

COMPANY REGISTRATION NUMBER SC208421

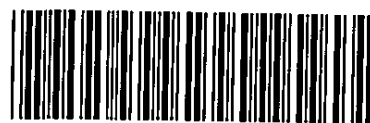
Dee Set Logistics Limited

Financial statements

Year ended

31st December 2013

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Dee Set Logistics Limited
Financial statements
Year ended 31st December 2013

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Dee Set Logistics Limited

Company information

The board of directors

I. Andrews
E. Byrnes
S. Hinchliffe
S. Machin

Company secretary

D.M. Bufton

Registered office

249 West George Street
Glasgow
Scotland
G2 4RB

Auditor

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

Business address

The Distribution Centre
Victoria Road
Fenton
Stoke-on-Trent
ST4 2HX

Dee Set Logistics Limited

Strategic report

Year ended 31st December 2013

The directors present their Strategic report for the company for the year ended 31st December 2013.

Business review

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

The field Merchandising team now numbers 2,450 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 22% in 2013 to £35,195,987 (2012: £28,858,444), the growth primarily in new field Merchandising activities.

Gross profits were reported at £11,764,065, 34% (2012: £9,704,773, 34%). Profit before interest and taxation was reported at £2,051,630 (2012: £1,530,058).

Net cash inflow from operating activities was £2,698,128 (2012 : £1,776,238).

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 2014.

Early 2014 results show continuing growth in turnover, margins and net assets. All key financial measures are ahead of 2013 and in line with the company's budgets.

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

Dee Set Logistics Limited

Strategic report *(continued)*

Year ended 31st December 2013

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.

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.

Signed by order of the directors



D.M. Bufton
Company Secretary

Approved by the directors on 21st May 2014

Dee Set Logistics Limited

Directors' report

Year ended 31st December 2013

The directors present their report and the financial statements of the company for the year ended 31st December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £1,344,173. Particulars of dividends paid are detailed in note 10 to the financial statements.

Directors

The directors who served the company during the year were as follows:

I. Andrews
W. Latham
E. Byrnes
S. Hinchliffe
S. Machin

W. Latham resigned as a director on 5th September 2013.

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 year.

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 UK 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

Dee Set Logistics Limited

Directors' report *(continued)*

Year ended 31st December 2013

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.

Auditor

Hardings are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
249 West George Street
Glasgow
Scotland
G2 4RB

Signed by order of the directors



D.M. Bufton
Company Secretary

Approved by the directors on 21st May 2014

Dee Set Logistics Limited

Independent auditor's report to the members of Dee Set Logistics Limited

Year ended 31st December 2013

We have audited the financial statements of Dee Set Logistics Limited for the year ended 31st December 2013. 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 an auditor's report 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 annual 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 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Dee Set Logistics Limited

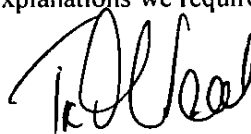
Independent auditor's report to the members of Dee Set Logistics Limited *(continued)*

Year ended 31st December 2013

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

21st May 2014

Dee Set Logistics Limited

Profit and loss account

Year ended 31st December 2013

	Note	2013 £	2012 £
Turnover	2	35,195,987	28,858,444
Cost of sales		(23,431,922)	(19,153,671)
Gross profit		<u>11,764,065</u>	<u>9,704,773</u>
Administrative expenses		(9,863,828)	(8,311,690)
Other operating income	3	151,393	136,975
Operating profit	4	<u>2,051,630</u>	<u>1,530,058</u>
Amounts written off investments	7	–	(50)
Interest payable and similar charges	8	(297,411)	(338,842)
Profit on ordinary activities before taxation		<u>1,754,219</u>	<u>1,191,166</u>
Tax on profit on ordinary activities	9	(410,046)	(305,319)
Profit for the financial year		<u><u>1,344,173</u></u>	<u><u>885,847</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 11 to 25 form part of these financial statements.

Dee Set Logistics Limited

Balance sheet

31st December 2013

	Note	2013 £	2012 £
Fixed assets			
Intangible assets	11	–	3,127
Tangible assets	12	6,337,601	6,887,988
Investments	13	209,105	209,105
		<u>6,546,706</u>	<u>7,100,220</u>
Current assets			
Stocks	14	378,500	252,724
Debtors	15	7,734,998	6,254,555
Cash at bank and in hand		662,216	808,355
		<u>8,775,714</u>	<u>7,315,634</u>
Creditors: amounts falling due within one year	16	<u>(8,919,926)</u>	<u>(8,169,391)</u>
Net current liabilities		(144,212)	(853,757)
Total assets less current liabilities		<u>6,402,494</u>	<u>6,246,463</u>
Creditors: amounts falling due after more than one year	17	(1,771,272)	(2,769,277)
Provisions for liabilities			
Deferred taxation	19	(183,381)	(186,354)
Government grants	20	(100,312)	(109,276)
Net assets		<u>4,347,529</u>	<u>3,181,556</u>
Capital and reserves			
Called-up equity share capital	23	90,000	90,000
Revaluation reserve	24	173,594	178,427
Profit and loss account	25	4,083,935	2,913,129
Shareholders' funds	26	<u>4,347,529</u>	<u>3,181,556</u>

These accounts were approved by the directors and authorised for issue on 21st May 2014, and are signed on their behalf by:

I. Andrews
Director

S. Machin
Director

Company Registration Number: SC208421

The notes on pages 11 to 25 form part of these financial statements.

Dee Set Logistics Limited

Cash flow statement

Year ended 31st December 2013

		2013		2012	
	Note	£	£	£	£
Net cash inflow from operating activities	27		2,698,128		1,776,238
Returns on investments and servicing of finance	27		(305,974)		(344,548)
Taxation	27		(464,882)		(131,189)
Capital expenditure and financial investment	27		(160,207)		(495,208)
Acquisitions and disposals	27		–		(119,090)
Equity dividends paid			(178,200)		(199,066)
Cash inflow before financing			<u>1,588,865</u>		<u>487,137</u>
Financing					
Repayment of bank loans		(225,000)		(300,000)	
Net (outflow)/inflow from other creditors		(244,056)		11,050	
Capital element of hire purchase and finance lease		(309,436)		(327,083)	
Invoice discounting (repayments)/advances		<u>(241,289)</u>		<u>68,840</u>	
Net cash outflow from financing			<u>(1,019,781)</u>		<u>(547,193)</u>
Increase/(decrease) in cash	27		<u><u>569,084</u></u>		<u><u>(60,056)</u></u>

The notes on pages 11 to 25 form part of these financial statements.

Year ended 31st December 2013

Dee Set Logistics Limited

Notes to the financial statements

Year ended 31st December 2013

1. Accounting policies *(continued)*

1.8 Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

1.9 Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

1.10 Operating lease agreements

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.

1.11 Pension costs

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

1.12 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Dee Set Logistics Limited

Notes to the financial statements

Year ended 31st December 2013

1. Accounting policies *(continued)*

1.13 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 tax are attributable to the principal activities of the company.
An analysis of turnover is given below:

	2013	2012
	£	£
United Kingdom	35,178,270	28,821,087
Europe	4,009	37,357
Rest of World	13,708	-
	<u>35,195,987</u>	<u>28,858,444</u>

3. Other operating income

	2013	2012
	£	£
Rent receivable	142,429	128,011
Government grants	8,964	8,964
	<u>151,393</u>	<u>136,975</u>

4. Operating profit

Operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Amortisation of government grants	(8,964)	(8,964)
Amortisation of intangible assets	3,127	12,500
Depreciation of owned fixed assets	381,478	336,384
Depreciation of assets held under hire purchase and finance lease agreements	305,528	325,683
Loss on disposal of fixed assets	-	69
Auditor's remuneration		
- as auditor	15,500	15,500
Operating lease costs:		
- land and buildings	118,114	25,800
- motor vehicles	<u>414,212</u>	<u>271,078</u>

Dee Set Logistics Limited
Notes to the financial statements
Year ended 31st December 2013

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2013	2012
	No	No
Staff (including directors)	<u>2,607</u>	<u>1,972</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	21,684,844	16,813,757
Social security costs	1,115,866	1,045,950
Other pension costs	43,980	31,685
	<u>22,844,690</u>	<u>17,891,392</u>

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Remuneration receivable	447,694	463,043
Value of company pension contributions to money purchase schemes	<u>33,607</u>	<u>29,818</u>
	<u>481,301</u>	<u>492,861</u>

Remuneration of highest paid director:

	2013	2012
	£	£
Total remuneration (excluding pension contributions)	122,032	113,269
Value of company pension contributions to money purchase schemes	<u>15,746</u>	<u>15,435</u>
	<u>137,778</u>	<u>128,704</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2013	2012
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

7. Amounts written off investments

	2013	2012
	£	£
Amount written off investments	<u>—</u>	<u>50</u>

Dee Set Logistics Limited

Notes to the financial statements

Year ended 31st December 2013

8. Interest payable and similar charges

	2013 £	2012 £
Bank loans and overdraft	101,687	116,273
Directors' loan account	46,057	54,621
Finance lease and hire purchase contracts	111,080	115,639
Invoice discounting interest	38,587	52,309
	<u>297,411</u>	<u>338,842</u>

9. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	413,019	304,881
Total current tax	<u>413,019</u>	<u>304,881</u>
Deferred tax:		
Origination and reversal of timing differences	(2,973)	438
Tax on profit on ordinary activities	<u>410,046</u>	<u>305,319</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%).

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>1,754,219</u>	<u>1,191,166</u>
Profit on ordinary activities by rate of tax	407,856	291,803
Expenses not deductible for tax purposes	1,968	3,048
Depreciation for period in excess of capital allowances	74,220	88,226
Finance lease capital repayments	(71,025)	(78,196)
Total current tax (note 9(a))	<u>413,019</u>	<u>304,881</u>

Dee Set Logistics Limited
Notes to the financial statements
Year ended 31st December 2013

10. Dividends

Equity dividends

	2013	2012
	£	£
Paid during the year:		
Dividends on equity shares	<u>178,200</u>	<u>199,066</u>

11. Intangible fixed assets

	Goodwill
	£
Cost	
At 1st January 2013 and 31st December 2013	<u>25,002</u>
Amortisation	
At 1st January 2013	21,875
Charge for the year	<u>3,127</u>
At 31st December 2013	<u>25,002</u>
Net book value	
At 31st December 2013	<u>-</u>
At 31st December 2012	<u>3,127</u>

Dee Set Logistics Limited

Notes to the financial statements

Year ended 31st December 2013

12. Tangible fixed assets

	Land and Buildings Freehold £	Fixtures, Fittings and Equipment £	Motor Vehicles £	Plant and Machinery £	Computer Equipment £	Investment Property £	Total £
Cost or valuation							
At 1 Jan 2013	5,359,666	254,522	2,129,329	-	1,330,439	111,500	9,185,456
Additions	-	20,407	-	13,765	126,035	-	160,207
Disposals	-	-	(52,500)	-	-	-	(52,500)
At 31 Dec 2013	5,359,666	274,929	2,076,829	13,765	1,456,474	111,500	9,293,163
Depreciation							
At 1 Jan 2013	88,413	193,323	890,196	-	1,036,337	89,199	2,297,468
Charge for the year	88,633	44,114	360,152	2,585	169,221	22,301	687,006
On disposals	-	-	(28,912)	-	-	-	(28,912)
At 31 Dec 2013	177,046	237,437	1,221,436	2,585	1,205,558	111,500	2,955,562
Net book value							
At 31 Dec 2013	5,182,620	37,492	855,393	11,180	250,916	-	6,337,601
At 31 Dec 2012	5,271,253	61,199	1,239,133	-	294,102	22,301	6,887,988

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".

Hire purchase and finance lease agreements

Included within the net book value of £6,337,601 is £Nil (2012 - £2,633) relating to assets held under hire purchase agreements, and £668,462 (2012 - £997,578) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £Nil (2012 - £6,479), and £305,528 (2012 - £319,204) in respect of assets held under finance lease agreements.

Dee Set Logistics Limited
Notes to the financial statements
Year ended 31st December 2013

13. Investments

	Total £
Cost	
At 1st January 2013 and 31st December 2013	<u>209,155</u>
Amounts written off	
At 1st January 2013 and 31st December 2013	<u>50</u>
Net book value	
At 31st December 2013 and 31st December 2012	<u>209,105</u>

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.

14. Stocks

	2013 £	2012 £
Stock of fuel	9,991	8,119
Store fittings	<u>368,509</u>	<u>244,605</u>
	<u>378,500</u>	<u>252,724</u>

15. Debtors

	2013 £	2012 £
Trade debtors	6,267,557	4,794,100
Amounts owed by group undertakings	220,849	235,389
Amounts owed by undertakings in which the company has a participating interest	439,464	504,427
Other debtors	25,000	252
Prepayments and accrued income	<u>782,128</u>	<u>720,387</u>
	<u>7,734,998</u>	<u>6,254,555</u>

Dee Set Logistics Limited

Notes to the financial statements

Year ended 31st December 2013

16. Creditors: amounts falling due within one year

	2013	2012
	£	£
Bank loans and overdraft	375,000	1,015,223
Trade creditors	799,181	1,218,061
Amounts owed to group undertakings	2,717,541	2,276,352
Corporation tax	253,017	304,880
Other taxation and social security	975,531	573,910
Hire purchase and finance lease agreements	386,997	322,016
Other creditors	13,213	102,145
Invoice discounting creditor	914,972	1,156,261
Directors' loan accounts	106,150	50,206
Accruals and deferred income	2,378,324	1,150,337
	<u>8,919,926</u>	<u>8,169,391</u>

The bank loans, overdraft, invoice discounting creditor, hire purchase and finance lease agreements (as per notes 16 & 17) 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, 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

	2013	2012
	£	£
Bank loans	1,300,000	1,600,000
Hire purchase and finance lease agreements	271,272	669,277
Directors' loan account	200,000	500,000
	<u>1,771,272</u>	<u>2,769,277</u>

The securities for bank loans, hire purchase and finance lease agreements due after more than one year are as detailed above.

Dee Set Logistics Limited

Notes to the financial statements

Year ended 31st December 2013

18. Commitments under hire purchase and finance lease agreements

Future commitments under hire purchase and finance lease agreements are as follows:

	2013	2012
	£	£
Amounts payable within 1 year	604,831	593,654
Amounts payable between 2 to 5 years	345,558	971,221
	<u>950,389</u>	<u>1,564,875</u>
Less interest and finance charges relating to future periods	(292,120)	(573,582)
	<u>658,269</u>	<u>991,293</u>
Hire purchase and finance lease agreements are analysed as follows:		
Current obligations	386,997	322,016
Non-current obligations	271,272	669,277
	<u>658,269</u>	<u>991,293</u>

19. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2013	2012
	£	£
Provision brought forward	186,354	185,916
Profit and loss account movement arising during the year	(2,973)	438
Provision carried forward	<u>183,381</u>	<u>186,354</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2013	2012
	£	£
Excess of taxation allowances over depreciation on fixed assets	183,381	186,354
	<u>183,381</u>	<u>186,354</u>

Dee Set Logistics Limited
Notes to the financial statements
Year ended 31st December 2013

20. Government grants

	2013	2012
	£	£
Received and receivable:		
At 1st January 2013	178,000	178,000
At 31st December 2013	<u>178,000</u>	<u>178,000</u>
Amortisation:		
At 1st January 2013	68,724	59,760
Credit to profit and loss account	8,964	8,964
At 31st December 2013	<u>77,688</u>	<u>68,724</u>
Net balance at 31st December 2013	<u>100,312</u>	<u>109,276</u>

21. Commitments under operating leases

At 31st December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings	
	2013	2012
	£	£
Operating leases which expire:		
Within 1 year	82,377	116,779
Within 2 to 5 years	295,551	179,010
	<u>377,928</u>	<u>295,789</u>

Dee Set Logistics Limited

Notes to the financial statements

Year ended 31st December 2013

22. Related party transactions

The company is a wholly owned subsidiary of Retail Solutions (Holdings) Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the group.

At the balance sheet date, the credit balance on the director's loan account of I. Andrews was £277,150 (2012:£511,206). Interest of £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. Additionally, the credit balance on the director's loan account of E. Byrnes was £29,000 (2012:£39,000).

At the balance sheet date, an outstanding loan balance was due of £439,464 (2012:£504,427) from Crazy Popular Products Limited, a company of which 50% of the issued share capital is owned by Dee Set Logistics Limited and of which I. Andrews is a director. A total provision of £422,849 (2012:£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 68.3% (2012:68.3%) of the 300 issued £1 ordinary share capital of Pascalle Limited and I. Andrews and S. Machin are directors. Rent and other costs recharged to Pascalle Limited totalled £349,364 (2012:£235,980). At the balance sheet date, Pascalle Limited owed £193,520 to Dee Set Logistics Limited (2012:£208,060).

23. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>

24. Revaluation reserve

	2013	2012
	£	£
Balance brought forward	178,427	183,260
Transfer to the Profit and Loss Account	<u>(4,833)</u>	<u>(4,833)</u>
Balance carried forward	<u>173,594</u>	<u>178,427</u>

Dee Set Logistics Limited

Notes to the financial statements

Year ended 31st December 2013

25. Profit and loss account

	2013 £	2012 £
Balance brought forward	2,913,129	2,221,515
Profit for the financial year	1,344,173	885,847
Equity dividends	(178,200)	(199,066)
Transfer from revaluation reserve	4,833	4,833
Balance carried forward	<u>4,083,935</u>	<u>2,913,129</u>

26. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	1,344,173	885,847
Equity dividends	(178,200)	(199,066)
Transfer from revaluation reserve	4,833	4,833
Transfer to profit and loss account	(4,833)	(4,833)
Net addition to shareholders' funds	1,165,973	686,781
Opening shareholders' funds	3,181,556	2,494,775
Closing shareholders' funds	<u>4,347,529</u>	<u>3,181,556</u>

27. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating profit	2,051,630	1,530,058
Amortisation	3,127	12,500
Depreciation	687,006	662,067
Loss on disposal of fixed assets	—	69
Amortisation of government grants	(8,964)	(8,964)
Increase in stocks	(125,776)	(243,930)
Increase in debtors	(1,480,443)	(887,622)
Increase in creditors	1,571,548	712,060
Net cash inflow from operating activities	<u>2,698,128</u>	<u>1,776,238</u>

Returns on investments and servicing of finance

	2013 £	2012 £
Interest paid	(194,894)	(228,909)
Interest element of hire purchase and finance lease	<u>(111,080)</u>	<u>(115,639)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(305,974)</u>	<u>(344,548)</u>

Dee Set Logistics Limited
Notes to the financial statements
Year ended 31st December 2013

27. Notes to the cash flow statement (continued)

Taxation

	2013 £	2012 £
Taxation	(464,882)	(131,189)

Capital expenditure

	2013 £	2012 £
Payments to acquire tangible fixed assets	(160,207)	(496,702)
Receipts from sale of fixed assets	—	1,494
Net cash outflow from capital expenditure	(160,207)	(495,208)

Acquisitions and disposals

	2013 £	2012 £
Acquire investments in participating interests	—	(119,090)
Net cash outflow from acquisitions and disposals	—	(119,090)

Reconciliation of net cash flow to movement in net debt

	2013 £	2012 £
Increase/(decrease) in cash in the period	569,084	(60,056)
Net cash outflow from bank loans	225,000	300,000
Net outflow from/(inflow) from other short-term creditors	244,056	(11,050)
Cash outflow in respect of hire purchase and finance lease	309,436	327,083
Invoice discounting repayments/(advances)	241,289	(68,840)
Change in net debt resulting from cash flows	1,588,865	487,137
Changes in finance leases	23,588	38,544
Movement in net debt in the period	1,612,453	525,681
Net debt at 1 January 2013	(4,504,628)	(5,030,309)
Net debt at 31 December 2013	(2,892,175)	(4,504,628)

Dee Set Logistics Limited

Notes to the detailed profit and loss account

Year ended 31st December 2013

	2013 £		2012 £
Analysis of changes in net debt			
	At 1 Jan 2013 £	Cash flows £	Other changes £
			At 31 Dec 2013 £
Net cash:			
Cash in hand and at bank	808,355	(146,139)	662,216
Overdrafts	(715,223)	715,223	—
Invoice discounting	(1,156,261)	241,289	(914,972)
	<u>(1,063,129)</u>	<u>810,373</u>	<u>(252,756)</u>
Debt:			
Debt due within 1 year	(350,206)	469,056	(600,000) (481,150)
Debt due after 1 year	(2,100,000)	—	600,000 (1,500,000)
Hire purchase and finance lease agreements	(991,293)	309,436	23,588 (658,269)
	<u>(3,441,499)</u>	<u>778,492</u>	<u>23,588 (2,639,419)</u>
Net debt	<u>(4,504,628)</u>	<u>1,588,865</u>	<u>23,588 (2,892,175)</u>

28. Post balance sheet events

In January 2014, dividends totalling £1,674,366 were paid.

29. 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. Andrews is the majority shareholder, controlling 81.20% (2012:62.50%) of the shares of the holding company, thereby being the ultimate controlling party of the company.