

Acumen Distribution Limited

Annual Report and Financial Statements
for the Period from 1 January 2020 to 31 March 2021

Acumen Distribution Limited

Contents

Company Information	<u>1</u>
Strategic Report	<u>2</u> to <u>3</u>
Directors' Report	<u>4</u> to <u>5</u>
Independent Auditor's Report	<u>6</u> to <u>9</u>
Statement of Income and Retained Earnings	<u>10</u>
Balance Sheet	<u>11</u>
Notes to the Financial Statements	<u>12</u> to <u>28</u>

Acumen Distribution Limited

Company Information

Directors	C C C Doughty N Ashraf J M Doughty R Waring S Brown
Company secretary	J M Doughty
Registered office	Acumen House Park Circle Tithe Barn Way Swan Valley Northampton NN4 9BH
Auditors	Ashgates Corporate Services Limited 5 Prospect Place Millennium Way Pride Park Derby DE24 8HG

Acumen Distribution Limited

Strategic Report for the Period from 1 January 2020 to 31 March 2021

The directors present their strategic report for the period from 1 January 2020 to 31 March 2021.

Principal activity

The principal activity of the company is that of transportation services.

Fair review of the business

The profit and loss on page 10 shows turnover of £10,999,342 (2019 £12,200,942), which produced a profit before taxation of £36,567 (2019 £251,628).

The balance sheet shows that the company's net assets at the year end have decreased to £2,801,164 from £4,471,683, which is due to an intra group dividend being voted up to the parent company during the period.

The global COVID 19 issue severely affected the company's results in the 15 month period. The business was forced to close completely for around 6 weeks at the start of the pandemic before recovering gradually through June 2020. The remainder of the year was affected to a lesser extent, as restrictions on the economy ebbed and flowed in line with the incidence of the virus on the country's population. Additionally, the eventual implementation of Brexit at the end of 2020 disrupted the company's operations somewhat in January 2021.

However, despite this, with the hard work of its directors and employees, the support of its external funders and by making use of the UK government's 'furlough' scheme, the company managed to navigate this very difficult period successfully. The directors are satisfied that without the combined effects of the pandemic and Brexit, the company would have enjoyed a strongly profitable 15 months.

Principal risks and uncertainties

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.

COVID-19 / Microchip shortage

Whilst the direct effect of Covid on the company's activities has lessened with the roll out of vaccine programmes across the developed world (barring higher than normal levels of absenteeism due to sickness), the company is now being affected by a related issue.

Since the spring of 2021 all UK automotive manufacturers have been affected, to varying degrees, by a global shortage of microchips which is a knock-on effect from the Covid 19 pandemic. As an automotive logistics business all the company's activities are impacted by this reduced production to some extent. The directors are taking all possible steps to lessen the financial impact of this issue during the remainder of 2021 and expect a gradual return to normal trading over the course of 2022. Whilst the issue is expected to limit the company's profitability in 2021/2022, at the time of writing the directors do not expect it to push the company into a loss position or cause any liquidity issues.

Acumen Distribution Limited

Strategic Report for the Period from 1 January 2020 to 31 March 2021

Driver Shortages

As has been well publicised, there is an acute shortage of HGV drivers in the UK, which has put significant upward pressure on wages. As a logistics company the business cannot operate and service its customers without experienced drivers, so the directors have resolved to continue to pay competitive market rates and when contractually possible, pass these increased costs on to customers.

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 will 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.

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 aim to continue in the company's traditional markets of inbound and outbound automotive logistics. They believe there will be good opportunities in both areas, post the chip crisis, to further develop profitably, with a modern reliable fleet and a stable retained workforce.

Approved by the Board on 9 November 2021 and signed on its behalf by:

C C C Doughty
Director

Acumen Distribution Limited

Directors' Report for the Period from 1 January 2020 to 31 March 2021

The directors present their report and the financial statements for the period from 1 January 2020 to 31 March 2021.

Statement of directors responsibilities

The directors acknowledge their responsibilities 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 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; 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 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.

Directors of the company

The directors who held office during the period were as follows:

C C C Doughty

N Ashraf

J M Doughty - Company secretary and director

R Waring (appointed 11 August 2020)

J Hodges (ceased 26 February 2021)

S Brown

Acumen Distribution Limited

Directors' Report for the Period from 1 January 2020 to 31 March 2021

Financial instruments

Objectives and policies

The company is exposed to the following risks from its financial instruments:

- Liquidity risk
- Credit risk

The directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The exposure to the above risks are monitored by the Board of Directors as part of its daily management of the Company's activities.

Price risk, credit risk, liquidity risk and cash flow risk

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables.

The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 9 November 2021 and signed on its behalf by:

C C C Doughty
Director

Acumen Distribution Limited

Independent Auditor's Report to the Members of Acumen Distribution Limited

Opinion

We have audited the financial statements of Acumen Distribution Limited (the 'company') for the period from 1 January 2020 to 31 March 2021, which comprise the Statement of Income and Retained Earnings, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Acumen Distribution Limited

Independent Auditor's Report to the Members of Acumen Distribution Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

Acumen Distribution Limited

Independent Auditor's Report to the Members of Acumen Distribution Limited

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and walkthrough testing;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- enquiring of management as to actual and potential fraud, litigation and claims;
- designing our audit procedures to respond to our risk assessment;
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- performing analytical procedures to identify any large, unusual or unexpected relationships.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Acumen Distribution Limited

Independent Auditor's Report to the Members of Acumen Distribution Limited

Use of our report

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.

Gavin Robert Booth (Senior Statutory Auditor)

For and on behalf of Ashgates Corporate Services Limited, Statutory Auditor

5 Prospect Place

Millennium Way

Pride Park

Derby

DE24 8HG

9 November 2021

Acumen Distribution Limited

Statement of Income and Retained Earnings for the Period from 1 January 2020 to 31 March 2021

	Note	Period ended 31 March 2021 £	Year ended 31 December 2019 £
Turnover	<u>3</u>	10,949,342	12,200,942
Cost of sales		<u>(10,019,131)</u>	<u>(10,416,143)</u>
Gross profit		930,211	1,784,799
Administrative expenses		(1,714,219)	(1,395,726)
Other operating income	<u>4</u>	<u>920,760</u>	<u>332</u>
Operating profit	<u>6</u>	<u>136,752</u>	<u>389,405</u>
Revaluation loss on investments		(8,161)	(43)
Other interest receivable and similar income	<u>8</u>	-	261
Interest payable and similar charges	<u>9</u>	<u>(92,024)</u>	<u>(137,995)</u>
		<u>(100,185)</u>	<u>(137,777)</u>
Profit before tax		36,567	251,628
Taxation	<u>13</u>	<u>21,444</u>	<u>(51,037)</u>
Profit for the financial period		58,011	200,591
Retained earnings brought forward		4,471,583	4,370,988
Dividends paid		<u>(1,728,530)</u>	<u>(99,996)</u>
Retained earnings carried forward		<u>2,801,064</u>	<u>4,471,583</u>

Acumen Distribution Limited
(Registration number: 01612058)
Balance Sheet as at 31 March 2021

	Note	31 March 2021 £	31 December 2019 £
Fixed assets			
Tangible assets	<u>14</u>	1,761,883	2,467,157
Other financial assets	<u>15</u>	-	20,029
		<u>1,761,883</u>	<u>2,487,186</u>
Current assets			
Debtors	<u>16</u>	4,395,018	5,920,065
Cash at bank and in hand		601,034	212,767
		4,996,052	6,132,832
Creditors: Amounts falling due within one year	<u>17</u>	(3,164,761)	(3,427,505)
Net current assets		<u>1,831,291</u>	<u>2,705,327</u>
Total assets less current liabilities		3,593,174	5,192,513
Creditors: Amounts falling due after more than one year	<u>17</u>	(748,066)	(656,328)
Provisions for liabilities	<u>18</u>	(43,944)	(64,502)
Net assets		<u>2,801,164</u>	<u>4,471,683</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account	<u>21</u>	2,801,064	4,471,583
Total equity		<u>2,801,164</u>	<u>4,471,683</u>

Approved and authorised by the Board on 9 November 2021 and signed on its behalf by:

C C C Doughty
Director

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of the registered office is given in the company information on page 1 of the financial statements.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling (£) and rounded to the nearest £1.

Summary of disclosure exemptions

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personnel.

Disclosure of long or short period

The financial statements cover a 15 month period from 1 January 2020 to 31 March 2021 and as such the comparatives are not entirely comparable. The accounting reference date was changed for commercial reasons.

Going concern

These financial statements are prepared on the going concern basis. During the period and after the balance sheet date, COVID-19 has been dominating the world social and economic climate. The company continues to operate in an environment of uncertainty associated with the current situation. The directors have concluded that with ongoing prudent management, together with the governmental and banking support offered to companies, it is unlikely it would not be able to continue as a going concern in the foreseeable future. The directors are continuously monitoring the situation and recognise that uncertainties exist that may impact significantly on future performance and could challenge the applicability of the going concern basis in extreme circumstances.

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

Judgements

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.

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

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.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Government grants

Government grants are recognised in the profit and loss account as income when such grant does not impose specified future performance-related conditions, in accordance with the performance model.

Foreign currency transactions and balances

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.

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	Over the period of the lease
Plant and machinery	2 - 10 years on cost
Furniture, fittings and equipment	2 - 5 years on cost

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	31 March 2021 £	31 December 2019 £
Transportation services	10,506,908	11,729,809
Warehousing services	442,434	471,133
	<u>10,949,342</u>	<u>12,200,942</u>

The analysis of the company's turnover for the period by market is as follows:

	31 March 2021 £	31 December 2019 £
UK	6,653,477	7,829,050
Europe	4,295,865	4,371,892
	<u>10,949,342</u>	<u>12,200,942</u>

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	31 March 2021 £	31 December 2019 £
Government grants	669,721	-
Miscellaneous other operating income	1,039	332
Management charges receivable	250,000	-
	<u>920,760</u>	<u>332</u>

5 Other gains and losses

The analysis of the company's other gains and losses for the period is as follows:

	31 March 2021 £	31 December 2019 £
Gain (loss) on disposal of property, plant and equipment	<u>44,886</u>	<u>48,153</u>

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

6 Operating profit

Arrived at after charging/(crediting)

	31 March 2021 £	31 December 2019 £
Depreciation expense	1,098,511	933,315
Lease expense - property	110,154	85,421
Lease expense - plant and machinery	442,203	597,519
Profit on disposal of property, plant and equipment	(44,886)	(48,153)

7 Government grants

Government grants received, included within other operating income, relate to the Coronavirus Job Retention Scheme and Coronavirus Business Interruption Loan Scheme.

The amount of grants recognised in the financial statements was £669,721 (2019 - £Nil).

8 Other interest receivable and similar income

	31 March 2021 £	31 December 2019 £
Interest income on bank deposits	-	122
Other finance income	-	139
	-	261

9 Interest payable and similar expenses

	31 March 2021 £	31 December 2019 £
Interest on bank overdrafts and borrowings	24,823	36,634
Interest on obligations under finance leases and hire purchase contracts	67,201	101,361
	92,024	137,995

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

10 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	31 March 2021 £	31 December 2019 £
Wages and salaries	3,799,441	3,236,920
Social security costs	379,265	322,618
Pension costs, defined contribution scheme	164,807	99,715
Other employee expense	82,204	78,157
	<u>4,425,717</u>	<u>3,737,410</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	31 March 2021 No.	31 December 2019 No.
Production	68	72
Administration and support	26	27
	<u>94</u>	<u>99</u>

11 Directors' remuneration

The directors' remuneration for the period was as follows:

	31 March 2021 £	31 December 2019 £
Remuneration	338,000	123,784
Contributions paid to money purchase schemes	67,844	6,712
	<u>405,844</u>	<u>130,496</u>

12 Auditors' remuneration

	31 March 2021 £	31 December 2019 £
Audit of the financial statements	25,850	35,000

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

13 Taxation

Tax charged/(credited) in the income statement

	31 March 2021 £	31 December 2019 £
Current taxation		
UK corporation tax	-	(37,390)
UK corporation tax adjustment to prior periods	(886)	(3,327)
	(886)	(40,717)
Deferred taxation		
Arising from origination and reversal of timing differences	(20,558)	91,754
Tax (receipt)/expense in the income statement	(21,444)	51,037

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).
The differences are reconciled below:

	31 March 2021 £	31 December 2019 £
Profit before tax	36,567	251,628
Corporation tax at standard rate	6,948	47,809
Effect of expense not deductible in determining taxable profit (tax loss)	3,780	3,568
Decrease in tax from unrecognised temporary difference from a prior period	(886)	(3,327)
Tax increase from effect of capital allowances and depreciation	43,828	2,987
Tax decrease from other short-term timing differences	(4,019)	-
Tax decrease arising from group relief	(50,537)	-
Deferred tax arising from origination and reversal of timing differences	(20,558)	-
Total tax (credit)/charge	(21,444)	51,037

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

Deferred tax

Deferred tax assets and liabilities

31 March 2021	Asset £	Liability £
Accelerated tax depreciation	-	61,648
Provisions	17,704	-
	<u>17,704</u>	<u>61,648</u>
	<u><u>17,704</u></u>	<u><u>61,648</u></u>
31 December 2019	Asset £	Liability £
Accelerated tax depreciation	-	84,900
Provisions	20,398	-
	<u>20,398</u>	<u>84,900</u>
	<u><u>20,398</u></u>	<u><u>84,900</u></u>

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £83,542 (2019 - £86,785).

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

14 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2020	232,028	348,595	5,188,329	5,768,952
Additions	-	15,572	398,282	413,854
Disposals	(2,163)	(198,103)	(412,378)	(612,644)
At 31 March 2021	229,865	166,064	5,174,233	5,570,162
Depreciation				
At 1 January 2020	229,045	307,293	2,765,457	3,301,795
Charge for the period	2,984	34,141	1,061,386	1,098,511
Eliminated on disposal	(2,164)	(197,581)	(392,282)	(592,027)
At 31 March 2021	229,865	143,853	3,434,561	3,808,279
Carrying amount				
At 31 March 2021	-	22,211	1,739,672	1,761,883
At 31 December 2019	2,983	41,302	2,422,872	2,467,157

Included within the net book value of land and buildings above is £Nil (2019 - £2,983) in respect of short leasehold land and buildings.

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	31 March 2021 £	31 December 2019 £
Plant and machinery	1,409,548	2,002,907
	<hr/>	<hr/>

15 Other financial assets (current and non-current)

	31 March 2021 £	31 December 2019 £
Non-current financial assets		
Financial assets at fair value through profit and loss	-	20,029
	<hr/>	<hr/>

	Financial assets at fair value through profit and loss £	Total £
--	--	------------

Non-current financial assets

Cost or valuation

At 1 January 2020	20,029	20,029
Fair value adjustments	(8,161)	(8,161)
Disposals	(11,868)	(11,868)
	<hr/>	<hr/>

At 31 March 2021	-	-
------------------	---	---

Impairment

At 31 March 2021	-	-
	<hr/>	<hr/>

Carrying amount

At 31 March 2021	-	-
	<hr/>	<hr/>
At 31 December 2019	20,029	20,029
	<hr/>	<hr/>

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

16 Debtors

	Note	31 March 2021 £	31 December 2019 £
Trade debtors		1,891,392	1,995,139
Amounts owed by group undertakings	<u>24</u>	1,861,316	2,313,355
Other debtors		2,058	1,000,000
Prepayments		352,862	324,181
Corporation tax asset	<u>13</u>	287,390	287,390
		<u>4,395,018</u>	<u>5,920,065</u>

Details of non-current trade and other debtors

£1,483,454 (2019 - £2,082,569) of amounts due to related parties is classified as non current.

17 Creditors

	Note	31 March 2021 £	31 December 2019 £
Due within one year			
Loans and borrowings	<u>22</u>	744,831	720,637
Trade creditors		812,442	827,685
Amounts owed to group undertakings	<u>24</u>	10,546	212,323
Social security and other taxes		182,176	130,343
Other creditors		1,263,443	1,450,542
Accrued expenses		<u>151,323</u>	<u>85,975</u>
		<u>3,164,761</u>	<u>3,427,505</u>
Due after one year			
Loans and borrowings	<u>22</u>	<u>748,066</u>	<u>656,328</u>

The company has access to group financing facilities with Barclays Bank Plc of up to £5,400,000. At the reporting date the company had drawn down £1,109,379 (2019 - £1,301,101) under the facility. This liability is included in other creditors.

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

18 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2020	64,502	64,502
Increase (decrease) in existing provisions	(20,558)	(20,558)
At 31 March 2021	43,944	43,944

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £164,807 (2019 - £99,715).

20 Share capital

Allotted, called up and fully paid shares

	31 March 2021		31 December 2019	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

21 Reserves

Profit and loss reserve

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

22 Loans and borrowings

	31 March 2021 £	31 December 2019 £
Non-current loans and borrowings		
Bank borrowings	320,000	-
Amounts owed under hire purchase and finance lease contracts	428,066	656,328
	<u>748,066</u>	<u>656,328</u>

	31 March 2021 £	31 December 2019 £
Current loans and borrowings		
Bank borrowings	80,000	-
Amounts owed under hire purchase and finance lease contracts	664,831	720,637
	<u>744,831</u>	<u>720,637</u>

Bank borrowings

Included within the above in bank borrowings is an amount of £400,000 which has been received during the year under the Coronavirus Business Interruption Loan Scheme (CBILS) (31 March 2020 - £nil). Under the terms of this loan, the repayment period is 60 months after the loan was drawn. As such with all CBILS loans, the government guarantees 80% of the loan however the company has also provided security over the remainder of the loan by way of a debenture over all assets of the company.

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

Other borrowings

Amounts owed under Hire Purchase and Finance Lease contracts with a carrying amount of £1,092,897 (2019 - £1,376,965) is denominated in sterling.

The amounts owed under Hire Purchase and Finance Lease contracts are secured against the related asset.

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

23 Obligations under leases and hire purchase contracts

Finance leases and hire purchase contracts

The total of future minimum lease payments is as follows:

	31 March 2021 £	(As restated) 31 December 2019 £
Not later than one year	664,831	720,637
Later than one year and not later than five years	428,066	656,328
	<u>1,092,897</u>	<u>1,376,965</u>

Operating leases

The total of future minimum lease payments is as follows:

	31 March 2021 £	(As restated) 31 December 2019 £
Not later than one year	316,106	350,266
Later than one year and not later than five years	195,781	509,325
	<u>511,887</u>	<u>859,591</u>

24 Related party transactions

Transactions with directors

	At 1 January 2020 £	Repayments by director £	At 31 March 2021 £
2021			
Interest free loan repayable on demand	1,000,000	(1,000,000)	-
	<u>1,000,000</u>	<u>(1,000,000)</u>	<u>-</u>
	At 1 January 2019 £	Repayments by director £	At 31 December 2019 £
2019			
Interest free loan repayable on demand	1,000,000	-	1,000,000
	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>

Acumen Distribution Limited

Notes to the Financial Statements for the Period from 1 January 2020 to 31 March 2021

Summary of transactions with fellow group member which is not wholly-owned

During the year the company made sales of £34,677 (2019 - £nil), received management charges of £50,000 (2019 - £nil), made purchases of £nil (2019 - £2,908) and acquired fixed assets of £nil (2019 - £10,554) from such related parties. At the balance sheet date the amount due from these related parties amounted to £159,575 (2019 - £230,786).

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.

Summary of transactions with other related parties

During the year, the company paid total rent of £28,688 (2019 - £22,950) to an LLP and Pension scheme in which former and current directors of the company are either partners or trustees of.

25 Parent and ultimate parent undertaking

The company's immediate parent is Acumen Logistics Group Limited, incorporated in England.

The ultimate parent is Acumen Logistics Group Holdings Limited, incorporated in England.

Relationship between entity and parents

The parent of the smallest and largest group in which these financial statements are consolidated is Acumen Logistics Group Limited, incorporated in England.

The address of Acumen Logistics Group Limited is:

Acumen House Park Circle, Tithe Barn Way, Swan Valley, Northampton, United Kingdom, NN4 9BH.

These financial statements are available upon request from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate controlling party is C C C Doughty.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.