Co Reg No. 658368 (England)

Partco Limited
Report and Financial Statements

For the period ended 31 December 2003

Contents

Company Information

Directors:	P M Dessain
	C Etherington
	J J Healey
	A J Mourgue
	J M Neill
Secretary:	M D Rimmer
Registered Office:	Unipart House Cowley Oxford OX4 2PG
Auditors:	PricewaterhouseCoopers LLP

The directors present their report together with the financial statements for the six months ended 31 December 2003 as the Company has changed its accounting reference date to 31 December (the comparative figures cover the twelve month period to 30 June 2003).

Activity and Review of Current and Future Business Developments

The principal activities of the company consist of the distribution of components to the automotive aftermarket in the United Kingdom. The Directors expect that the present level of activity will gradually increase. On the 31 December 2003 the Company acquired the trading net assets of Surepart SVG Limited a fellow subsidiary (see note 4 to the financial statements for further details).

Results for the period

The results for the period are set out in the profit and loss account on page 6. The directors do not propose the payment of a dividend (30 June 2003: £nil).

Charitable and political donations

During the period the company made charitable donations of £nil (30 June 2003: £3,000). No political donations were made during the financial period (30 June 2003: £nil).

Directors and Directors' interests

The current directors are shown on page 1 and have served throughout the period, with the exception of C Etherington who was appointed on 5 December 2003. None of the directors serving at the period end had any interest, at any time during the period, in the share capital of the company or any of the company's subsidiaries. There was no contract subsisting during or at the end of the financial period in which any director had a material interest.

C Etherington, A J Mourgue and J M Neill are directors of the ultimate holding company, UGC Limited, and their interests in the shares of that company are disclosed in the UGC Limited Annual report and Financial Statements.

The interests of other directors in the share capital of UGC Limited are shown below.

	'A' Ordinary Shares of 0.5p each		**'E' Ordinary Shares of 0.5p each**	
	31 Dec 2003 Number	**30 Jun 2003 Number**	**31 Dec 2003 Number**	**30 Jun 2003 Number**
Beneficial Holdings				
P M Dessain	51,596	51,596	180,000	180,000
J J Healey	33,900	33,900	37,500	37,500
Non Beneficial Holdings				
P M Dessain	17,200	17,200	-	-

Ordinary shares under option	**At 31 Dec 2003 Number**	**At 30 Jun 2003 Number**
P M Dessain	200,000	200,000
J J Healey	210,000	210,000

As employees of the Unipart Group of Companies each of the above directors is deemed by Section 324 of the Companies Act 1985 to be interested in the shares held by the Group Share Trust for the benefit of Group employees. The interest of the Group Share Trust in the shares of UGC Limited was as follows:-

	At 31 Dec 2003 Number	**At 30 Jun 2003 Number**
'A' Ordinary Shares of 0.5p each	14,300,460	14,294,458

Staff

The Company continues to involve employees in the decision-making process and communicates with all staff during the year on various areas including the economic and financial factors affecting the Company via regular briefings, on-site training and through our in-house video, Grapevine. Staff involvement in the company's performance is encouraged through a 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 Company'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 to provide equal opportunity regardless of sex, religion or ethnic origin. The Company does all that is practicable to meet its responsibility towards the employment and training of disabled people. Where an employee becomes disabled every effort is made to provide continuity of employment in the same job or a suitable alternative.

Going Concern

The directors of UGC Limited, the ultimate parent undertaking, have indicated their willingness to continue providing financial support to the company for the foreseeable future, at least one year from the date of approval of these accounts, sufficient for the company to meet its obligations as they fall due. As a result the directors have prepared the accounts on a going concern basis.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution to reappoint them will be presented at the annual general meeting.

By order of the Board

M D Rimmer
Company Secretary

Oxford, 5 April 2004

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the most suitable accounting policies have been selected and applied consistently. They also confirm that reasonable and prudent judgements and estimation techniques have been made in preparing the financial statements for the period ended 31 December 2003 and that applicable accounting *standards have been followed. The directors confirm that the going concern basis has been applied in preparing* the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

M D Rimmer
Secretary

Oxford, 5 April 2004

Independent Auditors' Report to the members of Partco Limited

We have audited the financial statements which comprise the profit and loss account, balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors

Birmingham, 5 April 2004

PROFIT AND LOSS ACCOUNT

	Note	6 months ended 31 December 2003 £000	12 months ended 30 June 2003 £000		
		Total	Continuing Operations	Discontinued Operations	Total
TURNOVER	2	**173,555**	**368,915**	**3,161**	**372,076**
OPERATING LOSS BEFORE GOODWILL AND EXCEPTIONAL ITEMS		(5,609)	(6,715)	(96)	(6,811)
Goodwill amortisation	3b	(20)	(40)	-	(40)
Exceptional items	3b	(2,064)	27,148	-	27,148
OPERATING (LOSS)/PROFIT AFTER GOODWILL AND EXCEPTIONAL ITEMS	3a	**(7,693)**	**20,393**	**(96)**	**20,297**
Loss on sale of business	3b	-	-	(2,579)	(2,579)
(LOSS)/PROFIT BEFORE INTEREST AND TAXATION		(7,693)	20,393	(2,675)	17,718
Net interest (payable)/receivable	7	(51)			42
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,744)			17,760
Tax on (loss)/profit on ordinary activities	8	2,328			6,320
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	17	(5,416)			24,080

The profit and loss account for the period ended 31 December 2003 relates entirely to continuing operations.

The Company does not have any difference between this (loss)/profit and the (loss)/profit on a historical cost basis. Accordingly no separate note of historical cost profits and losses has been presented.

The Company has no other gains and losses other than those passing through the profit and loss account.

BALANCE SHEET
AS AT 31 DECEMBER 2003

	Note	As at 31 December 2003 £000	As at 30 June 2003 £000
FIXED ASSETS			
Intangible assets	9	602	622
Tangible assets	10	9,885	10,933
		10,487	11,555
CURRENT ASSETS			
Stocks	11	52,696	49,651
Debtors	12	194,206	158,215
Cash at bank and in hand		3,714	10,184
		250,616	218,050
CREDITORS - amounts falling due within one year	13	(202,287)	(179,113)
NET CURRENT ASSETS		48,329	38,937
TOTAL ASSETS LESS CURRENT LIABILITIES		58,816	50,492
CREDITORS - amounts falling due after more than one year	14	(14,130)	-
PROVISIONS FOR LIABILITIES AND CHARGES	15	(13,483)	(13,873)
TOTAL NET ASSETS		31,203	36,619
CAPITAL AND RESERVES			
Called up share capital	16	25,678	25,678
Share premium	17	3,978	3,978
Profit and loss account	17	1,547	6,963
TOTAL EQUITY SHAREHOLDERS' FUNDS	18	31,203	36,619

The financial statements on pages 6 to 25 were approved by the Board of Directors on 5 April 2004

and were signed on its behalf by

J J Healey

J J HEALEY - Director

1 Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. Prior year comparatives have been restated to reflect the activities which have been discontinued in the current period. A summary of the more important accounting policies, which have been applied consistently, is given in the following paragraphs.

Accounting convention
The financial statements are prepared on a going concern basis under the historical cost convention.

Consolidated Financial Statements
Consolidated financial statements have not been prepared by the company as it and its subsidiary undertakings ('the Group') are included by full consolidation in the consolidated financial statements of its ultimate parent company, UGC Limited, a company registered in England and Wales.

Cashflow Statement
The Company is a wholly owned subsidiary of a group whose ultimate parent company is UGC Limited. The financial statements of UGC Limited include a consolidated cash flow statement. Accordingly, the Company has taken advantage of the exemption not to publish its own cashflow statement.

Goodwill
Goodwill, being the excess of the purchase consideration of businesses acquired over the Group's share of the fair value of assets and liabilities acquired, is being written off through the profit and loss account on a straight line basis over periods up to twenty years, which represent the useful economic lives of those assets. All goodwill arising prior to the adoption of FRS 10, 'Goodwill and intangible assets' remains written off to reserves and will be charged to the profit and loss account on subsequent disposal or termination of the business to which it relates.

Tangible fixed assets
With the exception of freehold land, which is not depreciated, depreciation on the cost or valuation of tangible fixed assets is provided over the following periods on a straight-line basis, to write off the assets over their estimated useful lives from the date they are brought into use.

Asset	Estimated Useful Life
Freehold buildings	40 years
Leasehold land and buildings	The period of the lease up to a maximum of 40 years
Fixed plant, machine tools and major equipment	6 to 10 years
Computer controlled factory equipment	6 to 8 years
Office equipment and furniture	8 years
Works equipment, shop fittings and special tools	4 to 8 years
Computer equipment and software	1 to 4 years
Vehicles	3 years

Finance and operating leases
Leasing arrangements which transfer to the Group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are capitalised in fixed assets and depreciated over the shorter of the lease term and the useful economic lives of equivalent owned assets. 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 profit and loss account in proportion to the reducing capital element.

Costs in respect of operating leases are charged to the profit and loss account, as incurred, on a straight-line basis over the lease term.

1 Accounting policies (continued)

Impairment of fixed assets and goodwill
Impairment provisions are calculated by comparing the net book value of fixed assets or goodwill with the higher of the post-tax net realisable value and the value in use. The value in use is calculated using forecast discounted cashflows over the economic life of the related fixed asset or goodwill.

Stocks
Stocks are stated at the lower of cost and net realisable value. 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 as the actual selling price, net of trade discounts, less costs to completion and all related marketing, selling and distribution costs.

Government Grants
Regional development grants are included in deferred income pending their release to trading profits on a straight-line basis over the estimated useful lives of the assets concerned.

Deferred taxation
Deferred taxation is accounted for to recognise timing differences between the recognition of gains and losses in the financial statements and their recognition for taxation purposes. The company has adopted FRS 19 which requires full provision to be made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition for taxation purposes. A deferred tax liability is recognised if transactions or events result in the company 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 company the right to pay less tax in future, and it is considered to be more likely than not that the asset will be recovered.

Provisions

Dilapidation provisions
Provision is made for the best estimate of dilapidation costs, on a discounted basis, 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 sub-let to unrelated third parties.

Onerous leases on vacant properties
Provision is made for the best estimate of unavoidable future lease payments, discounted where material, when the lease becomes onerous, net of amounts that can be reasonably expected to be recovered from sub-tenants to which the respective property has been sub-let, discounted where applicable.

1 **Accounting policies (continued)**

Pension costs
Pension costs are charged to the profit and loss account so as to spread the costs over the employees' working lives with the Group, in accordance with SSAP 24, 'Accounting for Pension Costs'.

The company has complied with the transitional disclosure requirements of FRS 17 as detailed in note 21. This does not amount to a change in accounting policy as the transitional arrangements of FRS 17 are of a disclosure nature and do not require any amounts to be recognised in the financial statements.

Foreign currencies
The profit and loss accounts of overseas activities are translated into sterling at average rates of exchange. Balance sheets 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 period end adjustment to closing rates of profit and loss accounts translated at average rates, are taken to reserves.

Exchange differences arising in the normal course of trading and on the translation of monetary assets and liabilities are taken through the profit and loss account. Differences arising on the translation of foreign currency borrowings are taken directly to reserves where there is a corresponding exchange difference on the translation of the related net investment.

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 profit and loss account over the term of the facility.

2 **Turnover**
Turnover represents sales invoiced in the period, being products supplied to customers less credits issued, all of which are stated net of value added tax. In the opinion of the Directors, the Company operates in a single business segment, principally the United Kingdom where all significant operations are controlled and thus where turnover originates.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

3a OPERATING (LOSS)/PROFIT

	6 months ended 31 December 2003 £000	12 months ended 30 June 2003 £000		
	Total	Continuing Operations	Discontinued Operations	Total
Turnover	173,555	368,915	3,161	372,076
Cost of sales	(113,600)	(241,759)	(2,140)	(243,899)
Gross profit	59,955	127,156	1,021	128,177
Distribution costs	(58,300)	(119,883)	(82)	(119,965)
Administrative expenses	(9,348)	13,120	(1,035)	12,085
Operating (loss)/profit	**(7,693)**	**20,393**	**(96)**	**20,297**

Operating (loss)/profit is stated after charging:	**6 months ended 31 December 2003 £000**	**12 months ended 30 June 2003 £000**
Depreciation of tangible fixed assets (including an impairment charge of £0.4 million (30 June 2003 - £0.6 million)		
Owned assets	2,313	4,300
Leased assets	13	54
Amortisation of goodwill	20	40
Hire of machinery and equipment	307	651
Loss on the disposal of tangible fixed assets	373	867
Auditors' remuneration for audit work	153	161
Auditors' remuneration for non-audit work	9	6

3b GOODWILL AND EXCEPTIONAL ITEMS

	6 months ended 31 December 2003 £000	12 months ended 30 June 2003 £000
Recognised in arriving at operating (loss)/profit:		
Continuing operations		
Goodwill amortisation (note 9)	(20)	(40)
Loan Waiver (i)	-	30,000
Refinancing costs (ii)	(302)	-
Re-organisation costs (iii)	(1,762)	(2,852)
Total recognised in arriving at operating (loss)/profit	(2,084)	27,108
Recognised after operating (loss)/profit:		
Discontinued operations		
Loss on disposal of business (iv)	-	(2,579)
Total recognised after operating (loss)/profit	-	(2,579)

(i) In the prior period a credit of £30,000,000 arose from the waiver of an intercompany loan with the ultimate parent company UGC Limited.

(iii) A net exceptional operating charge of £302,000 (30 June 2003 £nil) arose in respect of professional costs and bank fees relating to the renewal of banking facilities.

(iii) A charge of £1,762,000 (30 June 2003: £2,852,000) arose from costs associated with the continued re-organisation of branches and the relocation of the Company's head office.

(iv) In the prior period a loss of £2,579,000 arose in the period from the sale of the International Radiators manufacturing operation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

4 ACQUISITIONS

The Company acquired the net trading assets of Surepart SVG Ltd at 31 December 2003. The transaction has been satisfied through an intercompany loan account with that company. There is no goodwill arising on this transaction.

Book and fair value of assets and liabilities acquired on acquisition

	£000
Tangible fixed assets	7
Stocks	882
Trade debtors	627
Other debtors	159
Overdrafts	(107)
Trade creditors	(742)
Other creditors and accruals	(859)
Net liabilities acquired	(33)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

5 STAFF NUMBERS AND COSTS

	6 months ended 31 December 2003 Number	12 months ended 30 June 2003 Number
The average number of employees during the period was :		
Direct production and distribution	94	105
Indirect production & warehouse	660	1,727
Sales, marketing and administration	3,404	2,690
	4,158	4,522

	6 months ended 31 December 2003 £000	12 months ended 30 June 2003 £000
The aggregate payroll cost was:		
Wages and salaries	33,611	74,979
Social security costs	2,583	5,279
Pension costs	1,670	3,822
	37,864	84,080

6 DIRECTORS' EMOLUMENTS

Messrs AJ Morgue and PM Dessain received their remuneration in respect of services to the Unipart Group of companies as a whole and received no remuneration from the Company. The emoluments of Mr AJ Mourgue are included in the financial statements of UGC Limited.

The other directors received remuneration for their services to the Company based on an apportionment as appropriate of their total remuneration as follows:-

	6 months ended 31 December 2003 £000	12 months ended 30 June 2003 £000
Aggregate emoluments of directors	81	125

Benefits are accruing to one director under a defined benefit scheme and one director under a money purchase scheme. The contributions paid into money purchase schemes during the period totalled £7,100 (30 June 2003 - £nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

7 INTEREST (PAYABLE)/RECEIVABLE

	6 months ended 31 December 2003 £000	12 months ended 30 June 2003 £000
Payable in respect of :		
Bank loans and overdrafts	(20)	(2)
Interest payable on finance leases	-	(1)
Amount due to group undertakings	(32)	(54)
	(52)	(57)
Receivable in respect of :		
Bank interest	1	99
Net interest (payable)/receivable	**(51)**	**42**

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

8 TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	6 months ended 31 December 2003 £000	12 months ended 30 June 2003 £000
Current Tax:		
UK Corporation Tax at 30% (30 June 2003: 30%) in respect of the current financial period	2,228	2,746
Adjustments in respect of prior periods	100	3,574
	2,328	6,320
Tax recoverable from (loss)/profit on ordinary activities	2,328	6,320

The standard rate of tax for the period, based on the UK standard rate of corporation tax, is 30%. The actual tax credit for the period ended 31 December 2003 was higher (30 June 2003 - higher) than the standard rate. The principal reconciling items are illustrated below:

	6 months ended 31 December 2003 £000	12 months ended 30 June 2003 £000
(Loss)/profit on ordinary activities before tax	(7,744)	17,760
(Loss)/profit on ordinary activities multiplied by standard rate in the UK 30% (30 June 2003 - 30%)	2,323	(5,328)
Effects of:		
Capital allowances for the period in excess of depreciation	(296)	(150)
Movement on other timing differences	319	279
Permanent differences	(118)	7,945
Adjustments in respect of prior periods	100	3,574
Current tax credit for the period	2,328	6,320

Factors that may effect future tax charges:
Based on capital investment plans, the Company expects to continue to be able to claim allowances in excess of depreciation in future years at a similar level to the current period.

Deferred taxation	**Amounts provided**		**Amounts not provided**	
	As at 31 December 2003 £000	As at 30 June 2003 £000	As at 31 December 2003 £000	As at 30 June 2003 £000
Accelerated capital allowances	-	-	1,095	800
Short term timing differences	-	-	595	800
Other	-	-	230	-
Deferred tax asset	-	-	1,920	1,600

In accordance with the accounting policy no deferred tax has been booked.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

9 INTANGIBLE FIXED ASSETS

	Goodwill
	£000
Cost	
As at 1 July 2003 and 31 December 2003	2,949
Amortisation	
As at 1 July 2003	2,327
Charge for the period	20
As at 31 December 2003	2,347
Net book value	
As at 31 December 2003	602
As at 30 June 2003	622

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

10 TANGIBLE FIXED ASSETS

	LAND & BUILDINGS				TOTAL
	Long lease-hold £000	Short lease-hold £000	Total £000	Plant and machinery £000	£000
Cost					
As at 1 July 2003	47	7,050	7,097	48,537	55,634
External additions	-	244	244	1,499	1,743
External disposals	-	(6)	(6)	(2,215)	(2,221)
Acquisitions	-	-	-	7	7
Inter group additions	-	-	-	8	8
Inter group disposals	(47)	(147)	(194)	-	(194)
As at 31 December 2003	-	7,141	7,141	47,836	54,977
Depreciation					
As at 1 July 2003	35	4,098	4,133	40,568	44,701
Charge for the period	4	382	386	2,090	2,476
External disposals	-	(2)	(2)	(1,957)	(1,959)
Inter group additions	-	-	-	6	6
Inter group disposals	(39)	(93)	(132)	-	(132)
As at 31 December 2003	-	4,385	4,385	40,707	45,092
Net book value As at 31 December 2003	**-**	**2,756**	**2,756**	**7,129**	**9,885**
Net book value As at 30 June 2003	12	2,952	2,964	7,969	10,933

The depreciation charge for the period is stated after making an impairment charge of £0.4m (30 June 2003: £0.6m) in respect of the assets of certain loss-making operations within the Company. The impairment write-down has been made to reduce the assets to their calculated value in use, a discount rate of 8% has been used in performing the calculations.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

11 STOCKS

	As at 31 December 2003 £000	As at 30 June 2003 £000
Finished goods and goods for resale	52,696	49,651
	52,696	49,651

The replacement cost of stock is not materially different from historic cost.

12 DEBTORS

	As at 31 December 2003 £000	As at 30 June 2003 £000
Amounts falling due within one year:		
Trade debtors	47,129	50,859
Amounts owed by group companies	139,630	102,322
Corporation tax	2,238	-
Other debtors	422	641
Prepayments and accrued income	4,787	4,393
	194,206	158,215

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

13 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31 December 2003 £000	As at 30 June 2003 £000
Bank overdrafts	6,555	-
Trade creditors	45,436	46,042
Amounts owing to group companies	130,318	113,673
Other taxes and social security	6,558	7,542
Other creditors	2,663	2,491
Accruals and deferred income	10,757	9,365
	202,287	179,113

The bank overdrafts are secured by fixed and floating charges over certain of the Group's assets (see note 14). The amounts owed to group companies have no fixed terms of repayment.

14 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	As at 31 December 2003 £000	At 30 June 2003 £000
Bank loans and overdraft	14,130	-
	14,130	-

The bank loans are secured by fixed and floating charges over certain of the Company's assets, principally tangible fixed assets, stocks and debtors.

The bank loans reported of £14.1 million comprises £14.6 million under a working capital facility, net of £0.5 million issue costs.

The maximum amount that might be available to the Company and certain fellow subsidiaries under the working capital facility is £120.0 million, committed until 31 December 2008. Issue costs of £0.5 million in respect of obtaining the facility will be allocated to the profit and loss account over the five year term of the facility. The facilities were entered into on 19 December 2003, therefore at 31 December 2003 the unamortised issue costs were £0.5 million.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Property £000
As at 1 July 2003	13,873
Charged in period	656
Utilised in period	(1,046)
As at 31 December	13,483

The Property provision is in respect of contractual obligations primarily in relation to onerous leases on vacant properties and in relation to dilapidations, and is discounted where material. These provisions are expected to be utilised at the end of the respective leases, which vary between 1 and 20 years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

16 SHARE CAPITAL

	As at 31 December 2003		As at 30 June 2003	
	Number	**£000**	**Number**	**£000**
Ordinary shares of £1 each				
Issued and fully paid	25,678,000	25,678	25,678,000	25,678
Authorised	25,678,000	25,678	25,678,000	25,678

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

17 PROFIT AND LOSS ACCOUNT AND OTHER RESERVES

	Share premium £000	Profit and loss account £000	Total £000
At 1 July 2003	3,978	6,963	10,941
Loss for the financial period	-	(5,416)	(5,416)
At 31 December 2003	3,978	1,547	5,525

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	As at 31 December 2003 £000	As at 30 June 2003 £000
At 1 July	36,619	(37,461)
(Loss)/profit on ordinary activities after taxation	(5,416)	24,080
Issue of ordinary share capital	-	20,000
Capital contribution (i)	-	30,000
At 31 December / 30 June	**31,203**	**36,619**

(i) In the prior period an amount of £30,000,000 was credited in the year as a result of a capital contribution received during the year from UGC Limited.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

19 CAPITAL COMMITMENTS

	As at 31 December 2003 Contracted £000	As at 30 June 2003 Contracted £000
Capital expenditure contracted as at the balance sheet date, for which no provision has been made in these accounts	502	1,336

20 CONTINGENT LIABILITIES

The Company has given security by way of fixed and floating charges over certain of the Company's assets, to guarantee bank loans provided to certain fellow subsidiary undertakings. The amount outstanding under such arrangements at 31 December 2003 was £28.3 million (30 June 2003 - £63.5 million).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

21 PENSION SCHEMES

The UGC Ltd Group, of which the Company is a subsidiary operates several pension schemes in the United Kingdom. The assets of these pension schemes are held separately from those of the Group in trustee administered funds.

The schemes are principally funded defined benefit schemes for which contributions are assessed in accordance with the advice of an independent qualified actuary. In addition, there is a small defined contribution section.

a) SSAP 24 information

Information concerning the latest actuarial valuation which was carried out as at 5 April 2001, is set out in the accounts of UGC Limited, the holding company of the Group. The pension charge for the company is disclosed in note 5.

b) FRS 17 information

It is not possible to identify the share of the underlying assets and liabilities in the Group's pension schemes relating to individual participating employers. As such, in accordance with FRS 17, the Company will account for its liabilities to the schemes as if they were defined contribution schemes thus no disclosure of the balance sheet position will be made and the charge to profit and loss under FRS 17, when it is enacted, will represent the actual contributions paid by the Company. Over the next accounting period such contributions will average 12.6% of pensionable pay.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2003

22 OPERATING LEASE COMMITMENTS

Payments in respect of operating leases committed at the end of the period to be made during the following year.

	Land and buildings		Other tangible assets	
	As at 31 December 2003 £000	As at 30 June 2003 £000	As at 31 December 2003 £000	As at 30 June 2003 £000
Agreements expiring :				
- within one year	1,714	-	1,758	242
- after one year but within five years	2,652	-	2,440	417
- after more than five years	4,963	-		
	9,329	-	4,198	659

23 ULTIMATE PARENT COMPANY

At the end of the financial period UGC Limited, a company registered in England and Wales, was the ultimate parent company and controlling party. Copies of UGC Limited consolidated financial statements can be obtained from the Company Secretary at Unipart House, Cowley, Oxford OX4 2PG.

24 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption included in Financial Reporting Standard 8 in not disclosing transactions with undertakings, 90 per cent or more of whose voting rights are controlled within the Unipart Group of Companies.