

Registration number SC208421

Dee Set Logistics Limited

Abbreviated accounts

for the year ended 31st December 2007

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Dee Set Logistics Limited

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Dee Set Logistics Limited

Directors' report for the year ended 31st December 2007

The directors present their report and the accounts for the year ended 31st December 2007

Principal activity and review of the business

The principal activity of the company is the distribution of third party product to major multiple retailers

The Dee Set Group provides integrated Fulfilment, Distribution and in store Merchandising services. Distribution and Merchandising services are transacted through Dee Set Logistics Limited. Fulfilment services that involve the supply of product for resale (consolidated stock management, order processing, pick and pack activities), are provided through Dee Set Confectionery Limited.

The business consistently provides exceptional service performance and economies in supply factors that were central to the growth achieved in 2007

- * Turnover increased in 2007 by £4.7M to £12.9M
- * Gross Profits increased by £2.1M, to £4.7M
- * Operating Profits for 2007 were £1.3M, an increase of £0.8M on prior year
- * The trading contributed to an £0.8M increase in Net Assets reported at £2.0M

The business suffered a major fire in late September 2007 resulting in the total loss of a freehold property. Contingency plans proved to be robust and trading results were largely unaffected. The business insurances proved to be adequate. The December 2007 balance sheet reflects the 'disposal' of the freehold property and respective insurance proceeds (received in February 2008). The year end cash balances were adversely impacted with funds tied up in claims for lost Stock, Business Interruption/Increased Cost of Work and Contents. The insurers proceeds for which were all received at the date of filing.

The Directors are pleased with the progress achieved through 2007 and remain confident that their plans for continued development will improve the profitability of the business and Group as a whole.

Results and dividends

The results for the year are set out on page 5-6

The directors do not recommend payment of a final dividend

Directors

The directors who served during the year are as stated below

Ian Andrews
Walter Latham
Eamonn Byrnes
Stephen Hinchliffe
Simon Machin

Dee Set Logistics Limited

Directors' report for the year ended 31st December 2007

continued

None of the directors held any beneficial interest in the shares of the company. The directors are also directors of the holding company and their interests in the share capital of that company are disclosed in its financial statements. Further to this the majority shareholder of the holding company, is a trust whose key beneficiary is Ian Andrews.

Charitable and political contributions

During the year the company contributed £696 to charities.

Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hardings be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

This report was approved by the Board on 1st September 2008 and signed on its behalf by



Walter Latham
Secretary

**Independent auditors' report to Dee Set Logistics Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 5 to 19 together with the financial statements of Dee Set Logistics Limited for the year ended 31st December 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

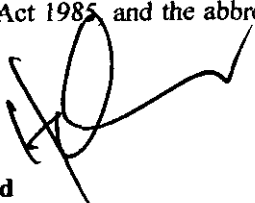
Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 246A(3) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with that provision.

**Hardings
Chartered Accountants and
Registered auditors**



**6 Marsh Parade
Newcastle-under-Lyme
Staffordshire**

1st September 2008

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Dee Set Logistics Limited

Abbreviated profit and loss account for the year ended 31st December 2007

		Continuing operations	
		2007	2006
	Notes	£	£
Gross profit		4,707,190	2,567,162
Administrative expenses		(3,398,376)	(2,070,584)
Operating profit	2	<u>1,308,814</u>	<u>496,578</u>
Other interest receivable and similar income	3	133	
Interest payable and similar charges	4	<u>(565,166)</u>	<u>(368,444)</u>
Profit on ordinary activities before taxation		743,781	128,134
Tax on profit on ordinary activities	7	<u>(16,229)</u>	<u>(14,300)</u>
Profit for the year	17	<u>727,552</u>	<u>113,834</u>
Retained profit brought forward		262,147	148,313
Reserve Movements		<u>184,000</u>	
Retained profit carried forward		<u><u>1,173,699</u></u>	<u><u>262,147</u></u>
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		727,552	113,834
Unrealised movement on revaluation of property			<u>255,000</u>
Total recognised gains since last annual report		<u><u>727,552</u></u>	<u><u>368,834</u></u>

Note of historical cost profits and losses

Profit on ordinary

The notes on pages 9 to 19 form an integral part of these financial statements.

Dee Set Logistics Limited

activities before taxation	743,781	128,134
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>(12,309)</u>	<u>(5,399)</u>
Historical cost profit on ordinary activities before taxation	<u>731,472</u>	<u>122,735</u>
Historic cost profit for the year retained after taxation and dividends	<u>715,243</u>	<u>108,435</u>

The notes on pages 9 to 19 form an integral part of these financial statements.

Dee Set Logistics Limited

**Abbreviated balance sheet
as at 31st December 2007**

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		2,773,382		3,988,769
Current assets					
Stocks	9	11,641		11,641	
Debtors	10	5,767,208		2,789,010	
Cash at bank and in hand		113,300		11,427	
		<u>5,892,149</u>		<u>2,812,078</u>	
Creditors: amounts falling due within one year	11	<u>(5,488,210)</u>		<u>(3,216,168)</u>	
Net current assets/(liabilities)			<u>403,939</u>		<u>(404,090)</u>
Total assets less current liabilities			3,177,321		3,584,679
Creditors: amounts falling due after more than one year	12		(1,057,582)		(2,183,443)
Provisions for liabilities	13		(14,392)		(14,477)
Accruals and deferred income	14		<u>(154,096)</u>		<u>(163,060)</u>
Net assets			<u>1,951,251</u>		<u>1,223,699</u>
Capital and reserves					
Called up share capital	16		90,000		90,000
Revaluation reserve	17		687,552		871,552
Profit and loss account	17		<u>1,173,699</u>		<u>262,147</u>
Shareholders' funds	18		<u>1,951,251</u>		<u>1,223,699</u>

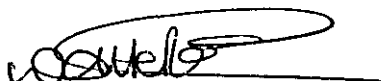
The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies companies

The abbreviated accounts were approved by the Board on 1st September 2008 and signed on its behalf by

Ian Andrews
Director



Walter Latham
Director



Simon Machin
Director



The notes on pages 9 to 19 form an integral part of these financial statements.

Dee Set Logistics Limited

**Cash flow statement
for the year ended 31st December 2007**

	Notes	2007 £	2006 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		1,308,814	496,578
Depreciation		(73,410)	597,596
(Increase) in stocks			5,695
(Increase) in debtors		(2,978,151)	(55,591)
Increase in creditors		1,003,021	486,149
Government grant released		(8,964)	(8,964)
Net cash outflow from operating activities		<u>(748,690)</u>	<u>1,521,463</u>
Cash flow statement			
Net cash outflow from operating activities		(748,690)	1,521,463
Returns on investments and servicing of finance	22	(549,638)	(368,444)
Taxation	22	(14,098)	
Capital expenditure	22	1,453,998	(83,089)
		141,572	1,069,930
Financing	22	(1,157,813)	(974,120)
Decrease in cash in the year		<u>(1,016,241)</u>	<u>95,810</u>
Reconciliation of net cash flow to movement in net debt (Note 23)			
Decrease in cash in the year		(1,016,241)	95,810
Cash inflow from increase in debts and lease financing		1,157,813	974,120
Change in net funds resulting from cash flows		141,572	1,069,930
New finance leases and hire purchase contracts		(165,200)	(410,000)
Movement in net debt in the year		(23,628)	659,930
Net debt at 1st January 2007		(3,980,453)	(4,640,383)
Net debt at 31st December 2007		<u>(4,004,081)</u>	<u>(3,980,453)</u>

Dee Set Logistics Limited

**Notes to the abbreviated financial statements
for the year ended 31st December 2007**

continued

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows

Land and buildings	Straight line over 50 years
Motor vehicles	Straight line over the life of the lease
Computer equipment	25% on cost
Fixtures, fittings and equipment	25% on Net Book Value

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

1.5. Stock

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

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

Dee Set Logistics Limited

Notes to the abbreviated financial statements for the year ended 31st December 2007

1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.8. Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2. Operating profit	2007 £	2006 £
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	636,080	597,596
Operating lease rentals		
Motor vehicles	169,344	170,588
Auditors' remuneration	28,500	7,500
	<u> </u>	<u> </u>
and after crediting		
Profit on disposal of tangible fixed assets	709,490	
Government grants	8,964	8,964
	<u> </u>	<u> </u>
3. Interest receivable and similar income	2007 £	2006 £
Bank interest	133	
	<u> </u>	<u> </u>

Dee Set Logistics Limited

**Notes to the abbreviated financial statements
for the year ended 31st December 2007**

continued

4. Interest payable and similar charges	2007	2006
	£	£
Interest payable on loans < 1 yr	165,079	58,132
On loans repayable between one and two years	66,450	
On loans repayable in five years or more		23,046
Lease finance charges and hire purchase interest	221,503	211,467
Factoring interest	112,015	75,255
On overdue tax	119	544
	<u>565,166</u>	<u>368,444</u>
5. Employees		
Number of employees	2007	2006
The average monthly numbers of employees (including the directors) during the year were	566	256
	<u> </u>	<u> </u>
Employment costs	2007	2006
	£	£
Wages and salaries	6,695,265	3,460,075
Social security costs	476,309	326,403
Pension costs-other operating charge	35,730	21,630
	<u>7,207,304</u>	<u>3,808,108</u>
5.1. Directors' emoluments	2007	2006
	£	£
Remuneration and other emoluments	299,993	96,436
Pension contributions	32,536	21,630
	<u>332,529</u>	<u>118,066</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	4	3
	<u> </u>	<u> </u>
Highest paid director	£	£
Amounts included above		
Emoluments and other benefits	93,397	77,730
Pension contributions	12,442	10,354
	<u>105,839</u>	<u>88,084</u>

Dee Set Logistics Limited

Notes to the abbreviated financial statements for the year ended 31st December 2007

continued

6. Pension costs

The company operates a money purchase pension scheme

The pension costs charged in the financial statements represent the contribution payable by the company during the year and amounted to £35,730 (2006 £21,630)

7. Tax on profit on ordinary activities

Analysis of charge in period	2007 £	2006 £
Current tax		
UK corporation tax	16,314	14,097
Total current tax charge	<u>16,314</u>	<u>14,097</u>
Deferred tax		
Timing differences, origination and reversal	(85)	203
Total deferred tax	<u>(85)</u>	<u>203</u>
Tax on profit on ordinary activities	<u>16,229</u>	<u>14,300</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (20 per cent) The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>743,781</u>	<u>128,134</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (31st December 2006 19%)	146,897	24,345
Effects of:		
Expenses not deductible for tax purposes	2,057	1,482
Capital allowances for period in excess of depreciation	(38,363)	97,625
Utilisation of tax losses		(22,781)
Finance lease capital repayments	(94,277)	(86,574)
Current tax charge for period	<u>16,314</u>	<u>14,097</u>

Dee Set Logistics Limited

**Notes to the abbreviated financial statements
for the year ended 31st December 2007**

. continued

8. Tangible fixed assets	Land and buildings freehold £	Motor vehicles £	Computer equipment £	Fixtures, fittings and equipment £	Investment property £	Total £
Cost/revaluation						
At 1st January 2007	2,583,646	1,778,187	485,629	104,906	84,500	5,036,868
Additions	124,231	165,200	126,309	45,462		461,202
Disposals	(1,087,177)	(170,562)				(1,257,739)
At 31st December 2007	<u>1,620,700</u>	<u>1,772,825</u>	<u>611,938</u>	<u>150,368</u>	<u>84,500</u>	<u>4,240,331</u>
Depreciation						
At 1st January 2007	76,730	650,856	260,388	58,998	1,127	1,048,099
Elimination on disposals	(46,667)	(170,562)				(217,229)
Charge for the year	30,336	477,356	114,045	14,342		636,079
At 31st December 2007	<u>60,399</u>	<u>957,650</u>	<u>374,433</u>	<u>73,340</u>	<u>1,127</u>	<u>1,466,949</u>
Net book values						
At 31st December 2007	<u>1,560,301</u>	<u>815,175</u>	<u>237,505</u>	<u>77,028</u>	<u>83,373</u>	<u>2,773,382</u>
At 31st December 2006	<u>2,506,916</u>	<u>1,127,331</u>	<u>225,241</u>	<u>45,908</u>	<u>83,373</u>	<u>3,988,769</u>

The Land at Florida Close and Land/Buildings at Milburn Road were revalued as at 31st December 2006 at a value of £1,450,000. The revaluation was carried out by an independent surveyor, Louis Taylor, on 31 December 2006.

Included above are assets held under finance leases or hire purchase contracts as follows

Asset description	2007		2006	
	Net	Depreciation	Net	Depreciation
	book value £	charge £	book value £	charge £
Motor vehicles	<u>815,175</u>	<u>477,356</u>	<u>1,127,331</u>	<u>454,187</u>

Tangible fixed assets included at a valuation would have been included on a historical cost basis at

	2007 £	2006 £
Cost	1,671,627	1,671,627
Depreciation	<u>87,115</u>	<u>69,968</u>
Net book value	<u>1,584,512</u>	<u>1,601,659</u>

Dee Set Logistics Limited

**Notes to the abbreviated financial statements
for the year ended 31st December 2007**

continued

9. Stocks	2007	2006
	£	£
Fuel	<u>11,641</u>	<u>11,641</u>
10. Debtors	2007	2006
	£	£
Trade debtors	3,465,851	2,560,102
Amount owed by connected companies	65,568	153,979
Other debtors	1,805,506	4,579
Prepayments and accrued income	430,283	70,350
	<u>5,767,208</u>	<u>2,789,010</u>
11. Creditors: amounts falling due within one year	2007	2006
	£	£
Bank loan short term	951,650	125,076
Net obligations under finance leases and hire purchase contracts	414,176	443,018
Trade creditors	728,766	770,372
Invoice Discounting	1,648,416	1,089,359
Amounts owed to connected companies	10,000	10,000
Corporation tax	16,314	14,050
Other taxes and social security costs	838,816	204,017
Directors' accounts	45,557	150,984
Other creditors	71,008	759
Accruals and deferred income	763,507	408,533
	<u>5,488,210</u>	<u>3,216,168</u>

Dee Set Logistics Limited

**Notes to the abbreviated financial statements
for the year ended 31st December 2007**

continued

12. Creditors: amounts falling due after more than one year	2007 £	2006 £
Bank loan		853,760
Directors loan account	650,000	650,000
Net obligations under finance leases and hire purchase contracts	407,582	679,683
	<u>1,057,582</u>	<u>2,183,443</u>
Loans		
Repayable in one year or less, or on demand (Note 11)	951,650	125,076
Repayable between one and two years	650,000	778,124
Repayable between two and five years		384,372
Repayable in five years or more		341,264
	<u>1,601,650</u>	<u>1,628,836</u>
Repayable in five years or more		
Bank loan		341,264
		<u>341,264</u>
<u>Securities</u>		
All sums due are secured by a bond and floating charge over the whole assets of the company, registered 27/02/01		
Legal charge by Dee Set Logistics Ltd over Milburn Road, Cobridge for all sums registered 09/01/2003		
Letter of guarantee by Ian Andrews for £150,000 dated 21/03/2003		
Cross guarantee for all sums, between Dee Set Logistics Ltd, Dee Set Confectionery Ltd and Retail Solutions (Holdings) Ltd, granted 14/10/2003 for Dee Set Logistics Ltd		
Legal charge by Dee Set Logistics Ltd over Florida Close, Hot Lane Industrial Estate, Stoke on Trent, for all sums dated 29/04/2005, registered 03/06/2005		
Debenture by Dee Set Logistics Ltd, for all sums due over whole assets of company, dated 06/05/2005, registered 01/06/2005		
Letter of postponement by Dee Set Logistics Ltd between BOS and Ian Andrews re loan injection from Ian Andrews to the St Andrews Group, dated 29/04/2005		
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	(597,832)	(659,493)

Dee Set Logistics Limited

**Notes to the abbreviated financial statements
for the year ended 31st December 2007**

continued

Repayable between one and five years	(599,172)	(1,048,414)
	<u>(1,197,004)</u>	<u>(1,707,907)</u>
Finance charges and interest allocated to future accounting periods	375,246	585,206
	<u>(821,758)</u>	<u>(1,122,701)</u>

13. Provisions for liabilities

	Deferred taxation (Note 15) £	Total £
At 1st January 2007	14,477	14,477
Movements in the year	85	85
At 31st December 2007	<u>14,392</u>	<u>14,392</u>

14. Accruals and deferred income

	2007 £	2006 £
Government grants		
At 1st January 2007	163,060	172,024
Released in year	<u>(8,964)</u>	<u>(8,964)</u>
At 31st December 2007	<u>154,096</u>	<u>163,060</u>

Dee Set Logistics Limited

**Notes to the abbreviated financial statements
for the year ended 31st December 2007**

continued

15. Provision for deferred taxation	2007	2006
	£	£
Accelerated capital allowances	14,392	14,477
Provision for deferred tax	<u>14,392</u>	<u>14,477</u>
Provision at 1st January 2007	14,477	
Deferred tax credit in profit and loss account	(85)	
Provision at 31st December 2007	<u>14,392</u>	
 16. Share capital	 2007	 2006
	£	£
Authorised equity		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
Allotted, called up and fully paid equity		
90,000 Ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>
 17. Equity Reserves	 Revaluation reserve	 Profit and loss account
	£	£
At 1st January 2007	871,552	262,147
Transfer of realised profit	(184,000)	184,000
Profit for the year		<u>727,552</u>
At 31st December 2007	<u>687,552</u>	<u>1,173,699</u>
		Total
		£
		1,133,699
		727,552
		<u>1,861,251</u>
 18. Reconciliation of movements in shareholders' funds	 2007	 2006
	£	£
Profit for the year	727,552	113,834
Other recognised gains or losses		<u>255,000</u>
Net addition to shareholders' funds	727,552	368,834
Opening shareholders' funds	<u>1,223,699</u>	<u>854,865</u>
Closing shareholders' funds	<u>1,951,251</u>	<u>1,223,699</u>

Dee Set Logistics Limited

Notes to the abbreviated financial statements for the year ended 31st December 2007

continued

19. Financial commitments

At 31st December 2007 the company had annual commitments under non cancellable operating leases as follows

	2007	Other 2006
	£	£
Expiry date:		
Within one year	107,912	64,728
Between one and five years	127,478	76,082
	<u>235,390</u>	<u>140,810</u>

20. Related party transactions

The ultimate parent undertaking of Dee Set Logistics Limited is Retail Solutions (Holdings) Limited Full information about the ultimate parent undertaking is given in the following note

Dee Set Logistics Limited is an associated company of Dee Set Confectionery Limited and of Dee Set Merchandising Limited

During the year expenses recharged to Dee Set Confectionry Limited amounted to £691,048 (2006 £683,296)

Sales to Dee Set Confectionery Limited for the year totalled £239,861 (2006 £467,461), and purchases from Dee Set Confectionery Limited for the year totalled £15984

As at 31st December 2007 the inter-company debtor balance owed by Dee Set Logistics Limited to Dee Set Confectionery Limited amounted to £24,186 (2006 £115,148) and the inter company debtor balance owed to Dee Set Logistics Limited by Dee Set Merchandising Limited amounted to £41,381 (2006 £38,831)

As at 31st December 2007 Dee Set Logistics Limited owed £10,000 to Retail Solutions (Holdings) Limited (2006 £10,000)

21. Ultimate parent undertaking

The ultimate parent undertaking of Dee Set Logistics Limited is Retail Solutions (Holdings) Limited who control 100% of the shares of the company effective from 1 February 2005 The Housego Richards Trust are the majority shareholder which controls 61% (2006 71%) of the shares of the holding company, thereby being the ultimate controlling party of the company The key beneficiary of the trust is the director Ian Andrews

Dee Set Logistics Limited

**Notes to the abbreviated financial statements
for the year ended 31st December 2007**

continued

22. Gross cash flows

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	133	
Interest paid	(328,268)	(156,977)
Interest element of finance lease rental payments	(221,503)	(211,467)
	<u>(549,638)</u>	<u>(368,444)</u>
Taxation		
Corporation tax paid	<u>(14,098)</u>	
Capital expenditure		
Payments to acquire tangible assets	(296,002)	(83,089)
Receipts from sales of tangible assets	1,750,000	
	<u>1,453,998</u>	<u>(83,089)</u>
Financing		
New long term bank loan	351,126	
Repayment of long term bank loan	(230,205)	(117,361)
Repayment of directors loan	(105,427)	(223,078)
Repayment of short term bank loan	(148,107)	(150,000)
Invoice discounting (repayments)	(559,057)	(28,029)
Capital element of finance lease contracts	(466,143)	(455,652)
	<u>(1,157,813)</u>	<u>(974,120)</u>

23. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	11,427	101,873		113,300
Invoice Discounting	(1,089,359)	(559,057)		(1,648,416)
Debt due within one year	(276,060)	483,739	(1,204,886)	(997,207)
Debt due after one year	(1,503,760)	(351,126)	1,204,886	(650,000)
Finance leases and hire purchase contracts	(1,122,701)	466,143	(165,200)	(821,758)
	<u>(3,991,880)</u>	<u>39,699</u>	<u>(165,200)</u>	<u>(4,117,381)</u>
Net funds	<u>(3,980,453)</u>	<u>141,572</u>	<u>(165,200)</u>	<u>(4,004,081)</u>