	(21)
	Tax losses utilised	87,915	78,800
		<u> </u>	<u> </u>
		87,915	78,779
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>
6	Stocks	2009	2008
		£	£
	Finished goods and goods for resale	4,562,445	2,886,131
		<u> </u>	<u> </u>
7	Debtors	2009	2008
		£	£
	Trade debtors	2,337,503	3,918,837
	Amounts owed by parent and fellow subsidiary undertakings	10	10
	Corporation tax	4	4
	Other debtors	544,653	84,446
	Prepayments and accrued income	27,963	35,664
		<u> </u>	<u> </u>
		2,910,133	4,038,961
		<u> </u>	<u> </u>

POWERFORCE DISTRIBUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

8 Creditors amounts falling due within one year	2009 £	2008 £
Bank loans and overdrafts	2,457,115	2,334,285
Trade creditors	5,381,836	4,638,103
Taxes and social security costs	14,028	12,566
Other creditors	21,596	21,731
Accruals and deferred income	209,256	117,568
	<u>8,083,831</u>	<u>7,124,253</u>

The bank overdraft is secured by a fixed and floating charge over all the assets of the company. There is also an inter company composite guarantee in place for an unlimited amount dated 13 August 2003 between Powerforce Distribution Limited, R K Wholesale Limited and Sutton Venture Group Limited.

9 Share capital	2009 £	2008 £
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
90 Ordinary shares of £1 each	<u>90</u>	<u>90</u>

10 Statement of movements on reserves	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2008	10	(171,527)
Loss for the year	-	(418,642)
Balance at 30 June 2009	<u>10</u>	<u>(590,169)</u>
Other reserves		
Capital redemption reserve		
Balance at 1 July 2008 & at 30 June 2009	<u>10</u>	

POWERFORCE DISTRIBUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

11 Reconciliation of movements in shareholders' funds	2009 £	2008 £
Loss for the financial year	(418,642)	(375,136)
Movements on other reserves	-	(39,980)
Net depletion in shareholders' funds	(418,642)	(415,116)
Opening shareholders' funds	(171,427)	243,689
Closing shareholders' funds	(590,069)	(171,427)

12 Director's emoluments	2009 £	2008 £
Compensation for loss of office	-	5,451

13 Employees

Number of employees

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

	2009 Number	2008 Number
Management and administration	22	13
Sales	1	1
Warehouse and drivers	7	6
	30	20

Employment costs

	2009 £	2008 £
Wages and salaries	615,428	526,605
Social security costs	6,363	4,977
	621,791	531,582

14 Ultimate parent company

Sutton Venture Group Limited, a company incorporated in England and Wales, is considered to be the ultimate parent company

POWERFORCE DISTRIBUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

15 Related party transactions

The following are considered to be related parties as defined by FRS 8 due to them being members of the Sutton Venture Group

Powerforce Homewares Limited
Connexions Logistics Limited
R K Wholesale Limited
Sutton Venture Group Limited

The company has taken advantage under Financial reporting Standard Number 8 from the requirement to disclose transaction with group companies on the grounds that the consolidated financial statements are prepared by the ultimate parent company