

**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31st December 2022
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 2022**

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Dee Set Logistics Limited

**Company Information
for the Year Ended 31st December 2022**

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 2022**

The directors present their strategic report for the year ended 31st December 2022.

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/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, tactical merchandising, store audit, and promotional set-up.

Review of the year

In 2022 the Group continued to pursue its strategic objectives: Investment in Technology, People & Data focus on delivery to core customers and establish new relationships.

The company's turnover was reported as £32,744,622 (2021: £31,213,526).

Gross profits were reported at £8,776,990 (2021: £7,712,391).

Retained profits for the financial year were £1,409,827 (2021: £805,036) and a performance share distribution of £2,154,600 resulted in a movement in Net Assets to £3,657,644 (2021: £4,402,417).

Cash outflow from operating activities was £173,601 (2021: £81,462 outflow).

Section 172(1) statement

The company continued to focus on investment in data and technology to achieve long term competitive advantage. Focusing on tech ensures we can provide a demonstrable return on investment for our partners.

The investment made so far has enabled us to drive performance and efficiencies and measure success.

In 2022, we achieved growth through our core activity and long-standing customer relationships, new client wins and our all-in-one technology offering Reapp Analytics.

Dee Set received reaccreditation for zero waste to landfill, demonstrating a commitment to reducing our environmental impact by diverting all waste from landfills through recycling, composting and other forms of reutilisation.

Engagement with suppliers, customers and others

During the year relationships with our key customers and suppliers were further cemented as we worked closely to provide solutions through our data & tech, enhanced reporting and adapted ways of workings.

Engagement with employees

Throughout 2022 we continued to develop our technology to listen and learn in real time.

Engagement with our online learning and communication platforms continues to grow and we are also continuing the development of rewards programmes with key partners such as Reward Gateway & Wagestream.

**Strategic Report
for the Year Ended 31st December 2022**

Outlook

The overall group 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, benefitting 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.

The Board remains confident about the future pipeline of activity and the business growth strategy. The directors are confident that through its data, people & tech strategy the company is well placed to meet its strategic objectives for the benefit of its stakeholders in 2023.

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 the 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 group continues and the appropriate training is arranged. It is the policy of the group 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 group as a whole.

On behalf of the board:

G A Phillips - Director

16th June 2023

**Directors' Report
for the Year Ended 31st December 2022**

The directors present their report with the financial statements of the company for the year ended 31st December 2022.

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

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;
- 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

16th June 2023

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 2022 which comprise the Statement of Income and Retained Earnings, Balance Sheet, 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 2022 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.

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.

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

16th June 2023

**Statement of Income and Retained Earnings
for the Year Ended 31st December 2022**

	Notes	31/12/22 £	£	31/12/21 £	£
Turnover	3		32,744,622		31,213,526
Cost of sales			<u>23,967,632</u>		<u>23,501,135</u>
Gross profit			8,776,990		7,712,391
Administrative expenses			<u>6,923,488</u>		<u>6,400,047</u>
			1,853,502		1,312,344
Other operating income	4		<u>-</u>		<u>81,564</u>
			1,853,502		1,393,908
Cost of fundamental reorganisation	7		<u>60,648</u>		<u>353,548</u>
			1,792,854		1,040,360
Income from participating interests		-		30,000	
Interest receivable and similar income		<u>7</u>		<u>14</u>	
			1,792,861		1,070,374
Interest payable and similar expenses	8		<u>50,017</u>		<u>25,324</u>
Profit before taxation	9		1,742,844		1,045,050
Tax on profit	10		<u>333,017</u>		<u>240,014</u>
Profit for the financial year			1,409,827		805,036
Retained earnings at beginning of year			3,983,242		4,021,926
Dividends and distributions	11		(2,154,600)		(843,720)
Retained earnings at end of year			<u>3,238,469</u>		<u>3,983,242</u>

The notes form part of these financial statements

Dee Set Logistics Limited (Registered number: SC208421)

Balance Sheet
31st December 2022

	Notes	31/12/22 £	£	31/12/21 £	£
Fixed assets					
Intangible assets	12		1,020,177		1,577,085
Tangible assets	13		<u>625,892</u>		<u>922,358</u>
			1,646,069		2,499,443
Current assets					
Stocks	14	15,263		22,434	
Debtors	15	17,707,828		15,618,674	
Cash at bank and in hand		<u>98,118</u>		<u>531,089</u>	
		17,821,209		16,172,197	
Creditors					
Amounts falling due within one year	16	<u>15,695,257</u>		<u>14,099,435</u>	
Net current assets			<u>2,125,952</u>		<u>2,072,762</u>
Total assets less current liabilities			<u>3,772,021</u>		<u>4,572,205</u>
Provisions for liabilities	18		<u>114,377</u>		<u>169,788</u>
Net assets			<u>3,657,644</u>		<u>4,402,417</u>
Capital and reserves					
Called up share capital	19		112,500		112,500
Share premium	20		306,675		306,675
Retained earnings	20		<u>3,238,469</u>		<u>3,983,242</u>
Shareholders' funds	24		<u>3,657,644</u>		<u>4,402,417</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16th June 2023 and were signed on its behalf by:

I D Andrews - Director

G A Phillips - Director

The notes form part of these financial statements

**Cash Flow Statement
for the Year Ended 31st December 2022**

	Notes	31/12/22 £	31/12/21 £
Cash flows from operating activities			
Cash generated from operations	25	78,411	148,369
Interest paid		(50,017)	(25,324)
Tax paid		(201,995)	(204,507)
Net cash from operating activities		<u>(173,601)</u>	<u>(81,462)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(255,341)
Purchase of tangible fixed assets		(32,299)	(150,713)
Sale of tangible fixed assets		-	295,000
Interest received		7	14
Dividends received		-	30,000
Net cash from investing activities		<u>(32,292)</u>	<u>(81,040)</u>
Cash flows from financing activities			
Movement on directors' loan accounts		(227,078)	(63,964)
Equity dividends paid		-	(843,720)
Net cash from financing activities		<u>(227,078)</u>	<u>(907,684)</u>
Decrease in cash and cash equivalents		<u>(432,971)</u>	<u>(1,070,186)</u>
Cash and cash equivalents at beginning of year	26	531,089	1,601,275
Cash and cash equivalents at end of year	26	<u>98,118</u>	<u>531,089</u>

**Notes to the Financial Statements
for the Year Ended 31st December 2022**

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":

- Disclosures in respect of financial instruments have not been presented.

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.

Goodwill and other intangible assets

Intangible assets are initially measured at cost.

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

Software costs - Straight line over 4 years

Impairment reviews are undertaken annually and further write offs may be applied, if the useful life is deemed to be shorter.

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.

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 2022**

2. Accounting policies - continued

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 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.

Research and development

The company capitalises development expenditure such as software costs, 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.

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

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:

	31/12/22	31/12/21
	£	£
United Kingdom	32,222,969	30,721,017
Europe	521,653	492,509
	<u>32,744,622</u>	<u>31,213,526</u>

4. Other operating income

	31/12/22	31/12/21
	£	£
Sundry receipts	-	44,000
Government grants	-	37,564
	<u>-</u>	<u>81,564</u>

5. Employees and directors

	31/12/22	31/12/21
	£	£
Wages and salaries	24,948,514	22,540,301
Social security costs	1,307,104	1,078,622
Other pension costs	316,723	249,318
	<u>26,572,341</u>	<u>23,868,241</u>

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

	31/12/22	31/12/21
Staff (including directors)	<u>2,787</u>	<u>2,589</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

5. Employees and directors - continued

All employees of the Retail Solutions (Holdings) Limited group are processed through the PAYE scheme operated in White Hinge Limited, and recharged throughout the group as appropriate.

6. Directors' emoluments

	31/12/22	31/12/21
	£	£
Directors' remuneration	<u>25,828</u>	<u>17,123</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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The directors are considered to be the company's "key management personnel".

7. Exceptional items

	31/12/22	31/12/21
	£	£
Cost of fundamental reorganisation	<u>(60,648)</u>	<u>(353,548)</u>

Cost of fundamental reorganisation relates to staff restructuring.

8. Interest payable and similar expenses

	31/12/22	31/12/21
	£	£
Invoice discounting interest	50,017	28,208
Directors' loan interest	<u>-</u>	<u>(2,884)</u>
	<u>50,017</u>	<u>25,324</u>

9. Profit before taxation

The profit is stated after charging/(crediting):

	31/12/22	31/12/21
	£	£
Depreciation - owned assets	328,765	324,298
Profit on disposal of fixed assets	-	(88,200)
Goodwill amortisation	130,846	125,907
Computer software amortisation	426,062	342,066
Auditors' remuneration	16,000	16,000
Other non- audit services	19,207	16,720
Operating lease costs - land and buildings	257,400	274,950
Operating lease costs - motor vehicles	<u>219,199</u>	<u>234,777</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

10. Taxation

Analysis of the tax charge

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

	31/12/22 £	31/12/21 £
Current tax:		
UK corporation tax	388,428	143,189
Deferred tax	(55,411)	96,825
Tax on profit	<u>333,017</u>	<u>240,014</u>

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:

	31/12/22 £	31/12/21 £
Profit before tax	<u>1,742,844</u>	<u>1,045,050</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	331,140	198,560
Effects of:		
Expenses not deductible for tax purposes	150	2,134
Income not taxable for tax purposes	-	(5,700)
Depreciation in excess of capital allowances	71,060	215,205
Utilisation of tax losses repayments	(96,783)	(53,338)
R&D tax credits	-	(116,847)
Changes in future tax rates	27,450	-
Total tax charge	<u>333,017</u>	<u>240,014</u>

11. Dividends and distributions

	31/12/22 £	31/12/21 £
Ordinary shares of £1 each		
Dividends paid	-	843,720
Ordinary "A" shares of £1 each		
Distribution due on performance shares	<u>2,154,600</u>	<u>-</u>
	<u>2,154,600</u>	<u>843,720</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2022

12. Intangible fixed assets

	Goodwill £	Computer software £	Totals £
Cost			
At 1st January 2022			
and 31st December 2022	654,232	1,555,529	2,209,761
Amortisation			
At 1st January 2022	189,480	443,196	632,676
Amortisation for year	130,846	426,062	556,908
At 31st December 2022	320,326	869,258	1,189,584
Net book value			
At 31st December 2022	333,906	686,271	1,020,177
At 31st December 2021	464,752	1,112,333	1,577,085

13. Tangible fixed assets

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Totals £
Cost					
At 1st January 2022	110,870	498,664	367,450	3,175,574	4,152,558
Additions	32,299	-	-	-	32,299
Disposals	-	(274,929)	(13,308)	(1,832,263)	(2,120,500)
At 31st December 2022	143,169	223,735	354,142	1,343,311	2,064,357
Depreciation					
At 1st January 2022	90,329	430,777	351,690	2,357,404	3,230,200
Charge for year	6,333	48,679	15,760	257,993	328,765
Eliminated on disposal	-	(274,929)	(13,308)	(1,832,263)	(2,120,500)
At 31st December 2022	96,662	204,527	354,142	783,134	1,438,465
Net book value					
At 31st December 2022	46,507	19,208	-	560,177	625,892
At 31st December 2021	20,541	67,887	15,760	818,170	922,358

14. Stocks

	31/12/22 £	31/12/21 £
Stock of fuel	15,263	18,361
Store fittings	-	4,073
	<u>15,263</u>	<u>22,434</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

15. Debtors: amounts falling due within one year

	31/12/22	31/12/21
	£	£
Trade debtors	9,378,329	7,219,310
Amounts owed by group undertakings	6,932,388	6,865,477
Other debtors	17,935	40,000
Directors' loan accounts	227,078	-
Tax	-	16,437
Called up share capital not paid	329,175	329,175
Prepayments and accrued income	822,923	1,148,275
	<u>17,707,828</u>	<u>15,618,674</u>

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

16. Creditors: amounts falling due within one year

	31/12/22	31/12/21
	£	£
Trade creditors	579,611	2,094,081
Amounts owed to group undertakings	6,996,005	7,281,573
Tax	169,996	-
Social security and other taxes	1,278,966	270,813
Other creditors	4,017,097	3,753,513
Accruals and deferred income	2,653,582	699,455
	<u>15,695,257</u>	<u>14,099,435</u>

Amounts owed to group undertakings are classified as due within one year as they are 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.

A cross guarantee for all sums, owed between Dee Set Logistics Limited, Dee Set Confectionery Limited and Retail Solutions (Holdings) Limited, was 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 owed to the Bank of Scotland Plc, are secured by way of a fixed and floating charge over the assets of the company, dated the 24th May 2021.

A debenture between the company and the Bank of Scotland Plc, exists by way of a charge over all assets of the company, dated the 6th May 2005.

All sums owed to the Lloyds TSB Commercial Finance Limited, are secured by way of a bond and floating charge over the assets of the company, dated the 28th October 2009.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2022

17. Leasing agreements

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

	31/12/22	31/12/21
	£	£
Within one year	57,271	139,757
Between one and five years	16,569	100,419
In more than five years	1,928	6,214
	<u>75,768</u>	<u>246,390</u>

18. Provisions for liabilities

	31/12/22	31/12/21
	£	£
Deferred tax		
Accelerated capital allowances	<u>114,377</u>	<u>169,788</u>
		Deferred tax
		£
Balance at 1st January 2022		169,788
Credit to Income Statement during year		(55,411)
Balance at 31st December 2022		<u>114,377</u>

19. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/22	31/12/21
			£	£
90,000	Ordinary	£1	<u>90,000</u>	<u>90,000</u>

Allotted and issued:

Number:	Class:	Nominal value:	31/12/22	31/12/21
			£	£
22,500	Ordinary "A" shares	£1	<u>22,500</u>	<u>22,500</u>

Ordinary "A" Shares have no voting or income rights, capital rights above a hurdle according to the articles of association and are not redeemable.

20. Reserves

	Retained earnings	Share premium	Totals
	£	£	£
At 1st January 2022	3,983,242	306,675	4,289,917
Profit for the year	1,409,827		1,409,827
Dividends and distributions	(2,154,600)		(2,154,600)
At 31st December 2022	<u>3,238,469</u>	<u>306,675</u>	<u>3,545,144</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

21. Ultimate parent company

The ultimate parent undertaking of Dee Set Logistics Limited is Retail Solutions (Holdings) Limited which controls 100% of the ordinary shares and voting rights of the company, effective from the 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.

22. Directors' advances, credits and guarantees

The following advances and credits to a director subsisted during the years ended 31st December 2022 and 31st December 2021:

	31/12/22 £	31/12/21 £
G A Phillips		
Balance outstanding at start of year	-	-
Amounts advanced	227,078	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>227,078</u>	<u>-</u>

The directors loan was interest free and unsecured. It is anticipated that the loan will be repaid within nine months of the year end.

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.

Other related parties

	31/12/22 £	31/12/21 £
Sales	46,544	-
Amount due from related party	19,000	-
Amount due to related party	<u>5,822</u>	<u>-</u>

Other related party transactions relate to companies where I D Andrews is a common director or shareholder.

24. Reconciliation of movements in shareholders' funds

	31/12/22 £	31/12/21 £
Profit for the financial year	1,409,827	805,036
Dividends and distributions	<u>(2,154,600)</u>	<u>(843,720)</u>
Net reduction of shareholders' funds	(744,773)	(38,684)
Opening shareholders' funds	<u>4,402,417</u>	<u>4,441,101</u>
Closing shareholders' funds	<u>3,657,644</u>	<u>4,402,417</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2022

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

	31/12/22	31/12/21
	£	£
Profit before taxation	1,742,844	1,045,050
Depreciation charges	885,673	792,270
Profit on disposal of fixed assets	-	(88,200)
Government grants	-	(37,564)
Finance costs	50,017	25,324
Finance income	(7)	(30,014)
	<u>2,678,527</u>	<u>1,706,866</u>
Decrease in stocks	7,171	71,216
Increase in trade and other debtors	(1,878,513)	(3,046,713)
(Decrease)/increase in trade and other creditors	<u>(728,774)</u>	<u>1,417,000</u>
Cash generated from operations	<u>78,411</u>	<u>148,369</u>

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 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>98,118</u>	<u>531,089</u>

Year ended 31st December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>531,089</u>	<u>1,601,275</u>

27. Analysis of changes in net funds

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>531,089</u>	<u>(432,971)</u>	<u>98,118</u>
	<u>531,089</u>	<u>(432,971)</u>	<u>98,118</u>
Total	<u>531,089</u>	<u>(432,971)</u>	<u>98,118</u>

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