

**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31st December 2015**
for
Dee Set Logistics Limited



**Contents of the Financial Statements
for the Year Ended 31st December 2015**

	Page
Company Information	1
Strategic Report	2
Directors' Report	4
Report of the Independent Auditors	6
Income Statement	7
Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Financial Statements	12
Reconciliation of Equity	25
Reconciliation of Profit	27

Dee Set Logistics Limited

**Company Information
for the Year Ended 31st December 2015**

Directors:

I D Andrews
S J Machin
G A Phillips

Secretary:

D M Bufton

Registered office:

Collins House
Rutland Square
Edinburgh
Midlothian
EH1 2AA

Registered number:

SC208421 (Scotland)

Auditors:

Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

**Strategic Report
for the Year Ended 31st December 2015**

The directors present their strategic report for the year ended 31st December 2015.

Review of business

Dee Set Logistics Limited is a wholly owned subsidiary of Retail Solutions (Holdings) Limited. The group's aim is to provide services that add value to both retailers and their suppliers - through efficient and simplified end-to-end processes designed to improve in-store product availability and thereby maximise sales opportunities.

The principal activities of the Company, Dee Set Logistics Limited, involve the provision of Distribution and in-store Merchandising services. Warehouse fulfilment activities are transacted through Dee Set Confectionery Limited (the supply of product for resale involving procurement, stock management, order processing, and pick and pack operations).

The Company's delivery fleet distributes 3.5 million store consignments annually into the retailer networks (both product for resale and store merchandising materials).

The field Merchandising team now numbers 3,100 employees whose activities surround product order preparation & processing, receipt & shelf replenishment/presentation, tactical merchandising, store audit, and store re-fit services. Whilst historically the focus was in support of the Health & Beauty and Impulse sectors, the field team now includes specialist teams dedicated to Store Re-fit & Development, and Clothing merchandising.

The Company's turnover fell by £2m, 4% in 2015 to £40,492,032 (2014: £42,421,391). The fall in revenue principally reflected the exit from an unprofitable store re-fit contract.

Gross profits increased to £13,805,883, 34% (2014: £13,608,325, 32%). Profit before interest and taxation was reported at £1,922,265.

Cash inflow from operating activities was £4,509,347 for the year (2014: £730,418).

The Company's 2015 results were encouraging given the challenging retail environment and mindful of the underlying increases in employment costs.

Outlook

The overall group strategy is built upon a belief that it adds value through consolidated supply solutions benefiting both retailers and their originating suppliers. The company continues to invest in its infrastructure to secure further profitable expansion and the Directors remain pleased with the progress achieved.

Of note, the company's commitment in recent years to drive the use of latest technologies has created a point of difference. Platforms are in place to facilitate for example field communications, work allocation and briefing, product ordering & replenishment, stock checking, audit and tactical merchandising. The investments are aligned to the company's strategies and have ensured the business is very well placed to support further new business in 2016.

The Board remains confident about the future pipeline of activity and the business' growth strategy.

Financial risk management

The directors ensure that the company's liquidity is maintained by entering into both short and long term financial instruments to support operational and other funding requirements. The directors consider that company has limited exposure to all aspects of financial risk.

**Strategic Report
for the Year Ended 31st December 2015**

Employment policy

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole.

On behalf of the board:

A handwritten signature in black ink, appearing to be 'S J Machin', written in a cursive style.

S J Machin - Director

1st June 2016

**Directors' Report
for the Year Ended 31st December 2015**

The directors present their report with the financial statements of the company for the year ended 31st December 2015.

Dividends

Information relating to dividends paid is given in the notes to the financial statements.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors holding office during the year were as follows:

I D Andrews	
S J Machin	
S Hinchliffe	Resigned 31st December 2015
E P Byrnes	Resigned 9th April 2015
G A Phillips	
S C Robinson	Resigned 31st March 2015

Disclosure in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

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

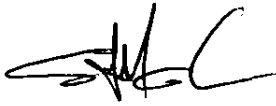
Dee Set Logistics Limited (Registered number: SC208421)

**Directors' Report
for the Year Ended 31st December 2015**

Auditors

The auditors, Hardings, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

A handwritten signature in black ink, appearing to be 'S J Machin', written in a cursive style.

S J Machin - Director

1st June 2016

**Report of the Independent Auditors to the Members of
Dee Set Logistics Limited**

We have audited the financial statements of Dee Set Logistics Limited for the year ended 31st December 2015 on pages seven to twenty seven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2015 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Timothy McNeal FCA (Senior Statutory Auditor)
for and on behalf of Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

1st June 2016

Dee Set Logistics Limited (Registered number: SC208421)

**Income Statement
for the Year Ended 31st December 2015**

	Notes	31/12/15 £	31/12/14 £
Turnover	2	40,492,032	42,421,391
Cost of sales		26,686,149	28,813,066
Gross profit		13,805,883	13,608,325
Administrative expenses		11,987,171	11,671,802
		1,818,712	1,936,523
Other operating income	3	103,553	154,348
Operating profit	6	1,922,265	2,090,871
Interest payable and similar charges	7	221,861	257,847
Profit on ordinary activities before taxation		1,700,404	1,833,024
Tax on profit on ordinary activities	8	157,253	395,963
Profit for the financial year		1,543,151	1,437,061

The notes form part of these financial statements

Dee Set Logistics Limited (Registered number: SC208421)

**Other Comprehensive Income
for the Year Ended 31st December 2015**

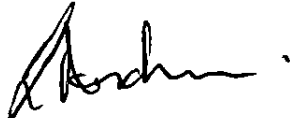
	Notes	31/12/15 £	31/12/14 £
Profit for the year		1,543,151	1,437,061
Other comprehensive income		-	-
Total comprehensive income for the year		<u>1,543,151</u>	<u>1,437,061</u>

The notes form part of these financial statements

Balance Sheet
31st December 2015

	Notes	31/12/15		31/12/14	
		£	£	£	£
Fixed assets					
Intangible assets	10		-		-
Tangible assets	11		1,254,944		5,999,718
Investments	12		209,105		209,105
Investment property	13		-		-
			<u>1,464,049</u>		<u>6,208,823</u>
Current assets					
Stocks	14	258,872		530,125	
Debtors	15	13,705,751		9,751,692	
Cash at bank and in hand		692,876		229,944	
		<u>14,657,499</u>		<u>10,511,761</u>	
Creditors					
Amounts falling due within one year	16	10,488,981		11,146,984	
Net current assets/(liabilities)			<u>4,168,518</u>		<u>(635,223)</u>
Total assets less current liabilities			<u>5,632,567</u>		<u>5,573,600</u>
Creditors					
Amounts falling due after more than one year	17		(781,069)		(1,200,000)
Provisions for liabilities	20		(86,043)		(194,072)
Accruals and deferred income	21		(82,384)		(91,348)
Net assets			<u><u>4,683,071</u></u>		<u><u>4,088,180</u></u>
Capital and reserves					
Called up share capital	22		90,000		90,000
Revaluation reserve	23		-		166,798
Retained earnings	23		4,593,071		3,831,382
Shareholders' funds	28		<u><u>4,683,071</u></u>		<u><u>4,088,180</u></u>

The financial statements were approved by the Board of Directors on 1st June 2016 and were signed on its behalf by:



I D Andrews - Director



S J Machin - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 31st December 2015**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1st January 2014	90,000	4,090,731	166,798	4,347,529
Changes in equity				
Dividends	-	(1,696,410)	-	(1,696,410)
Total comprehensive income	-	1,437,061	-	1,437,061
Balance at 31st December 2014	<u>90,000</u>	<u>3,831,382</u>	<u>166,798</u>	<u>4,088,180</u>
Changes in equity				
Dividends	-	(948,260)	-	(948,260)
Total comprehensive income	-	1,709,949	(166,798)	1,543,151
Balance at 31st December 2015	<u>90,000</u>	<u>4,593,071</u>	<u>-</u>	<u>4,683,071</u>

**Cash Flow Statement
for the Year Ended 31st December 2015**

	Notes	31/12/15 £	31/12/14 £
Cash flows from operating activities			
Cash generated from operations	29	5,056,481	1,452,720
Interest paid		(191,788)	(162,517)
Interest element of hire purchase and finance lease rental payments paid		(30,073)	(86,767)
Tax paid		(325,273)	(473,018)
Net cash from operating activities		4,509,347	730,418
Cash flows from investing activities			
Purchase of tangible fixed assets		(512,509)	(400,538)
Sale of tangible fixed assets		-	10,344
Net cash from investing activities		(512,509)	(390,194)
Cash flows from financing activities			
Loan repayments in year		(300,000)	(375,000)
Finance lease capital repayments in year		(215,259)	(255,206)
Movement on directors' loan accounts		52,292	(98,767)
Invoice discounting		(2,122,679)	1,652,887
Equity dividends paid		(948,260)	(1,696,410)
Net cash from financing activities		(3,533,906)	(772,496)
Increase/(decrease) in cash and cash equivalents		462,932	(432,272)
Cash and cash equivalents at beginning of year	30	229,944	662,216
Cash and cash equivalents at end of year	30	692,876	229,944

**Notes to the Financial Statements
for the Year Ended 31st December 2015**

1. Accounting policies

Basis of preparing the financial statements

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

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Turnover

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

Revenue is recognised when substantially all of the risks and rewards of ownership have passed to the customer.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - Straight line over 2 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- Buildings straight line over 50 years
Plant and machinery	- 20% on cost
Fixtures, fittings and equipment	- 25% on cost
Motor vehicles	- 25% on reducing balance and 20% on reducing balance
Computer equipment	- 25% on cost

All fixed assets are initially recorded at cost.

Investment property

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

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

1. Accounting policies - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. Turnover

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by geographical market is given below:

	31/12/15	31/12/14
	£	£
United Kingdom	40,156,024	42,275,175
Europe	336,008	146,216
	<u>40,492,032</u>	<u>42,421,391</u>

3. Other operating income

	31/12/15	31/12/14
	£	£
Rents received	94,589	145,384
Government grants	8,964	8,964
	<u>103,553</u>	<u>154,348</u>

4. Staff costs

	31/12/15	31/12/14
	£	£
Wages and salaries	26,475,319	27,026,036
Social security costs	1,336,086	1,401,198
Other pension costs	146,052	134,729
	<u>27,957,457</u>	<u>28,561,963</u>

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

	31/12/15	31/12/14
Staff (including directors)	<u>3,362</u>	<u>3,303</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

5. Directors' emoluments

	31/12/15	31/12/14
	£	£
Directors' remuneration	557,264	690,068
Directors' pension contributions to money purchase schemes	48,858	32,762

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

	31/12/15	31/12/14
Money purchase schemes	3	3

Information regarding the highest paid director is as follows:

	31/12/15	31/12/14
	£	£
Emoluments etc	166,114	164,707
Pension contributions to money purchase schemes	-	4,111

6. Operating profit

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

	31/12/15	31/12/14
	£	£
Depreciation - owned assets	202,084	296,432
Depreciation - assets on hire purchase contracts and finance leases	138,686	253,976
Profit on disposal of fixed assets	-	(10,344)
Auditors' remuneration	15,500	15,500
Other non-audit services	83,560	66,349
Operating lease costs - land and buildings	240,016	126,094
Operating lease costs - motor vehicles	737,295	433,810

7. Interest payable and similar charges

	31/12/15	31/12/14
	£	£
Bank loan interest	67,115	84,163
Invoice discounting interest	93,795	55,859
Directors' loan interest	30,878	30,826
Other interest	-	232
Finance lease interest	30,073	86,767
	221,861	257,847

8. Taxation

Analysis of the tax charge

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

	31/12/15	31/12/14
	£	£
Current tax:		
UK corporation tax	265,282	385,272
Deferred tax	(108,029)	10,691
Tax on profit on ordinary activities	157,253	395,963

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

8. Taxation - continued

Reconciliation of total tax charge included in profit and loss

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

	31/12/15 £	31/12/14 £
Profit on ordinary activities before tax	<u>1,700,404</u>	<u>1,833,024</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.246% (2014 - 21.500%)	344,264	394,100
Effects of:		
Expenses not deductible for tax purposes	1,921	2,051
Capital allowances in excess of depreciation	(170,059)	-
Depreciation in excess of capital allowances	-	54,929
Finance lease capital repayments	<u>(18,873)</u>	<u>(55,117)</u>
Total tax charge	<u>157,253</u>	<u>395,963</u>

9. Dividends

	31/12/15 £	31/12/14 £
Ordinary shares of £1 each		
Dividends paid	<u>948,260</u>	<u>1,696,410</u>

10. Intangible fixed assets

	Goodwill £
Cost	
At 1st January 2015	
and 31st December 2015	<u>25,002</u>
Amortisation	
At 1st January 2015	
and 31st December 2015	<u>25,002</u>
Net book value	
At 31st December 2015	<u>-</u>
At 31st December 2014	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures, fittings and equipment £
Cost			
At 1st January 2015	5,599,666	76,049	274,929
Additions	-	8,537	-
Disposals	(5,359,666)	-	-
At 31st December 2015	240,000	84,586	274,929
Depreciation			
At 1st January 2015	272,094	9,986	255,834
Charge for year	27,462	16,206	9,746
Eliminated on disposal	(290,355)	-	-
At 31st December 2015	9,201	26,192	265,580
Net book value			
At 31st December 2015	230,799	58,394	9,349
At 31st December 2014	5,327,572	66,063	19,095
	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1st January 2015	1,393,380	1,554,728	8,898,752
Additions	512,498	277,534	798,569
Disposals	(1,132,322)	-	(6,491,988)
At 31st December 2015	773,556	1,832,262	3,205,333
Depreciation			
At 1st January 2015	1,034,600	1,326,520	2,899,034
Charge for year	155,154	132,202	340,770
Eliminated on disposal	(999,060)	-	(1,289,415)
At 31st December 2015	190,694	1,458,722	1,950,389
Net book value			
At 31st December 2015	582,862	373,540	1,254,944
At 31st December 2014	358,780	228,208	5,999,718

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

Included within the net book value of £1,254,944 is £nil (2014 - £226,473) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under finance lease agreements was £93,201 (2014 - £253,976).

Also included within the net book value of £1,254,944 is £192,915 (2014 - £nil) relating to assets held under hire purchase agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements was £45,485 (2014 - £nil).

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

12. Fixed asset investments

	Shares in group undertakings £
Cost	
At 1st January 2015 and 31st December 2015	209,105
Net book value	
At 31st December 2015	209,105
At 31st December 2014	209,105

The above represents investments as follows: £209,105 (68.3%) of the ordinary share capital of Pascale Limited - a company incorporated in the U.K. The principal activity of this company is the manufacture of cosmetic products.

13. Investment property

	Total £
Fair value	
At 1st January 2015 and 31st December 2015	111,500
Depreciation	
At 1st January 2015 and 31st December 2015	111,500
Net book value	
At 31st December 2015	-
At 31st December 2014	-

14. Stocks

	31/12/15 £	31/12/14 £
Stock of fuel	-	3,688
Store fittings	258,872	526,437
	<u>258,872</u>	<u>530,125</u>

15. Debtors: amounts falling due within one year

	31/12/15 £	31/12/14 £
Trade debtors	6,840,954	7,590,270
Amounts owed by group undertakings	4,951,782	163,766
Amounts owed by participating interests	-	428,232
Other debtors	232,174	-
Directors' loan accounts	24,300	64,343
Prepayments and accrued income	1,656,541	1,505,081
	<u>13,705,751</u>	<u>9,751,692</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

15. Debtors: amounts falling due within one year - continued

Trade debtors are stated net of a bad debt provision of £110,783 (2014: £458,717).

Amounts owed by group undertakings is classified as due within one year as it is repayable on demand. However, there is no expectation of this amount being recovered in the foreseeable future.

16. Creditors: amounts falling due within one year

	31/12/15	31/12/14
	£	£
Bank loans and overdrafts (see note 18)	300,000	300,000
Hire purchase contracts and finance leases (see note 19)	71,520	215,050
Trade creditors	1,022,084	984,786
Amounts owed to group undertakings	5,244,871	3,791,028
Tax	105,280	165,271
Social security and other taxes	967,869	967,814
Other creditors	1,561	21,528
Invoice discounting	445,180	2,567,859
Directors' loan accounts	283,975	71,726
Accruals and deferred income	2,046,641	2,061,922
	<u>10,488,981</u>	<u>11,146,984</u>

The bank loans and invoice discounting creditor (as per notes 16 & 17) are secured by a charge over the assets of the group.

The hire purchase and finance lease creditors are secured against the assets to which they relate.

Cross guarantee for all sums, between Dee Set Logistics Limited, Dee Set Confectionery Limited and Retail Solutions (Holdings) Limited, granted 14th October 2003.

All sums secured by a bond and floating charge over the whole assets of the company and registered 27th February 2001.

Debenture for all sums due over the whole assets of the company, dated 6th May 2005 and registered 1st June 2005.

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

	31/12/15	31/12/14
	£	£
Bank loans (see note 18)	700,000	1,000,000
Hire purchase contracts and finance leases (see note 19)	81,069	-
Directors' loan accounts	-	200,000
	<u>781,069</u>	<u>1,200,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

18. Loans

An analysis of the maturity of the loans is given below:

	31/12/15 £	31/12/14 £
Amounts falling due within one year:		
Bank loans	<u>300,000</u>	<u>300,000</u>
Amounts falling due between one and two years:		
Bank loans	<u>300,000</u>	<u>300,000</u>
Amounts falling due between two and five years:		
Bank loans	<u>400,000</u>	<u>700,000</u>

19. Leasing agreements

Minimum lease payments fall due as follows:

	31/12/15 £	31/12/14 £	31/12/15 £	31/12/14 £
Gross obligations repayable:				
Within one year	71,520	-	-	268,777
Between one and five years	<u>81,069</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>152,589</u>	<u>-</u>	<u>-</u>	<u>268,777</u>
Finance charges repayable:				
Within one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,727</u>
Net obligations repayable:				
Within one year	71,520	-	-	215,050
Between one and five years	<u>81,069</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>152,589</u>	<u>-</u>	<u>-</u>	<u>215,050</u>

	Non-cancellable operating leases	
	31/12/15 £	31/12/14 £
Within one year	687,138	467,854
Between one and five years	<u>268,274</u>	<u>411,624</u>
	<u>955,412</u>	<u>879,478</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

20. Provisions for liabilities

	31/12/15 £	31/12/14 £
Deferred tax		
Accelerated capital allowances	86,043	194,072
		Deferred tax
		£
Balance at 1st January 2015		194,072
Provided during year		(108,029)
Balance at 31st December 2015		86,043

21. Accruals and deferred income

	31/12/15 £	31/12/14 £
Deferred government grants	82,384	91,348

22. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/15 £	31/12/14 £
90,000	Ordinary	£1	90,000	90,000

23. Reserves

	Retained earnings £	Revaluation reserve £	Totals £
At 1st January 2015	3,831,382	166,798	3,998,180
Profit for the year	1,543,151		1,543,151
Dividends	(948,260)		(948,260)
Transfers	166,798	(166,798)	-
At 31st December 2015	4,593,071	-	4,593,071

24. Ultimate parent company

The ultimate parent undertaking of Dee Set Logistics Limited is Retail Solutions (Holdings) Limited which controls 100% of the shares of the company effective from 1st February 2005. The director I D Andrews is the majority shareholder of the shares of the holding company and is therefore the ultimate controlling party of the company.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

25. Directors' advances, credits and guarantees

The following advances and credits to directors subsisted during the years ended 31st December 2015 and 31st December 2014:

	31/12/15 £	31/12/14 £
E P Byrnes		
Balance outstanding at start of year	27,943	-
Amounts repaid	(27,943)	-
Balance outstanding at end of year	<u>-</u>	<u>27,943</u>
G A Phillips		
Balance outstanding at start of year	36,400	-
Amounts repaid	(12,100)	-
Balance outstanding at end of year	<u>24,300</u>	<u>36,400</u>
S Hinchliffe		
Balance outstanding at start of year	-	-
Amounts advanced	200,000	-
Amounts repaid	(200,000)	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>

At the balance sheet date, the director's loan account of G A Phillips was overdrawn by £24,300. The loan was originally taken out before G A Phillips became a director. The overdrawn balance is currently being repaid on a monthly basis.

26. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

I D Andrews

I D Andrews is a director of the company

Director's loan account - Interest of £30,073 (2014:£30,826) was charged during the year.

	31/12/15 £	31/12/14 £
Amount due to related party at the balance sheet date	<u>283,975</u>	<u>271,726</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

26. Related party disclosures - continued

Pascalle Limited

A company in which I D Andrews and S J Machin are directors.

	2015 £	2014 £
Rent and other costs charged to Pascalle Limited	388,637	540,026
Goods and services received from Pascalle Limited	<u>4,943</u>	<u>7,234</u>

Dee Set Logistics Limited owns 68.3% of the issued share capital of Pascalle Limited.

	31/12/15 £	31/12/14 £
Amount due from related party at the balance sheet date	<u>322,095</u>	<u>136,437</u>

Crazy Popular Products Limited

A company in which I D Andrews is a director.

At 31 December 2014, an outstanding loan balance was due of £428,232 from Crazy Popular Products Limited. A total provision of £422,849 was made against this amount due to anticipated irrecoverability of the loan, due to the expected cessation of trade in Crazy Popular Products Limited.

During the year ended 31 December 2015, the loan was written off in full and the bad debt provision was cleared.

Dee Set Logistics Limited owns 50% of the issued share capital of Crazy Popular Products Limited.

	31/12/15 £	31/12/14 £
Amount due from related party at the balance sheet date	-	428,232
Provisions for doubtful debt at the balance sheet date	<u>-</u>	<u>422,849</u>

Etiquis Ltd

A company in which I D Andrews is a director & shareholder.

	2015 £	2014 £
Services charged to Etiquis Ltd	<u>25,107</u>	<u>13,217</u>

	31/12/15 £	31/12/14 £
Amount due from related party at the balance sheet date	<u>5,292</u>	<u>15,860</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

26. Related party disclosures - continued

Works With Water Nutraceuticals Limited
A company in which I D Andrews is a director.

	2015 £	2014 £
Services charged to Works With Water Nutraceuticals Limited	<u>44,834</u>	<u>13,348</u>

Retail Solutions (Holdings) Limited, of which I D Andrews is a director and majority shareholder, owns 50% of the issued share capital of Works With Water Nutraceuticals Limited.

	31/12/15 £	31/12/14 £
Amount due from related party at the balance sheet date	<u>2,250</u>	<u>16,018</u>

27. Post balance sheet events

In April 2016, dividends totalling £500,000 were paid.

28. Reconciliation of movements in shareholders' funds

	31/12/15 £	31/12/14 £
Profit for the financial year	1,543,151	1,437,061
Dividends	(948,260)	(1,696,410)
Net addition/(reduction) to shareholders' funds	<u>594,891</u>	<u>(259,349)</u>
Opening shareholders' funds	4,088,180	4,347,529
Closing shareholders' funds	<u>4,683,071</u>	<u>4,088,180</u>

29. Reconciliation of profit before taxation to cash generated from operations

	31/12/15 £	31/12/14 £
Profit before taxation	1,700,404	1,833,024
Depreciation charges	340,770	550,408
Profit on disposal of fixed assets	-	(10,344)
Government grants	(8,964)	(8,964)
Finance costs	221,861	257,847
	<u>2,254,071</u>	<u>2,621,971</u>
Decrease/(increase) in stocks	271,253	(151,625)
Decrease/(increase) in trade and other debtors	1,075,209	(1,952,351)
Increase in trade and other creditors	1,455,948	934,725
Cash generated from operations	<u>5,056,481</u>	<u>1,452,720</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2015

30. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	692,876	229,944

Year ended 31st December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	229,944	662,216

Reconciliation of Equity

1st January 2014

(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets				
Tangible assets		6,337,601	-	6,337,601
Investments		209,105	-	209,105
		<u>6,546,706</u>	<u>-</u>	<u>6,546,706</u>
Current assets				
Stocks		378,500	-	378,500
Debtors		7,734,998	-	7,734,998
Cash at bank and in hand		662,216	-	662,216
		<u>8,775,714</u>	<u>-</u>	<u>8,775,714</u>
Creditors				
Amounts falling due within one year		(8,919,926)	-	(8,919,926)
Net current liabilities		<u>(144,212)</u>	<u>-</u>	<u>(144,212)</u>
Total assets less current liabilities		<u>6,402,494</u>	<u>-</u>	<u>6,402,494</u>
Creditors				
Amounts falling due after more than one year		(1,771,272)	-	(1,771,272)
Provisions for liabilities		<u>(183,381)</u>	<u>-</u>	<u>(183,381)</u>
Accruals and deferred income		<u>(100,312)</u>	<u>-</u>	<u>(100,312)</u>
Net assets		<u>4,347,529</u>	<u>-</u>	<u>4,347,529</u>
Capital and reserves				
Called up share capital		90,000	-	90,000
Revaluation reserve		173,594	-	173,594
Retained earnings		4,083,935	-	4,083,935
Shareholders' funds		<u>4,347,529</u>	<u>-</u>	<u>4,347,529</u>

Reconciliation of Equity - continued
31st December 2014

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Fixed assets				
Tangible assets		5,999,718	-	5,999,718
Investments		209,105	-	209,105
		<u>6,208,823</u>	<u>-</u>	<u>6,208,823</u>
Current assets				
Stocks		530,125	-	530,125
Debtors		9,751,692	-	9,751,692
Cash at bank and in hand		229,944	-	229,944
		<u>10,511,761</u>	<u>-</u>	<u>10,511,761</u>
Creditors				
Amounts falling due within one year		(11,146,984)	-	(11,146,984)
Net current liabilities		<u>(635,223)</u>	<u>-</u>	<u>(635,223)</u>
Total assets less current liabilities		5,573,600	-	5,573,600
Creditors				
Amounts falling due after more than one year		(1,200,000)	-	(1,200,000)
Provisions for liabilities		(194,072)	-	(194,072)
Accruals and deferred income		<u>(91,348)</u>	<u>-</u>	<u>(91,348)</u>
Net assets		<u>4,088,180</u>	<u>-</u>	<u>4,088,180</u>
Capital and reserves				
Called up share capital		90,000	-	90,000
Revaluation reserve		166,798	-	166,798
Retained earnings		3,831,382	-	3,831,382
Shareholders' funds		<u>4,088,180</u>	<u>-</u>	<u>4,088,180</u>

**Reconciliation of Profit
for the Year Ended 31st December 2014**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
Turnover	42,421,391	-	42,421,391
Cost of sales	(28,813,066)	-	(28,813,066)
Gross profit	13,608,325	-	13,608,325
Administrative expenses	(11,671,802)	-	(11,671,802)
Other operating income	154,348	-	154,348
Operating profit	2,090,871	-	2,090,871
Interest payable and similar charges	(257,847)	-	(257,847)
Profit on ordinary activities before taxation	1,833,024	-	1,833,024
Tax on profit on ordinary activities	(395,963)	-	(395,963)
Profit for the financial year	1,437,061	-	1,437,061