

**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31 December 2014**
for
Dee Set Logistics Limited



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for the Year Ended 31st December 2014**

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Dee Set Logistics Limited

**Company Information
for the Year Ended 31st December 2014**

Directors: I D Andrews
S J Machin
S Hinchliffe
G A Phillips

Secretary: D M Bufton

Registered office: Collins House
Rutland Square
Edinburgh
Midlothian
EH1 2AA

Business address: The Distribution Centre
Victoria Road
Fenton
Stoke-on-Trent
Staffordshire
ST4 2HX

Registered number: SC208421 (Scotland)

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

Dee Set Logistics Limited

Strategic Report for the Year Ended 31st December 2014

The directors present their strategic report for the year ended 31st December 2014.

Review of business

Dee Set Logistics Limited is a wholly owned subsidiary of Retail Solutions (Holdings) Limited. The group provides consolidated supply chain solutions to both the UK's retailers and their suppliers - the aim being to provide services that are attractive to both parties. The focus remains the improvement of in-store product availability to thereby maximise sales.

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

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

The field Merchandising team now numbers 2,800 employees whose activities surround product order preparation & processing, receipt & shelf replenishment / presentation, tactical merchandising, store audit, and store re-fit services. Whilst historically the focus was in support of the Health & Beauty and Impulse sectors, the field team now includes specialist teams dedicated to Store Re-fit & Development, and Clothing merchandising.

The Company's turnover increased by 20% in 2014 to £42,421,391 (2013: £35,195,987), the growth primarily in new field Merchandising activities.

Gross profits were reported at £13,608,325, 32% (2013: £11,764,065, 33%). Profit before interest and taxation was reported at £2,090,871 (2013: £2,051,630).

The sustained growth in turnover and trading margins were in line with targets and generally encouraging in what remained a difficult economic climate.

Outlook

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

Of note, the company's commitment in recent years to drive the use of latest technologies has created a point of difference. Platforms are in place to facilitate for example field communications, work allocation and briefing, product ordering & replenishment, stock checking, audit and tactical merchandising. The investments are aligned to the company's strategies and have ensured the business is very well placed to support further new business in 2015.

Early 2015 results show continuing growth in turnover, margins and net assets. All key financial measures are ahead of 2014 and in line with the company's budgets.

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

Financial risk management

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

Dee Set Logistics Limited

**Strategic Report
for the Year Ended 31st December 2014**

Employment policy

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

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

On behalf of the board:

A handwritten signature in black ink, appearing to read 'D M Bufton', written in a cursive style.

D M Bufton - Secretary

4th June 2015

Dee Set Logistics Limited

Directors' Report for the Year Ended 31st December 2014

The directors present their report with the financial statements of the company for the year ended 31st December 2014.

Dividends

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

Events since the end of the year

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

Directors

The directors holding office during the year were as follows:

I D Andrews

S J Machin

S Hinchliffe

E P Byrnes

Resigned 9th April 2015

G A Phillips

Appointed 1st May 2014

S C Robinson

Appointed 1st May 2014 and Resigned 31st March 2015

Disclosure in the strategic report

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

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Dee Set Logistics Limited

**Directors' Report
for the Year Ended 31st December 2014**

Auditors

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

On behalf of the board:

A handwritten signature in black ink, appearing to read 'D M Bufton', written in a cursive style.

D M Bufton - Secretary

4th June 2015

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

We have audited the financial statements of Dee Set Logistics Limited for the year ended 31st December 2014 on pages seven to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

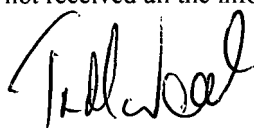
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

4th June 2015

Dee Set Logistics Limited

**Profit and Loss Account
for the Year Ended 31st December 2014**

	Notes	31/12/14 £	31/12/13 £
Turnover	2	42,421,391	35,195,987
Cost of sales		28,813,066	23,431,922
Gross profit		13,608,325	11,764,065
Administrative expenses		11,671,802	9,863,828
		1,936,523	1,900,237
Other operating income	3	154,348	151,393
Operating profit	6	2,090,871	2,051,630
Interest payable and similar charges	7	257,847	297,411
Profit on ordinary activities before taxation		1,833,024	1,754,219
Tax on profit on ordinary activities	8	395,963	410,046
Profit for the financial year		1,437,061	1,344,173

Continuing operations

None of the company's activities were acquired or discontinued during the current year or previous year.

Total recognised gains and losses

The company has no recognised gains or losses other than the profits for the current year or previous year.

Dee Set Logistics Limited (Registered number: SC208421)

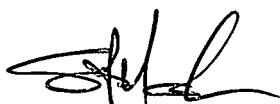
Balance Sheet
31st December 2014

	Notes	31/12/14		31/12/13	
		£	£	£	£
Fixed assets					
Intangible assets	10		-		-
Tangible assets	11		5,999,718		6,337,601
Investments	12		209,105		209,105
Investment property	13		-		-
			<u>6,208,823</u>		<u>6,546,706</u>
Current assets					
Stocks	14	530,125		378,500	
Debtors	15	9,751,692		7,734,998	
Cash at bank and in hand		229,944		662,216	
			<u>10,511,761</u>		<u>8,775,714</u>
Creditors					
Amounts falling due within one year	16	11,146,984		8,919,926	
			<u>(635,223)</u>		<u>(144,212)</u>
Net current liabilities					
			<u>5,573,600</u>		<u>6,402,494</u>
Creditors					
Amounts falling due after more than one year	17		(1,200,000)		(1,771,272)
Provisions for liabilities	20		(194,072)		(183,381)
Accruals and deferred income	21		(91,348)		(100,312)
			<u>4,088,180</u>		<u>4,347,529</u>
Net assets					
Capital and reserves					
Called up share capital	22		90,000		90,000
Revaluation reserve	23		166,798		173,594
Profit and loss account	23		3,831,382		4,083,935
			<u>4,088,180</u>		<u>4,347,529</u>
Shareholders' funds	28				

The financial statements were approved by the Board of Directors on 4th June 2015 and were signed on its behalf by:



I D Andrews - Director



S J Machin - Director

The notes form part of these financial statements

Dee Set Logistics Limited

Cash Flow Statement
for the Year Ended 31st December 2014

	Notes	31/12/14		31/12/13	
		£	£	£	£
Net cash inflow from operating activities	29		1,452,720		2,698,128
Returns on investments and servicing of finance	30		(249,284)		(305,974)
Taxation			(473,018)		(464,882)
Capital expenditure	30		(390,194)		(160,207)
Equity dividends paid			(1,696,410)		(178,200)
			(1,356,186)		1,588,865
Financing	30		923,914		(1,019,781)
(Decrease)/increase in cash in the period			(432,272)		569,084
<hr/>					
Reconciliation of net cash flow to movement in net debt	31				
(Decrease)/increase in cash in the period		(432,272)		569,084	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(923,914)		1,019,781	
Change in net debt resulting from cash flows			(1,356,186)		1,588,865
Finance lease adjustments			188,013		23,588
Movement in net debt in the period			(1,168,173)		1,612,453
Net debt at 1st January			(2,892,175)		(4,504,628)
Net debt at 31st December			(4,060,348)		(2,892,175)

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31st December 2014**

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

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

Amortisation

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

Goodwill - Straight line over 2 years

Tangible fixed assets

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

Freehold land and buildings	- Buildings straight line over 50 years and Land not depreciated
Plant and machinery	- 20% on cost
Fixtures, fittings and equipment	- 25% on cost
Motor vehicles	- over the expected useful economic life and straight line over the life of the lease
Computer equipment	- 25% on cost

All fixed assets are initially recorded at cost.

FRS 15 requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this, land and buildings are subject to a full valuation every five years. The profit or loss on the disposal of revalued properties is calculated by reference to net book value and any realised surplus is transferred to the profit and loss account through reserves.

Investment property

Investments held as fixed assets are stated at cost less any provision for impairment.

Stocks

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

Deferred tax

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

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 the profit and loss account 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.

Dee Set Logistics Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2014**

1. Accounting policies - continued

Pension costs and other post-retirement benefits

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Deferred government grants

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

2. Turnover

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

An analysis of turnover by geographical market is given below:

	31/12/14	31/12/13
	£	£
United Kingdom	42,275,175	35,178,270
Europe	146,216	4,009
Rest of World	-	13,708
	<u>42,421,391</u>	<u>35,195,987</u>

3. Other operating income

	31/12/14	31/12/13
	£	£
Rents received	145,384	142,429
Government grants	8,964	8,964
	<u>154,348</u>	<u>151,393</u>

4. Staff costs

	31/12/14	31/12/13
	£	£
Wages and salaries	27,026,036	21,684,844
Social security costs	1,401,198	1,115,866
Other pension costs	134,729	43,980
	<u>28,561,963</u>	<u>22,844,690</u>

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

	31/12/14	31/12/13
Staff (Including Directors)	<u>3,303</u>	<u>2,607</u>

5. Directors' emoluments

	31/12/14	31/12/13
	£	£
Directors' remuneration	690,068	447,694
Directors' pension contributions to money purchase schemes	<u>32,762</u>	<u>33,607</u>

Dee Set Logistics Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2014**

5. Directors' emoluments - continued

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

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

Information regarding the highest paid director is as follows:

	31/12/14	31/12/13
	£	£
Emoluments etc	164,707	122,032
Pension contributions to money purchase schemes	<u>4,111</u>	<u>15,746</u>

6. Operating profit

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

	31/12/14	31/12/13
	£	£
Depreciation - owned assets	296,432	381,478
Depreciation - assets on finance leases	253,976	305,528
Profit on disposal of fixed assets	(10,344)	-
Goodwill amortisation	-	3,127
Auditors' remuneration	15,500	15,500
Operating leases land and buildings	126,094	118,114
Operating leases motor vehicles	<u>433,810</u>	<u>414,212</u>

7. Interest payable and similar charges

	31/12/14	31/12/13
	£	£
Bank loan interest	84,163	101,687
Invoice discounting interest	55,859	38,587
Directors' loan interest	30,826	46,057
Other interest	232	-
Finance lease interest	<u>86,767</u>	<u>111,080</u>
	<u>257,847</u>	<u>297,411</u>

8. Taxation

Analysis of the tax charge

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

	31/12/14	31/12/13
	£	£
Current tax:		
UK corporation tax	385,272	413,019
Deferred tax	<u>10,691</u>	<u>(2,973)</u>
Tax on profit on ordinary activities	<u>395,963</u>	<u>410,046</u>

Dee Set Logistics Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2014**

8. Taxation - continued

Factors affecting the tax charge

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

	31/12/14 £	31/12/13 £
Profit on ordinary activities before tax	1,833,024	1,754,219
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.500% (2013 - 23.250%)	394,100	407,856
Effects of:		
Expenses not deductible for tax purposes	2,051	1,968
Depreciation in excess of capital allowances	44,238	74,220
Finance lease capital repayments	(55,117)	(71,025)
Current tax charge	385,272	413,019

9. Dividends

	31/12/14 £	31/12/13 £
Ordinary shares of £1 each Dividends paid	1,696,410	178,200

10. Intangible fixed assets

	Goodwill £
Cost	
At 1st January 2014 and 31st December 2014	25,002
Amortisation	
At 1st January 2014 and 31st December 2014	25,002
Net book value	
At 31st December 2014	-
At 31st December 2013	-

Notes to the Financial Statements - continued
for the Year Ended 31st December 2014

11. Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £
Cost			
At 1st January 2014	5,359,666	13,765	274,929
Additions	240,000	62,284	-
At 31st December 2014	<u>5,599,666</u>	<u>76,049</u>	<u>274,929</u>
Depreciation			
At 1st January 2014	177,046	2,585	237,437
Charge for year	95,048	7,401	18,397
Eliminated on disposal	-	-	-
At 31st December 2014	<u>272,094</u>	<u>9,986</u>	<u>255,834</u>
Net book value			
At 31st December 2014	<u>5,327,572</u>	<u>66,063</u>	<u>19,095</u>
At 31st December 2013	<u>5,182,620</u>	<u>11,180</u>	<u>37,492</u>
	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1st January 2014	2,076,829	1,456,474	9,181,663
Additions	-	98,254	400,538
Disposals	(683,449)	-	(683,449)
At 31st December 2014	<u>1,393,380</u>	<u>1,554,728</u>	<u>8,898,752</u>
Depreciation			
At 1st January 2014	1,221,436	1,205,558	2,844,062
Charge for year	308,600	120,962	550,408
Eliminated on disposal	(495,436)	-	(495,436)
At 31st December 2014	<u>1,034,600</u>	<u>1,326,520</u>	<u>2,899,034</u>
Net book value			
At 31st December 2014	<u>358,780</u>	<u>228,208</u>	<u>5,999,718</u>
At 31st December 2013	<u>855,393</u>	<u>250,916</u>	<u>6,337,601</u>

Cost or Valuation

The land and buildings at both Milburn Road and Victoria Road was revalued in December 2011. The revaluation was carried out by an independent surveyor, Louis Taylor. Milburn Road was revalued at £900,000 and Victoria Road was revalued at £4,350,000 on an "existing use basis".

Dee Set Logistics Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2014**

11. Tangible fixed assets - continued

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

Included within the net book value of £5,999,718 is £226,473 (2013 - £668,462) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under finance lease agreements of £253,976 (2013 - £305,528).

12. Fixed asset investments

	Shares in group undertakings £
Cost	
At 1st January 2014 and 31st December 2014	209,105
Net book value	
At 31st December 2014	209,105
At 31st December 2013	209,105

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

13. Investment property

	Total £
Cost	
At 1st January 2014 and 31st December 2014	111,500
Depreciation	
At 1st January 2014 and 31st December 2014	111,500
Net book value	
At 31st December 2014	-
At 31st December 2013	-

14. Stocks

	31/12/14 £	31/12/13 £
Stock of fuel	3,688	9,991
Store fittings	526,437	368,509
	<u>530,125</u>	<u>378,500</u>

Dee Set Logistics Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2014**

15. Debtors: amounts falling due within one year

	31/12/14	31/12/13
	£	£
Trade debtors	7,590,270	6,267,557
Amounts owed by group undertakings	163,766	220,849
Amounts owed by participating interests	428,232	439,464
Other debtors	-	25,000
Directors' loan accounts	64,343	-
Prepayments and accrued income	1,505,081	782,128
	<u>9,751,692</u>	<u>7,734,998</u>

16. Creditors: amounts falling due within one year

	31/12/14	31/12/13
	£	£
Bank loans and overdrafts (see note 18)	300,000	375,000
Finance leases (see note 19)	215,050	386,997
Trade creditors	984,786	799,181
Amounts owed to group undertakings	3,791,028	2,717,541
Tax	165,271	253,017
Social security and other taxes	967,814	975,531
Other creditors	21,528	13,213
Invoice discounting	2,567,859	914,972
Directors' loan accounts	71,726	106,150
Accruals and deferred income	2,061,922	2,378,324
	<u>11,146,984</u>	<u>8,919,926</u>

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

The finance lease creditor is secured against the assets to which it relates.

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

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

Legal charge over Milburn Road, Cobridge, Stoke-on-Trent for all sums registered 9th January 2003.

Legal charge over The Distribution Centre, Victoria Road, Stoke-on-Trent for all sums registered 28th May 2008.

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

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

	31/12/14	31/12/13
	£	£
Bank loans (see note 18)	1,000,000	1,300,000
Finance leases (see note 19)	-	271,272
Directors' loan accounts	200,000	200,000
	<u>1,200,000</u>	<u>1,771,272</u>

Dee Set Logistics Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2014**

18. Loans

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

	31/12/14 £	31/12/13 £
Amounts falling due within one year:		
Bank loans	<u>300,000</u>	<u>375,000</u>
Amounts falling due between one and two years:		
Bank loans	<u>300,000</u>	<u>300,000</u>
Amounts falling due between two and five years:		
Bank loans	<u>700,000</u>	<u>1,000,000</u>

19. Obligations under leasing agreements

	Finance leases	
	31/12/14 £	31/12/13 £
Gross obligations repayable:		
Within one year	268,777	604,831
Between one and five years	-	345,558
	<u>268,777</u>	<u>950,389</u>
Finance charges repayable:		
Within one year	53,727	217,834
Between one and five years	-	74,286
	<u>53,727</u>	<u>292,120</u>
Net obligations repayable:		
Within one year	215,050	386,997
Between one and five years	-	271,272
	<u>215,050</u>	<u>658,269</u>

At the balance sheet date, the company had annual commitments under non-cancellable operating leases as set out below:

	Other operating leases	
	31/12/14 £	31/12/13 £
Expiring:		
Within one year	104,764	82,377
Between one and five years	352,129	295,551
	<u>456,893</u>	<u>377,928</u>

Dee Set Logistics Limited

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2014**

20. Provisions for liabilities		31/12/14	31/12/13
		£	£
Deferred tax			
Accelerated capital allowances		<u>194,072</u>	<u>183,381</u>
			Deferred tax
			£
Balance at 1st January 2014			183,381
Charge to Profit and Loss Account during year			<u>10,691</u>
Balance at 31st December 2014			<u><u>194,072</u></u>
21. Accruals and deferred income		31/12/14	31/12/13
		£	£
Deferred government grants		<u>91,348</u>	<u>100,312</u>
22. Called up share capital			
Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	31/12/14
			£
90,000	Ordinary	£1	<u>90,000</u>
			<u>90,000</u>
23. Reserves			
		Profit and loss account	Revaluation reserve
		£	£
			Totals
			£
At 1st January 2014		4,083,935	173,594
Profit for the year		1,437,061	
Dividends		(1,696,410)	
Transfers		6,796	(6,796)
		<u>3,831,382</u>	<u>166,798</u>
At 31st December 2014		<u><u>3,831,382</u></u>	<u><u>166,798</u></u>
			<u><u>4,257,529</u></u>
			<u><u>1,437,061</u></u>
			<u><u>(1,696,410)</u></u>
			<u><u>-</u></u>
			<u><u>3,998,180</u></u>
24. Ultimate parent company			

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

Notes to the Financial Statements - continued
for the Year Ended 31st December 2014

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

At the balance sheet date, the director's loan account of E P Byrnes was overdrawn by £27,943 (2013:£29,000 in credit). The overdrawn balance has been repaid since the balance sheet date.

At the balance sheet date, the director's loan account of G A Phillips was overdrawn by £36,400. The loan was originally taken out before G A Phillips became a director. The overdrawn balance is currently being repaid on a monthly basis.

26. **Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

I D Andrews

I D Andrews is a director of the company

Director's loan account - Interest of £30,826 (2013:£46,057) was charged during the year and written confirmation is held that £200,000 of the total liability will not be repaid within one year of the balance sheet date.

	31/12/14	31/12/13
	£	£
Amount due to related party at the balance sheet date	<u>271,726</u>	<u>277,150</u>

S J Machin

S J Machin is a director of the company.

During the year, the company purchased a property from S J Machin for £240,000 on an arms length basis. The property is included within tangible fixed assets.

Pascalle Limited

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

	2014	2013
	£	£
Rent and other costs charged to Pascalle Limited	540,026	349,364
Goods and services received from Pascalle Limited	7,234	-

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

	31/12/14	31/12/13
	£	£
Amount due from related party at the balance sheet date	<u>136,437</u>	<u>193,520</u>

Dee Set Logistics Limited

Notes to the Financial Statements - continued for the Year Ended 31st December 2014

26. Related party disclosures - continued

Crazy Popular Products Limited

A company in which I D Andrews is a director.

At the balance sheet date, an outstanding loan balance was due of £428,232 (2013:£439,464) from Crazy Popular Products Limited,. A total provision of £422,849 (2013:£422,849) has been made against this amount due to anticipated irrecoverability of the loan, due to the expected cessation of trade in Crazy Popular Products Limited.

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

	31/12/14	31/12/13
	£	£
Amount due from related party at the balance sheet date	428,232	439,464
Provisions for doubtful debt at the balance sheet date	422,849	422,849
	<u>428,232</u>	<u>422,849</u>

Etiquis Ltd

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

	2014	2013
	£	£
Services charged to Etiquis Ltd	13,217	-

	31/12/14	31/12/13
	£	£
Amount due from related party at the balance sheet date	15,860	-
	<u>15,860</u>	<u>-</u>

Works With Water Nutraceuticals Limited

A company in which I D Andrews is a director.

	2014	2013
	£	£
Services charged to Works With Water Nutraceuticals Limited	13,348	-

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

	31/12/14	31/12/13
	£	£
Amount due from related party at the balance sheet date	16,018	-
	<u>16,018</u>	<u>-</u>

27. Post balance sheet events

In January 2015, dividends totalling £674,366 were paid.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2014

28. Reconciliation of movements in shareholders' funds		
	31/12/14	31/12/13
	£	£
Profit for the financial year	1,437,061	1,344,173
Dividends	(1,696,410)	(178,200)
	<u>(259,349)</u>	<u>1,165,973</u>
Net (reduction)/addition to shareholders' funds		
Opening shareholders' funds	4,347,529	3,181,556
	<u>4,088,180</u>	<u>4,347,529</u>
29. Reconciliation of operating profit to net cash inflow from operating activities		
	31/12/14	31/12/13
	£	£
Operating profit	2,090,871	2,051,630
Depreciation charges	550,408	690,133
Profit on disposal of fixed assets	(10,344)	-
Government grants	(8,964)	(8,964)
Increase in stocks	(151,625)	(125,776)
Increase in debtors	(1,952,351)	(1,480,443)
Increase in creditors	934,725	1,571,548
	<u>1,452,720</u>	<u>2,698,128</u>
Net cash inflow from operating activities		
30. Analysis of cash flows for headings netted in the cash flow statement		
	31/12/14	31/12/13
	£	£
Returns on investments and servicing of finance		
Interest paid	(162,517)	(194,894)
Interest element of finance lease payments	(86,767)	(111,080)
	<u>(249,284)</u>	<u>(305,974)</u>
Net cash outflow for returns on investments and servicing of finance		
Capital expenditure		
Purchase of tangible fixed assets	(400,538)	(160,207)
Sale of tangible fixed assets	10,344	-
	<u>(390,194)</u>	<u>(160,207)</u>
Net cash outflow for capital expenditure		
Financing		
Loan repayments in year	(375,000)	(225,000)
Finance lease capital repayments in year	(255,206)	(309,436)
Movement on directors' loan accounts	(98,767)	(244,056)
Invoice discounting	1,652,887	(241,289)
	<u>923,914</u>	<u>(1,019,781)</u>
Net cash inflow/(outflow) from financing		

Dee Set Logistics Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2014

31. Analysis of changes in net debt

	At 1/1/14 £	Cash flow £	Other non-cash changes £	At 31/12/14 £
Net cash:				
Cash at bank and in hand	662,216	(432,272)		229,944
	<u>662,216</u>	<u>(432,272)</u>		<u>229,944</u>
Debt:				
Finance leases	(658,269)	255,206	188,013	(215,050)
Debts falling due within one year	(1,396,122)	(1,479,120)	-	(2,875,242)
Debts falling due after one year	(1,500,000)	300,000	-	(1,200,000)
	<u>(3,554,391)</u>	<u>(923,914)</u>	<u>188,013</u>	<u>(4,290,292)</u>
Total	<u>(2,892,175)</u>	<u>(1,356,186)</u>	<u>188,013</u>	<u>(4,060,348)</u>