REGISTERED NUMBER: SC208421 (Scotland)

Strategic Report, Directors' Report and

Financial Statements for the Year Ended 31st December 2021

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 2021

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Dee Set Logistics Limited

Company Information
for the Year Ended 31st December 2021

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 2021

The directors present their strategic report for the year ended 31st December 2021.

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 brands - through efficient and simplified end-to-end processes, allocating trained and dedicated resource in store and using data and technology 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 in-store Merchandising team now exceeds 2,500 employees whose activities surround product order preparation & processing, receipt & shelf replenishment/presentation, tactical merchandising, store audit, and promotional set-up.

Review of the year

The UK retail sector, like most industries, remained impacted in 2021 by Covid-19.

Despite the challenges this created, the company continued to pursue its strategic objectives: investing in technology to reduce operational costs; focusing on delivery to core customers and establishing new relationships; and developing online sales channels.

The company's turnover was reported as £31,213,526 (2020: £30,571,618).

Gross profits were reported at £7,712,391 (2020: £6,727,386).

Retained profits for the financial year were £805,036 (2020: £720,051) and a dividend of £843,720 resulted in a movement in Net Assets to £4,402,417 (2020: £4,441,101).

Cash outflow from operating activities was £81,462 (2019: £2,146,912 inflow).

Section 172(1) statement

Volume in our business to business (B2B) revenues returned to more normal levels, as trade was far less disrupted despite supply chain challenges.

By contrast, online sales particularly in the second half of the year were down with the direct to consumer (D2C) spend weaker having enjoyed a bumper year in 2020.

This short term trend highlighted the strength in our diversity as physical retail recovered, online sales stepped backwards.

In the year we made an acquisition to give us an entry point to a growing category (pets) selling through a proprietary website and on Amazon & Ebay, as we consolidated our e-commerce operations into our main site in Stoke-on-Trent.

Our ongoing investment in data & technology enabled us to secure some new business wins and operate in an increasingly efficient manner, decreasing group overheads.

We are well positioned for the future, continuing to grow our footprint in the UK and commercialising the data & tech applications that underpin our end to end retail services.

Engagement with suppliers, customers and others

During the year relationships with our key customers and suppliers were cemented as we worked more closely than ever to overcome new challenges and adapted to ways of working as the landscape continued to change rapidly.

We secured some major contract renewals, and saw growth particularly in the people services part of the company.

Engagement with employees
Throughout 2021 we continued to develop our technology to listen and learn in real time.

The engagement score in 2021 rose again year on year.

We have 25 trained mental health first aiders across the UK who can support and point our colleagues who are in need in the right direction.

Our online learning and communication platforms continue to see high usage and we continue to develop our employee rewards program with key partners like Reward Gateway.

Outlook
The company strategy is built upon a belief that it adds value through the efficient execution of in store and consolidated supply in categories outside of the retailers core, benefiting both retailers and their originating suppliers. The group 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. Through investments aligned to the group's strategies platforms are in place to facilitate for example, field communications, work allocation and briefing, product ordering & replenishment, stock checking, audit and tactical merchandising.

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

The 2021 results are a great achievement in the context of the challenges faced, and the directors are confident that as a result of the actions taken to manage the cost base during the year, the company is well placed to continue to meet its strategic objectives for the benefit of its stakeholders going forward.

Financial risk management
The directors ensure that the group'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 the group 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 July 2022

Directors' Report
for the Year Ended 31st December 2021

The directors present their report with the financial statements of the company for the year ended 31st December 2021.

Dividends
Information relating to dividends paid 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

Streamlined energy and carbon reporting
Consumption (kWh) and Greenhouse Gas Emissions (tCO2e) totals

The following figures make up the energy and carbon emissions for the group.

Scope 1 consumption and emissions relate to the direct consumption of natural gas and fuels used for transportation operations, such as HGV's, company cars & Vans. Transport also includes vehicles that are owned by group employees who use their cars on company business and are reimbursed through expenses.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of electricity in the day to day business operations.

Totals

The total consumption (kWh) figures for energy supplies reportable for the activities in 2021 are as follows:

Utility	2021 Consumption (kWh)	2020 Consumption (kWh)
Supplied Electricity	518,763	582,922
Natural Gas	1,028,581	770,809
Transportation	2,429,108	2,184,104
Total	3,976,452	3,537,835

The total emissions for the company are as follows (tCO2e):

Utility & Scope	2021 Emissions (tCO2e)	2020 Emissions (tCO2e)
Supplied Electricity (Scope 2)	109	142
Natural Gas (Scope 1)	188	149
Transportation (Scope 1)	645	519
Total	942	810

Intensity Ratio

tCO2e /£m Turnover	9.41

Energy efficiency and carbon reduction initiatives

During the reporting year the group took no significant measures to increase its energy efficiency and therefore reduce its carbon footprint.

The information contained in this report is gathered from a number of sources, these include utility bills, expense mileage claims and HGV fuel usage etc. This information is then used to calculate the emissions using the current Government issued conversion factors.

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.

Directors' Report
for the Year Ended 31st December 2021

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;
- 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 July 2022

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 2021 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 2021 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
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management including obtaining and reviewing supporting documentation concerning the company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non compliance;
  - detecting and responding to the risks of fraud and whether they have any knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- discussions among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory framework in which the company operates, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included the Companies Act 2006, Pension legislation and Tax legislation.

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.

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

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 July 2022

Income Statement
for the Year Ended 31st December 2021

	Notes	31/12/21 £	£	31/12/20 £	£
Turnover	3		31,213,526		30,571,618
Cost of sales			23,501,135		23,844,232
Gross profit			7,712,391		6,727,386
Administrative expenses			6,400,047		5,681,918
			1,312,344		1,045,468
Other operating income	4		81,564		11,464
			1,393,908		1,056,932
Cost of fundamental reorganisation	7		353,548		274,611
			1,040,360		782,321
Income from participating interests		30,000		-	
Interest receivable and similar income		14		1,198	
			30,014		1,198
			1,070,374		783,519
Interest payable and similar expenses	8		25,324		51,817
Profit before taxation	9		1,045,050		731,702
Tax on profit	10		240,014		11,651
Profit for the financial year			805,036		720,051

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31st December 2021

	Notes	31/12/21 £	31/12/20 £
Profit for the year		805,036	720,051
Other comprehensive income		-	-
Total comprehensive income for the year		805,036	720,051

The notes form part of these financial statements

Balance Sheet
31st December 2021

	Notes	31/12/21 £	£	31/12/20 £	£
Fixed assets					
Intangible assets	12		1,577,085		1,789,717
Tangible assets	13		922,358		1,302,743
			2,499,443		3,092,460
Current assets					
Stocks	14	22,434		93,650	
Debtors	15	15,618,674		12,555,525	
Cash at bank and in hand		531,089		1,601,275	
		16,172,197		14,250,450	
Creditors					
Amounts falling due within one year	16	14,099,435		12,791,282	
Net current assets			2,072,762		1,459,168
Total assets less current liabilities			4,572,205		4,551,628
Provisions for liabilities	18		(169,788)		(72,963)
Accruals and deferred income	19		-		(37,564)
Net assets			4,402,417		4,441,101
Capital and reserves					
Called up share capital	20		112,500		112,500
Share premium	21		306,675		306,675
Retained earnings	21		3,983,242		4,021,926
Shareholders' funds	24		4,402,417		4,441,101

The financial statements were approved by the Board of Directors and authorised for issue on 26th July 2022 and were signed on its behalf by:

I D Andrews - Director

G A Phillips - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31st December 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st January 2020	90,000	3,301,875	-	3,391,875
Changes in equity				
Issue of share capital	22,500	-	306,675	329,175
Total comprehensive income	-	720,051	-	720,051
Balance at 31st December 2020	112,500	4,021,926	306,675	4,441,101
Changes in equity				
Dividends	-	(843,720)	-	(843,720)
Total comprehensive income	-	805,036	-	805,036
Balance at 31st December 2021	112,500	3,983,242	306,675	4,402,417

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31st December 2021

	Notes	31/12/21 £	31/12/20 £
Cash flows from operating activities			
Cash generated from operations	25	148,369	2,130,574
Interest paid		(25,324)	(51,817)
Tax paid		(204,507)	68,155
Net cash from operating activities		(81,462)	2,146,912
Cash flows from investing activities			
Purchase of intangible fixed assets		(255,341)	(1,655,723)
Purchase of tangible fixed assets		(150,713)	(899,403)
Sale of intangible fixed assets		-	(141,537)
Sale of tangible fixed assets		295,000	166,437
Sale of fixed asset investments		-	701,231
Interest received		14	1,198
Dividends received		30,000	-
Net cash from investing activities		(81,040)	(1,827,797)
Cash flows from financing activities			
Amount introduced by directors		-	55,060
Movement on directors' loan accounts		(63,964)	-
Equity dividends paid		(843,720)	-
Net cash from financing activities		(907,684)	55,060
(Decrease)/increase in cash and cash equivalents		(1,070,186)	374,175
Cash and cash equivalents at beginning of year	26	1,601,275	1,227,100
Cash and cash equivalents at end of year	26	531,089	1,601,275

The notes form part of these financial statements

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 paragraphs 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 paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of 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 5 years

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.

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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.

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**

Research and development
The Group capitalises development expenditure as an asset when it is able to demonstrate all of the following:
(a) the technical feasibility of completing the asset so that it will be available for use or sale;
(b) its intention to complete the asset and use or sell it;
(c) its ability to use or sell the asset;
(d) how the asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the asset or the asset itself or, if it is to be used internally, the usefulness of the asset;
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset;
(f) its ability to measure reliably the expenditure attributable to the asset during its development.
All research and development expenditure that does not meet the above conditions is expensed as incurred.

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:

	31/12/21	31/12/20
	£	£
United Kingdom	30,721,017	30,089,682
Europe	492,509	433,809
United States of America	-	44,329
Asia	-	3,798
	31,213,526	30,571,618

4. **Other operating income**

	31/12/21	31/12/20
	£	£
Sundry receipts	44,000	2,500
Government grants	37,564	8,964
	81,564	11,464

continued...

5. Employees and directors

	31/12/21	31/12/20
	£	£
Wages and salaries	22,540,301	22,405,701
Social security costs	1,078,622	965,235
Other pension costs	249,318	316,303
	23,868,241	23,687,239

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

	31/12/21	31/12/20
Staff (including directors)	2,589	2,536

6. Directors' emoluments

	31/12/21	31/12/20
	£	£
Directors' remuneration	17,123	212,508
Directors' pension contributions to money purchase schemes	-	26,840

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

Money purchase schemes	2	2

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

7. Exceptional items

	31/12/21	31/12/20
	£	£
Cost of fundamental reorganisation	(353,548)	(274,611)

Costs of fundamental reorganisation relate to staff restructuring costs.

8. Interest payable and similar expenses

	31/12/21	31/12/20
	£	£
Bank loan interest	-	1,221
Invoice discounting interest	28,208	49,051
Directors' loan interest	(2,884)	1,545
	25,324	51,817

continued...

9. Profit before taxation

The profit is stated after charging/(crediting):

	31/12/21	31/12/20
	£	£
Depreciation - owned assets	324,298	223,490
Profit on disposal of fixed assets	(88,200)	(204,479)
Goodwill amortisation	125,907	63,571
Computer software amortisation	342,066	126,195
Auditors' remuneration	16,000	16,000
Other non- audit services	16,720	22,150
Operating lease costs - land and buildings	274,950	166,638
Operating lease costs - motor vehicles	234,777	274,342

10. Taxation

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

	31/12/21	31/12/20
	£	£
Current tax:		
UK corporation tax	143,189	44,881
Prior year adjustment	-	1,510
Total current tax	143,189	46,391
Deferred tax	96,825	(34,740)
Tax on profit	240,014	11,651

Reconciliation of total tax charge 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:

	31/12/21	31/12/20
	£	£
Profit before tax	1,045,050	731,702
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	198,560	139,023
Effects of:		
Expenses not deductible for tax purposes	2,134	155
Income not taxable for tax purposes	(5,700)	-
Capital allowances in excess of depreciation	-	(102,082)
Depreciation in excess of capital allowances	215,205	-
Utilisation of tax losses	(53,338)	-
Adjustments to tax charge in respect of previous periods repayments	-	1,510
R&D tax credits	(116,847)	(26,955)
Total tax charge	240,014	11,651

continued...

11. **Dividends**

	31/12/21 £	31/12/20 £
Ordinary shares of £1 each		
Dividends paid	843,720	-

12. **Intangible fixed assets**

	Goodwill £	Computer software £	Totals £
Cost			
At 1st January 2021	536,108	1,418,312	1,954,420
Additions	118,124	137,217	255,341
At 31st December 2021	654,232	1,555,529	2,209,761
Amortisation			
At 1st January 2021	63,573	101,130	164,703
Amortisation for year	125,907	342,066	467,973
At 31st December 2021	189,480	443,196	632,676
Net book value			
At 31st December 2021	464,752	1,112,333	1,577,085
At 31st December 2020	472,535	1,317,182	1,789,717

13. **Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures, fittings and equipment £
Cost			
At 1st January 2021	240,000	89,309	498,664
Additions	-	21,561	-
Disposals	(240,000)	-	-
At 31st December 2021	-	110,870	498,664
Depreciation			
At 1st January 2021	33,200	86,396	381,536
Charge for year	-	3,933	49,241
Eliminated on disposal	(33,200)	-	-
At 31st December 2021	-	90,329	430,777
Net book value			
At 31st December 2021	-	20,541	67,887
At 31st December 2020	206,800	2,913	117,128

continued...

13. **Tangible fixed assets - continued**

	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1st January 2021	367,450	3,046,422	4,241,845
Additions	-	129,152	150,713
Disposals	-	-	(240,000)
At 31st December 2021	367,450	3,175,574	4,152,558
Depreciation			
At 1st January 2021	295,650	2,142,320	2,939,102
Charge for year	56,040	215,084	324,298
Eliminated on disposal	-	-	(33,200)
At 31st December 2021	351,690	2,357,404	3,230,200
Net book value			
At 31st December 2021	15,760	818,170	922,358
At 31st December 2020	71,800	904,102	1,302,743

14. **Stocks**

	31/12/21 £	31/12/20 £
Stock of fuel	18,361	13,649
Store fittings	4,073	80,001
	22,434	93,650

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

	31/12/21 £	31/12/20 £
Trade debtors	7,219,310	2,255,778
Amounts owed by group undertakings	6,865,477	8,183,243
Other debtors	40,000	464,521
Tax	16,437	-
Called up share capital not paid	329,175	329,175
Prepayments and accrued income	1,148,275	1,322,808
	15,618,674	12,555,525

Trade debtors are stated net of a bad debt provision of nil (2020 - £6,642).

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

continued...

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

	31/12/21	31/12/20
	£	£
Trade creditors	2,094,081	3,606,349
Amounts owed to group undertakings	7,281,573	6,421,825
Tax	-	44,881
Social security and other taxes	270,813	5,838
Other creditors	3,753,513	117,959
Directors' loan accounts	-	63,964
Accruals and deferred income	699,455	2,530,466
	14,099,435	12,791,282

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

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 and Tactical Solutions FS Limited were added to this cross guarantee with effect from 13th November 2018 and 1st January 2020 respectively.

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

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

17. **Leasing agreements**

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

	31/12/21	31/12/20
	£	£
Within one year	139,757	142,274
Between one and five years	100,419	89,439
In more than five years	6,214	33,655
	246,390	265,368

18. **Provisions for liabilities**

	31/12/21	31/12/20
	£	£
Deferred tax		
Accelerated capital allowances	169,788	72,963

	Deferred tax
	£
Balance at 1st January 2021	72,963
Charge to Income Statement during year	96,825
Balance at 31st December 2021	169,788

continued...

19. **Accruals and deferred income**

	31/12/21	31/12/20
	£	£
Deferred government grants	-	37,564

20. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/21 £	31/12/20 £
90,000	Ordinary	£1	90,000	90,000

Allotted and issued:

Number:	Class:	Nominal value:	31/12/21 £	31/12/20 £
22,500	Share capital 2	£1	22,500	22,500

21. **Reserves**

	Retained earnings £	Share premium £	Totals £
At 1st January 2021	4,021,926	306,675	4,328,601
Profit for the year	805,036		805,036
Dividends	(843,720)		(843,720)
At 31st December 2021	3,983,242	306,675	4,289,917

22. **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.

23. **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...

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

	31/12/21	31/12/20
	£	£
Profit for the financial year	805,036	720,051
Dividends	(843,720)	-
New share capital subscribed	-	329,175
Net (reduction)/addition to shareholders' funds	(38,684)	1,049,226
Opening shareholders' funds	4,441,101	3,391,875
Closing shareholders' funds	4,402,417	4,441,101

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

	31/12/21	31/12/20
	£	£
Profit before taxation	1,045,050	731,702
Depreciation charges	792,270	413,257
Profit on disposal of fixed assets	(88,200)	(204,479)
Government grants	(37,564)	(8,964)
Finance costs	25,324	51,817
Finance income	(30,014)	(1,198)
	1,706,866	982,135
Decrease in stocks	71,216	38,470
Increase in trade and other debtors	(3,046,713)	(1,041,704)
Increase in trade and other creditors	1,417,000	2,151,673
Cash generated from operations	148,369	2,130,574

26. **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 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	531,089	1,601,275

Year ended 31st December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	1,601,275	1,227,100

27. **Analysis of changes in net funds**

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank and in hand	1,601,275	(1,070,186)	531,089
	1,601,275	(1,070,186)	531,089
Total	1,601,275	(1,070,186)	531,089

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.