

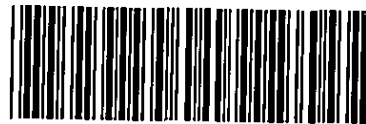
Registered No 03588027 (England)

# **Unipart North America Limited**

## **Annual Report and Financial Statements**

*For the year ended 31 December 2010*

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**Company information**

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Directors	F W Burns P M Dessain A R Leung A J Mourgue M H Tonks M Varnom
Secretary	M D Rimmer
Registered office	Unipart House Cowley Oxford OX4 2PG
Registered number	03588027
Statutory Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Cornwall Court 19 Cornwall Street Birmingham B3 2DT

## Directors' Report

For the year ended 31 December 2010

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The directors present their report together with the audited financial statements for the year ended 31 December 2010

### Principal activity and review of business

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

The Company is one of the main trading subsidiaries of the Unipart Group of Companies, ("the Group"). Further details on the performance of the Group, including key performance indicators, can be found in the Chairman's statement, Chief Executive's review and the financial review in the annual report of Unipart Group of Companies Limited, which does not form part of this report.

### 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 (2009 - £nil).

### Principal risks and uncertainties facing the business

From the perspective of the Company, the principal risks and uncertainties are integrated within the principal risks of the Group and are not managed separately. The principal risks and uncertainties of the Group, which includes those of the Company, are discussed in the Directors' report in the annual report of Unipart Group of Companies Limited, which does not form part of this report.

### Financial risk management

The financial risks of the Company are managed centrally by the Group's treasury department. Given the size of the Company and the level of its activities, its operations are not significantly exposed to risks such as price risk, credit risk, liquidity risk and interest rate risk.

### Directors

The current directors are shown on page 2 and all directors served throughout the year. 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.

### 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 for the Company to meet its obligations as they fall due. As a result, the directors continue to adopt the going concern basis in preparing the financial statements.

### Auditors

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

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing 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.

## Directors' Report

For the year ended 31 December 2010

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### Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure of information to auditors

In the case of each of the directors in office at the date the directors' report is approved under section 418 (1) to (4) of the Companies Act 2006 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, 8 March 2011  
Registered No. 03588027 (England)

## **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 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

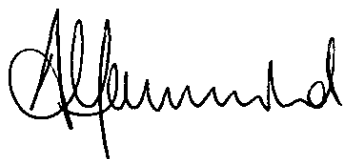
### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Andrew Hammond (Senior Statutory Auditor)  
**For and on behalf of PricewaterhouseCoopers LLP**  
 Chartered Accountants and Statutory Auditors  
 Birmingham, 8 March 2011

## Financial Statements

### Profit and Loss Account

For the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
<b>Turnover</b>	2	<b>81,816</b>	<b>84,628</b>
<b>Operating loss</b>	3	<b>(776)</b>	<b>(592)</b>
Interest receivable	6	27	5
<b>Loss on ordinary activities before tax</b>		<b>(749)</b>	<b>(587)</b>
Tax on loss on ordinary activities	7	159	190
<b>Loss for the financial year</b>	12	<b>(590)</b>	<b>(397)</b>

The results for the year relate to continuing operations

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year shown above and their historical cost equivalents

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

## Financial Statements (continued)

### Balance Sheet

As at 31 December 2010

	Note	2010 £'000	2009 £'000
<b>Current assets</b>			
Stock	8	17,875	20,329
Debtors - amounts falling due within one year	9	6,924	6,726
Debtors - amounts falling due after more than one year	9	518	373
Cash at bank and in hand		347	3,227
		<b>25,664</b>	<b>30,655</b>
 Creditors - amounts falling due within one year	 10	 <b>(27,337)</b>	 <b>(31,738)</b>
<b>Net current liabilities</b>		<b>(1,673)</b>	<b>(1,083)</b>
<b>Net liabilities</b>		<b>(1,673)</b>	<b>(1,083)</b>
 <b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss reserve	12	(1,673)	(1,083)
<b>Total shareholders' deficit</b>	<b>13</b>	<b>(1,673)</b>	<b>(1,083)</b>

Approved by the Board on 8 March 2011 and signed on its behalf by

M. S. Varnom

M Varnom - Director

Unipart North America Limited  
Registered No 03588027

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

Unipart North America Limited



**1 Accounting policies**

The financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The policies are consistent with the previous year. The principal accounting policies are set out below.

**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. 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.

**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' and as such, the financial statements do not disclose transactions with other group companies.

**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 in accordance with FRS 19, 'Deferred tax'. 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 probable that the asset will be recovered. 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 by the balance sheet date. Deferred tax balances are not discounted.

**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.

**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.

**2 Segmental information**

The geographical analysis of turnover by location of customer is

	Year ended 31 Dec 2010	Year ended 31 Dec 2009
	£000	£000
North America	81,816	84,628

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.

For the year ended 31 December 2010

<b>3 Operating loss</b>	<b>Year ended 31 Dec 2010 £'000</b>	<b>Year ended 31 Dec 2009 £'000</b>
Turnover	81,816	84,628
Cost of sales	(68,174)	(70,085)
Gross profit	13,642	14,543
Distribution costs	(14,099)	(14,310)
Administrative expenses	(319)	(825)
Operating loss	(776)	(592)

Audit fees relating to the year end are borne by the immediate parent company, Unipart Group Limited. The remuneration amounted to £5,000 (2009 - £5,000) for audit fees and £9,000 (2009 - £4,000) for taxation advice from the auditors.

**4 Staff numbers and costs**

Unipart North America does not have employees in its own right (2009 - nil). Services are provided 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 in respect of services provided to the Company (2009 - £nil).

<b>6 Interest receivable</b>	<b>Year ended 31 Dec 2010 £'000</b>	<b>Year ended 31 Dec 2009 £'000</b>
Receivable in respect of Parent company, fellow subsidiaries and other Group companies	27	5

<b>7 Tax on loss on ordinary activities</b>	<b>Year ended 31 Dec 2010 £'000</b>	<b>Year ended 31 Dec 2009 £'000</b>
<b>Current Tax</b>		
UK corporation tax on loss for the year	(214)	(186)
Foreign taxes	14	9
Adjustments in respect of prior periods	186	-
Total current tax	(14)	(177)
<b>Deferred Tax</b>		
Adjustments in respect of change in tax rates	19	-
Adjustments in respect of prior periods	(164)	(13)
Total deferred tax	(145)	(13)
<b>Tax on loss on ordinary activities</b>	<b>(159)</b>	<b>(190)</b>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 28% (2009 - 28%). The actual tax credit for the year and for the previous year were lower and higher respectively than the standard rates.

Deferred tax balances have been remeasured during the year as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantially enacted on 20 July 2010 and that will be effective from 1 April 2011.

Further reductions to the UK corporation tax rate were announced in the June 2010 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

	<b>Year ended 31 Dec 2010 £'000</b>	<b>Year ended 31 Dec 2009 £'000</b>
<b>Loss on ordinary activities before tax</b>	<b>(749)</b>	<b>(587)</b>
Loss on ordinary activities multiplied by standard rate in the UK 28% (2009 - 28%)	(210)	(164)
Effects of		
Foreign taxes	14	9
Permanent differences	(4)	(22)
Adjustments in respect of prior periods	186	-
Current tax charge for the year	(14)	(177)

<b>8 Stock</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Finished goods and goods for resale	17,875	20,329

<b>9 Debtors</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<i>Amounts falling due within one year</i>		
Trade debtors and bills receivable	6,819	6,448
Corporation tax	103	276
Other debtors	2	2
	6,924	6,726

<i>Amounts falling due after more than one year</i>		
Deferred tax	518	373

<b>Total debtors</b>	<b>7,442</b>	<b>7,099</b>
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<b>Deferred tax</b>	<b>2010</b>		<b>2009</b>	
	<b>Full potential</b>	<b>Amount</b>	<b>Full potential</b>	<b>Amount</b>
	<b>asset</b>	<b>recognised</b>	<b>asset</b>	<b>recognised</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Losses	518	518	373	373

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	373	360
Amounts credited to the profit and loss account in the year	145	13
At 31 December	518	373

The Company recognises all available deferred tax assets

<b>10 Creditors - amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	361	216
Trade creditors	424	416
Amounts owing to parent company	18,933	24,493
Amounts owing to fellow subsidiaries	2,604	1,636
Amounts owing to group undertakings	44	-
Other creditors	4,433	4,391
Accruals and deferred income	538	586
	27,337	31,738

Amounts owed 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 and those of group undertakings and are drawn under a working capital facility committed until 31 December 2013. Interest is chargeable at rates based on the base rate.

<b>11 Called up share capital</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>Number</b>	<b>Number</b>	<b>£'000</b>	<b>£'000</b>
<i>Ordinary equity shares of £1 each</i>				
Issued and fully paid	1	1	-	-

<b>12 Profit and loss and other reserves</b>	<b>Profit &amp; Loss</b>
	<b>reserve</b>
	<b>£'000</b>
At 1 January 2010	(1,083)
Loss for the financial year	(590)
At 31 December 2010	(1,673)

For the year ended 31 December 2010

<b>13 Reconciliation of movements in shareholders' funds</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the financial year	(590)	(397)
At 1 January	(1,083)	(686)
At 31 December	(1,673)	(1,083)

**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 2010 was £5.2 million (2009 - £11.9 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 company 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 company is Unipart Group Limited, a company registered in England and Wales.