

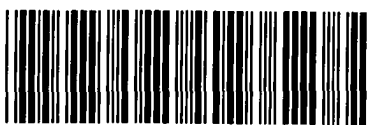
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Unipart Group Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2022

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Unipart Group Limited

Company Information

Directors

D P Leigh
A R Leung
J M Neill
C J Weldon

Company secretary

T Russell

Registered number

00576777

Registered office

Unipart House
Garsington Road
Cowley
Oxford
OX4 2PG

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX

Unipart Group Limited

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Unipart Group Limited

Strategic Report

For the Year Ended 31 December 2022

The directors present their strategic report on the Company for the year ended 31 December 2022.

Business review and future developments

Unipart Group Limited (the "Company") is engaged in providing business services in logistics and distribution management.

The directors are satisfied with the underlying trading performance and position of the Company for the reporting period. The directors have undertaken a review of the potential impacts of different financial resilience tests, further details of which are reported in the Directors' Report, and the directors are confident that they have a robust business plan that can withstand any reasonably foreseeable outcome.

Unipart Group Limited, its subsidiaries, joint ventures and associated undertakings (the "Group") is a wholly owned member of the Unipart Group of Companies Limited, its subsidiaries, joint ventures and associated undertakings (the "Ultimate Group" or "Unipart"). The strategic objectives of the Company and Group are aligned with those of the Ultimate Group. Further details on the strategy and performance of the Ultimate Group, including key performance indicators, can be found in the Chairman's Statement, the Chief Executive Officer's Report, the Strategic Report and the Financial Review in the 2022 Annual Report of Unipart Group of Companies Limited, which does not form part of this report.

Principal risks and uncertainties

From the perspective of the Company and Group, the principal risks and uncertainties are integrated within the principal risks of the Ultimate Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Ultimate Group, which included those of the Company and Group, are discussed in the Financial Review in the 2022 Annual Report of Unipart Group of Companies Limited, which does not form part of this report.

Stakeholder engagement

The directors set out their section 172(1) statement in accordance with the Companies Act 2006 in relation to stakeholder engagement for the year ended 31 December 2022.

The Board recognises that the long-term success of both the Group and the Ultimate Group is strongly correlated to a positive interaction with all of its stakeholders. Effective engagement allows the Board to understand relevant stakeholder views on material issues which may impact the business and helps to inform the Board's decision making. Stakeholder engagement is ultimately managed and owned by the directors of the Ultimate Group, but takes place at all levels within the organisation.

At the heart of our engagement is The Unipart Way, our Group philosophy, which is led from the boardroom. Principle 4 of The Unipart Way, 'We manage with a long term view', guides the Board's thinking, encouraging the adoption of strategic initiatives, rather than short term gains. This includes the directors' engagement with each of its stakeholders.

The Ultimate Group's latest Corporate Responsibility Strategy is published on our website and sets out how the Group plans to engage with its customers, suppliers, people and communities in a mutually sustainable manner. We always aim to act fairly across all our stakeholders and create a longstanding reputation as a Group where people want to work, customers want to give us their business and suppliers want to provide us their services, whilst at the same time ensuring the Group maintains the highest levels of ethical standards and support for its community and environment.

Stakeholder engagement (continued)

This report identifies some of our key stakeholders and explains how our businesses interact with them in order to promote the success of the Group and Ultimate Group for the stakeholders as a whole.

Employees

Employees are critical to the delivery of our strategy and the future growth of the business. Through The Unipart Way, leaders empower each colleague throughout the business, encouraging each to solve problems at his or her own level. Through a wide range of training and development programmes, such as the Gate to Great journeys, we are able to develop our people so we can promote from within and provide long-term and fulfilling careers across the Group and Ultimate Group.

The Mark In Action award ceremonies are held six times each year, even during the pandemic when they were held online, and celebrate our employees who have demonstrated outstanding customer service. Each one of these events have been led and presented by the Executive Chairman for more than 35 years, with over 3,500 awards presented to date.

The directors also engage with employees in several formal and informal ways, including Management Brief newsletters, our in-house news programme, Grapevine, and the bi-annual Leadership Conference led by the Executive Chairman and also the Group Chief Executive. In addition, the Directors meet sector specific operating committees on a regular basis, and will frequently take the opportunity to engage with the employees on site visits.

Employee engagement is a key metric for the Group, and the results from the annual employee engagement survey are fed back to the Executive Leadership Team and the Board of the Ultimate Group. The directors have supported the group-wide employee wellbeing strategy Unipart WorkWell, which amongst other features provides free support to employees for personal health, financial and counselling matters through LifeWorks.

Customers

The Board of Directors support our business by engaging with our future, new and existing customers. We strive to develop enduring partnerships with our customers and drive continuous improvement and innovation into our operations to drive long-term relationships across each of our businesses. To achieve this, the Directors take time to understand the real and perceived needs of our customers, which they do through actively maintaining close relationships and engaging in regular customer surveys and feedback programmes. Continuous improvement is at the heart of our operations, driving out waste and improving efficiencies for our customers.

Suppliers

The core of the Group and Ultimate Group's business is managing complex supply chain solutions for our customers and therefore it is essential to work with our suppliers in an ethical manner. We engage closely with suppliers because we rely on them to provide us with products and services which meet our stringent quality and performance requirements, which in turn allows us to fulfil our commitments to our customers. This engagement will be at an operational level on a day-to-day basis to ensure that our expectations are met from a quality and delivery perspective, or at director level in relation for more strategic discussions. The Group and Ultimate Group has instilled a culture of ensuring we pay suppliers in line with commercially agreed payment terms.

Suppliers (continued)

Long-term agreements are entered into with key suppliers where appropriate, and performance targets are regularly agreed with suppliers to align with our drive for continuous improvement. We have strong codes of conduct in relation to Anti-Bribery and Corruption, Competition Law, Human Trafficking and Modern Slavery and Criminal Finances legislation, this zero-tolerance culture being driven by the Board of Directors.

Shareholders and Pension Trustees

The Ultimate Group's largest shareholder is UGC Pension Funding LP, a Limited Partnership whose shareholdings are beneficially held on behalf of the Group's main defined benefit pension schemes. As such, the Directors are actively involved in Pension Trustee meetings, with a number holding positions as Employer Nominated Trustees on the independent Trustee Boards. In addition, the Group Finance Director will regularly update the Trustee Boards on the Ultimate Group's performance and future projections.

A large proportion of the remaining shareholders of the Ultimate Group are existing, former or retired employees who receive updates from the directors through the employee communications referred to earlier. The key formal interaction with shareholders is through this report, the Annual Report & Accounts, which is distributed to all shareholders with a letter from the Executive Chairman. Any questions are invited to be made to the Company Secretary of Unipart Group of Companies Limited.

Our community and the environment

We recognise that each of our businesses has an important role to play in its local community. We also acknowledge the impact of our business on the wider society. The Ultimate Group, led by the directors, has been actively engaged with its community and publishes its Corporate Responsibility Statement on the website. The Board is very proud of its success in achieving a variety of community and environmental awards, some of which are referred to in the Operating Review in the 2022 Annual Report of Unipart Group of Companies Limited, but we continue to seek out new ways to engage with our local communities and improve our environmental credentials. The Ultimate Group is committed to reducing its carbon footprint and is signed up to the UN Race to Zero Campaign and has committed to reaching net carbon zero by 2040. These matters are regularly discussed by the directors at the Ultimate Group Board and Executive Leadership Team meetings.

Regulatory bodies

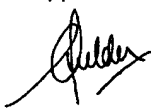
The Group and Ultimate Group aims to maintain the highest standards of conduct with each of the regulatory bodies with which it engages. It does not adopt aggressive policies aimed to maximise short term returns, instead the Directors support a principled and moral way of doing business. We publish a number of our policies on our website including our zero tolerance to unethical matters such as bribery and corruption, along with maintaining transparent and fair policies with each of our stakeholders, such as those reported in the Group Tax Strategy and Gender Pay Report. The Ultimate Group is proud of its low risk status with HMRC, demonstrating its transparent approach to tax matters. We maintain a regular dialogue with government bodies and regulators, and actively participate in various industry working groups and trade representative bodies. This enables us to engage in discussions regarding future policy development and planned regulatory changes, and to identify potential opportunities and risks for the business.

This report was approved by the Board and signed on its behalf.

C J Weldon

Director

24 April 2023



Unipart Group Limited

Corporate Governance Statement For the Year Ended 31 December 2022

For the year ended 31 December 2022, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Corporate Governance Principles for Large Private Companies (as published by the Financial Reporting Council).

Set out below are how these 6 principles have been applied over the financial year.

Principle 1 – Purpose and Leadership

Unipart originated as a division of the state-owned car manufacturer British Leyland, until a management buy-out led by the current Executive Chairman, John Neill, gave it independence over thirty years ago. This marked the start of Unipart's journey of transformation and the development of The Unipart Way, which has been central to its success. Privatising Unipart created the agenda for a different kind of company that has become a model of operational excellence providing logistics and consultancy services for a wide range of companies. Unipart remains privately owned, with over half of the company's shares being owned by employees and former employees.

Today, the Ultimate Group's operations span three major areas; logistics, manufacturing and consultancy, but across all three there is a single approach that enables the Ultimate Group to deliver outstanding levels of service to clients – it is called The Unipart Way.

The Unipart Way isn't just a set of tools; it is a designed system and a philosophy of working that engages every single employee within the organisation. It motivates people and equips them with the skills to diagnose problems and create innovative solutions that will make a dramatic difference to existing and potential customers.

Central to The Unipart Way is Unipart's culture, which is driven by the Board and leaders. The Ultimate Group's philosophy at the heart of its culture is "To understand the real and perceived needs of our customers better than anyone else and serve them better than anyone else".

At the World Economic Forum meeting in 2020, its President, Klaus Schwab, celebrated the 50th anniversary of the founding principles of the stakeholder agenda. Unipart independently arrived at these ideas in the late 1980s, being one of the first British companies to articulate the concept of stakeholding as part of its mission statement. During the decades that followed, this philosophy evolved into well-defined operational programmes to engage with suppliers to improve quality and reduce cost for mutual advantage, to build lifetime relationships with customers, to continuously reskill and inspire employees to achieve more than they ever imagined and to help the communities in which the company does business to prosper. We believe this is a superior way of producing fair, enduring, long-term returns for our shareholders and more relevant today than at any time in our history.

The Ultimate Group's mission statement is that it aims to be an enduring upper quartile performing company in which stakeholders are keen to participate by:

- Pursuing its values;
- Pursuing well-judged entrepreneurial risks;
- Ensuring the continuity, relevance and synergy of the divisions' missions;
- Creating an environment within which the Group can and does pursue its mission.

At the heart of achieving this mission statement is the Group's culture and people.

Unipart is very proud of its track record as a responsible business, which is about doing well by doing good. Strong successful communities buy Unipart's products and services. Successful schools provide Unipart with well trained and motivated employees, who help to build the business by engaging more effectively with stakeholders than competitors do and Unipart prides itself on working with its communities, public services and schools for mutual benefit.

Principle 2 – Board Composition

The Ultimate Group Board comprises the Executive Chairman, the Group Chief Executive and an Executive Managing Director, along with two Independent Non-Executive Directors and UGC GP Scotland Limited (representing the Group's largest shareholder, UGC Pension Funding LP). A biography for each Board Director is included in the 2022 Annual Report of Unipart Group of Companies Limited, which does not form part of this report.

Chair

John Neill has held the role of Unipart Group Chief Executive since 1987 until he was succeeded by Darren Leigh during 2022. John took on the additional role of Chairman in 2012, succeeding Lord Sheppard of Didgemere following his retirement. During 2022, John became Executive Chairman. This continuity has ensured that the Ultimate Group retains its strong culture and commitment to employee and customer engagement, whilst ultimately delivering value to its shareholders.

Size and structure

The Board of the Ultimate Group believes its size and structure is appropriate to meet the strategic needs and challenges of the business and enables effective decision-making. The Board's Non-Executive Directors bring a wealth of experience in world class manufacturing, engineering and digital technologies as well as an external perspective which informs the valuable challenge and guidance they provide to the Board.

The Executive Leadership Team is the key decision-making forum, below Board level, for determining and implementing transparent Group-wide and Ultimate Group-wide policies and deciding on major issues affecting the Group and the Ultimate Group. It ensures that the values, strategy and culture are aligned and communicated to the employee community in a consistent manner, for example through regular senior management conferences.

Balance and diversity

Unipart recognises the importance and value of being inclusive and promoting diversity across its workforce. The Ultimate Group is focussed on programmes to encourage and develop a wide range of applicants for every role, to help create an innovative and effective workforce. The Board of the Ultimate Group and the Executive Leadership Team collectively demonstrate an appropriate combination of skills, experience and knowledge, combined with a very high level of understanding relevant to the needs of the business, across a diverse range of backgrounds.

Effectiveness

All Directors have access to the advice and services of the Company Secretary and may, if they wish, take professional advice. Directors keep their skills, knowledge and familiarity with the Group up to date by meeting with senior management, visiting operations and by attending seminars and training courses.

The Executive Chairman is responsible for keeping the effectiveness of the Board under review and ensuring appropriate succession plans are in place.

The Ultimate Group's private ownership structure across a large number of shareholders has resulted in no individual Director beneficially owning more than 10% of the Ultimate Group's share capital, which means that the Board members are able to undertake their duties objectively with a long-term horizon.

Principle 3 – Director Responsibilities

Accountability

Each Board Director has a clear understanding of the role of the Board and their statutory duties as a director. The Directors and members of the wider leadership team complete an Annual Declaration of Interests, in which any potential conflicts of interest are declared. Directors are asked to notify their fellow directors as soon as they become aware of a potential conflict of interest and comply with the Company's Articles of Association in handling the situation.

The Board meets a minimum of six times a year. Whilst certain matters are reserved expressly for Board approval, day-to-day decision making is delegated to committees and individuals with the most appropriate knowledge and experience, subject to regular reporting to the Board.

Committees

The Executive Leadership Team is chaired by the Unipart Group Chief Executive and its members include all Executive Board Directors, as well as leaders of the Finance, Human Resources, IT, Commercial, Marketing and Operations functions. The Board is agile to updating the construct of its other committees across the Ultimate Group, and established a Group Risk Committee in 2020, which reports into the Executive Leadership Team.

Integrity of information

Board members receive regular and timely information on all key aspects of the business including financial performance, strategic and operational matters, health and safety, environmental matters, and risk and opportunities, all supported by key performance indicators. Board papers are distributed in advance of meetings and include an appropriate level of information to allow directors to understand and assess the issues at hand.

The financial information is collated from the Group's finance systems and its integrity is ensured, as far as practicably possible, by using appropriately qualified and trained finance staff. Our auditors, PricewaterhouseCoopers LLP, conduct an external audit on the Group's financial information annually. Other key information is prepared by the relevant internal functions.

Principle 4 – Opportunity and Risk

One of Unipart's guiding principles is that we manage with a long-term view and as a consequence the business is cautious about taking risk especially for short term gain, whilst continually seeking out opportunities.

Each year, the Executive Leadership Team considers and decides on the key strategic aims for the Group and this forms part of the Group Policy Deployment Matrix process. These aims are presented to the Ultimate Group Board and are subsequently cascaded down through the Ultimate Group to its operations to form part of their own strategies. In conjunction with this, each business area prepares a Strategic Corporate Plan which includes how they will address those strategic aims. Within the Strategic Corporate Plan, the business will consider opportunities and risks in achieving the plan and in addition they conduct an extensive annual Risk Review.

Opportunity

The Ultimate Group has a culture of seeking out opportunities at every level, be those wider and longer-term strategic opportunities down to smaller operational improvements. Through the tools and techniques of the Unipart Way, colleagues are trained and encouraged to eliminate waste and find ways of delivering service to customers in a more efficient manner.

Risk

Across the Ultimate Group, systems and controls have been put in place to mitigate and manage risk, but not to necessarily eliminate risk in its entirety. The Group recognises that these mitigations do not provide a complete guarantee, but they do provide a proportional level of assurance against each risk materialising.

Unipart Group Limited

Corporate Governance Statement For the Year Ended 31 December 2022

Risk (continued)

The Group Risk Committee was formed in 2020 and is chaired by the Co-Group Finance Director, meeting at least six times each year. The Group Risk Committee includes the Group Legal Director, the Group HR Director, the Group IT Systems Director and the Company Secretary.

The key responsibilities of the Group Risk Committee include establishing clear governance and accountability for risk and any associated remediation; providing direction to functions and divisions including the creation and deployment of Group risk management policies; maintaining a best practice risk management framework; determining the risk appetite and risk exposure for the Group; providing a point of escalation for critical or emerging risks; driving the consideration of risk in decision making; driving the inclusion of risk management into performance management and providing the Board of the Group and Ultimate Group and Executive Leadership Team with sufficient effective information to enable them to discharge their risk reporting requirements.

The annual Risk Review process starts at the Strategic Corporate Plan, with each key business area completing a detailed Risk Register, setting out the strategic, operational, reporting and compliance risks it has identified which may prevent them from achieving their Strategic Corporate Plan objectives. Root causes, along with controls and monitors that have been put in place to mitigate each of those risks manifesting, are also documented and each risk is scored both before and after such mitigations. The Risk Register is then approved at a divisional Board level and presented to the Group Risk Committee. A detailed summary of all the material risks is then presented, discussed and reviewed by the Group Risk Committee and Executive Leadership Team each year, before being presented to the Ultimate Group Board.

The Group continues to refine and improve the Risk Review process having migrated its Risk Register onto a web-based platform. Since its introduction in 2018, the system has been rolled out across the all business areas and is continually revisited to incorporate new risk areas as they are identified. This has already improved the speed and effectiveness of the Risk Review process. As a result of this change, the Group Risk Committee is now able to perform regular deep dives across key risks throughout the year more efficiently to further strengthen the Group's risk framework and emphasise the importance of risk being a continuous process so that risks can be highlighted and assessed on a timely basis.

Responsibilities

The Board of the Ultimate Group has set in place a clear Delegated Authority framework, which is cascaded across the business. This clarifies where approval is required, be that for investments, contractual, brand, employment, structural or communication matters. For some areas, the delegations are on a tiered basis, so that less material decisions can be made at a local management level. This enables the business to apply an appropriate level of review at the right level to major decisions, whilst enabling the Group operations to conduct their business in a timely and efficient manner.

Principle 5 – Remuneration

Unipart's remuneration policy is to offer a total reward package that:

- is in line with prevailing market rates;
- helps attract and retain high quality people at all levels of our business who are committed and able to deliver world class levels of service to clients; and
- is sufficiently flexible to enable us to respond to skills 'hotspots'.

The Board of the Ultimate Group has established a Remuneration Committee. Its terms of reference are to consider and make recommendations to the main Board on remuneration matters concerning the Executive Directors. The Remuneration Committee is chaired by an Independent Non-Executive Director.

Principle 5 – Remuneration (continued)

The Remuneration Committee conducts a review on an annual basis based on similar criteria to those stated above with additional consideration given to the balance between short and long term incentives in organisations of a comparable size, individual levels of performance and fairness in relation to reward across the wider population of Unipart colleagues.

The general pay award policy is reviewed on an annual basis by the Executive Leadership Team based on an update of external best practice, market pay awards and stated intentions, along with the legislative and economic landscape. Where skills 'hotspots' exist, these will be taken into account.

The Group and Ultimate Group has long recognised that having a diverse and engaged workforce is key to its success and as a responsible business recognises its critical role in eliminating the gender pay gap. The Ultimate Group publishes information on its gender pay gap as part of its corporate responsibility reporting and has continually sought ways to reduce it through encouraging more women to join Unipart's businesses, which traditionally have attracted more men, including having effective and inclusive talent pipelines.

The insights gained from the pay gap reporting has helped to evolve the programmes, albeit it will take time for the benefits of these to reflect in the pay gap numbers.

The Ultimate Group is delighted to see the results of these programmes starting to deliver with our highest ever number of women joining the Executive Leadership Team.

Principle 6 – Stakeholder Relationships and Engagement

The Group and Ultimate Group is a combination of people, ideas and assets which exist for the benefit of our stakeholders. The Board of the Ultimate Group promotes active engagement with all stakeholders, both internal and external, through Unipart's stakeholder philosophy, based on sound business thinking and recognition of the importance of achieving world-class standards of performance to compete in global markets. The Ultimate Group's Corporate Responsibility Strategy considers further how the Group engages with all stakeholders in a manner which is aligned with the 17 United Nations Sustainable development goals.

Employees

Fundamental to the Group and the Ultimate Group's values is its respect for the individual. The Group fosters an environment in which individual employees can both contribute to and share in the fortunes of the business in a fair and consistent manner. The Group's employees are its greatest asset and as such they deserve:

- To be informed of their role and tasks
- To be appropriately trained and developed for the role and tasks required of them
- To be allowed the opportunity to perform
- To be regularly counselled on how they are doing and their career potential
- To be recognised and rewarded according to their individual achievements
- To be managed professionally
- To be given the willing assistance and support of their colleagues.
- To be given the opportunities to develop their career potential to the full extent of their ability
- To be informed of what their company is doing, and what its objectives are
- To know we actively encourage promotion from within the company
- To have their ideas and opinions properly considered
- To not be burdened by those not willing to contribute
- To work in an inclusive environment free of discrimination, harassment, victimisation and bullying
- To have a safe and secure working environment
- To have a right to keep matters not relevant to employment private; and
- To be communicated and consulted with.

The Group uses multiple channels to engage with its employees including employee forums, regular 'Roadshows' and employee conferences, The Unipart Way Online, the regular Grapevine video news update and SPARK digital knowledge sharing tools, as well as an established employee engagement system.

Unipart Group Limited

Corporate Governance Statement For the Year Ended 31 December 2022

Shareholders

The Ultimate Group's shareholder base comprises principally the Group's main defined benefit pension schemes (via corporate entities established on their behalf) and the Group Share Trust (an employee benefit trust), along with current and former employees. The principal engagement with shareholders is through the Report & Accounts, which is distributed annually to all shareholders. Regular updates to the Ultimate Group's website also keep shareholders informed.

Shareholders of the Ultimate Group are invited and encouraged to contact the Company Secretary to ask any questions they may have on the Report & Accounts or any other matters arising during the year. The Company Secretary coordinates responses to shareholders.

Pension Trustees

The Ultimate Group communicates regularly with the pension trustees, who are independent of the company. Regular meetings are held to discuss the financial projections of the Ultimate Group and its ability to meet the agreed recovery plan. The Ultimate Group engages actively on the performance of the investments and assets to ensure that it effectively fulfils its obligations to the stakeholders of the pension scheme.

Customers

Customer engagement is also paramount to the successful management of the Group and customer engagement is driven by the Board of the Ultimate Group and Executive Leadership Team. Customer surveys are undertaken to evaluate its performance and seek feedback on delivering exceptional client service. Regular communication is held with significant customers to ensure that any matters are addressed in a timely fashion.

Suppliers

The Ultimate Group ensures it works fairly with its suppliers and agrees reasonable payment terms with each and pays them on time each month. Where there are genuine disputes it positively works with these suppliers to resolve them promptly.

Community

The Group and the Ultimate Group recognises the importance of engaging with the communities in which it operates. It is these communities that provide the current and future employee base, and the Group is mindful of its responsibilities to them as an employer and a good neighbour. Through community engagement programmes Unipart aims to:

- Reduce so far as is reasonably practicable any negative environmental impact on local communities where that environmental impact is produced directly or indirectly by Unipart Group operations;
- Reduce so far as is reasonably practicable any negative health or safety impacts on local communities where that impact is produced directly or indirectly by Unipart Group operations;
- Enthuse and develop potential future employees within local communities;
- Encourage employees to engage in community activities; and
- Invest at least 1% of UK pre-tax profits (in the form of time as well as money) in community activities.

During 2021 the Group publicly announced its commitment to the UN Race to Zero Campaign and has set out plans to decarbonise its operations in order to support limiting the planet to a 1.5 degree warming target.

Furthermore in 2022, the Group brought forward its commitment to become net carbon zero by a decade to 2040.

Unipart Group Limited

Directors' Report

For the Year Ended 31 December 2022

The directors of the Company present their report and the audited consolidated financial statements for the year ended 31 December 2022.

Results for the year

The results for the year are set out in the Consolidated Profit and Loss Account and Consolidated Statement of Comprehensive Income on pages 17 to 18.

The Company has not paid, nor is it proposing to pay, any dividends in respect of the financial year ended 31 December 2022 (2021: £nil).

Directors and directors' interests

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

F W Burns (resigned 31 January 2023)

D P Leigh

A R Leung

J M Neill

C J Weldon

There was no contract subsisting during the year or at the date of approval of the financial statements in which any director of the Company had a material interest; however, during the year and at the date of approval of the financial statements, a qualifying third party indemnity from the Company was available to the directors against liabilities incurred by them in defending proceedings against them in relation to the affairs of the Company. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association.

Future developments

A review of the business and an indication of likely future developments are included in the Strategic Report.

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effect of changes in price risk, credit risk, liquidity risk, interest rate risk, foreign exchange risk and cash flow risk. The financial risks of the Company and Group are managed centrally by the Ultimate Group's treasury department. The Group enters into interest rate and foreign exchange contracts to reduce the level of risk that it faces. These policies are approved by the Board. The exposure of the Ultimate Group, which includes that of the Company and Group, is discussed in the Financial Review in the 2022 Annual Report of Unipart Group of Companies Limited, which does not form part of this report. Details of the Group's borrowings and the Group's financial instruments can be found in note 20 and note 22 to the financial statements respectively.

Employees

The Group continues to involve employees in the decision-making process and communicates with all staff on various areas, including the economic and financial factors affecting the Group, via regular briefings, on-site training, employee forums and through our in-house news programme, Grapevine, which is available online. Staff involvement in the Group's performance is encouraged through employee bonus and share schemes, and this involvement extends to the board of trustees of the main pension scheme, on which there are employee representatives. The Group's aim for all members of staff and applicants for employment is to fit the qualifications, aptitude and ability of each individual to the appropriate job, and provide equality of opportunity regardless of sex, sexual orientation, nationality, religion or ethnic origin or any other characteristic. The Group does all that is practicable to meet its responsibility towards the employment and training of disabled people.

Employees

Where an employee becomes disabled, every effort is made to provide continuity of employment in the same job or a suitable alternative. The same principles are applied when an employee is affected by long-term illness, where the Group has a strong track record of supporting and rehabilitating our employees back to work. The Group applies an increased focus on 'prevention' through the introduction of Unipart Lifeworks, our Employee Health and Wellbeing Programme.

Corporate Responsibility

The Group is fully committed to forming a culture based in responsible business. Details are described in the Strategic Report in the 2022 Annual Report of Unipart Group of Companies Limited. Details of how the directors have engaged with suppliers, customers and other business relationships are disclosed in the Corporate Governance Statement.

Going concern

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements, which are shown on pages 17-55.

Global markets have experienced significant levels of uncertainty in the last few years, which has affected most sectors and businesses. After careful consideration of market conditions throughout the year, the key financial risks that the directors have identified for the next financial year are:

- turnover growth not achieved due to customers' depressed volume demands; and
- increased supply chain costs.

The Group's banking headroom position and associated covenants have been stress tested for various scenarios relating to the key risks, looking in particular at the impact of:

1. Customers' adverse demand impacting growth by up to 50%;
2. Adverse supply chain costs resulting in impaired financial performance in addition to the deterioration already seen in 2022.

These assessments have been reviewed and discussed by the Board of Directors, with consideration given to sensible mitigating actions that are readily available to the companies within the Group. The directors have considered the commercial mechanisms in place with customers and suppliers, along with the ability, if required, for the business to scale down costs according to the reduced demand. Being able to efficiently manage costs in line with fluctuating volumes is a fundamental part of the offering the Group already provides to many of its customers. Other mitigating options available include changing the timing of intragroup payments as well as the delaying of discretionary expenditure, which have each been considered and modelled. Furthermore, we have been able to redeploy colleagues from one site to another in line with volume demand due to the consistent use of The Unipart Way across each of our operations. The Company and Group will continue to monitor and respond to market conditions in the normal course of business and with a forward-looking approach to ensure any issues are identified and addressed at the earliest opportunity.

Post balance sheet events

Since the end of the reporting period, there have been a number of non-adjusting post balance sheet events, details of which are provided in note 31.

Unipart Group Limited

Directors' Report

For the Year Ended 31 December 2022

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Group and parent Company and of the profit or loss of the Group and parent Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Group and parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the 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 Group and Company's auditors are aware of that information.

This report was approved by the Board and signed on its behalf.



C J Weldon
Director

24 April 2023

Registered number: 00576777

Report on the audit of the financial statements

Opinion

In our opinion, Unipart Group Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2022 and of the Group's profit and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 December 2022; the Consolidated Profit and Loss Account and Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

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 year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 14, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditors' Report to the Members of Unipart Group Limited
For the Year Ended 31 December 2022**

Responsibilities for the financial statements and the audit (continued)

Auditors' 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 auditors' 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.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with health and safety legislation, employment legislation, taxation legislation and the equivalent local laws and regulations applicable to component teams, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of unusual journals to revenue or the manipulation of accounting estimates which could be subject to management bias. Audit procedures performed by the engagement team included:

- Understanding and evaluating the key elements of the Unipart Group's internal control related to estimates;
- Reviewing accounting estimates for bias and validating the support behind the assumptions and judgments made by management including challenging against possible alternatives, for example in relation to retirement benefit obligations;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Reviewing legal expense accounts, board minutes and in-house legal counsel documentation;
- Reading the minutes of the Board meetings to identify any inconsistencies with other information provided by management;
- Substantive testing of manual journal entries during the year, particularly focused around unexpected account combinations;
- Incorporating elements of unpredictability;
- Reviewing component teams' key working papers for all in-scope components with a particular focus on the areas involving judgment and estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Unipart Group Limited

**Independent Auditors' Report to the Members of Unipart Group Limited
For the Year Ended 31 December 2022**

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Matthew Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
24 April 2023

Unipart Group Limited

Consolidated Profit and Loss Account For the Year Ended 31 December 2022

		Results (before defined benefit pensions) £m	Defined benefit pensions * £m	2022 Total £m	Results (before defined benefit pensions) £m	Defined benefit pensions * £m	2021 Total £m
	Note						
Turnover	5	782.0	-	782.0	680.1	-	680.1
Profit from operating activities before joint ventures, associates and exceptionals		20.1	(0.6)	19.5	16.7	(0.6)	16.1
Exceptional items	7	(3.1)	-	(3.1)	(1.2)	-	(1.2)
Share of profit after taxation of joint ventures and associates	15	1.2	-	1.2	0.6	-	0.6
Profit before interest and taxation	6	18.2	(0.6)	17.6	16.1	(0.6)	15.5
Net interest payable and similar expenses	8	(1.2)	-	(1.2)	(1.1)	-	(1.1)
Net other finance charge	9	(0.1)	(6.9)	(7.0)	-	(5.9)	(5.9)
Profit before taxation		16.9	(7.5)	9.4	15.0	(6.5)	8.5
Tax on profit	12	(3.5)	1.4	(2.1)	(6.0)	1.2	(4.8)
Profit for the financial year		13.4	(6.1)	7.3	9.0	(5.3)	3.7

The notes on pages 24 to 55 form part of these financial statements.

* Defined benefit pension costs separated to provide greater transparency of the financial performance of the Group both before and after these non-trading items. See note 3 for further details.

Unipart Group Limited

**Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2022**

	Note	2022 £m	2021 £m
Profit for the financial year		7.3	3.7
Revaluation of freehold and long leasehold land and buildings	14	0.7	1.1
Actuarial gain recognised on Group pension schemes	24	211.5	104.9
Deferred tax relating to actuarial gain on Group pension schemes		(40.3)	(19.9)
Effect of change in tax rate on deferred tax relating to Group pension schemes		(12.7)	25.3
Other pension related movements		4.1	(3.0)
Movement in unrecognised deferred tax asset relating to Group pension scheme		-	20.6
Currency translation differences		4.2	(2.9)
Total other comprehensive income for the year		167.5	126.1
Total comprehensive income for the year		174.8	129.8
Profit for the financial year attributable to:			
Non-controlling interest		0.1	0.1
Owners of the parent Company		7.2	3.6
		7.3	3.7
Total comprehensive income attributable to:			
Non-controlling interest		0.1	0.1
Owners of the parent Company		174.7	129.7
		174.8	129.8

Unipart Group Limited

**Consolidated Balance Sheet
As at 31 December 2022**

	Note	2022 £m	2021 £m
Fixed assets			
Intangible assets	13	0.1	0.3
Tangible assets	14	35.8	20.9
Investments	15	4.7	3.6
		<u>40.6</u>	<u>24.8</u>
Current assets			
Stocks	16	70.3	63.9
Debtors: amounts falling due after more than one year	17	59.5	111.5
Debtors: amounts falling due within one year	17	145.0	115.3
Cash at bank and in hand		47.5	33.6
		<u>322.3</u>	<u>324.3</u>
Creditors: amounts falling due within one year	18	<u>(254.3)</u>	<u>(204.3)</u>
Net current assets		68.0	120.0
Total assets less current liabilities		108.6	144.8
Creditors: amounts falling due after more than one year	19	(26.0)	(28.4)
Provisions for liabilities	23	(16.7)	(15.4)
Net assets excluding pension liability		65.9	101.0
Pension liability	24	(159.1)	(368.9)
Net liabilities		(93.2)	(267.9)
Capital and reserves			
Called up share capital	25	-	-
Revaluation reserve	26	5.8	5.1
Profit and loss account	26	(99.6)	(273.6)
Total shareholders' deficit		(93.8)	(268.5)
Non-controlling interests		0.6	0.6
Total equity		(93.2)	(267.9)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 24 April 2023.



C J Weldon
Director

Registered number: 00576777

Unipart Group Limited

**Company Balance Sheet
As at 31 December 2022**

	Note	2022 £m	2021 £m
Fixed assets			
Tangible assets	14	2.5	3.1
Investments	15	<u>64.5</u>	<u>64.5</u>
		67.0	67.6
Current assets			
Stocks	16	22.5	19.4
Debtors: amounts falling due after more than one year	17	54.8	110.4
Debtors: amounts falling due within one year	17	57.8	44.5
Cash at bank and in hand		<u>15.7</u>	<u>8.2</u>
		150.8	182.5
Creditors: amounts falling due within one year	18	<u>(172.8)</u>	<u>(155.3)</u>
Net current (liabilities)/assets		(22.0)	27.2
Total assets less current liabilities		45.0	94.8
Creditors: amounts falling due after more than one year	19	(13.2)	(14.0)
Provisions for liabilities	23	(13.1)	(13.4)
Net assets excluding pension liability		18.7	67.4
Pension liability	24	(159.1)	(368.6)
Net liabilities		(140.4)	(301.2)
Capital and reserves			
Called up share capital	25	-	-
Profit and loss account	26	<u>(140.4)</u>	<u>(301.2)</u>
Total shareholders' deficit		(140.4)	(301.2)

As permitted by Section 408(3) of the Companies Act 2006, the Company has not presented its own Profit and Loss Account or Statement of Comprehensive Income. The Company's profit/(loss) for the financial year was £1.2m (2021: £(7.4) m) and the Company's other comprehensive income for the financial year was £159.6m (2021: £128.0m).

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 24 April 2023.



C J Weldon
Director

Registered number: 00576777

Unipart Group Limited

**Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Called up share capital £m	Revaluation reserve £m	Profit and loss account £m	Total shareholder's deficit £m	Non- controlling interests £m	Total equity £m
At 1 January 2022	-	5.1	(273.6)	(268.5)	0.6	(267.9)
Profit for the financial year	-	-	7.2	7.2	0.1	7.3
Total other comprehensive income for the year	-	0.7	166.8	167.5	-	167.5
Dividends paid to non- controlling interests	-	-	-	-	(0.1)	(0.1)
As at 31 December 2022	-	5.8	(99.6)	(93.8)	0.6	(93.2)

**Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021**

	Called up share capital £m	Revaluation reserve £m	Profit and loss account £m	Total shareholder's deficit £m	Non- controlling interests £m	Total equity £m
At 1 January 2021	-	4.0	(402.2)	(398.2)	0.5	(397.7)
Profit for the financial year	-	-	3.6	3.6	0.1	3.7
Total other comprehensive income for the year	-	1.1	125.0	126.1	-	126.1
As at 31 December 2021	-	5.1	(273.6)	(268.5)	0.6	(267.9)

Unipart Group Limited

**Company Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Called up share capital £m	Profit and loss account £m	Total shareholder's deficit £m
At 1 January 2022	-	(301.2)	(301.2)
Profit for the financial year	-	1.2	1.2
Other comprehensive income for the year	-	159.6	159.6
As at 31 December 2022	-	(140.4)	(140.4)

**Company Statement of Changes in Equity
For the Year Ended 31 December 2021**

	Called up share capital £m	Profit and loss account £m	Total shareholder's deficit £m
At 1 January 2021	-	(421.8)	(421.8)
Loss for the financial year	-	(7.4)	(7.4)
Other comprehensive income for the year	-	128.0	128.0
As at 31 December 2021	-	(301.2)	(301.2)

Unipart Group Limited

**Consolidated Cash Flow Statement
For the Year Ended 31 December 2022**

	Note	2022 £m	2021 £m
Net cash generated from/(used in) operations	27	25.2	(11.8)
Taxation paid		(2.2)	(3.8)
Net cash generated from/(used in) operating activities		23.0	(15.6)
Cash flow used in investing activities			
Purchase of intangible assets	13	-	(0.2)
Purchase of tangible assets	14	(15.8)	(4.0)
Dividends received from joint ventures and associates	15	0.4	0.6
Interest received	8	0.4	-
Net cash used in investing activities		(15.0)	(3.6)
Cash flow generated from/(used in) financing activities			
Receipts from debt		5.7	2.9
Repayments of debt		(2.1)	(0.2)
Interest paid	8	(1.0)	(1.1)
Dividends paid to minority interests		(0.1)	-
Net cash generated from financing activities		2.5	1.6
Net increase/(decrease) in cash and cash equivalents		10.5	(17.6)
Cash and cash equivalents at 1 January	27	32.2	51.1
Exchange gains/(losses) on cash and cash equivalents	27	1.6	(1.3)
Cash and cash equivalents at 31 December	27	44.3	32.2
Cash and cash equivalents consists of:			
Cash at bank and in hand	27	47.5	33.6
Bank overdrafts	20, 27	(3.2)	(1.4)
Cash and cash equivalents	27	44.3	32.2

1 General information

The Company is a trading company within the United Kingdom.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Unipart House, Garsington Road, Cowley, Oxford, OX4 2PG.

2 Statement of compliance

The consolidated financial statements of Unipart Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Accounting policies

In preparing the financial statements, the Company has reviewed the presentation of the Consolidated Profit and Loss Account in order to assess whether it provides the clearest representation of the performance of the Group. In forming this view, the directors consider that it is important to present the defined benefit pension costs of the Group in a separate column in the Consolidated Profit and Loss Account to demonstrate the financial performance of the Group both before and after these non-trading costs.

A summary of the significant accounting policies adopted by the Group and the Company is given in the following paragraphs. The policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Basis of accounting

As also noted in more detail in the Directors' Report, the Company has undertaken various stress test scenarios to assess financial resilience and the sufficiency of the significant long-term borrowing facilities available for the Company and the Group. Based on the outcomes of those financial resilience tests, the Board is of the view that the Company and Group will have sufficient headroom available to finance the ongoing activities of the Company. The financial statements have, therefore, been prepared on the going concern basis, under the historical cost basis of accounting, modified to include the revaluation of investment property and freehold and long leasehold land and buildings measured at fair value through profit or loss in compliance with United Kingdom Accounting Standards, including FRS 102 and the Companies Act 2006.

The Group has significant borrowing facilities available, which the directors have a reasonable expectation will continue to be available on a similar basis, as disclosed in note 20, with sufficient headroom in respect of these facilities to finance the ongoing activities of the Group.

The financial statements are prepared on the historical cost basis of accounting, modified to include the revaluation of freehold and long leasehold land and buildings measured at fair value through profit and loss.

3 Accounting policies (continued)

3.1 Basis of accounting (continued)

The presentation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's and the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Although the Group and Company has net liabilities at year end, the directors are satisfied that the Group and Company has adequate resources to meet its liabilities as they fall due as the Group and Company are able to draw upon a group financing facility if required, as referenced to in note 20 of the financial statements. Accordingly, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

3.2 Basis of consolidation

The Group financial statements comprise a consolidation of the financial statements of the Company and all of its subsidiary undertakings, except where control is subject to severe long term restrictions, and incorporates its share of the results of all joint ventures and associates via equity accounting principles. The results and fair value of the assets and liabilities of undertakings acquired are consolidated from the date the Group gains control. The results from discontinued operations are included up until the date they are disposed of or terminated. No Profit and Loss Account is presented for the Company, as permitted by Section 408 (3) of the Companies Act 2006. Uniform accounting policies are applied across the Group. Intragroup transactions are eliminated on consolidation.

3.3 Turnover

Turnover is recognised on the fair value of goods and services supplied during the year, including amounts received and receivable on management fee contracts. The sales of goods are recognised at the point at which the risks and rewards of ownership are transferred, in accordance with the individual sales' contracts. The sales of services are recognised in the accounting period in which the services are rendered, by reference to the agreed contractual arrangements. Turnover is reported net of conditional discounts, VAT and other sales taxes. Income derived from gain share arrangements is recognised when the benefits are agreed with customers and are certain.

3.4 Exceptional items

Where items are so material that separate presentation is relevant to the Group's financial performance, then such items are presented as exceptional items on the face of the Profit and Loss Account.

3.5 Cash flow statement

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a cash flow statement on the basis that it is a qualifying entity and the Company's cashflows are included in the Consolidated Cash Flow Statement.

3 Accounting policies (continued)

3.6 Pension costs

For defined contribution schemes, contributions are charged to the Consolidated Profit and Loss Account as payable in respect of the accounting year.

For defined benefit schemes, the amounts charged to profit before interest and taxation are scheme administration costs excluding the costs of servicing the investments and past service costs. They are charged or credited to the statutory Profit and Loss Account headings to which they relate. Past service costs are recognised immediately in the Consolidated Profit and Loss Account. The net interest cost is shown as other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Comprehensive Income.

Where defined benefit schemes are funded, the assets of the scheme are held separately from those of the Group, in separate, trustee administered funds. Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

Defined benefit pension costs are analysed out in a separate column on the face of the Consolidated Profit and Loss Account to demonstrate the financial performance of the Group both before and after these non trading items.

The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the Balance Sheet.

3.7 Goodwill

Goodwill, being the excess of the fair value of purchase consideration of businesses acquired over the Group's share of the fair value of assets and liabilities acquired, is written off to the Group Profit and Loss Account on a straight line basis over periods that represent the estimated useful economic lives of those assets, which are all between 5 and 20 years.

The Group has taken advantage of the exemption in respect of applying FRS 102 section 19 "Business Combinations and Goodwill" to business combinations effected before the date of transition.

3.8 Tangible fixed assets

All tangible fixed assets, with the exception of freehold and long leasehold land and buildings, are carried at cost less depreciation and provision for impairment where considered appropriate. The cost of purchased assets is the value of consideration given to acquire the assets and the value of other, directly attributable costs that are incurred in bringing the assets to the location and condition necessary for their intended use.

Freehold and long leasehold land and buildings are carried at valuation, being fair value determined annually by external valuers.

3 Accounting policies (continued)

3.8 Tangible fixed assets (continued)

With the exception of freehold land, which is not depreciated, depreciation on the cost or valuation of tangible fixed assets is charged evenly to write off the assets to their residual value over their estimated useful lives.

The estimated useful lives range as follows:

Freehold land	-	Not depreciated
Freehold buildings	-	35 to 50 years
Long leasehold land and buildings	-	35 to 50 years
Short leasehold land and buildings	-	Over the lease term
Plant and machinery	-	1 to 15 years

3.9 Government grants

Government grants in respect of capital expenditure and employment costs are released to the Profit and Loss account in the year in which they are received.

3.10 Impairment of fixed assets and goodwill

Fixed assets and goodwill are reviewed annually for indicators of impairment. Impairment provisions are calculated by comparing the net book value of fixed assets or goodwill with the higher of the fair value less costs to sell and the value in use of those assets. The value in use is calculated using forecast, risk adjusted, discounted, pre tax cash flows over the economic life of the related fixed asset or goodwill.

3.11 Investments

Investments in the Company Balance Sheet are shown at cost less provision for impairment. Impairment reviews are performed by the directors when there has been an indicator of potential impairment.

3.12 Stocks

Stocks are stated at the lower of cost and net realisable value on a weighted average basis. Cost of finished products and work in progress includes, where appropriate, direct labour and materials and a proportion of factory overheads. Net realisable value is calculated after taking into account provisions for obsolescence, as the actual selling price, net of trade discounts, less costs to completion and all related marketing, selling and distribution costs.

3.13 Property provisions

Provision is made for the best estimate of the unavoidable future lease payments, on a discounted basis, where material, when the lease becomes onerous, net of amounts that can be reasonably expected to be recovered from subtenants to which the respective property is expected to be sublet.

Provision is made for the best estimate of dilapidation costs, on a discounted basis, where material, at the date the obligation arises. The unwinding of the discount is included within interest expense. The provision is net of amounts recoverable in respect of dilapidation costs for properties that have been sublet to unrelated third parties.

3 Accounting policies (continued)

3.14 Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.15 Deferred tax

Deferred tax is accounted for to recognise timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. A deferred tax liability is recognised if transactions or events result in the Group having an obligation to pay more tax in future periods. A deferred tax asset is only recognised where transactions or events that have occurred before the Balance Sheet date give the Group the right to pay less tax in the future and it is considered to be probable that the asset will be recovered. If the deferred tax asset is expected to be recovered in a period longer than ten years, then half of the balance in excess of ten years is derecognised due to the uncertainty of relying on very long term forecasts. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

3.16 Finance leases

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

Assets held under finance leases where the Group acts as the lessor are presented as a receivable at an amount equal to the net investment in the lease. Rental payments received by the Group under the finance leases are apportioned between the finance charge and the reduction of the outstanding obligation.

For assets held under finance leases when the Group acts as a lessee, the capital element of the leasing commitment is shown as an obligation under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligation and the interest element is charged to the Consolidated Profit and Loss Account in proportion to the reducing capital element.

3.17 Operating leases

Operating lease rentals are charged to the Consolidated Profit and Loss Account on a straight line basis over the lease term.

3.18 Finance costs

Costs incurred in respect of obtaining new debt instruments are capitalised and reported against the respective debt within liabilities and amortised to the Consolidated Profit and Loss Account over the term of the facility.

3 Accounting policies (continued)

3.19 Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Consolidated Profit and Loss Account.

The Profit and Loss Accounts of overseas activities are translated into sterling at average rates of exchange. The Balance Sheets of overseas activities are translated at the rate of exchange prevailing at the Balance Sheet date. Exchange differences arising on the retranslation at closing rates of the opening Balance Sheets of overseas activities, together with the year end adjustment to closing rates of Profit and Loss accounts translated at average rates, are taken to reserves.

3.20 Financial instruments

The Group has chosen to adopt FRS 102 Section 11 "Basic Financial Instruments" and FRS 102 Section 12 "Other Financial Instruments Issues" in respect of financial instruments.

Basic financial assets, including trade and other receivables and cash and bank balances, are initially measured at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group undertakings are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are capitalised and netted against the respective facility and amortised over the period of the facility to which it relates.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in fair value of derivatives are recognised in profit or loss in finance costs or income, as appropriate, unless it is appropriate to apply hedge accounting in which case changes are recognised in the Consolidated Statement of Comprehensive Income.

3.21 Related party transactions

The Company is controlled by Unipart Group of Companies Limited. The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(e), from disclosing transactions with other wholly owned Group companies. Other related party transactions are disclosed in note 30.

4 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure in the reporting period, particularly in relation to the adoption of the going concern assumption, accounting for pension costs, the valuation of investment properties and freehold and long leasehold land and buildings, the useful economic lives of fixed tangible and intangible assets, the recognition of provisions and the recognition of deferred tax assets. Actual results could differ from those estimates. The financial statements have been prepared on the going concern basis, in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate based on the return on high quality corporate bonds. Management estimates these factors in determining the net pension obligation in the Balance Sheet. The assumptions reflect historical experience and current trends. See note 24 for the assumptions used in accounting for defined benefit pension schemes.

Freehold and long leasehold land and buildings are measured at fair value in these financial statements. Fair value is deemed to be an open market basis valuation and is reassessed annually. They are amended when necessary, to reflect current estimates. See note 14 for the carrying value of freehold and long leasehold land and buildings.

Investments are stated after provisions for impairment. These are reassessed annually and amended, when necessary, to reflect current estimates.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful lives and residual values are reassessed annually. They are amended when necessary, to reflect current estimates. See note 14 for the carrying value of tangible fixed assets.

Stocks are stated after provisions for impairment. These are reassessed annually and amended, when necessary, to reflect current estimates. See note 16 for the carrying value of stock.

Provisions are made for the best estimates in relation to onerous property leases and dilapidations. These are reassessed annually and amended, when necessary, to reflect current estimates. See note 23 for the carrying value of provisions.

Deferred tax assets are only recognised to the extent to which it can be regarded as more likely than not that the Group will generate sufficient future taxable profits from which the reversal of the underlying timing differences can be deducted. The Group prepares ten year forecasts based on a Board approved budget and these are used to assess the level of taxable profits that are likely to be generated by the Group in that time, with a 2% long-term growth rate assumed after ten years. Use of long-term forecasts is supported by the nature of the business with a large proportion of revenue related to long-standing medium-term logistics contracts. The taxable profits are compared with the deferred tax asset to estimate the amount of time it is projected to take to recover the deferred tax asset. None of the underlying timing differences are subject to an expiry date and hence can be used over the long-term as taxable profits arise. If projections show that the deferred tax asset will be recovered in a period of ten years or less, then 100% of the asset is recognised. If projections indicate it will take longer than ten years to recover the deferred tax asset, then 50% of the balance in excess of ten years is disallowed.

4 Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

Further sensitivities are applied to projections to assess the length of time it would take to recover the asset if total Group profits were reduced in the first ten years by a range of downside scenarios to give further reassurance that the asset can be recovered in a reasonable timeframe. A profit reduction of 48% would result in the recovery period being more than ten years. The Group expects to receive a taxable benefit in 2022 for the utilisation of £16.2m of trading losses and timing differences and £8.1m of pension contributions. See note 21 for details of deferred tax assets recognised.

5 Turnover

All sales in the current and prior year relate to one class of business, that of the provision of global supply chain and logistics solutions.

An analysis of turnover by category is as follows:

	2022 £m	2021 £m
Sale of goods	283.1	243.0
Provision of services	498.9	437.1
	782.0	680.1

An analysis of turnover by geographical location of customer is as follows:

	2022 £000	2021 £000
United Kingdom	474.6	417.2
Rest of Europe	176.8	154.0
Rest of World	130.6	108.9
	782.0	680.1

Unipart Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

6 Profit before interest and taxation

	2022	2021
	£m	£m
Group turnover	782.0	680.1
Cost of sales	(685.4)	(592.3)
Gross profit	96.6	87.8
Distribution costs	(33.0)	(29.7)
Administration expenses	(44.7)	(42.4)
Other operating income	0.6	0.4
Profit from operating activities before joint ventures, associates and exceptionals	19.5	16.1
Exceptional items (note 7)	(3.1)	(1.2)
Share of profit after taxation of joint ventures and associates	1.2	0.6
Profit before interest and taxation	17.6	15.5

Total administration expenses, including exceptionals, are £47.2m (2021: £43.2m).

The Group profit before interest and taxation is stated after charging/(crediting):

	2022	2021
	£m	£m
Depreciation of tangible fixed assets	3.0	2.4
Amount of stock expensed	147.6	132.9
Operating lease rentals	31.5	36.9
Sublet income from land and buildings	(1.8)	(2.2)
Government grants	-	(1.0)
Profit on disposal of fixed assets	(0.1)	-
Impairment of trade receivables	-	0.2
Foreign exchange losses	1.4	1.5

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Group's auditors:

	2022	2021
	£m	£m
Audit of Group and Company financial statements	0.2	0.2
Other services to the Group:		
Audit of the Company's subsidiary financial statements pursuant to legislation	0.1	0.1

7 Exceptional items

In the current year, an exceptional charge of £3.1m (2021: £1.2m) has been reported in the Consolidated Profit and Loss account. This relates to the costs and associated loss with the decision to dispose of a subsidiary of £2.4m plus restructuring costs of £0.7m (2021: £1.2m). These one-off costs will allow Unipart to respond better to market needs to effectively pursue its strategy of international growth and new product innovation, whilst remaining competitive in the UK.

8 Net interest payable and similar expenses

	2022 £m	2021 £m
Interest payable and similar expenses		
Bank loan interest payable	0.8	0.6
Interest on amounts owed to other Group undertakings	0.4	0.2
Amortisation of issue costs on bank facilities	0.2	0.1
Other interest payable	0.2	0.2
	<u>1.6</u>	<u>1.1</u>
Interest receivable and similar income	(0.4)	-
Net interest payable	<u>1.2</u>	<u>1.1</u>

9 Net other finance charge

	2022 £m	2021 £m
Net finance charge on pension schemes (note 24)	6.9	5.9
Unwinding of discounting of provisions (note 23)	0.1	-
Net other finance charge	<u>7.0</u>	<u>5.9</u>

Total finance costs are £8.2m (2021: £7.0m)

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

10 Employees

Staff costs were as follows:

	Group 2022 £m	Group 2021 £m
Wages and salaries	203.1	177.8
Social security costs	22.3	19.3
Other pension costs	8.9	8.1
	234.3	205.2

Other pension costs relate to contributions to defined contribution pension schemes and current service costs and administration costs relating to defined benefit pension schemes.

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	Group 2021 No.
Direct labour	3,551	3,269
Indirect labour	2,010	1,821
Sales, marketing and administration	763	810
	6,324	5,900

The monthly average number of employees including directors in the Company during the year was 4,955 (2021: 4,578), with staff costs of £186.2m (2021: £170.6m).

11 Directors' emoluments

The aggregate emoluments of the directors during the year totalled £554,796 (2021: £729,121). The highest paid director received aggregate emoluments during the year of £224,030 (2021: £350,908).

Certain directors received their remuneration in respect of services to the Ultimate Group as a whole and received no remuneration in respect of services provided to the Group or Company.

During the year retirement benefits were accruing to 2 directors (2021: 2) in respect of defined contribution pension schemes. No directors (2021: nil) accrued retirement benefits under a defined benefit scheme.

The aggregate emoluments of key management personnel during the year totalled £3,249,273 (2021: £3,984,423).

Family members of either directors or key management personnel were employed by the Group during the year and were each paid a salary appropriate for the tasks and responsibilities of their roles. The positions of these family members employed during the year were: Group Innovation Director and Managing Director for the Serck Heat Exchange businesses; Chief Digital Officer; Director of Operational Excellence and Digital Delivery; Member of the Learning & Development team in Unipart's consultancy business; Operations Manager; and Head of Forum.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

12 Tax on profit

	2022 £m	2021 £m
Analysis of tax charge in the year		
Current tax		
UK corporation tax (credit)/charge on profit for the year	(2.0)	2.6
Adjustments in respect of prior years	(1.1)	(1.2)
	<u>(3.1)</u>	<u>1.4</u>
Foreign corporation tax	3.6	3.7
Total current tax	<u>0.5</u>	<u>5.1</u>
Deferred tax		
Origination and reversal of timing differences	1.0	-
Effect of change in tax rates	(0.1)	(0.7)
Adjustments in respect of prior years	0.7	0.4
Total deferred tax	<u>1.6</u>	<u>(0.3)</u>
Tax on profit	<u>2.1</u>	<u>4.8</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £m	2021 £m
Profit before taxation	<u>9.4</u>	<u>8.5</u>
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	1.8	1.6
Effects of:		
Pension related movements in deferred tax	0.1	0.4
Expenses not deductible for tax purposes	2.1	0.3
Non taxable income	(0.1)	(0.3)
Adjustments in respect of prior years	(0.4)	(0.8)
Effect of foreign tax rates	1.4	1.5
Effects of changes in tax rates	(0.1)	(0.6)
Other timing differences	(2.0)	(0.5)
Deferred tax not recognised	(0.7)	3.2
Total tax charge for the year	<u>2.1</u>	<u>4.8</u>

12 Tax on profit (continued)

Factors that may affect future tax charges

The Group has generated significant UK capital losses from disposals in previous years. Such losses will only be available to offset UK capital profits arising in future periods, such as gains arising on the future sale of freehold properties, and it is expected to be some time before these losses are relieved. Accordingly, the Group has not recognised a deferred tax asset in respect of these losses. As a consequence, the Group does not expect to incur any significant tax charges in respect of capital gains within the foreseeable future.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining reducing at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The Group has recognised a deferred tax asset in respect of excess losses from prior years and accelerated capital allowances, because these are available to offset future taxable profits and it is considered likely that they will be recovered in a reasonably foreseeable timeframe. Where the Group's profit projections show that it is likely that the assets will be recovered within ten years, 100% of the asset is recognised. Where projections show that it is likely that part of the assets will be recovered after ten years, only 50% of the balance in excess of ten years is recognised.

13 Intangible assets

Group	Goodwill £m
Cost	
At 1 January 2022	3.2
Disposals	(0.2)
At 31 December 2022	3.0
Accumulated amortisation	
At 1 January 2022 and 31 December 2022	2.9
Net book value	
At 31 December 2022	0.1
At 31 December 2021	0.3

The Company has £nil intangible assets (2021: £nil).

Unipart Group Limited

Notes to the Financial Statements
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14 Tangible assets

Group

	Freehold land and buildings £m	Long leasehold land and buildings £m	Short leasehold land and buildings £m	Plant and machinery £m	Total £m
Cost or valuation					
At 1 January 2022	6.7	7.4	2.0	40.3	56.4
Additions	12.2	0.4	-	3.2	15.8
Disposals	-	(0.1)	-	(1.7)	(1.8)
Revaluations	0.2	0.4	-	-	0.6
Foreign exchange	0.9	0.4	-	1.7	3.0
At 31 December 2022	20.0	8.5	2.0	43.5	74.0
Accumulated depreciation					
At 1 January 2022	0.7	0.2	2.0	32.6	35.5
Charge for the year	0.2	0.4	-	2.4	3.0
Disposals	-	(0.1)	-	(1.7)	(1.8)
Revaluations	-	(0.1)	-	-	(0.1)
Foreign exchange	0.1	0.1	-	1.4	1.6
At 31 December 2022	1.0	0.5	2.0	34.7	38.2
Net book value					
At 31 December 2022	19.0	8.0	-	8.8	35.8
At 31 December 2021	6.0	7.2	-	7.7	20.9

If the freehold and long leasehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2022 £m	2021 £m
Group		
Cost	27.0	14.4
Accumulated depreciation	(7.3)	(3.9)
Net book value	19.7	10.5

The total revaluation reserve of £5.8m (2021: £5.1m) relates to freehold and long leasehold land and buildings.

Notes to the Financial Statements
For the Year Ended 31 December 2022

14 Tangible assets (continued)

At 31 December 2022, freehold and long leasehold properties were revalued, on an open market basis, giving a total aggregate value of £27.0m (2021: £13.2m).

The freehold and long leasehold properties, including overseas properties, were valued by external valuers Cushman & Wakefield, being qualified valuers and members of the Royal Institution of Chartered Surveyors (RICS). All valuations were carried out in accordance with the RICS Appraisal and Valuation Standards.

The revaluation of freehold and long leasehold properties are reported in other comprehensive income. During the year, revaluation gains of £0.7m (2021: £1.1m) are included within other comprehensive income.

A deferred tax liability of £1.6m (2021: £1.6m) has been recognised in relation to the revaluation of freehold and long leasehold properties.

Company

	Short leasehold land and buildings £m	Plant and machinery £m	Total £m
Cost or valuation			
At 1 January 2022	1.7	15.5	17.2
Additions	-	0.2	0.2
Disposals	-	(0.3)	(0.3)
At 31 December 2022	1.7	15.4	17.1
Accumulated depreciation			
At 1 January 2022	1.6	12.5	14.1
Charge for the year	-	0.8	0.8
Disposals	-	(0.3)	(0.3)
At 31 December 2022	1.6	13.0	14.6
Net book value			
At 31 December 2022	0.1	2.4	2.5
At 31 December 2021	0.1	3.0	3.1

15 Investments

Group

	Investment in joint ventures £m	Investments in associates £m	Total £m
Cost and net book value			
At 1 January 2022	1.1	2.5	3.6
Share of profits retained	0.5	0.7	1.2
Foreign exchange	0.1	0.2	0.3
Dividends	(0.1)	(0.3)	(0.4)
At 31 December 2022	1.6	3.1	4.7

Transactions with the joint venture and associate are disclosed in note 30.

Details of the Group's undertakings are shown in note 33.

Company

	Investments in subsidiary companies £m
Cost	
At 1 January and 31 December 2022	81.5
Accumulated Impairment	
At 1 January and 31 December 2022	17.0
Net book value	
At 31 December 2021 and 31 December 2022	64.5

The directors believe that the carrying value of the investments is supported by either their underlying net assets or their value in use.

Details of the investments of the Company are shown in note 33.

Unipart Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

16 Stocks

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Raw materials and consumables	5.4	4.8	-	-
Work in progress	1.7	1.8	-	-
Finished goods and goods for resale	74.3	66.9	29.5	25.3
Provisions	(11.1)	(9.6)	(7.0)	(5.9)
	70.3	63.9	22.5	19.4

There is no material difference between carrying value and replacement cost.

17 Debtors

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Amounts falling due after more than one year				
Trade debtors	0.3	-	-	-
Deferred tax (note 21)	54.6	109.3	54.0	108.5
Other debtors	4.6	2.2	0.8	1.9
	59.5	111.5	54.8	110.4

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Amounts falling due within one year				
Trade debtors	108.9	79.3	26.8	17.3
Amounts owed by Group undertakings	4.4	3.1	12.3	8.8
Corporation tax	0.4	0.2	1.4	-
Deferred tax (note 21)	0.4	0.3	-	-
Other debtors	3.1	3.9	4.8	3.7
Prepayments and accrued income	27.8	28.5	12.5	14.7
	145.0	115.3	57.8	44.5

Trade debtors in the Group are stated after provisions for impairment of £8.1m (2021: £6.0m). Trade debtors in the Company are stated after provisions for impairment of £4.0m (2021: £2.7m).

Amounts owed by Group undertakings and joint ventures are unsecured and are repayable on demand. Certain amounts owed by Group undertakings and joint ventures bear interest based on applicable market rate.

Unipart Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

18 Creditors: amounts falling due within one year

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Bank loans and overdrafts (note 20)	21.4	12.8	1.4	-
Trade creditors	42.9	41.4	28.6	28.0
Amounts owed to Group undertakings	38.4	21.0	61.2	59.1
Finance leases	0.1	-	-	-
Corporation tax	0.9	2.3	0.2	-
Other taxation and social security	11.7	13.9	4.6	4.4
Other creditors	22.7	23.9	5.5	5.4
Accruals and deferred income	116.2	89.0	71.3	58.4
	254.3	204.3	172.8	155.3

Amounts owed to Group undertakings are unsecured, interest and non-interest bearing and are repayable on demand.

19 Creditors: amounts falling due after more than one year

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Amounts falling due after more than one year				
Bank loans and overdrafts (note 20)	12.0	13.7	-	-
Finance leases	0.3	-	-	-
Other creditors	3.2	2.3	3.0	5.2
Accruals and deferred income	10.5	12.4	10.2	8.8
	26.0	28.4	13.2	14.0

Notes to the Financial Statements
For the Year Ended 31 December 2022

20 Borrowings

	Group 2022 £m	Group 2021 £m
Amounts falling due within one year		
Bank overdrafts	(3.2)	(1.4)
Bank loans	(18.2)	(11.4)
	<u>(21.4)</u>	<u>(12.8)</u>
	Group 2022 £m	Group 2021 £m
Amounts falling due between one and five years		
Bank loans and working capital facilities	(7.3)	(12.9)
	<u>(7.3)</u>	<u>(12.9)</u>
	Group 2022 £m	Group 2021 £m
Amounts falling due after more than five years		
Bank loans	(4.7)	(0.8)
	<u>(4.7)</u>	<u>(0.8)</u>

The bank loans and overdrafts bear interest based on the applicable reference rate and are secured by fixed and floating charges over certain of the Group's assets. Issue costs associated with the facility were £0.2m at 31 December 2022 (2021: £0.4m). The costs are allocated to the Consolidated Profit and Loss Account over the terms of the respective facilities at a constant rate.

The Group has various borrowings facilities available, including a working capital facility of up to £40.0m (2021: £40.0m) committed until March 2024, a working capital facility of up to €2.2m (2021: €2.2m) renewable annually, a term loan of €8.8m (2021: €7.1m) repayable in monthly instalments until July 2026, a term loan of €9.6m (2021: €nil) repayable in quarterly instalments until November 2032, a revolving loan of €10.0m (2021: €10.0m) renewable annually and a term loan of €1.6m (2021: €1.8m) repayable in monthly instalments until 2031.

Therefore, at the balance sheet date, the Group has aggregate borrowing facilities available to it of £40.0m (2021: £40.0m) and €32.2m (2021: €21.1m).

After the balance sheet date, the Group has entered into an arrangement to renew its UK banking facilities on similar terms as before and the new facilities are committed until March 2027.

Notes to the Financial Statements
For the Year Ended 31 December 2022

21 Deferred tax

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
At 1 January	108.0	81.7	108.5	82.1
Amounts (charged)/credited to the Profit and Loss Account	(1.6)	0.3	2.2	2.2
Amounts (charged)/credited to the Statement of Comprehensive Income	(53.0)	26.0	(56.7)	24.2
At 31 December	53.4	108.0	54.0	108.5
Representing:				
Deferred tax asset included within debtors falling due within one year (note 17)	0.4	0.3	-	-
Deferred tax asset included within debtors falling due in more than one year (note 17)	54.6	109.3	54.0	108.5
Deferred tax liability included within provisions (note 23)	(1.6)	(1.6)	-	-
	53.4	108.0	54.0	108.5

The deferred tax asset is made up as follows:

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Accelerated capital allowances	5.4	7.8	6.7	5.8
Trading losses and timing differences	8.3	8.0	7.6	10.5
Deferred tax asset relating to pension deficit	39.7	92.2	39.7	92.2
	53.4	108.0	54.0	108.5

The Group does not recognise a deferred tax asset of £4.6m (2021: £6.0m) in relation to losses that have arisen due to the uncertainty concerning the timescales of its recovery.

The Company does not recognise a deferred tax asset of £4.1m (2021: £5.5m) in relation to losses that have arisen due to the uncertainty concerning the timescales of its recovery.

Notes to the Financial Statements
For the Year Ended 31 December 2022

22 Financial instruments

The Group has the following financial instruments:

	2022	2021
	£m	£m
Financial assets that are debt instruments measured at amortised cost		
Trade debtors (note 17)	109.2	79.3
Amounts owed by Group undertakings (note 17)	4.4	3.1
Other debtors (note 17)	7.7	6.1
	121.3	88.5
	2022	2021
	£m	£m
Financial liabilities measured at amortised cost		
Bank loans, overdrafts and working capital facilities (note 20)	33.4	26.5
Finance leases (notes 18,19)	0.4	-
Trade creditors (note 18)	42.9	41.4
Amounts owed to Group undertakings (note 18)	38.4	21.0
Accruals and deferred income (notes 18,19)	126.7	101.4
Other creditors (notes 18,19)	25.9	26.2
	267.7	216.5

Financial instruments are measured at fair value.

Derivative financial instruments - Forward contracts

The Group enters into forward foreign contracts to mitigate the exchange rate risk for certain foreign currency transactions. At 31 December 2022, the outstanding contracts all matured within 12 months (2021: 12 months).

At 31 December 2022, the Group had no forward contracts in place.

At 31 December 2021, the Group was committed to sell JPY 50.0m at a fixed rate of ¥.155.55:£1.

Company

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(c), from presenting disclosures in relation to financial instruments on the basis that the Group prepares the equivalent consolidated disclosures.

23 Provisions and contingent liabilities**Group**

	Deferred tax liability (note 21)	Legal and product liability	Property	Total
	£m	£m	£m	£m
At 1 January 2022	1.6	2.4	11.4	15.4
Charge in the year	-	-	4.7	4.7
Reversed in the year	-	(1.1)	(2.2)	(3.3)
Unwinding of discount	-	-	0.1	0.1
Utilised in year	-	-	(0.2)	(0.2)
At 31 December 2022	1.6	1.3	13.8	16.7

Company

	Legal and product liability	Property	Total
	£m	£m	£m
At 1 January 2022	2.0	11.4	13.4
Charge in the year	-	3.0	3.0
Reversed in the year	(1.0)	(2.2)	(3.2)
Unwinding of discount	-	0.1	0.1
Utilised in year	-	(0.2)	(0.2)
At 31 December 2022	1.0	12.1	13.1

Legal and product liability

A legal and product liability provision is maintained in respect of compliance with regulations and known litigations that impact the Group including warranties, claims and other disputes. Due to the contractual nature of the Group's business, there are from time to time disputes or claims received. In preparing the accounts, the directors assess the validity and likelihood of each new and existing claim and consider how they should be reported or provided for in the financial statements in accordance with the accounting standards. If there are claims at the end of the financial year where a settlement is considered probable and there is a reliable estimate of the expected outcome, a provision is made in the financial statements. The timing of outflows of such provisions will vary as and when claims are received and settled, which is not always known with certainty.

Property

Property provisions are made in respect of dilapidations and where contractual obligations for the costs of servicing the lease of a property outweigh the expected future economic benefits from that property. Where it is probable that the Group will not be required to settle a provision, the provision is released. These provisions are expected to be fully utilised at the end of the respective leases, which vary between 1 and 60 years. A discount rate of 3.5% - 3.9% has been applied (2021: 0.7% - 1.1%).

24 Pension liability

The Group operates several pension schemes in the United Kingdom, the largest being the Unipart Group Pension Scheme. The assets of this pension scheme are held separately from those of the Group in trustee administered funds. The scheme is a funded defined benefit scheme. Liabilities are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. Contributions are payable in accordance with the long term schedule of contributions agreed with the Trustees of the pension scheme and these contributions will be reviewed in the light of the results of the next actuarial valuation. The long term schedule of contributions extends to 2039. Total contributions to the defined benefit section of this scheme in the year were £5.8m (2021: £9.0m).

With effect from 31 December 2005, defined benefit accrual ceased in the Unipart Group Pension Scheme and members had the option of continuing to accrue benefits under new defined contribution sections of the scheme. During 2021, this defined contribution section was closed and transferred into the Legal and General Master Trust.

The latest available formal comprehensive actuarial valuation of the Unipart Group Pension Scheme was carried out as at 31 December 2020 by AON Solutions UK Limited. Based on this data, the value of the scheme's liabilities has been updated by Lane Clark & Peacock LLP to assess the liabilities of the scheme at 31 December 2022 for the purposes of FRS 102. Scheme assets are stated at their market value at 31 December 2022.

The disclosures for all of the Group's defined benefit arrangements are aggregated below.

Total contributions made in the year to defined contribution schemes were £8.3m (2021: £7.5m).

The key financial and other assumptions used to calculate the schemes liabilities are:

	2022	2021
Rate of increase in pensions in payment	2.87%	3.03%
Rate of increase in deferred pensions	2.45%	2.71%
RPI inflation rate	3.05%	3.28%
Discount rate	4.94%	1.88%

A review of mortality for scheme members was conducted in preparation for the actuarial valuations as at 31 December 2020 and the demographic assumptions used in assessing the FRS 102 liabilities reflect this review. For these schemes, the following life expectancies have been used:

	2022	2021
Retirement in this year for male pensioners at age 65	21 years	21 years
Retirement in 2042 for male pensioners at age 65	22 years	22 years
Retirement in this year for female pensioners at age 65	23 years	23 years
Retirement in 2042 for female pensioners at age 65	24 years	24 years

The mortality assumptions used in the valuation of the defined benefit pension liabilities of the Group's UK schemes have been calculated by adjusting the standard mortality tables to reflect the characteristics of the workforce.

Notes to the Financial Statements
For the Year Ended 31 December 2022

24 Pension liability (continued)

In line with prior years, it has been assumed that at retirement, members commute some of their pension for cash. Based on the schemes' current commutation factors, it has been assumed that members will commute 20% of their pension on retirement.

Minor changes in key assumptions may have a material impact on the quantum of the pension deficit.

Group

The fair value of total scheme assets were:

	2022	2021
	£m	£m
Equities	20.9	30.8
Corporate bonds	118.0	126.1
Property / Infrastructure	91.0	79.8
Other	134.0	176.3
Total fair value of assets	363.9	413.0
Present value of funded pension plans' liabilities	(523.0)	(781.9)
Deficit in funded plans	(159.1)	(368.9)

The movements in the fair value of scheme assets and present value of scheme liabilities during the year were:

	Liabilities	Assets	Total
	£m	£m	£m
At 1 January 2022	(781.9)	413.0	(368.9)
Scheme administration costs	-	(0.6)	(0.6)
Interest (cost)/income	(14.5)	7.6	(6.9)
Contributions by Group	-	5.8	5.8
Benefits paid	22.5	(22.5)	-
Actuarial gain/(loss)	250.9	(39.4)	211.5
At 31 December 2022	(523.0)	363.9	(159.1)

Scheme assets include an interest in shares in Unipart Group of Companies Limited, the immediate and ultimate parent undertaking, valued at £12.2m (2021: £12.2m). Scheme assets do not include any property occupied by any members of the Group. The actual total return on scheme assets in the year was a loss of £31.8m (2021: gain of £44.9m).

The Consolidated Profit and Loss Account includes the following amounts:

	2022	2021
	£m	£m
Scheme administration costs	(0.6)	(0.6)
Interest costs	(6.9)	(5.9)
	(7.5)	(6.5)

24 Pension liability (continued)

The use of AA corporate bond yields to derive the discount rate in accordance with FRS 102 has resulted in a high degree of prudence being reflected in the reported pension deficit, as compared to the Group's expected return from the pension schemes' assets. Alternative valuation methodologies exist, such as the 'Best Estimate' valuation, which as the name suggests is a neutral valuation balancing each assumption with a 50/50 probability, the primary assumption difference to FRS 102 being the discount rate as the Best Estimate valuation reflects the return expected from the schemes' assets. The Company's best estimate discount rate at 31 December 2022, based on advice from the scheme actuary, was 6.4% pa. Using this discount rate, whilst maintaining all other FRS 102 valuation assumptions, would have reduced the reported Group pension deficit by £82.8m from £159.1m to just £76.3m as at 31 December 2022.

Company

The Company operates the Unipart Group Pension Scheme.

The fair value of total scheme assets were:

	2022	2021
	£m	£m
Equities	20.6	30.5
Corporate bonds	117.9	126.0
Property	90.9	79.8
Other	132.5	173.8
Total fair value of assets	361.9	410.1
Present value of funded pension plan's liabilities	(521.0)	(778.7)
Total deficit in plan	(159.1)	(368.6)

The movements in the fair value of scheme assets and present value of scheme liabilities during the year were:

	Liabilities	Assets	Total
	£m	£m	£m
At 1 January 2022	(778.7)	410.1	(368.6)
Scheme administration costs	-	(0.6)	(0.6)
Interest (cost)/income	(14.5)	7.6	(6.9)
Contributions by Company	-	5.8	5.8
Benefits paid	22.4	(22.4)	-
Actuarial gain/(loss)	249.8	(38.6)	211.2
At 31 December 2022	(521.0)	361.9	(159.1)

Scheme assets include an interest in shares in Unipart Group of Companies Limited, the immediate and ultimate parent undertaking, valued at £12.2m (2021: £12.2m). Scheme assets do not include any property occupied by any members of the Group. The actual total return on scheme assets in the year was a loss of £31.0m (2021: gain of £45.1m).

Unipart Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

24 Pension liability (continued)

The Company Profit and Loss Account includes the following amounts:

	2022	2021
	£m	£m
Scheme administration costs	(0.6)	(0.6)
Interest costs	(6.9)	(5.8)
	<u>(7.5)</u>	<u>(6.4)</u>

Total contributions made by the Company in the year to defined contribution schemes were £8.3m (2021: £7.5m).

25 Called up share capital

Group and Company	2022	2021
	£m	£m
10,002 (2021: 10,002) Ordinary shares of £1 each	-	-

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital. Ordinary shares are classified as equity.

26 Reserves

Revaluation reserve

Revaluation reserve represents accumulated revaluation gains and losses for the year and prior years.

Profit and loss account

The profit and loss account represents accumulated comprehensive income for the year and prior years less dividends paid.

27 Notes to the cash flow statement

	2022 £m	2021 £m
Profit after taxation	7.3	3.7
Adjustments for:		
Tax on profit	2.1	4.8
Net interest expense	8.2	7.0
Exceptional items	3.1	1.2
Income from interests in associated undertakings	(1.2)	(0.6)
Profit on ordinary activities	19.5	16.1
Depreciation of tangible assets	3.0	2.4
Profit on disposal of tangible assets	0.1	-
Working capital movements:		
- Increase in stock	(3.2)	(14.4)
- Increase in debtors	(28.7)	(15.4)
- Increase in creditors	39.0	4.9
- Increase in provisions	1.2	2.8
Difference between pension service charge and cash contributions	(5.2)	(8.4)
Unrealised foreign currency gains and losses	(0.5)	0.2
Net cash from operations	25.2	(11.8)

Analysis of changes in funds

	1 January 2022 £m	Cash flow £m	Non-cash movement £m	31 December 2022 £m
Cash at bank and in hand	33.6	12.3	1.6	47.5
Bank overdrafts	(1.4)	(1.8)	-	(3.2)
Cash and cash equivalents	32.2	10.5	1.6	44.3
Debt:				
Finance leases	-	(0.3)	-	(0.3)
Debts due within one year	(11.4)	(5.7)	(1.0)	(18.1)
Debts falling due after more than one year	(13.7)	2.1	(0.4)	(12.0)
Total debt excluding cash and overdrafts	(25.1)	(3.9)	(1.4)	(30.4)
Net funds	7.1	6.6	0.2	13.9

Non-cash movements relate to the amortisation of issue costs and foreign exchange movements.

Unipart Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

28 Financial commitments

At 31 December, the Group and Company had financial commitments as follows:

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Guarantees for export trading and loan facilities	0.9	1.2	-	-

Under the Group's banking arrangements, the Company, together with certain of its subsidiary undertakings, has given security, by way of fixed charges over certain assets, to guarantee bank loans provided to the Group. The amount guaranteed by the Company outstanding at 31 December 2022 was £6.4m (2021: £16.5m).

29 Operating lease commitments

At 31 December, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	2022 £m	2021 £m
Expiry date		
Within 1 year	31.2	24.0
Between 2 and 5 years	75.1	58.8
After more than 5 years	43.4	22.8

At 31 December, the Company had total future minimum lease payments under non-cancellable operating leases as follows:

	2022 £m	2021 £m
Expiry date		
Within 1 year	18.3	20.4
Between 2 and 5 years	50.2	57.3
After more than 5 years	14.6	21.6

30 Related party transactions

During the year the Group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	2022 £m	2021 £m
Entities over which the Group has joint control or significant influence		
Sales to related parties	-	0.4
Purchases from related parties	0.1	0.1
Payments made on behalf of related parties	7.7	8.3
Balances due from related parties	0.5	-
Dividends from related parties	0.6	0.6

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made by the Group for doubtful debts in respect of the amounts owed by related parties.

Information regarding transactions with key management personnel is included in note 11.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(e), from disclosing transactions with other wholly owned Group companies and from representing disclosures in relation to key management personnel on the basis that the Group prepares the equivalent consolidated disclosure.

31 Post balance sheet events

After the balance sheet date, the Company has entered into an agreement to renew its banking facilities on similar terms as before and the new facilities are committed until March 2027.

An agreement was signed on 15 November 2022 to exchange contracts on the sale of Intertruck Benelux BV and Unipart Property Netherlands BV to a third party, with completion on 14 February 2023 and 3 April 2023 respectively.

32 Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Unipart Group of Companies Limited, which is the parent undertaking of the largest group to consolidate these financial statements. Copies of Unipart Group of Companies Limited's consolidated financial statements can be obtained from the Company Secretary at Unipart House, Cowley, Oxford, OX4 2PG.

Unipart Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

33 Group undertakings

At the year end, the Group's subsidiary undertakings were as set out below. Unless otherwise stated, the holdings are 100% of the voting rights and ordinary shares.

Distribution and logistics management

Europe and the Middle East

Van Wezel Austria GmbH	Austria
Schloßmühlstraße 15b, 2320 Schwechat, Austria	
Serck Services (Bahrain) EC	Bahrain
PO Box 3214, Manama, Bahrain	
Van Wezel Autoparts NV	Belgium
Industriepark 3300, Tienen, Belgium	
Unipart NV	Belgium
Industriepark 3300, Tienen, Belgium	
Unipart Logistics s.r.o	Czech Republic
Vaclavske namesti 832/19, Nove Mesto, Prague 1, 11000, Czech Republic	
Unipart Accelerated Logistics Limited *	England
Unipart Exports Limited (i) *	England
Unipart Logistics Limited (i) *	England
Unipart North America Limited (i) *	England
Unipart Security Solutions Limited (i) *	England
Van Wezel GmbH	Germany
Südfeld 7, 59174 Kamen, Germany	
Intertruck Benelux BV	Netherlands
Koddeweg 10, 3194 DH Hoogvliet, Netherlands	
Van Wezel Nederland BV	Netherlands
Koddeweg 10, 3194 DH Hoogvliet, Netherlands	
Serck Services (Oman) LLC (49%) (ii)	Oman
PO Box 1056, Ruwi 112, Sultanate of Oman	
Unipart Services Spain, S.L. (i)	Spain
Avenida del Sistema Solar, 19, Nave 5 y 6, San Fernando de Henares, 28830	
Intertruck Holding Limited	UAE
Level 15 Rolex Tower, Sheikh Zayed Rd, Dubai, UAE	
Serck Services (Gulf) Limited (49%) (ii)	UAE
PO Box 5834, Sharjah, UAE	
Serck Services Company LLC (49%) (ii)	UAE
PO Box 4439, Abu Dhabi, UAE	
Unipart Logistics (Single Shareholder) LLC	Saudi Arabia
Integrated Logistics Bonded Zone, Building 8791, 105th Street, Riyadh, 13442	

Unipart Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

33 Group undertakings (continued)

Africa, Americas and Rest of the World

Unipart Logistics (Suzhou) Trading Co., Limited	China
No.88 Xian Dai Avenue, Suzhou Industrial Park, China	
Unipart (Suzhou) Logistics Co., Limited (i)	China
Room 901, 9th Floor, Xian Dai Logistics tower, No.88 Xian Dai Avenue, Suzhou Industrial Park, China	
Unipart Kabushiki Kaisha (i)	Japan
6F Seifun-Kaikan, 15-6 Nihonbashi-Kabutocho, Chuo-ku Tokyo, 103-0026, Japan	
Unipart Services India Private Limited	India
Office No. 224, Sector 30-A, Platinum Techno Park, Vashi, Navi Mumbai - 400703, Maharashtra, India	
UL Logistics Pty Ltd (i)	South Africa
30 Helium Road, Rosslyn, Gauteng, South Africa, 0200	
Unipart Korea Yuhan Hoesa (i)	South Korea
4F The Exchange Seoul Bldg., 21 Mukyo-ro, Jung-gu, Seoul 100-722, Korea	
Unipart Services America Inc (i)	USA
85 Chestnut Ridge Rd, Suite 211, Montvale, NJ 07645, USA	
Serck Services Inc	USA
5501 Pearl Street, Denver, CO 80216, USA	
Intertruck Africa Limited	Zambia
Plot 6940, Buyantanshi Road, Lusaka, Zambia	

Manufacturing and engineering solutions

Serck Services UK Limited *	England
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Group vehicle and property holding companies

LGUA17 Limited (i) *	England
Unipart Fleet Services Limited (i) *	England
Unipart Property Netherlands BV	Netherlands
Koddeweg 10, 3194 DH Hoogvliet, Netherlands	

Unipart Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

33 Group undertakings (continued)

Intermediate holding companies

Unipart International Holdings Limited (i) *	England
UGC Holdings BV	Netherlands
Koddeweg 10, 3194 DH Hoogvliet, Netherlands	
UNV Invest BV	
Koddeweg 10, 3194 DH Hoogvliet, Netherlands	Netherlands

(i) Shares held directly by the Company

(ii) These companies have been treated as subsidiaries under section 1162(4) of the Companies Act 2006. The investments are held for the long term and the Group's management takes an active role in the operational and strategic management of these companies. These operations are effectively controlled by the Group with a dominant influence being exercised over their activities.

* Registered address is Unipart House, Garsington Road, Cowley, Oxford, OX4 2PG

At the year end, the Group's interest in joint ventures and associates was as set out below. The holding is 29% of the voting rights and shares.

Distribution and logistics management

ACI Auto Components International SRO	Czech Republic
Delostrelecka 190/19, 162 00 Praha 6, Czech Republic	

Non trading subsidiaries

The Group's non-trading subsidiary undertakings are set out below. Unless otherwise stated, the holdings are 100% of the voting rights and ordinary shares.

EW (Holdings) Limited (i) *	England
HCSU13 Limited (i) *	England
HCSU16 Limited (i) *	England

(i) Share held directly by the Company.

* Registered address is Unipart House, Garsington Road, Cowley, Oxford, OX4 2PG