

Company Registration No. 01612058 (England and Wales)

ACUMEN DISTRIBUTION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

ACUMEN DISTRIBUTION LIMITED

COMPANY INFORMATION

Directors	J Hodges C Doughty
Secretary	The Oxford Secretariat Limited
Company number	01612058
Registered office	Winter Hill House Marlow Reach Station Approach Marlow Buckinghamshire SL7 1NT
Auditor	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
Business address	Acumen House Park Circle Tithe Barn Way Swan Valley Northampton NN4 9BH

ACUMEN DISTRIBUTION LIMITED

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ACUMEN DISTRIBUTION LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report and financial statements for the year ended 31 December 2016.

Fair review of the business

The profit and loss on page 6 shows turnover of £17,814,871 (2015 - £20,811,197). This produced a profit before taxation of £252,061 (2015 - £518,337).

The balance sheet shows that the company's net assets at the year end have increased from £4,101,961 to £4,242,190.

Principal risks and uncertainties

Management continually monitor the key risks facing the company, together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the company are as follows:

Legislative

The company has systems and procedures in place to ensure compliance with, and to manage, the impact of changes in Government legislation such as the Working Time Directive, TUPE, fuel duty, vehicle operating procedures, environmental and vehicle emission requirements.

Financial and Liquidity

The company's forecasts and projections show that the company should be able to operate within its current facilities for a period of at least the next 12 months. Management continues to monitor and control working capital and capital expenditure requirements very closely.

Competitor pressure

The market in which the company operates is considered to be extremely competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk by providing quality services and maintaining strong relationships with its key customers.

Key performance indicators

The directors review internal management accounts on a monthly basis and consider their detailed review of operating margins and compliance as the best indicator of performance and position of the business.

Future Developments

The directors plan to win new business and secure current contracts during 2017 within its existing transportation and warehousing markets. There are also plans to continue the company's capital investment programme into the core fleet of vehicles next year.

On behalf of the board

J Hodges

Director

ACUMEN DISTRIBUTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Hodges
C Doughty

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend the payment of a final dividend. An interim dividend of £99,996 being £999.96 per share was paid during the year.

Financial instruments

Financing facility and other instruments

The company's principal financial instrument comprises of the financing facility held by the Group which at the year end amounted to £5,000,000 and is the main source of funds for financing the group and company's operations.

The company also uses hire purchase agreements as a way of financing the purchase of fixed assets which play a key role in the operation of the business.

Auditor

The auditor, Mercer & Hole, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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.

ACUMEN DISTRIBUTION LIMITED

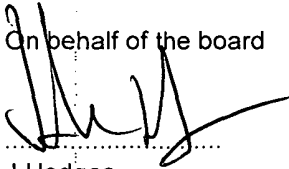
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of disclosure to auditor

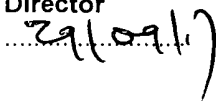
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



J Hodges

Director



ACUMEN DISTRIBUTION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ACUMEN DISTRIBUTION LIMITED

We have audited the financial statements of Acumen Distribution Limited for the year ended 31 December 2016 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member 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 member 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, 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 31 December 2016 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 matters 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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

ACUMEN DISTRIBUTION LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF ACUMEN DISTRIBUTION LIMITED**

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.

**Alexander Bell FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole**

**Chartered Accountants
Statutory Auditor**

22/09/17

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

ACUMEN DISTRIBUTION LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	17,814,871	20,811,197
Cost of sales		(16,106,409)	(18,691,938)
Gross profit		1,708,462	2,119,259
Administrative expenses		(1,422,294)	(1,403,005)
Other operating income		150,000	150
Operating profit	4	436,168	716,404
Interest receivable and similar income	7	415	2,497
Interest payable and similar expenses	8	(191,005)	(200,564)
Amounts written off investments	9	6,483	-
Profit before taxation		252,061	518,337
Taxation	10	(11,836)	(121,155)
Profit for the financial year		240,225	397,182

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ACUMEN DISTRIBUTION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
Profit for the year	240,225	397,182
Other comprehensive income	-	-
Total comprehensive income for the year	<u>240,225</u>	<u>397,182</u>

ACUMEN DISTRIBUTION LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	12	5,406,819		6,483,963	
Investments	13	18,243		11,760	
		<u>5,425,062</u>		<u>6,495,723</u>	
Current assets					
Debtors	15	5,862,942		6,015,533	
Cash at bank and in hand		742,620		637,933	
		<u>6,605,562</u>		<u>6,653,466</u>	
Creditors: amounts falling due within one year	16	<u>(5,026,536)</u>		<u>(5,165,992)</u>	
Net current assets		<u>1,579,026</u>		<u>1,487,474</u>	
Total assets less current liabilities		<u>7,004,088</u>		<u>7,983,197</u>	
Creditors: amounts falling due after more than one year	17	(2,633,512)		(3,605,117)	
Provisions for liabilities	19	(128,386)		(276,119)	
Net assets		<u>4,242,190</u>		<u>4,101,961</u>	
Capital and reserves					
Called up share capital	22	100		100	
Profit and loss reserves		<u>4,242,090</u>		<u>4,101,861</u>	
Total equity		<u>4,242,190</u>		<u>4,101,961</u>	

The financial statements were approved by the board of directors and authorised for issue on 29/09/17 and are signed on its behalf by:

J Hodges
Director

Company Registration No. 01612058

ACUMEN DISTRIBUTION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015		100	3,729,678	3,729,778
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	397,182	397,182
Dividends	11	-	(24,999)	(24,999)
Balance at 31 December 2015		100	4,101,861	4,101,961
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	240,225	240,225
Dividends	11	-	(99,996)	(99,996)
Balance at 31 December 2016		100	4,242,090	4,242,190

ACUMEN DISTRIBUTION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	27	2,931,024		2,462,990	
Interest paid		(191,005)		(200,564)	
Income taxes paid		(109,373)		(44,258)	
Net cash inflow from operating activities		2,630,646		2,218,168	
Investing activities					
Purchase of tangible fixed assets		(225,599)	(1,634,618)		
Proceeds on disposal of tangible fixed assets		380,023	921,914		
Other investments and loans made		(1,000,000)	-		
Interest received		415	2,497		
Net cash used in investing activities		(845,161)		(710,207)	
Financing activities					
Payment of finance leases obligations		(1,580,802)	(1,259,919)		
Dividends paid		(99,996)	(24,999)		
Net cash used in financing activities		(1,680,798)		(1,284,918)	
Net increase in cash and cash equivalents		104,687		223,043	
Cash and cash equivalents at beginning of year		637,933		414,890	
Cash and cash equivalents at end of year		742,620		637,933	

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Acumen Distribution Limited is a private company limited by shares incorporated in England and Wales. The registered office is Winter Hill House, Marlow Reach, Station Approach, Marlow, Buckinghamshire, SL7 1NT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 33 'Related Party Disclosures' – not to provide disclosures of transactions entered into with other wholly-owned members of the group

The financial statements of the company are consolidated in the financial statements of Acumen Logistics Group Limited. These consolidated financial statements are publicly available from Companies House.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the period of the lease
Plant and machinery	2 - 10 years on cost
Equipment, fixtures & fittings	2 - 5 years on cost

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company applies the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, finance leases and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no material indicators of impairments identified during the current financial year other than in respect of bad and doubtful trade debtor balances recognised in the financial statements.

Deferred taxation

Deferred tax assets are recognised for all timing differences to the extent that it is probable they will be recoverable against the reversal of a deferred tax asset at the rate of taxation expected at that date. At the reporting end date there were no indications the deferred tax asset were not recoverable.

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Estimating value in use

Where an indication of impairment exists the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Determining residual values and useful economic life of tangible fixed assets (property, plant and equipment)

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programs.

Judgment is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Transportation services	15,451,113	18,474,787
Warehousing services	2,363,758	2,336,410
	<u>17,814,871</u>	<u>20,811,197</u>
Other significant revenue		
Interest income	<u>415</u>	<u>2,497</u>

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2016 £	2015 £
UK	16,033,384	18,730,077
Europe	1,781,487	2,081,120
	<u>17,814,871</u>	<u>20,811,197</u>

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	31,000	20,700
Depreciation of owned tangible fixed assets	422,353	450,815
Depreciation of tangible fixed assets held under finance leases	1,291,671	1,137,460
Profit on disposal of tangible fixed assets	(59,747)	(52,752)
Operating lease charges	1,086,538	1,230,451
	<u>1,871,815</u>	<u>1,876,774</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Office and management	23	20
Operational	107	122
	<u>130</u>	<u>142</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	3,771,964	3,487,341
Social security costs	354,355	325,238
Pension costs	56,564	54,411
	<u>4,182,883</u>	<u>3,866,990</u>

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	192,747	203,304
Company pension contributions to defined contribution schemes	14,400	13,500
	<u>207,147</u>	<u>216,804</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	127,499	142,363
Accrued pension at the end of the year	14,400	13,500
	<u>141,899</u>	<u>155,863</u>

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	415	80
Other interest income	-	2,417
	<u>415</u>	<u>2,497</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	415	80
	<u>415</u>	<u>80</u>

8 Interest payable and similar expenses

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	26,287	30,642
Interest on finance leases and hire purchase contracts	164,593	169,922
	<u>190,880</u>	<u>200,564</u>
Other finance costs:		
Other interest	125	-
	<u>191,005</u>	<u>200,564</u>

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Amounts written off investments

	2016 £	2015 £
Other gains and losses	6,483	-

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	155,107	109,498
Tax relating to prior year adjustments recognised in profit or loss	4,462	-
Total current tax	159,569	109,498
Deferred tax		
Origination and reversal of timing differences	(147,733)	11,657
Total tax charge	11,836	121,155

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	252,061	518,337
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	50,412	104,946
Tax effect of expenses that are not deductible in determining taxable profit	7,939	17,110
Gains not taxable	(1,297)	-
Adjustments in respect of prior years	4,462	-
Permanent capital allowances in excess of depreciation	98,053	(12,558)
Deferred tax charge	(147,733)	11,657
Taxation charge for the year	11,836	121,155

11 Dividends

	2016 £	2015 £
Interim paid	99,996	24,999

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Equipment, fixtures & fittings £	Total £
Cost				
At 1 January 2016	537,256	10,215,920	262,059	11,015,235
Additions	8,321	912,293	36,542	957,156
Disposals	(1,800)	(1,511,699)	(1,500)	(1,514,999)
At 31 December 2016	543,777	9,616,514	297,101	10,457,392
Depreciation and impairment				
At 1 January 2016	357,966	3,966,071	207,235	4,531,272
Depreciation charged in the year	119,562	1,550,164	44,298	1,714,024
Eliminated in respect of disposals	(1,350)	(1,191,913)	(1,460)	(1,194,723)
At 31 December 2016	476,178	4,324,322	250,073	5,050,573
Carrying amount				
At 31 December 2016	67,599	5,292,192	47,028	5,406,819
At 31 December 2015	179,290	6,249,849	54,824	6,483,963

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Plant and machinery	4,675,120	5,465,383
Depreciation charge for the year in respect of leased assets	1,291,671	1,137,460

13 Fixed asset investments

	2016 £	2015 £
Listed investments	18,243	11,760
Listed investments included above:		
Listed investments carrying amount	18,243	11,760

The company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

Fixed asset investments revalued

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Fixed asset investments (Continued)

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2016	11,760
Valuation changes	6,483
At 31 December 2016	18,243
Carrying amount	
At 31 December 2016	18,243
At 31 December 2015	11,760

14 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	5,381,042	5,569,556
Equity instruments measured at cost less impairment	18,243	11,760
Carrying amount of financial liabilities		
Measured at amortised cost	6,846,308	8,239,816

15 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	3,393,050	4,145,246
Corporation tax recoverable	250,000	-
Amounts due from group undertakings	958,763	1,401,190
Other debtors	1,029,229	23,120
Prepayments and accrued income	231,900	445,977
	5,862,942	6,015,533

Trade debtors disclosed above are receivable within one year and so are recorded at transaction price.

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Obligations under finance leases	18	1,406,867	1,284,507
Trade creditors		1,301,888	2,230,159
Amounts due to group undertakings		10,575	10,546
Corporation tax		409,694	109,498
Other taxation and social security		404,046	421,795
Other creditors		1,339,785	968,920
Accruals and deferred income		153,681	140,567
		<u>5,026,536</u>	<u>5,165,992</u>

17 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases	18	<u>2,633,512</u>	<u>3,605,117</u>

The company has access to group financing facilities with Barclays Bank Plc of up to £5,000,000. At the reporting date the company had drawn down £1,187,400 (2015 - £830,481) under the facility. This liability is included in other creditors.

Bank facilities are secured by way of a debenture and an unlimited guarantee from Acumen Automotive Logistics Limited and Acumen Logistics Group Limited.

18 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	1,406,867	1,284,507
In two to five years	2,633,512	3,605,117
	<u>4,040,379</u>	<u>4,889,624</u>

It is the company's policy to lease certain equipment under finance leases. The average lease term is 3 to 5 years. The average effective borrowing rate for the year was 3.48%. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	20	<u>128,386</u>	<u>276,119</u>
		<u>128,386</u>	<u>276,119</u>

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2016	2015
	£	£
Balances:		
ACAs	128,386	276,119
	<u> </u>	<u> </u>
Movements in the year:		2016
		£
Liability at 1 January 2016		276,119
Credit to profit or loss		(147,733)
		<u> </u>
Liability at 31 December 2016		128,386
		<u> </u>

The deferred tax liability set out above is expected to reverse over time and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	56,564	54,411
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary 'A' shares of £1 each	100	100
	<u> </u>	<u> </u>

ACUMEN DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	673,405	586,006
Between two and five years	1,172,318	173,845
In over five years	-	12,701
	<u>1,845,723</u>	<u>772,552</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	<u>206,746</u>	<u>217,188</u>

The company paid rent of £22,950 (2015 - £22,950) to Acumen Partners LLP and the Trustees of C Doughty Private Pension in respect of a property owned by those two entities. J Hodges is a partner in Acumen Partners LLP. C Doughty is a director of the company and a trustee of the pension fund.

The company is a wholly-owned member of Acumen Logistics Group Limited and as such has taken advantage of the exemption permitted by Section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with other wholly-owned members of the group.

25 Directors' transactions

The company paid a licence fee of £6,960 (2015 - £6,960) to J Hodges, a director, in respect of office accommodation.

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
J Hodges	-	-	1,000,000	1,000,000
		<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>

ACUMEN DISTRIBUTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****26 Controlling party**

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 is the parent of the smallest and largest group for which consolidated accounts are prepared and of which the company is a member. Accounts for Acumen Logistics Group Limited are available to view on the public record at the Registrar of Companies website.

The ultimate controlling party is J Hodges by virtue of the fact that he holds 100% of the issued share capital of Acumen Logistics Group Limited.

27 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	240,225	397,182
Adjustments for:		
Taxation charged	11,836	121,155
Finance costs	191,005	200,564
Investment income	(415)	(2,497)
Gain on disposal of tangible fixed assets	(59,747)	(52,752)
Depreciation and impairment of tangible fixed assets	1,714,024	1,588,275
Amounts written off investments	(6,483)	-
Movements in working capital:		
Decrease in debtors	1,402,591	305,440
(Decrease) in creditors	(562,012)	(94,377)
Cash generated from operations	<u>2,931,024</u>	<u>2,462,990</u>