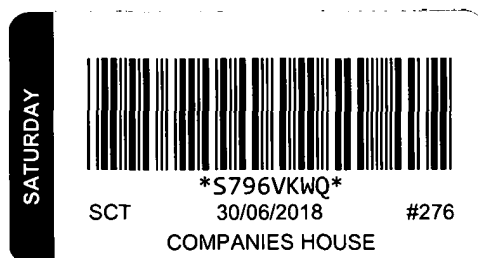


**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31st December 2017**
for
Dee Set Logistics Limited



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

**Contents of the Financial Statements
for the Year Ended 31st December 2017**

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Dee Set Logistics Limited

**Company Information
for the Year Ended 31st December 2017**

Directors:

I D Andrews
S J Machin
G A Phillips
W J Day

Secretary:

S J Machin

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 2017**

The directors present their strategic report for the year ended 31st December 2017.

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 (the supply of product for resale involving procurement, stock management, order processing, and pick and pack operations) are transacted through a fellow group company, Dee Set Confectionery Limited.

The Company's delivery fleet distributes two 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 rose by £2,083,289, 5% in 2017 to £43,567,643 (2016: £41,484,354).

Gross profits rose to £13,569,876 (2016: £13,161,783), reflecting only a marginal change in gross margin at 31.1% (2016: 31.7%). Profit before interest and taxation was reported at £1,819,975.

Cash inflow from operating activities was £2,382,844 for the year (2016: £2,553,280).

The Company's 2017 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 2018.

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 2017**

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

27th June 2018

**Directors' Report
for the Year Ended 31st December 2017**

The directors present their report with the financial statements of the company for the year ended 31st December 2017.

Dividends

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

Directors

The directors holding office during the year, and since the year-end, were as follows:

I D Andrews
S J Machin
G A Phillips
W J Day (appointed 24 May 2018)

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 Strategic Report, 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

**Directors' Report
for the Year Ended 31st December 2017**

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 over a horizontal line.

S J Machin - Director

27th June 2018 ~

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

Opinion

We have audited the financial statements of Dee Set Logistics Limited (the 'company') for the year ended 31st December 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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, 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.

Responsibilities of directors

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Our responsibilities for the audit of the financial statements

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

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



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

28th June 2018

**Income Statement
for the Year Ended 31st December 2017**

	Notes	31/12/17 £	31/12/16 £
Turnover	3	43,567,643	41,484,354
Cost of sales		<u>29,997,767</u>	<u>28,322,571</u>
Gross profit		13,569,876	13,161,783
Administrative expenses		<u>11,578,103</u>	<u>11,928,934</u>
		1,991,773	1,232,849
Other operating income	4	<u>33,292</u>	<u>19,975</u>
Operating profit	7	2,025,065	1,252,824
Interest receivable and similar income		<u>1,003</u>	<u>-</u>
		2,026,068	1,252,824
Interest payable and similar expenses	8	<u>206,093</u>	<u>176,235</u>
Profit before taxation		1,819,975	1,076,589
Tax on profit	9	<u>297,303</u>	<u>260,989</u>
Profit for the financial year		<u><u>1,522,672</u></u>	<u><u>815,600</u></u>

The notes form part of these financial statements

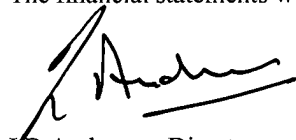
**Other Comprehensive Income
for the Year Ended 31st December 2017**

	31/12/17	31/12/16
	£	£
Profit for the year	1,522,672	815,600
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><u>1,522,672</u></u>	<u><u>815,600</u></u>

Balance Sheet
31st December 2017

	Notes	31/12/17		31/12/16	
		£	£	£	£
Fixed assets					
Intangible assets	11	-	-	-	-
Tangible assets	12	1,451,899		1,260,775	
Investments	13	209,128		209,105	
Investment property	14	-		-	
		<u>1,661,027</u>		<u>1,469,880</u>	
Current assets					
Stocks	15	127,721		161,622	
Debtors	16	12,498,318		12,593,273	
Cash at bank and in hand		<u>386,183</u>		<u>190,423</u>	
		13,012,222		12,945,318	
Creditors					
Amounts falling due within one year	17	<u>10,844,150</u>		<u>10,123,106</u>	
Net current assets		<u>2,168,072</u>		<u>2,822,212</u>	
Total assets less current liabilities		<u>3,829,099</u>		<u>4,292,092</u>	
Creditors					
Amounts falling due after more than one year	18	(175,701)		(417,880)	
Provisions for liabilities	21	(68,579)		(83,101)	
Accruals and deferred income	22	<u>(64,456)</u>		<u>(73,420)</u>	
Net assets		<u><u>3,520,363</u></u>		<u><u>3,717,691</u></u>	
Capital and reserves					
Called up share capital	23	90,000		90,000	
Retained earnings	24	<u>3,430,363</u>		<u>3,627,691</u>	
Shareholders' funds	28	<u><u>3,520,363</u></u>		<u><u>3,717,691</u></u>	

The financial statements were approved by the Board of Directors on 27th June 2018 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 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2016	90,000	4,593,071	4,683,071
Changes in equity			
Dividends	-	(1,780,980)	(1,780,980)
Total comprehensive income	-	<u>815,600</u>	<u>815,600</u>
Balance at 31st December 2016	<u>90,000</u>	<u>3,627,691</u>	<u>3,717,691</u>
Changes in equity			
Dividends	-	(1,720,000)	(1,720,000)
Total comprehensive income	-	<u>1,522,672</u>	<u>1,522,672</u>
Balance at 31st December 2017	<u><u>90,000</u></u>	<u><u>3,430,363</u></u>	<u><u>3,520,363</u></u>

Cash Flow Statement
for the Year Ended 31st December 2017

	Notes	31/12/17 £	31/12/16 £
Cash flows from operating activities			
Cash generated from operations	29	2,777,133	2,934,961
Interest paid		(202,761)	(172,903)
Interest element of hire purchase payments paid		(3,332)	(3,332)
Tax paid		<u>(188,196)</u>	<u>(205,446)</u>
Net cash from operating activities		<u>2,382,844</u>	<u>2,553,280</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(551,796)	(360,071)
Purchase of fixed asset investments		(23)	-
Sale of tangible fixed assets		-	10
Interest received		<u>1,003</u>	<u>-</u>
Net cash from investing activities		<u>(550,816)</u>	<u>(360,061)</u>
Cash flows from financing activities			
Loan repayments in year		(300,000)	(225,000)
Finance lease capital repayments in year		(70,819)	(63,189)
Movement on directors' loan accounts		454,551	(181,323)
Invoice discounting		-	(445,180)
Equity dividends paid		<u>(1,720,000)</u>	<u>(1,780,980)</u>
Net cash from financing activities		<u>(1,636,268)</u>	<u>(2,695,672)</u>
Increase/(decrease) in cash and cash equivalents		<u>195,760</u>	<u>(502,453)</u>
Cash and cash equivalents at beginning of year	30	<u>190,423</u>	<u>692,876</u>
Cash and cash equivalents at end of year	30	<u><u>386,183</u></u>	<u><u>190,423</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31st December 2017**

1. Statutory information

Dee Set Logistics Limited is a private company, limited by shares, registered in Scotland. The company's registered number is SC208421 and its registered office is Collins House, Rutland Square, Edinburgh, Midlothian, EH1 2AA.

2. Accounting policies

Basis of preparing the financial statements

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

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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- 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.

Significant judgements and estimates

The company makes judgements and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the actual results. The only estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are considered to be the value of bad debt provisions and the rates at which assets are being depreciated.

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, or when the service has been delivered.

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

All goodwill had been fully depreciated by the balance sheet date.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2017**

2. Accounting policies - continued

Investments in subsidiaries

Investments in subsidiary undertakings are recognised 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. Cost is determined on a FIFO basis.

Financial instruments

The company only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the company and their measurement basis as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to these accounts. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost as detailed in the notes to these accounts. Taxation and social security are not included in the financial instruments definition.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

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.

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2017**

2. Accounting policies - continued

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.

3. 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:

	31/12/17 £	31/12/16 £
United Kingdom	43,136,893	41,113,723
Europe	<u>430,750</u>	<u>370,631</u>
	<u>43,567,643</u>	<u>41,484,354</u>

4. Other operating income

	31/12/17 £	31/12/16 £
Rents received	24,328	11,011
Government grants	<u>8,964</u>	<u>8,964</u>
	<u>33,292</u>	<u>19,975</u>

5. Employees and directors

	31/12/17 £	31/12/16 £
Wages and salaries	28,288,765	27,849,510
Social security costs	1,465,683	1,417,204
Other pension costs	<u>152,008</u>	<u>139,148</u>
	<u>29,906,456</u>	<u>29,405,862</u>

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

	31/12/17	31/12/16
Staff (including directors)	<u>3,161</u>	<u>3,353</u>

6. Directors' emoluments

	31/12/17 £	31/12/16 £
Directors' remuneration	431,020	508,421
Directors' pension contributions to money purchase schemes	<u>10,077</u>	<u>9,460</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2017**

6. Directors' emoluments - continued

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

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	31/12/17	31/12/16
	£	£
Emoluments etc	<u>162,569</u>	<u>196,105</u>

The directors are considered to be the company's "key management personnel".

7. Operating profit

The operating profit is stated after charging:

	31/12/17	31/12/16
	£	£
Depreciation - owned assets	321,012	314,570
Depreciation - assets on hire purchase contracts	39,660	39,660
Auditors' remuneration	16,000	16,000
Other non- audit services	19,329	33,911
Operating lease costs - land and buildings	258,698	272,007
Operating lease costs - motor vehicles	<u>744,931</u>	<u>783,283</u>

8. Interest payable and similar expenses

	31/12/17	31/12/16
	£	£
Bank loan interest	15,121	37,285
Invoice discounting interest	127,070	120,238
Directors' loan interest	60,570	15,380
Finance lease interest	<u>3,332</u>	<u>3,332</u>
	<u>206,093</u>	<u>176,235</u>

9. Taxation

Analysis of the tax charge

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

	31/12/17	31/12/16
	£	£
Current tax:		
UK corporation tax	307,394	263,931
Underprovision - previous year	<u>4,431</u>	<u>-</u>
Total current tax	311,825	263,931
Deferred tax	<u>(14,522)</u>	<u>(2,942)</u>
Tax on profit	<u>297,303</u>	<u>260,989</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

9. 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:

	31/12/17 £	31/12/16 £
Profit before tax	<u>1,819,975</u>	<u>1,076,589</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.246% (2016 - 20%)	350,272	215,318
Effects of:		
Expenses not deductible for tax purposes	1,203	43,845
Capital allowances in excess of depreciation	(2,711)	-
Depreciation in excess of capital allowances	-	1,826
Utilisation of tax losses	(55,892)	-
Adjustments to tax charge in respect of previous periods repayments	<u>4,431</u>	<u>-</u>
Total tax charge	<u>297,303</u>	<u>260,989</u>

10. Dividends

	31/12/17 £	31/12/16 £
Ordinary shares of £1 each		
Dividends paid	<u>1,720,000</u>	<u>1,780,980</u>

11. Intangible fixed assets

	Goodwill £
Cost	
At 1st January 2017	
and 31st December 2017	<u>25,002</u>
Amortisation	
At 1st January 2017	
and 31st December 2017	<u>25,002</u>
Net book value	
At 31st December 2017	<u>-</u>
At 31st December 2016	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures, fittings and equipment £
Cost			
At 1st January 2017	240,000	84,586	301,249
Additions	-	-	2,700
At 31st December 2017	<u>240,000</u>	<u>84,586</u>	<u>303,949</u>
Depreciation			
At 1st January 2017	13,001	43,109	278,735
Charge for year	<u>4,800</u>	<u>16,917</u>	<u>7,821</u>
At 31st December 2017	<u>17,801</u>	<u>60,026</u>	<u>286,556</u>
Net book value			
At 31st December 2017	<u>222,199</u>	<u>24,560</u>	<u>17,393</u>
At 31st December 2016	<u>226,999</u>	<u>41,477</u>	<u>22,514</u>
	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1st January 2017	819,272	2,120,287	3,565,394
Additions	<u>3,400</u>	<u>545,696</u>	<u>551,796</u>
At 31st December 2017	<u>822,672</u>	<u>2,665,983</u>	<u>4,117,190</u>
Depreciation			
At 1st January 2017	316,938	1,652,836	2,304,619
Charge for year	<u>120,487</u>	<u>210,647</u>	<u>360,672</u>
At 31st December 2017	<u>437,425</u>	<u>1,863,483</u>	<u>2,665,291</u>
Net book value			
At 31st December 2017	<u>385,247</u>	<u>802,500</u>	<u>1,451,899</u>
At 31st December 2016	<u>502,334</u>	<u>467,451</u>	<u>1,260,775</u>

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 £1,451,899 is £126,030 (2016: £165,690) relating to assets held under hire purchase agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements was £39,660 (2016: £39,660).

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

13. Fixed asset investments

	Shares in group undertakings £
Cost	
At 1st January 2017	209,105
Additions	<u>23</u>
At 31st December 2017	<u>209,128</u>
Net book value	
At 31st December 2017	<u>209,128</u>
At 31st December 2016	<u>209,105</u>

The above represents investments as follows: £209,128 (2016: £209,105) being 76% (2016: 68.3%) of the ordinary share capital of Pascalle Limited - a company incorporated in the U.K. The principal activity of this company is the manufacture of cosmetic products. The registered office of Pascalle Limited is Milburn Road, Cobridge, Stoke on Trent, Staffordshire, ST6 2LA.

14. Investment property

	Total £
Fair value	
At 1st January 2017 and 31st December 2017	<u>111,500</u>
Depreciation	
At 1st January 2017 and 31st December 2017	<u>111,500</u>
Net book value	
At 31st December 2017	<u>-</u>
At 31st December 2016	<u>-</u>

15. Stocks

	31/12/17 £	31/12/16 £
Stock of fuel	9,547	7,357
Store fittings	<u>118,174</u>	<u>154,265</u>
	<u>127,721</u>	<u>161,622</u>

The total amount of stock recognised as an expense during the period was £276,902 (2016: £432,340).

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

16. Debtors: amounts falling due within one year

	31/12/17	31/12/16
	£	£
Trade debtors	4,860,961	5,902,827
Amounts owed by group undertakings	4,728,506	4,767,422
Other debtors	777,834	523,038
Directors' loan accounts	6,350	-
Prepayments and accrued income	2,124,667	1,399,986
	<u>12,498,318</u>	<u>12,593,273</u>

Trade debtors are stated net of a bad debt provision of £21,317 (2016: £97,062).

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.

17. Creditors: amounts falling due within one year

	31/12/17	31/12/16
	£	£
Bank loans and overdrafts (see note 19)	300,000	375,000
Hire purchase contracts (see note 20)	17,880	71,520
Trade creditors	1,394,630	1,115,206
Amounts owed to group undertakings	5,190,076	4,935,279
Amounts owed to participating interests	11,097	-
Tax	287,394	163,765
Social security and other taxes	1,019,687	1,226,645
Other creditors	58,889	25,496
Directors' loan accounts	539,253	78,352
Accruals and deferred income	2,025,244	2,131,843
	<u>10,844,150</u>	<u>10,123,106</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.

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

	31/12/17	31/12/16
	£	£
Bank loans (see note 19)	175,000	400,000
Hire purchase contracts (see note 20)	701	17,880
	<u>175,701</u>	<u>417,880</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

19. Loans

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

	31/12/17 £	31/12/16 £
Amounts falling due within one year:		
Bank loans	<u>300,000</u>	<u>375,000</u>
Amounts falling due between one and two years:		
Bank loans	<u>175,000</u>	<u>300,000</u>
Amounts falling due between two and five years:		
Bank loans	<u>-</u>	<u>100,000</u>

20. Leasing agreements

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31/12/17 £	31/12/16 £
Net obligations repayable:		
Within one year	17,880	71,520
Between one and five years	<u>701</u>	<u>17,880</u>
	<u>18,581</u>	<u>89,400</u>
	Non-cancellable operating leases	
	31/12/17 £	31/12/16 £
Within one year	530,584	609,756
Between one and five years	<u>129,808</u>	<u>858,822</u>
	<u>660,392</u>	<u>1,468,578</u>

21. Provisions for liabilities

	31/12/17 £	31/12/16 £
Deferred tax		
Accelerated capital allowances	<u>68,579</u>	<u>83,101</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

21. Provisions for liabilities - continued

	Deferred tax £
Balance at 1st January 2017	83,101
Provided during year	<u>(14,522)</u>
Balance at 31st December 2017	<u>68,579</u>

22. Accruals and deferred income

	31/12/17 £	31/12/16 £
Deferred government grants	<u>64,456</u>	<u>73,420</u>

23. Called up share capital

Allotted, issued and fully paid:			31/12/17	31/12/16
Number:	Class:	Nominal value:	£	£
90,000	Ordinary	£1	<u>90,000</u>	<u>90,000</u>

24. Reserves

	Retained earnings £
At 1st January 2017	3,627,691
Profit for the year	1,522,672
Dividends	<u>(1,720,000)</u>
At 31st December 2017	<u>3,430,363</u>

25. 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 ultimate parent company and is therefore the ultimate controlling party of the company.

Copies of the financial statements of Retail Solutions (Holdings) Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

26. Directors' advances, credits and guarantees

The following advances and credits to a director subsisted during the years ended 31st December 2017 and 31st December 2016:

	31/12/17 £	31/12/16 £
G A Phillips		
Balance outstanding at start of year	-	24,300
Amounts advanced	6,350	-
Amounts repaid	-	(24,300)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>6,350</u>	<u>-</u>

27. 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.

Entities under common control

	31/12/17 £	31/12/16 £
Sales	469,356	457,523
Purchases	-	55,096
Amount due from related party	<u>137,827</u>	<u>25,904</u>

Key management personnel of the entity or its parent (in the aggregate)

	31/12/17 £	31/12/16 £
Amount due to related party	<u>539,253</u>	<u>78,352</u>

Other related parties

	31/12/17 £	31/12/16 £
Sales	3,482	3,140
Amount due to related party	<u>58</u>	<u>1,023</u>

28. Reconciliation of movements in shareholders' funds

	31/12/17 £	31/12/16 £
Profit for the financial year	1,522,672	815,600
Dividends	<u>(1,720,000)</u>	<u>(1,780,980)</u>
Net reduction of shareholders' funds	(197,328)	(965,380)
Opening shareholders' funds	<u>3,717,691</u>	<u>4,683,071</u>
Closing shareholders' funds	<u>3,520,363</u>	<u>3,717,691</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

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

	31/12/17	31/12/16
	£	£
Profit before taxation	1,819,975	1,076,589
Depreciation charges	360,672	354,230
Government grants	(8,964)	(8,964)
Finance costs	206,093	176,235
Finance income	(1,003)	-
	<u>2,376,773</u>	<u>1,598,090</u>
Decrease in stocks	33,901	97,250
Decrease in trade and other debtors	101,305	811,009
Increase in trade and other creditors	<u>265,154</u>	<u>428,612</u>
Cash generated from operations	<u><u>2,777,133</u></u>	<u><u>2,934,961</u></u>

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 2017

	31/12/17	01/01/17
	£	£
Cash and cash equivalents	<u><u>386,183</u></u>	<u><u>190,423</u></u>

Year ended 31st December 2016

	31/12/16	01/01/16
	£	£
Cash and cash equivalents	<u><u>190,423</u></u>	<u><u>692,876</u></u>