

ACUMEN DISTRIBUTION LIMITED

Financial Statements

For the year ended 31 December 2008

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Company Registration Number: 1612058

ACUMEN DISTRIBUTION LIMITED

Financial statements for the year ended 31 December 2008

Contents	Pages
Directors, officers and advisors	1
Directors' report	2-3
Independent Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-12

ACUMEN DISTRIBUTION LIMITED

Directors, officers and advisors

Directors

J Hodges
C C Doughty
D J Stocker

Secretary and registered office

The Oxford Secretariat Limited
Winter Hill House
Marlow Reach
Station Approach
Marlow
Bucks SL7 1NT

Registered number

1612058

Principal place of business

Unit 4, Redbourn Park
Liliput Road
Brackmills Industrial Estate
Northampton
NN4 7DT

Auditors

Day, Smith & Hunter
Batchworth House
Batchworth Place
Church Street
Rickmansworth
Herts WD3 1JE

ACUMEN DISTRIBUTION LIMITED

Directors' report for the year ended 31 December 2008

The directors present their report and the financial statements of the company for the year ended 31 December 2008.

Principal activity

The company provides logistics and distribution services to businesses in the United Kingdom and Continental Europe. It provides innovative solutions to its customers, utilising its own resources and the resources of other companies when it is appropriate to do so to provide the optimum service. There have not been any significant changes in the Company's activities in the year under review.

Review of the business

The results for the year show sales of £10,917,802 (2007: £10,565,228) and operating profits of £609,901 (2007: £354,963). The profit for year after tax was £477,324 (2007: £251,120).

Revenues increased by 3% in the year but the mix of business changed quite substantially with the introduction of new business and this produced the growth in operating profit of 72%. The operating profit in 2008 represents less than 6% of revenue which the Company regards as satisfactory.

Strategy

The objective of the Company is to achieve profitable growth by capitalising on its reputation and national presence. We aim to achieve this through:

- Constructing cost effective, innovative and flexible solutions to meet customers' individual requirements.
- Applying existing technology to deliver a robust communications process, able to give a real-time visibility of the supply chain.
- Utilising the skills of the Company's very experienced management team.
- Investing in our people and our business development capability.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy involve an element of risk. The Directors review these risks and put in place appropriate processes to try to monitor and mitigate them. The key business risks affecting the Company are set out below:

Automotive sector

A significant part of the Company's revenue is derived from the automotive sector. This market sector is under very significant volume and price pressure following the "credit crunch" that developed worldwide in 2008. The business is subject to the risk of doing business in this sector.

Exchange rate risk

The Company receives some income from customers in Euros and also pays suppliers in Euros. In order to mitigate the exchange risk the Company endeavours to match the income and expenditure in Euros rather than enter into foreign exchange contracts.

Future developments

The directors consider that 2009 will be a year of difficult trading conditions. Their aim is to take advantage of these conditions and develop business opportunities that arise from the UK's economic problems.

Directors

The directors who served during the year were:

J Hodges
C C Doughty
D J Stocker (appointed 22 December 2008)

ACUMEN DISTRIBUTION LIMITED

Directors' report for the year ended 31 December 2008 (continued)

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 as at the end of the financial year and of the profit or loss of the company for that period. 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;
- 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 maintaining proper accounting records which 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 1985. It is also their responsibility to safeguard the assets of the company and hence to take reasonable steps to prevent and detect fraud and other irregularities.

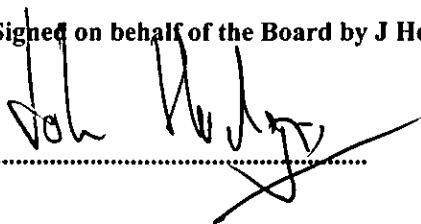
Fixed assets

Movements in fixed assets are shown in note 9 to the accounts.

Disclosure of information to auditors

The directors confirm that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the Board by J Hodges on 15 May 2009.



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ACUMEN DISTRIBUTION LIMITED

Independent auditors' report to the shareholder of Acumen Distribution Limited

We have audited the financial statements of Acumen Distribution Limited for the year ended 31 December 2008 which are set out on pages 5 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

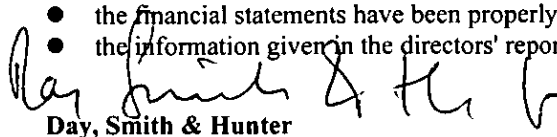
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.


Day, Smith & Hunter
Registered Auditors and
Chartered Accountants

15 May 2009

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Herts WD3 1JE

ACUMEN DISTRIBUTION LIMITED

Profit and loss account for the year ended 31 December 2008

	Notes	2008	2007
		£	£
Turnover	2	10,917,802	10,565,228
Cost of sales		9,484,315	9,564,192
Gross profit		1,433,487	1,001,036
Administrative expenses		823,586	646,073
		823,586	646,073
Operating profit	3	609,901	354,963
Rental income receivable		33,000	4,125
Other interest receivable and similar income		26,432	6,348
Profit on ordinary activities before taxation		669,333	365,436
Taxation on profit on ordinary activities	7	192,009	114,316
Profit for the financial year	16/17	477,324	251,120

None of the company's activities were acquired or discontinued during the above two years.

There were no recognised gains or losses other than those included in the profit and loss account.

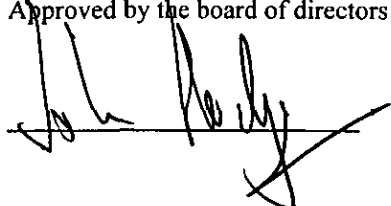
The notes on pages 7 to 12 form part of these financial statements.

ACUMEN DISTRIBUTION LIMITED

Balance sheet at 31 December 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	9		60,801		67,959
Investments	10		44,989		44,989
			<u>105,790</u>		<u>112,948</u>
Current assets					
Debtors	11	1,719,272		1,529,914	
Cash at bank and in hand		<u>937,710</u>		<u>890,684</u>	
		2,656,982		2,420,598	
Creditors:					
Amounts falling due within one year	12	<u>(1,498,195)</u>		<u>(1,618,097)</u>	
Net current assets			<u>1,158,787</u>		<u>802,501</u>
Total assets less current liabilities			<u>1,264,577</u>		<u>915,449</u>
Creditors:					
Amounts falling due after more than one year	13		<u>(2,705)</u>		<u>(8,395)</u>
Net assets			<u>1,261,872</u>		<u>907,054</u>
Capital and reserves					
Called up share capital	15		100		100
Profit and loss account	16		<u>1,261,772</u>		<u>906,954</u>
Shareholder's funds	17		<u>1,261,872</u>		<u>907,054</u>

Approved by the board of directors on 15 May 2009 and signed on its behalf by J Hodges.



The notes on pages 7 to 12 form part of these financial statements.

1 Accounting policies**a) Basis of accounting**

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards.

b) Turnover

Turnover represents invoiced sales of logistical services, excluding value added tax.

Sales are recognised in the accounting period in which the service is rendered, by reference to completion of the specific transaction.

c) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Motor vehicles	2 - 5 years on cost
Equipment, fixtures and fittings	2 - 5 years on cost

d) Deferred taxation

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

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

e) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the year end. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Gains and losses on exchange are charged/credited to the profit and loss account for the year.

f) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Investments held as current assets are stated at the lower of cost and net realisable value.

g) Lease transactions

Rentals payable under operating leases are charged to the profit and loss account as they fall due.

h) Pension scheme

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions to this scheme are charged to the profit and loss account as they become payable.

i) Cash flow

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as its ultimate parent company, Acumen Logistics Group Limited, a company registered in England and Wales, prepares a consolidated cash flow statement.

2 Turnover

The turnover and pre-tax profit of the company are attributable to its principal activity.

ACUMEN DISTRIBUTION LIMITED

Notes to the financial statements for the year ended 31 December 2008 (continued)

3 Operating profit

This is stated after charging/(crediting):

	2008	2007
	£	£
Depreciation of owned assets	53,158	51,718
(Profit)/loss on disposal of tangible fixed assets	(3,862)	33,023
Auditors' remuneration - audit fee	14,800	15,286
Auditors' remuneration - other services	12,355	8,850
Operating lease rentals - land and buildings	127,536	61,301
Operating lease rentals - other assets	1,087,856	1,044,011
Foreign exchange (gains)/losses	(3,857)	1,037

4 Employee information

	2008	2007
	£	£
Staff costs:		
Wages and salaries	2,344,442	2,091,113
Social security costs	227,453	196,305
Other pension costs	11,831	11,308
Redundancy costs	74,232	-
	2,657,958	2,298,726

The average number of persons employed during the year, including executive directors, was made up as follows:

	2008	2007
	Number	Number
Office and management	15	13
Operational	113	109
	128	122

5 Directors' emoluments

	2008	2007
	£	£
Emoluments	107,801	112,347
Company contributions to defined contribution pension schemes	7,250	5,290
	115,051	117,637

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

Defined contribution schemes	<u>1</u>	<u>1</u>
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6 Pension commitments and other post-retirement benefits

Defined contribution scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost and charge represents contributions payable by the company to the fund and amounted to £11,831 (2007: £11,308). At 31 December 2008 contributions amounting to £1,319 (2007: £1,038) were payable to the fund and were included in creditors.

ACUMEN DISTRIBUTION LIMITED

Notes to the financial statements for the year ended 31 December 2008 (continued)

7 Taxation on profit on ordinary activities

	2008	2007
	£	£
United Kingdom corporation tax at 28.5% (2007: 30%)	191,254	101,213
Deferred taxation (note 14)	2,235	13,103
Adjustments in respect of previous years	(1,480)	-
	<u>192,009</u>	<u>114,316</u>
Profit on ordinary activities before taxation	<u>669,333</u>	<u>365,436</u>

Factors affecting tax charge for the period

Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	190,741	109,631
Effects of:		
Expenses not deductible for tax purposes	3,879	7,840
(Capital allowances in excess of depreciation)/depreciation in excess of capital allowances	(1,936)	3,144
Group loss relief and movement in losses	-	(19,402)
Deferred taxation	2,235	13,103
Marginal relief	(1,430)	-
Adjustment in respect of prior periods	(1,480)	-
Current tax charge for the year	<u>192,009</u>	<u>114,316</u>

8 Dividends

	2008	2007
	£	£
On equity shares:		
Interim of £1,225.06 per ordinary 'A' share paid (2007: £Nil)	<u>122,506</u>	<u>-</u>

9 Tangible fixed assets

	Motor vehicles	Equipment, fixtures and fittings	Total
	£	£	£
Cost:			
At 1 January 2008	77,907	97,724	175,631
Additions	5,688	42,598	48,286
Disposals	(27,452)	-	(27,452)
At 31 December 2008	<u>56,143</u>	<u>140,322</u>	<u>196,465</u>
Depreciation:			
At 1 January 2008	35,296	72,376	107,672
Provision for the year	28,418	24,740	53,158
Adjustments for disposals	(25,166)	-	(25,166)
At 31 December 2008	<u>38,548</u>	<u>97,116</u>	<u>135,664</u>
Net book value:			
At 31 December 2008	<u>17,595</u>	<u>43,206</u>	<u>60,801</u>
At 31 December 2007	<u>42,611</u>	<u>25,348</u>	<u>67,959</u>

ACUMEN DISTRIBUTION LIMITED

Notes to the financial statements for the year ended 31 December 2008 (continued)

10 Investments

	Listed investments
	£
Cost	
At 1 January 2008 and 31 December 2008	<u>44,989</u>

The market value of the listed investment at 31 December 2008 was £6,819. The directors do not consider the fall in market value to be permanent.

11 Debtors

	2008	2007
	£	£
Trade debtors	1,380,142	1,404,549
Other debtors	268,616	77,082
Amounts owed by group undertakings	-	1,864
Prepaid expenses and accrued income	67,727	41,397
Deferred tax asset - falling due after more than one year (note 14)	2,787	5,022
	<u>1,719,272</u>	<u>1,529,914</u>

12 Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	685,807	1,108,119
Amounts owed to group undertakings	5,913	-
Other creditors	136,651	80,595
Corporation tax	191,254	101,213
Other tax and social security	238,787	230,163
Accruals and deferred income	239,783	98,007
	<u>1,498,195</u>	<u>1,618,097</u>

13 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Other creditors	<u>2,705</u>	<u>8,395</u>

14 Deferred taxation

	2008	2007
	£	£
Fixed asset timing differences	<u>2,787</u>	<u>5,022</u>
Deferred tax asset at start of year	5,022	
Deferred tax charge in profit and loss account for year (note 7)	<u>(2,235)</u>	
Deferred tax asset at end of year	<u>2,787</u>	

ACUMEN DISTRIBUTION LIMITED

Notes to the financial statements for the year ended 31 December 2008 (continued)

15 Called up share capital

	2008	2007
	£	£
Authorised		
Equity shares:		
Ordinary 'A' shares of £1 each	100	100
Ordinary 'A' non-voting shares of £1 each	100	100
	200	200
Allotted, called up and fully paid		
Equity shares:		
Ordinary 'A' shares of £1 each	100	100

16 Profit and loss account

	2008	2007
	£	£
At 1 January 2008	906,954	655,834
Profit for the year	477,324	251,120
Dividends paid (note 8)	(122,506)	-
At 31 December 2008	1,261,772	906,954

17 Reconciliation of movement in shareholder's funds

	2008	2007
	£	£
Profit for the year	477,324	251,120
Dividends	(122,506)	-
Retained profit for the year	354,818	251,120
Shareholder's funds at 1 January 2008	907,054	655,934
Shareholder's funds at 31 December 2008	1,261,872	907,054

ACUMEN DISTRIBUTION LIMITED

Notes to the financial statements for the year ended 31 December 2008 (continued)

18 Leasing commitments

Operating leases

The company's annual commitments for rental payments under operating leases at 31 December 2008 were as set out below:

	<u>2008</u>		<u>2007</u>	
	<u>Land and buildings</u>	<u>Other</u>	<u>Land and buildings</u>	<u>Other</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Operating leases which expire:				
Within one year	10,000	79,240	27,500	27,217
Within two to five years	-	149,279	-	286,116
	<u>10,000</u>	<u>228,519</u>	<u>27,500</u>	<u>313,333</u>

The operating lease for land and buildings which expires within one year is subject to a sub-lease for which the annual rental income is £11,000.

Included within other operating leases which expire between two to five years, are annual lease commitments of £93,988 which relates to equipment used on a long term contract with a specific customer. Should this contract be terminated by the customer, the customer is contractually obliged to assume the obligations under the operating leases.

19 Parent company

During the current and previous years, the ultimate and immediate parent company of Acumen Distribution Limited was Acumen Logistics Group Limited, a company registered in England and Wales.

Acumen Logistics Group Limited was controlled throughout the current and previous years by its director Mr J Hodges by virtue of his 100% shareholding.

20 Related parties

Advantage has been taken of the exemptions under paragraph 3(c) of the Financial Reporting Standard 8 available to subsidiary companies not to disclose related party transactions with group undertakings.

Included within other debtors at the year end was an amount owed by the director, J Hodges, of £Nil (2007: £20,000).

During the year the following transactions took place with Templewood Homes Limited, a company owned by J Hodges:

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Management fees payable	<u>22,500</u>	<u>30,000</u>