

Registered No. 3588027 (England)

Unipart North America Limited

Report and Accounts

For the year ended 31 December 2005



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Company information

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Directors:	P M Dessain A J Mourgue
Secretary:	M D Rimmer
Registered Office:	Unipart House Cowley Oxford OX4 2PG
Registered Number:	3588027
Auditors:	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT

Directors' report

For the year ended 31 December 2005

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The directors present their report together with the audited financial statements for the year ended 31 December 2005.

Principal activity and review of business

The principal activity of Unipart North America Limited (the "Company") continues to be engaged in the export of automotive parts, components and accessories. The directors are satisfied with the financial performance and position of the Company and look forward to increased activity in the coming financial year

Results for the year

The results for the year are set out in the profit and loss account on page 6. The directors do not propose the payment of a dividend (2004 - £nil).

Directors and directors' interests

The current directors are shown on page 2 and have served throughout the year. None of the directors serving at the year-end had any interest, at any time during the year, in the share capital of the Company. There was no contract subsisting during or at the end of the financial year in which any director of the Company had a material interest; however, during the year an 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.

A J Mourgue is a director of the ultimate holding company, UGC Limited, and his interest in the shares of that company are disclosed in the annual report of UGC Limited.

The interest of the other director in the share capital of UGC Limited are shown below.

	'A' Ordinary Shares of 0.5p each		'E' Ordinary Shares of 0.5p each	
	2005 Number	2004 Number	2005 Number	2004 Number
Beneficial Holdings				
P M Dessain	76,596	76,596	180,000	180,000
Non Beneficial Holdings				
P M Dessain	28,025	28,025	-	-
Ordinary shares under option		2005 Number		2004 Number
P M Dessain		200,000		200,000

As employees of the Unipart Group of Companies, each of the above directors are 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:-

	2005 Number	2004 Number
'A' Ordinary shares of 0.5p each	15,191,387	15,190,202

Unipart North America Limited

Employees

Unipart North America Limited does not have any employees. Its immediate parent company, Unipart Group Limited, provides all necessary service functions for Unipart North America Limited.

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 to 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 proposed at the annual general meeting.

Statement of directors' responsibilities

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 suitable accounting policies have been used and applied consistently except for the adoption of FRS 21, 'Events after the balance sheet date', the presentation requirements of FRS 25, 'Financial instruments: Disclosure and presentation' and FRS 28, 'Corresponding amounts' as detailed on page 8. They also confirm that reasonable and prudent judgements and estimation techniques have been made in preparing the financial statements for the year ended 31 December 2005 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. They are also responsible for taking such steps as would be expected to avail themselves of any relevant audit information and to establish that the auditors of the Company are aware of that information.

The directors confirm that these financial statements comply with the aforementioned requirements and that as far as they are aware there is no relevant audit information of which the auditors of the Company are unaware.

On behalf of the Board



M D Rimmer
Company Secretary

Oxford, 6 March 2006

Independent auditors' report to the members of Unipart North America Limited

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We have audited the financial statements of Unipart North America Limited for the year ended 31 December 2005 which comprise the profit and loss account and balance sheet together with the related notes. These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

As described in the Statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 into 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 other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit includes examination on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham, 6 March 2006

Unipart North America Limited

Profit and loss account

For the year ended 31 December 2005

	Note	Year ended 31 Dec 2005 £000	Year ended 31 Dec 2004 £000
Turnover	2	121,774	126,564
Operating profit	3	1,139	360
Profit on ordinary activities before taxation		1,139	360
Taxation on profit on ordinary activities	7	(181)	(64)
Profit for the financial year	12	958	296

The results for the year relate to continuing operations.

The Company does not have any gains or losses other than the profit above and there was no difference between this profit and the profit on a historical cost basis.

The notes on pages 8 to 10 form part of these financial statements.

Balance Sheet*As at 31 December 2005*

	Note	2005 £000	2004 £000
<i>Current assets</i>			
Stocks	8	23,343	28,031
Debtors - amounts falling due within one year	9	11,225	11,487
Cash at bank and in hand		6,807	10,832
		41,375	50,350
Creditors - amounts falling due within one year	10	(42,491)	(52,424)
<i>Net current liabilities</i>		(1,116)	(2,074)
<i>Total assets less current liabilities</i>		(1,116)	(2,074)
Net liabilities		(1,116)	(2,074)
<i>Capital and reserves</i>			
Called up share capital	11	-	-
Profit and loss reserve	12	(1,116)	(2,074)
Total shareholders' funds	13	(1,116)	(2,074)

The financial statements on pages 6 to 10 were approved by the board of directors on 6 March 2006 and were signed on its behalf by



P M DESSAIN - Director

The notes on pages 8 to 10 form part of these financial statements.

Notes to the financial statements

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For the year ended 31 December 2005

1 Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The policies are consistent with the previous year except for the mandatory adoption in the year of FRS 21, 'Events after the balance sheet date', the presentation requirements of FRS 25, 'Financial instruments: Disclosure and presentation' and FRS 28, 'Corresponding amounts'. The adoption of these standards has not impacted the comparative figures and therefore there is no prior year adjustment. As a result, it has not been necessary for the Company to take advantage of the exemption afforded by FRS 25 not to restate the prior year comparatives. A summary of the principal accounting policies is given in the following paragraphs.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

The Company is a wholly owned subsidiary of a group whose ultimate parent company is UGC Limited. The financial statements of UGC Limited, which are publicly available, include a consolidated cash flow statement. Accordingly, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996), 'Cash flow statements'.

Stocks

Stocks are stated at the lower of cost and net realisable value. 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.

Foreign currencies

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.

Related party transactions

The Company is controlled by UGC Limited. The Company has taken advantage of the exemption afforded by FRS 8, 'Related party disclosures', paragraph 3, and as such, the financial statements do not disclose transactions with other Group companies.

Significant estimation techniques

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. Actual results could differ from those estimates.

Turnover

Turnover is based on the invoiced value of goods and services supplied during the year, including amounts received and receivable on management fee contracts. Turnover excludes VAT and other sales taxes.

2 Segmental reporting

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 and profits arise. The geographical analysis of turnover by location of customer is as follows:

	Year ended 31 Dec 2005 £000	Year ended 31 Dec 2004 £000
North America	121,774	126,564

Notes to the financial statements (continued)

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For the year ended 31 December 2005

3 Operating profit	Year ended 31 Dec 2005 £000	Year ended 31 Dec 2004 £000
Turnover	121,774	126,564
Cost of sales	(104,041)	(109,648)
Gross profit	17,733	16,916
Distribution costs	(16,418)	(15,980)
Administrative expenses	(176)	(576)
Operating profit	1,139	360

Auditors' remuneration is borne by the immediate parent company, Unipart Group Limited, which levies a management charge for this service.

4 Staff numbers and costs

Unipart North America Limited does not have employees in its own right. Employees are all employed and paid through Unipart Group Limited and all applicable disclosures are made in those financial statements.

5 Directors' emoluments

The directors received their remuneration in respect of services to the Unipart Group of Companies as a whole and received no remuneration from the Company. Such information as is required is disclosed in the financial statements of

6 Interest

Net interest on bank balances and overdrafts is borne by Unipart Group Limited, the immediate parent company of Unipart North America Limited.

7 Taxation on profit on ordinary activities	Year ended 31 Dec 2005 £000	Year ended 31 Dec 2004 £000
<i>Current Tax:</i>		
UK Corporation Tax at 30% (2004 - 30%) for the financial year	(342)	(98)
Adjustment in respect of prior periods	-	44
Foreign taxes	161	(10)
Tax charge on profit on ordinary activities	(181)	(64)

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 30% (2004 - 30%). The actual tax charge for the year and the prior year differ from the standard rate. The principal reconciling items are illustrated below:

	Year ended 31 Dec 2005 £000	Year ended 31 Dec 2004 £000
Profit on ordinary activities before tax	1,139	360
Profit before tax multiplied by the UK tax rate of 30%	(342)	(108)
Foreign taxes	161	-
Adjustments in respect of prior periods	-	44
Current tax charge for the year	(181)	(64)

8 Stocks	2005 £000	2004 £000
Finished goods and goods for resale	23,343	28,031

Unipart North America Limited

Notes to the financial statements (continued)

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For the year ended 31 December 2005

9 Debtors	2005	2004
	£000	£000
<i>Amounts falling due within one year:</i>		
Trade debtors and bills receivable	10,166	9,771
Corporation Tax	38	110
Other debtors	1,021	1,606
	11,225	11,487

10 Creditors - amounts falling due within one year	2005	2004
	£000	£000
Trade creditors	562	177
Amounts owing to fellow subsidiaries	31,750	43,041
Taxation	232	123
Other creditors	9,385	8,406
Accruals and deferred income	562	677
	42,491	52,424

11 Called up share capital	2005	2004	2005	2004
	Number	Number	£	£
<i>Ordinary shares of £1 each</i>				
Issued and fully paid	1	1	1	1
Authorised	10,000	10,000	10,000	10,000

12 Profit and loss reserve	Total
	£000
At 1 January 2005	(2,074)
Profit for the financial year	958
At 31 December 2005	(1,116)

13 Reconciliation of movements in shareholders' funds	2005	2004
	£000	£000
Profit for the financial year	958	296
At 1 January	(2,074)	(2,370)
At 31 December	(1,116)	(2,074)

14 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 2005 was £5.0 million (2004 - £26.7 million).

15 Ultimate and immediate parent company

UGC Limited, a company registered in England and Wales, is the ultimate parent company and controlling company. Copies of UGC Limited's consolidated financial statements can be obtained from the Company Secretary at Unipart House, Cowley, Oxford, OX4 2PG. The Company's immediate parent company and controlling company is Unipart Group Limited, a company registered in England and Wales.