REGISTERED NUMBER: SC208421 (Scotland)

Strategic Report, Directors' Report and

Financial Statements for the Year Ended 31st December 2019

for

Dee Set Logistics Limited



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

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for the Year Ended 31st December 2019

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Dee Set Logistics Limited

Company Information
for the Year Ended 31st December 2019

Directors:	I D Andrews G A Phillips
Secretary:	I D Andrews
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 2019

The directors present their strategic report for the year ended 31st December 2019.

Overview 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 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 store consignments into the retailer networks (both product for resale and store merchandising materials).

The in-store Merchandising team now exceeds 3,000 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 also includes specialist teams dedicated to Store Re-fit & Development and Clothing merchandising.

Review of the year

The UK retail sector remained challenging during 2019 evidenced by the demise of a number of established high street brands. Like other businesses in the sector the group faced rising costs, in particular the 6.2% rise of the National Minimum Wage to £8.72 per hour.

Against this backdrop the company continued to pursue its strategic objectives - investing in technology to reduce operational costs, focussing on delivery to core customers and establishing new relationships.

The company's turnover was reported at £36,257,471 (2018: £40,572,869).

Operating Profit was reported at £428,883 (2018: £354,090).

Cash inflow from operating activities was £1,908,483 for the year (2018: £1,097,716).

Section 172(1) statement

2019 was a transitional year for the business. Our core customer activities came under pressure from the growth in online sales and the discounters. Those factors additionally left the major wholesalers with excess capacity in their operating infrastructure thereby creating further challenges for third party service providers.

The company continued to focus on areas where it was able to achieve a longer-term competitive advantage. There was a continued investment in data and technology to deliver innovative ways of working through for example 'image recognition'. The focus on technology ensures we able to provide a demonstrable return on investment for our partners giving them immediate visibility to the value we are adding.

Engagement with employees
During 2019 the company launched an ongoing feedback tool replacing the annual "we're listening survey". This resulted in a 10% increase in colleague engagement.

In addition to targeted campaigns throughout the year a social media platform was introduced and now has hundreds of active users. The application has enabled a community of colleagues working remotely to become established.

Our colleague action group continued to meet regularly and feedback from those sessions led to the group improving a number of benefits including access to an online doctor and the provision of advice around health and wellness.

Engagement with suppliers, customers and others
The company undertook in 2019, a formal customer feedback exercise facilitated by an external agency. Valuable insight was gained and individual plans established with each participant to further develop relationships and service performance.

Our SLA measurements during the course of the year reached record levels with in-store compliance averaging over 98%.

We undertook a series of trials with some of the new data and technology applications. Encouraging results helped secure contract renewals and additional income streams that will benefit 2020. Our selling proposition now majors on these case studies and going forward will be the key element of our customer acquisition strategy.

Outlook
The company strategy is built upon a belief that it adds value through consolidated supply solutions benefiting both retailers and their originating suppliers.

The 2019 results represented a challenging year in UK retail, but the directors are confident that as a result of the actions taken to manage the cost base during the year and the investments in innovative field merchandising technologies, the company is well placed to continue to meet its strategic objectives for the benefit of its stakeholders during 2020.

In April 2020 the group acquired the Tactical Solutions UK Limited business adding one of the UK's leading field marketing agencies to the portfolio. The investment further expands Dee Set's field team enhancing the overall proposition with complimentary applications, service offerings and in-store expertise.

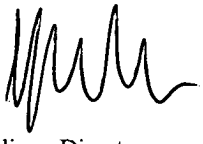
The Board remains confident about the future pipeline of activity and the businesses growth strategy.

Financial risk management
The company and its risks are managed on a consolidated basis as part of the Retail Solutions (Holdings) Limited group. 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.

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:



G A Phillips - Director

26th June 2020

Directors' Report
for the Year Ended 31st December 2019

The directors present their report with the financial statements of the company for the year ended 31st December 2019.

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 and subsequently (except where indicated) were as follows:

I D Andrews	
G A Phillips	
T Mahmood	(appointed 14th August 2019 and resigned 30th April 2020)
W J Day	(resigned 14th August 2019)

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:

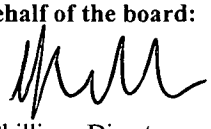
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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

On behalf of the board:



G A Phillips - Director

26th June 2020

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 2019 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).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31st December 2019 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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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.

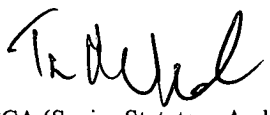
Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditors' 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.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.



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

26th June 2020

Dee Set Logistics Limited

Income Statement
for the Year Ended 31st December 2019

	Notes	31/12/19 £	31/12/18 £
Turnover	3	36,257,471	40,572,869
Cost of sales		28,111,673	29,262,731
Gross profit		8,145,798	11,310,138
Administrative expenses		7,847,181	10,981,771
		298,617	328,367
Other operating income	4	130,266	25,723
Operating profit	7	428,883	354,090
Interest payable and similar expenses	8	143,608	198,292
Profit before taxation		285,275	155,798
Tax on profit	9	98,648	(29,087)
Profit for the financial year		186,627	184,885

The notes form part of these financial statements

Dee Set Logistics Limited

Other Comprehensive Income
for the Year Ended 31st December 2019

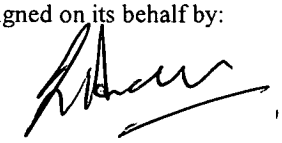
	Notes	31/12/19 £	31/12/18 £
Profit for the year		186,627	184,885
Other comprehensive income		-	-
Total comprehensive income for the year		186,627	184,885

The notes form part of these financial statements

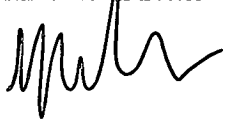
Balance Sheet
31st December 2019

	Notes	31/12/19 £	31/12/19 £	31/12/18 £	31/12/18 £
Fixed assets					
Intangible assets	11		465,298		215,706
Tangible assets	12		797,817		976,115
Investments	13		209,128		209,128
Investment property	14		-		-
			1,472,243		1,400,949
Current assets					
Stocks	15	132,120		133,264	
Debtors	16	11,277,919		13,293,864	
Cash at bank and in hand		1,227,100		86,980	
		12,637,139		13,514,108	
Creditors					
Amounts falling due within one year	17	10,563,276		11,633,341	
Net current assets			2,073,863		1,880,767
Total assets less current liabilities			3,546,106		3,281,716
Provisions for liabilities	20		(107,703)		(20,976)
Accruals and deferred income	21		(46,528)		(55,492)
Net assets			3,391,875		3,205,248
Capital and reserves					
Called up share capital	22		90,000		90,000
Retained earnings	23		3,301,875		3,115,248
Shareholders' funds	28		3,391,875		3,205,248

The financial statements were approved by the Board of Directors and authorised for issue on 26th June 2020 and were signed on its behalf by:



I D Andrews - Director



G A Phillips - Director

The notes form part of these financial statements

Dee Set Logistics Limited

Statement of Changes in Equity
for the Year Ended 31st December 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2018	90,000	3,430,363	3,520,363
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	184,885	184,885
Balance at 31st December 2018	90,000	3,115,248	3,205,248
Changes in equity			
Total comprehensive income	-	186,627	186,627
Balance at 31st December 2019	90,000	3,301,875	3,391,875

The notes form part of these financial statements

Dee Set Logistics Limited

Cash Flow Statement
for the Year Ended 31st December 2019

	Notes	31/12/19 £	31/12/18 £
Cash flows from operating activities			
Cash generated from operations	29	2,142,886	1,732,875
Interest paid		(143,608)	(197,459)
Interest element of hire purchase or finance lease rental payments paid		-	(833)
Tax paid		(90,795)	(436,867)
Net cash from operating activities		1,908,483	1,097,716
Cash flows from investing activities			
Purchase of intangible fixed assets		(307,808)	(215,706)
Purchase of tangible fixed assets		(199,438)	(18,501)
Sale of tangible fixed assets		-	93,751
Net cash from investing activities		(507,246)	(140,456)
Cash flows from financing activities			
Loan repayments in year		(100,000)	(375,000)
Finance lease capital repayments in year		-	(18,581)
Movement on directors' loan accounts		(161,117)	(362,882)
Equity dividends paid		-	(500,000)
Net cash from financing activities		(261,117)	(1,256,463)
Increase/(decrease) in cash and cash equivalents		1,140,120	(299,203)
Cash and cash equivalents at beginning of year	30	86,980	386,183
Cash and cash equivalents at end of year	30	1,227,100	86,980

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31st December 2019

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. The company's principal place of business is The Distribution Centre, Victoria Road, Fenton, Staffordshire, ST4 8HX.

The financial statements are prepared in Pound Sterling (£), which is the functional currency of the entity.

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 is 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.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software costs are being amortised evenly over their estimated useful life of 4 years.

continued...

2. **Accounting policies - continued**

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.

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, invoice discounting, bank loans 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.

continued...

2. **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.

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:

	31/12/19	31/12/18
	£	£
United Kingdom	35,712,292	40,107,778
Europe	536,246	465,091
Asia	8,933	-
	36,257,471	40,572,869

4. **Other operating income**

	31/12/19	31/12/18
	£	£
Rents received	-	16,759
Sundry receipts	121,302	-
Government grants	8,964	8,964
	130,266	25,723

5. **Employees and directors**

	31/12/19	31/12/18
	£	£
Wages and salaries	25,882,516	27,918,699
Social security costs	1,195,862	1,355,590
Other pension costs	353,131	272,844
	27,431,509	29,547,133

continued...

5. Employees and directors - continued

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

	31/12/19	31/12/18
Staff (including directors)	3,009	3,234

6. Directors' emoluments

	31/12/19	31/12/18
	£	£
Directors' remuneration	322,431	350,702
Directors' pension contributions to money purchase schemes	32,603	10,218

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

Money purchase schemes	3	3

Information regarding the highest paid director is as follows:

	31/12/19	31/12/18
	£	£
Emoluments etc	151,894	155,293
Pension contributions to money purchase schemes	20,820	-

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

7. Operating profit

The operating profit is stated after charging:

	31/12/19	31/12/18
	£	£
Depreciation - owned assets	377,736	358,928
Depreciation - assets on hire purchase contracts or finance leases	-	39,660
Loss on disposal of fixed assets	-	1,946
Computer software amortisation	58,216	-
Auditors' remuneration	16,000	16,000
Other non- audit services	23,931	24,831
Operating lease costs - land and buildings	241,268	248,531
Operating lease costs - motor vehicles	422,543	641,313

8. Interest payable and similar expenses

	31/12/19	31/12/18
	£	£
Bank loan interest	1,877	19,130
Invoice discounting interest	140,392	173,061
Directors' loan interest	1,339	5,268
Finance lease interest	-	833
	143,608	198,292

continued...

9. Taxation

Analysis of the tax charge/(credit)
The tax charge/(credit) on the profit for the year was as follows:

	31/12/19 £	31/12/18 £
Current tax:		
UK corporation tax	-	29,443
Prior year adjustment	11,921	(10,927)
Total current tax	11,921	18,516
Deferred tax	86,727	(47,603)
Tax on profit	98,648	(29,087)

Reconciliation of total tax charge/(credit) included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31/12/19 £	31/12/18 £
Profit before tax	285,275	155,798
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	54,202	29,602
Effects of:		
Expenses not deductible for tax purposes	485	4,675
Capital allowances in excess of depreciation	-	(1,926)
Depreciation in excess of capital allowances	40,211	-
Utilisation of tax losses	4,449	(50,881)
Adjustments to tax charge in respect of previous periods repayments	11,921	(10,927)
Profit on disposal	-	370
R&D tax credits	(12,620)	-
Total tax charge/(credit)	98,648	(29,087)

10. Dividends

	31/12/19 £	31/12/18 £
Ordinary shares of £1 each		
Dividends paid	-	500,000

continued...

11. **Intangible fixed assets**

	Goodwill £	Computer software £	Totals £
Cost			
At 1st January 2019	25,002	215,706	240,708
Additions	-	307,808	307,808
At 31st December 2019	25,002	523,514	548,516
Amortisation			
At 1st January 2019	25,002	-	25,002
Amortisation for year	-	58,216	58,216
At 31st December 2019	25,002	58,216	83,218
Net book value			
At 31st December 2019	-	465,298	465,298
At 31st December 2018	-	215,706	215,706

12. **Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures, fittings and equipment £
Cost			
At 1st January 2019	240,000	84,586	303,949
Additions	-	4,723	194,715
At 31st December 2019	240,000	89,309	498,664
Depreciation			
At 1st January 2019	23,600	74,359	293,811
Charge for year	4,800	10,381	36,726
At 31st December 2019	28,400	84,740	330,537
Net book value			
At 31st December 2019	211,600	4,569	168,127
At 31st December 2018	216,400	10,227	10,138

continued...

12. **Tangible fixed assets - continued**

	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1st January 2019	660,916	2,684,484	3,973,935
Additions	-	-	199,438
At 31st December 2019	660,916	2,684,484	4,173,373
Depreciation			
At 1st January 2019	452,158	2,153,892	2,997,820
Charge for year	68,541	257,288	377,736
At 31st December 2019	520,699	2,411,180	3,375,556
Net book value			
At 31st December 2019	140,217	273,304	797,817
At 31st December 2018	208,758	530,592	976,115

13. **Fixed asset investments**

	Shares in group undertaking £
Cost	
At 1st January 2019 and 31st December 2019	209,128
Net book value	
At 31st December 2019	209,128
At 31st December 2018	209,128

The above represents investments as follows: £209,128 (2018 - £209,128) being 76% (2018 - 76%) of the ordinary share capital of Pascalle Limited - a company incorporated in the U.K. The principal activity of this company was the manufacture of cosmetic products. The registered office of Pascalle Limited is Unit 15 Lymedale Business Centre, Hooters Hall Road, Newcastle, Staffordshire, ST5 9QF.

continued...

14. **Investment property**

	Total
	£
Fair value	
At 1st January 2019 and 31st December 2019	111,500
Depreciation	
At 1st January 2019 and 31st December 2019	111,500
Net book value	
At 31st December 2019	-
At 31st December 2018	-

15. **Stocks**

	31/12/19	31/12/18
	£	£
Stock of fuel	12,080	11,776
Store fittings	120,040	121,488
	132,120	133,264

16. **Debtors: amounts falling due within one year**

	31/12/19	31/12/18
	£	£
Trade debtors	3,614,308	4,638,307
Amounts owed by group undertakings	5,598,929	6,308,409
Other debtors	426,526	787,439
Prepayments and accrued income	1,638,156	1,559,709
	11,277,919	13,293,864

Trade debtors are stated net of a bad debt provision of £36,809 (2018 - £9,065).

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**

	31/12/19	31/12/18
	£	£
Bank loans and overdrafts (see note 18)	-	100,000
Trade creditors	1,992,008	734,950
Amounts owed to group undertakings	6,909,576	7,082,299
Tax	(78,874)	-
Social security and other taxes	(326,605)	1,073,624
Other creditors	32,231	61,291
Directors' loan accounts	8,904	170,021
Accruals and deferred income	2,026,036	2,411,156
	10,563,276	11,633,341

continued...

17. **Creditors: amounts falling due within one year - continued**

The bank loans and invoice discounting facility are secured by a charge over the assets of the group.

Cross guarantee for all sums, between Dee Set Logistics Limited, Dee Set Confectionery Limited and Retail Solutions (Holdings) Limited, were granted on 14th October 2003. White Hinge Limited was added to this cross guarantee with effect from 13th November 2018.

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. **Loans**

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

	31/12/19 £	31/12/18 £
Amounts falling due within one year:		
Bank loans	-	100,000
Amounts falling due between one and two years:		
Bank loans	-	-

19. **Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/12/19 £	31/12/18 £
Within one year	228,365	309,597
Between one and five years	202,283	105,462
	430,648	415,059

20. **Provisions for liabilities**

	31/12/19 £	31/12/18 £
Deferred tax		
Accelerated capital allowances	107,703	20,976

	Deferred tax £
Balance at 1st January 2019	20,976
Charge to Income Statement during year	86,727
Balance at 31st December 2019	107,703

continued...

21. **Accruals and deferred income**

	31/12/19	31/12/18
	£	£
Deferred government grants	46,528	55,492

22. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/19	31/12/18
			£	£
90,000	Ordinary	£1	90,000	90,000

23. **Reserves**

	Retained earnings
	£
At 1st January 2019	3,115,248
Profit for the year	186,627
At 31st December 2019	3,301,875

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.

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

25. **Directors' advances, credits and guarantees**

The following advances and credits to a director subsisted during the years ended 31st December 2019 and 31st December 2018:

	31/12/19	31/12/18
	£	£
G A Phillips		
Balance outstanding at start of year	-	6,350
Amounts advanced	127,539	-
Amounts repaid	(127,539)	(6,350)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	-	-

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.

continued...

26. **Related party disclosures - continued**

Entities under common control

	31/12/19	31/12/18
	£	£
Sales	31,396	452,200
Purchases	-	18,305
Amount due from related party	-	476,720

These transactions and balances relate to Pascalle Limited.

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

	31/12/19	31/12/18
	£	£
Amount due to related party	8,904	170,020

Other related parties

	31/12/19	31/12/18
	£	£
Sales	-	614
Amount due from related party	-	619

These transactions and balances relate to Etiqus Limited and Works With Water Nutraceuticals Limited.

27. **Post balance sheet events**

On 26th February 2020, a special resolution was passed that Pascalle Limited, the company in which Dee Set Logistics Limited holds a 76% investment, would be voluntarily wound up.

28. **Reconciliation of movements in shareholders' funds**

	31/12/19	31/12/18
	£	£
Profit for the financial year	186,627	184,885
Dividends	-	(500,000)
Net addition/(reduction) to shareholders' funds	186,627	(315,115)
Opening shareholders' funds	3,205,248	3,520,363
Closing shareholders' funds	3,391,875	3,205,248

continued...

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

	31/12/19	31/12/18
	£	£
Profit before taxation	285,275	155,798
Depreciation charges	435,951	398,588
Loss on disposal of fixed assets	-	1,946
Government grants	(8,964)	(8,964)
Finance costs	143,608	198,292
	855,870	745,660
Decrease/(increase) in stocks	1,144	(5,543)
Decrease/(increase) in trade and other debtors	2,015,945	(542,774)
(Decrease)/increase in trade and other creditors	(730,073)	1,535,532
Cash generated from operations	2,142,886	1,732,875

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 2019

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	1,227,100	86,980

Year ended 31st December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	86,980	386,183

31. **Analysis of changes in net (debt)/funds**

	At 1/1/19	Cash flow	At 31/12/19
	£	£	£
Net cash			
Cash at bank and in hand	86,980	1,140,120	1,227,100
	86,980	1,140,120	1,227,100
Debt			
Debts falling due within 1 year	(100,000)	100,000	-
	(100,000)	100,000	-
Total	(13,020)	1,240,120	1,227,100