

Acumen Distribution Services (Northern) Limited
(formerly Connection Freight Limited)
Report and Accounts
for the year ended 31 December 1999

Registered no: 01612058



Acumen Distribution Services (Northern) Limited

Report and Accounts for the year ended 31 December 1999

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Directors and advisers

Directors

J C Merry
P J Nuttall
A J Shuter

Auditors

PricewaterhouseCoopers
31 Great George Street
Bristol
BS1 5QD

Secretary and registered office

J M H Light
200 Worle Parkway
Weston-Super-Mare
Somerset
BS22 0WA

Directors' report for the year ended 31 December 1999

The directors present their report and the audited financial statements for the year ended 31 December 1999.

Principal activities

The principal activities of the company are shipping agents and hauliers.

Review of business

The profit and loss account for the year is set out on page 5.

The directors consider the result for the year to be satisfactory and expect the company to continue its development.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 1999 (1998: £6,256).

Directors

The directors of the company during the year ended 31 December 1999 were:

J C Merry
P J Nuttall
A J Shuter

Directors' interests

None of the directors hold any shares in the company at 31 December 1999.

J C Merry and P J Nuttall were also Directors of the ultimate holding company, AutoLogic Holdings plc, during the year and their interests in the shares of group companies are disclosed in the financial statements of that company.

A J Shuter is also a director of Acumen Distribution Services Holdings Limited and his interests in the shares of group companies are disclosed in the financial statements of that company.

Charitable and political contributions

The company made no political or charitable contributions during the year (1998: £nil).

Year 2000

The company has not incurred any disruption to date in respect of the Year 2000 issue and the directors do not anticipate that any further costs will materialise.

Euro

The introduction of the Euro has not adversely affected the operations of the business.

Statement of directors' responsibilities

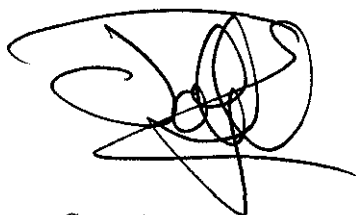
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

By order of the BoardA handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the bottom.

Secretary

Auditors' report to the members of Acumen Distribution Services (Northern) Limited

We have audited the financial statements on pages 5 to 14, which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company had not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

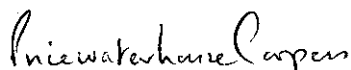
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1999 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors
Bristol
31 March 2000

**Profit and loss account
for the year ended 31 December 1999**

	Notes	1999 £'000	1998 £'000
Turnover - continuing operations	2	1,395	1,206
Cost of sales - continuing operations		<u>(942)</u>	<u>(705)</u>
Gross Profit		453	501
Administration expenses – continuing operations		<u>(367)</u>	<u>(404)</u>
Operating profit		86	97
Interest receivable	5	<u>6</u>	<u>11</u>
Profit on ordinary activities before taxation	6	92	108
Tax on profit on ordinary activities	7	<u>(25)</u>	<u>(37)</u>
Profit for the financial year		67	71
Dividends	8	<u>-</u>	<u>(6)</u>
Retained profit for the financial year	15	<u>67</u>	<u>65</u>

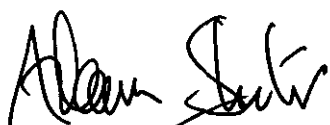
The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Balance sheet at 31 December 1999

	Notes	1999 £'000	1998 £'000
Fixed assets			
Tangible assets	9	<u>18</u>	<u>29</u>
Current assets			
Debtors	10	600	324
Cash at bank and in hand		<u>65</u>	<u>73</u>
		<u>665</u>	<u>397</u>
Creditors: amounts falling due within one year	11	<u>(316)</u>	<u>(126)</u>
Net current assets		<u>349</u>	<u>271</u>
Total assets less current liabilities		<u>367</u>	<u>300</u>
Net assets		<u>367</u>	<u>300</u>
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account	15	<u>367</u>	<u>300</u>
Equity shareholders' funds	16	<u>367</u>	<u>300</u>

The financial statements on pages 5 to 14 were approved by the Board of Directors on 31 March 2000 and were signed on its behalf by:



Director

Cash flow statement **for the year ended 31 December 1999**

	Notes	1999 £'000	1998 £'000
Net cash outflow from continuing operating activities (reconciliation to operating profit on page 8)		(14)	(11)
Returns on investments and servicing of finance			
Interest received		6	11
Dividends paid		-	(6)
		<u>6</u>	<u>5</u>
Taxation			
UK corporation tax paid		-	(18)
Capital expenditure			
Purchase of tangible fixed assets		-	(31)
Sale of tangible fixed assets		-	4
		<u>-</u>	<u>(27)</u>
Cash outflow before financing		(8)	(51)
Decrease in cash in the period		(8)	(51)

**Reconciliation of operating profit
to net cash outflow from operating activities**

	1999 £'000	1998 £'000
Continuing activities		
Operating profit	86	97
Depreciation	11	9
Profit on disposal of fixed assets	-	(1)
Increase in trade debtors	(151)	(108)
Increase in amounts owed by group undertakings	(146)	(4)
Decrease / (Increase) in prepayments and other debtors	21	(10)
Increase in trade creditors	167	18
Increase / (Decrease) in amounts owed to group undertakings	47	(11)
Decrease in other taxation and social security	(45)	(4)
(Decrease) / Increase in accruals and deferred income	(4)	3
Net cash outflow from continuing operating activities	(14)	(11)

Notes to the financial statements for the year ended 31 December 1999

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

Changes in presentation of financial information

FRS 12, 'Provisions, contingent liabilities and contingent assets', came into effect for these financial statements, but has not resulted in any changes in presentation.

Basis of accounting

The accounts have been prepared under the historical cost convention.

Tangible fixed assets

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal lives used for this purpose are:

Motor vehicles	4 years
Fixtures and fittings	4 - 5 years

Short leasehold properties are amortised over the duration of the lease.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Pension arrangements

The company did not operate a pension scheme up to 1 October 1998. Subsequently employees have become members of the AutoLogic Holdings Group defined contribution pension scheme.

The company provides no other post-retirement benefits to employees.

2 Turnover

Turnover consists of the invoiced amount of goods and services supplied during the year, net of value-added tax.

3 Directors' emoluments

	1999 £'000	1998 £'000
Aggregate emoluments	-	34

Retirement benefits are accruing to the 3 directors under the Autologic Holdings Group Money Purchase Scheme.

A J Shuter is also a director of Acumen Distribution Services Limited, a fellow subsidiary of the intermediate parent company, and has been remunerated by that company in respect of his services to the group. His emoluments are dealt with in the accounts of that company.

J C Merry and P J Nuttall are employed by AutoLogic Holdings plc, the ultimate parent company and they are remunerated by that company in respect of their services for the group. Their emoluments are dealt with in the accounts of the ultimate parent company.

These directors receive no emoluments from the company, nor is any charge levied on the company by the immediate, intermediate or ultimate parent companies in respect of directors' emoluments.

4 Employee information

The average monthly number of persons employed during the year was:

	1999 Number	1998 Number
Operational	10	14
Administration	5	5
	<u>15</u>	<u>19</u>
	1999 £'000	1998 £'000
Staff costs:		
Wages and salaries	221	216
Social security costs	19	20
Pension costs	10	-
	<u>250</u>	<u>236</u>

5 Interest receivable and similar income

	1999 £'000	1998 £'000
Interest on bank deposits	<u>6</u>	<u>11</u>

6 Profit on ordinary activities before taxation

	1999 £'000	1998 £'000
Profit on ordinary activities before taxation is stated after crediting:		
Profit on disposal of fixed assets	-	1
and after charging:		
Depreciation of tangible fixed assets	11	9
Auditors' remuneration - for audit services	3	2
- for non-audit services	4	-
	<u>4</u>	<u>-</u>

7 Tax on profit on ordinary activities

	1999 £'000	1998 £'000
United Kingdom corporation tax charge at 30.25% (1998: 31%):		
Current year	33	37
Overprovision in respect of prior year	(8)	-
	<u>25</u>	<u>37</u>

8 Dividends

	1999 £'000	1998 £'000
Dividends paid:		
'A' ordinary non-voting dividend paid of £nil per share (1998: £3,128)	-	6
	<u>-</u>	<u>6</u>

9 Tangible fixed assets

	Short Leasehold £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 January 1999	16	20	5	41
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 1999	<u>16</u>	<u>20</u>	<u>5</u>	<u>41</u>
Depreciation				
At 1 January 1999	2	9	1	12
Charge for year	3	5	3	11
Disposals	-	-	-	-
At 31 December 1999	<u>5</u>	<u>14</u>	<u>4</u>	<u>23</u>
Net book value				
At 31 December 1999	<u>11</u>	<u>6</u>	<u>1</u>	<u>18</u>
Net book value				
At 31 December 1998	<u>14</u>	<u>11</u>	<u>4</u>	<u>29</u>

10 Debtors

	1999 £'000	1998 £'000
Amounts falling due within one year		
Trade debtors	426	275
Amounts owed by group undertakings	150	4
Other debtors	6	21
Prepayments	18	24
	<u>600</u>	<u>324</u>

11 Creditors: amounts falling due within one year

	1999 £'000	1998 £'000
Trade creditors	238	71
Amounts owed to group undertakings	49	2
Corporation Tax	25	37
Other taxation and social security	-	8
Accruals	4	8
	<u>316</u>	<u>126</u>

12 Deferred Taxation

The potential deferred tax asset, none of which has been recognised in the financial statements, is as follows:

	1999 £'000 Amounts unprovided	1998 £'000 Amounts unprovided
Tax effects of timing differences because of:		
Excess of tax allowances over depreciation	(2)	(2)
Other short term timing differences	(2)	-
	<u>(4)</u>	<u>(2)</u>

13 Pension scheme arrangements

From 1 January 1999 employees have been members of the AutoLogic Holdings Group defined contributions pension scheme. No contributions were due to the scheme at 31 December 1999 (1998: £Nil). The pension costs for the year were £10,000 (1998:£Nil).

The assets of the above scheme are held separately from any of the member companies in an independently administered fund.

14 Called up share capital

	1999 £	1998 £
Authorised		
'A' Ordinary shares of £1 each	100	100
'A' Ordinary non-voting shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called-up and fully paid		
'A' Ordinary shares of £1 each	100	100
'A' Ordinary non-voting shares of £1 each	<u>-</u>	<u>-</u>

15 Profit and loss account

	Profit and Loss Account £'000
At 1 January 1999	300
Profit for the year	<u>67</u>
At 31 December 1999	<u>367</u>

16 Reconciliation of movements in shareholders' funds

	1999 £'000	1998 £'000
Opening shareholders' funds	300	235
Profit for the financial year	67	71
Dividends	<u>-</u>	<u>(6)</u>
Closing shareholders' funds	<u>367</u>	<u>300</u>

17 Reconciliation of net cash flow to movement in net funds

	1999 £'000
Net funds at 1 January 1999	73
Decrease in cash in the period	<u>(8)</u>
Net funds at 31 December 1999	<u>65</u>

18 Analysis of net funds

	At 1 January 1999 £'000	Cash Flow £'000	At 31 December 1999 £'000
Cash at bank and in hand	<u>73</u>	<u>(8)</u>	<u>65</u>

19 Contingent liabilities

The company has given an unlimited multilateral cross-company guarantee to its bankers in respect of its intermediate and ultimate parent companies and subsidiary companies.

The company is a participant in a Group banking arrangement, under which all surplus cash balances are held as collateral for bank facilities advanced to group members. In addition, the company has issued an unlimited guarantee to the bank to support these facilities.

20 Financial commitments

At 31 December, the company had annual commitments under non-cancellable operating leases as follows:

	1999		1998	
	Land and Buildings £'000	Trucks and trailers £'000	Land and Buildings £'000	Trucks and trailers £'000
Expiring within one year	-	27	-	6
Expiring between two and five years inclusive	<u>11</u>	<u>66</u>	<u>11</u>	<u>80</u>
	<u>11</u>	<u>93</u>	<u>11</u>	<u>86</u>

21 Related party disclosures

Transactions have taken place with other members of the AutoLogic Holdings group of companies during the year. These transactions wholly consist of recharges of expenditure incurred by fellow subsidiaries on behalf of the Company. During the period, the Company was recharged £130,000 from a fellow subsidiary of which £34,167 was outstanding at 31 December 1999 (1998 £Nil).

22 Ultimate and immediate parent companies

The directors regard William Bancroft and Sons (Halifax) Limited, a company incorporated in Great Britain, as the immediate parent company by virtue of its 100% interest in the equity share capital of the company. William Bancroft and Sons (Halifax) Limited is a wholly owned subsidiary of Acumen Distribution Services Holdings Limited. AutoLogic Holdings plc, a company incorporated in Great Britain, is the ultimate parent company and controlling party by virtue of its 76.27% interest in the equity share capital of Acumen Distribution Services Holdings Limited. Copies of the consolidated financial statements of AutoLogic Holdings plc can be obtained from 200 Worle Parkway, Weston-Super-Mare, Somerset BS22 0WA.