

Registered No. 3588027 (England)

Unipart North America Limited

Annual Report and Financial Statements

For the year ended 31 December 2008

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Company Information

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Directors:

F W Burns
P M Dessain
R Leung
A J Mourgue
M H Tonks
M Varnom

Secretary:

M D Rimmer

Registered office:

Unipart House
Cowley
Oxford
OX4 2PG

Registered number:

3588027

Independent Auditors:

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Directors' Report

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For the year ended 31 December 2008

The directors present their report together with the audited financial statements for the year ended 31 December 2008.

Principal activity and review of business

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

The Company is one of the main trading subsidiaries of the Unipart Group of Companies (the "Group").

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 (2007 - £nil).

Business risk

The business is subject to a number of risks and these are reviewed by the Board and appropriate measures are put in to place to monitor and mitigate them. The Company operates in a highly competitive market which applies pressure to the sales and margins that can be achieved. In order to mitigate this risk the Company seeks to differentiate itself from its competitors. The Company develops long term contractual partnerships with its clients and invests significantly in these relationships for mutual benefit.

Financial risk management

The financial risks of the Company are managed centrally by the Group's treasury department. The main exposures that the Company faces are through interest rate risk and foreign currency transactions. In order to protect against the volatility of interest charges, interest rate swaps and interest rate 'Caps', Floors and 'Collars' are used for appropriate proportions of the debt. The Company's foreign currency transaction risks are minimised through hedging of net currency exposures in order to 'protect' forecast gross profits and cover short term currency exposure. The hedges are enacted through forward and spot currency contracts and options entered into at a Group level on the basis of trading projections.

The Company is party to a working capital facility with other Group companies for a maximum value of £102.0m that was renewed in 2007 and is committed until 31 December 2013.

Directors

The current directors are shown on page 2 and have served throughout the year with the exception of Mr F W Burns, Mr R Leung, Mr M Tonks and Mr M Varnom who were all appointed on 9 September 2008. 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.

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 Unipart Group of Companies Limited, the ultimate parent undertaking, have indicated their intention 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 in respect of the Annual Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements 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

Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, under section 234ZA of the Companies Act 1985 the following applies:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



M D Rimmer
Company Secretary

Oxford, 5 March 2009

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 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham, 6 March 2009

Financial Statements

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Profit and loss account

For the year ended 31 December 2008

	Note	2008 £000	2007 £000
Turnover	2	81,531	89,518
Operating (loss) / profit	3	(1,183)	1,078
Interest payable	6	(103)	-
(Loss) / profit on ordinary activities before tax		(1,286)	1,078
Tax on (loss) / profit on ordinary activities	7	266	(239)
(Loss) / profit for the financial year	12	(1,020)	839

The results for the year relate to continuing operations.

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

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 11 form part of these financial statements.

Unipart North America Limited

Balance Sheet
As at 31 December 2008

	Note	2008 £000	2007 £000
<i>Current assets</i>			
Stock	8	23,696	24,084
Debtors - amounts falling due within one year	9	7,665	6,463
Debtors - amounts falling due after more than one year	9	360	-
Cash at bank and in hand		1,696	6,804
		33,417	37,351
Creditors - amounts falling due within one year	10	(34,103)	(37,017)
<i>Total assets less current liabilities</i>		(686)	334
Net (liabilities) / assets		(686)	334
<i>Capital and reserves</i>			
Called up share capital	11	-	-
Profit and loss reserve	12	(686)	334
Total shareholders' (deficit) / funds	13	(686)	334

Approved by the Board on 5 March 2009 and signed on its behalf by



M VARNOM - Director

The notes on pages 8 to 11 form part of these financial statements.

Notes to the financial statements

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For the year ended 31 December 2008

1 Accounting policies

The financial statements have been prepared on the going concern basis in accordance with applicable United Kingdom law and accounting standards. The policies are consistent with the previous year. 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 Unipart Group of Companies Limited. The financial statements of Unipart Group of Companies 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 FRS 1 (revised 1996), 'Cash flow statements'.

Stock

Stocks are stated at the lower of average cost and estimated net realisable value. Cost comprises direct material and labour costs together with the relevant factory overheads (including depreciation) on the basis of normal activity levels. 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. Provision is made for obsolete, slow-moving or defective items where appropriate.

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 Unipart Group of Companies 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 recognised on the invoiced and accrued value of goods and services supplied during the year, including amounts received and receivable on management fee contracts. The sale of goods are recognised at the point at which the goods are dispatched. 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.

Going concern

The directors of Unipart Group of Companies Limited, the ultimate parent undertaking, have indicated their intention 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.

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 2008	Year ended 31 Dec 2007
	£000	£000
North America	81,531	89,518

Notes to the financial statements (continued)

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For the year ended 31 December 2008

3 Operating (loss) / profit

	Year ended 31 Dec 2008 £000	Year ended 31 Dec 2007 £000
Turnover	81,531	89,518
Cost of sales	(66,945)	(74,454)
Gross profit	14,586	15,064
Distribution costs	(14,936)	(14,102)
Administrative (expenses) / credit	(833)	116
Operating (loss) / profit	(1,183)	1,078

Auditors' remuneration is borne by other Group companies.

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 Unipart Group of Companies Limited.

6 Interest payable

	31 Dec 2008 £000	31 Dec 2007 £000
Amounts payable to fellow subsidiaries	(103)	-
Interest payable	(103)	-

7 Tax on (loss) / profit on ordinary activities

	Year ended 31 Dec 2008 £000	Year ended 31 Dec 2007 £000
<i>Current Tax:</i>		
UK Corporation Tax at 28.5% (2007 - 30%) for the financial year	-	324
Foreign taxes	94	(85)
	94	239
<i>Deferred Tax:</i>		
Origination and reversal of timing differences	(360)	-
	(360)	-
Tax (credit) / charge on loss on ordinary activities	(266)	239

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 28.5% (2007 - 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 2008 £000	Year ended 31 Dec 2007 £000
(Loss) / profit on ordinary activities before tax	(1,286)	1,078
(Loss) / profit before tax multiplied by the effective UK tax rate of 28.5% (2007 - 30%)	(367)	324
Effects of:		
Movement on other timing differences	367	-
Foreign taxes	94	(85)
Current tax charge for the year	94	239

The standard rate of corporation tax in the UK changed to 28% with effect from 1 April 2008.

Notes to the financial statements (continued)

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For the year ended 31 December 2008

8 Stock	2008 £000	2007 £000
Finished goods and goods for resale	23,696	24,084

9 Debtors	2008 £000	2007 £000
<i>Amounts falling due within one year:</i>		
Trade debtors and bills receivable	7,530	6,371
Corporation tax	70	-
Other debtors	65	92
	7,665	6,463

Amounts falling due after more than one year:

Deferred tax	360	-
	360	-

Total debtors	8,025	6,463
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Deferred tax	2008		2007	
	Full potential asset £000	Amount recognised £000	Full potential asset £000	Amount recognised £000
Losses	360	360	-	-

The Company recognises all available deferred tax assets.

	2008 £000	2007 £000
At 1 January	-	-
Amounts charged to the profit and loss account in the year	360	-
At 31 December	360	-

10 Creditors - amounts falling due within one year	2008 £000	2007 £000
Bank loans and overdrafts	3,877	-
Trade creditors	309	1,011
Amounts owing to parent company	21,934	27,569
Amounts owing to fellow subsidiaries	1,870	1,411
Corporation tax	-	104
Other creditors	5,523	6,114
Accruals and deferred income	590	808
	34,103	37,017

Amounts due to group undertakings are unsecured and have no fixed repayment date. Certain amounts due to group undertakings bear interest.

The bank loans are secured by fixed and floating charges over certain of the Company's assets, principally stocks and debtors, and are drawn under a working capital facility committed until 31 December 2013. Interest is chargeable at rates based on the base rate.

11 Called up share capital	2008 Number	2007 Number	2008 £	2007 £
<i>Ordinary shares of £1 each</i>				
Issued and fully paid	1	1	1	1
Authorised	10,000	10,000	10,000	10,000

Notes to the financial statements (continued)

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For the year ended 31 December 2008

12 Profit and loss reserve	Total £000
At 1 January 2008	334
Loss for the financial year	(1,020)
At 31 December 2008	(686)

13 Reconciliation of movements in total shareholders' (deficit) / funds	2008 £000	2007 £000
(Loss) / profit for the financial year	(1,020)	839
At 1 January	334	(505)
At 31 December	(686)	334

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 2008 was £25.2 million (2007 - £19.2 million).

15 Ultimate and immediate parent and controlling party

Unipart Group of Companies Limited, a company registered in England and Wales, is the ultimate parent and controlling company. 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. The Company's immediate parent and controlling company is Unipart Group Limited, a company registered in England and Wales.