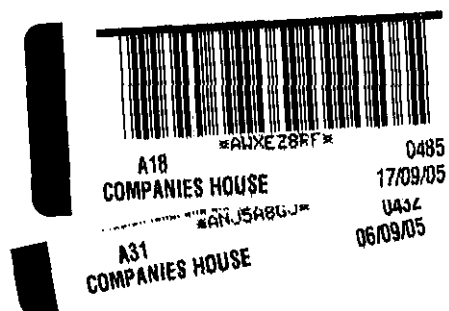


Registered No. 3588027 (England)

Unipart North America Limited

Report and Accounts

For the year ended 31 December 2004



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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

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For the year ended 31 December 2004

The directors present their report together with the financial statements for the year ended 31 December 2004 (the comparative figures cover the six month period to 31 December 2003).

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 (2003 - £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 or any of the Company's subsidiaries. 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.

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 interests of the 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	
	2004 Number	2003 Number	2004 Number	2003 Number
Beneficial Holdings				
P M Dessain	76,596	51,596	180,000	180,000
Non Beneficial Holdings				
P M Dessain	28,025	17,200	-	-

Ordinary shares under option	2004 Number	2003 Number
	2004 Number	2003 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:-

	2004 Number	2003 Number
'A' Ordinary shares of 0.5p each	15,190,202	14,300,460

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 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. 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 2004 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
Company Secretary

Oxford, 23 March 2005

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

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

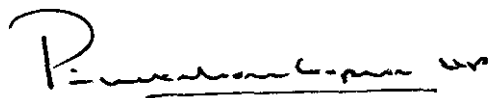
Basis of audit opinion

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Birmingham, 23 March 2005

Unipart North America Limited

Financial Statements

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Profit and loss account		Year ended 31 Dec 2004 £000	6 months ended 31 Dec 2003 £000
	Note		
Turnover	2	<u>126,564</u>	<u>67,335</u>
Operating profit/(loss)	3	360	(578)
Profit/(loss) on ordinary activities before taxation		<u>360</u>	<u>(578)</u>
Taxation on profit/(loss) on ordinary activities	7	(64)	22
Profit/(loss) for the financial year/period	12	<u>296</u>	<u>(556)</u>

The profit for the year relates to continuing operations.

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

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


Unipart North America Limited

Balance Sheet

At 31 December 2004

	Note	2004 £000	2003 £000
<i>Current assets</i>			
Stocks	8	28,031	25,436
Debtors - amounts falling due within one year	9	11,487	11,529
Cash at bank and in hand		10,832	5,914
		50,350	42,879
Creditors - amounts falling due within one year	10	(52,424)	(45,249)
<i>Net current liabilities</i>		(2,074)	(2,370)
<i>Total assets less current liabilities</i>		(2,074)	(2,370)
Net liabilities		(2,074)	(2,370)
<i>Capital and reserves</i>			
Called up share capital	11	-	-
Profit and loss account	12	(2,074)	(2,370)
Total equity shareholders' funds	13	(2,074)	(2,370)

The financial statements on pages 6 to 10 were approved by the board of directors on 23 March 2005 and were signed on its behalf by



P M DESSAIN - Director

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

1 Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. A summary of the principal accounting policies, which have been applied consistently, is given in the following paragraphs.

Accounting convention

The financial statements are prepared under the historical cost convention.

Comparative figures

The comparative figures represent the results for the six months ended 31 December 2003, being the previous accounting period.

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.

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, in accordance with FRS 19. 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. 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.

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. Rental income from operating leases is recognised on a straight-line basis over the period of the lease. Turnover excludes VAT and other sales taxes.

Notes to the financial statements (continued)

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For the year ended 31 December 2004

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 2004	6 months ended 31 Dec 2003
	£000	£000
North America	126,564	67,335

3 Operating profit/(loss)

	Year ended 31 Dec 2004	6 months ended 31 Dec 2003
	£000	£000
Turnover	126,564	67,335
Cost of sales	(109,648)	(58,784)
Gross profit	16,916	8,551
Distribution costs	(15,980)	(8,460)
Administrative expenses	(576)	(669)
Operating profit/(loss)	360	(578)

All administrative expenses, including auditors' remuneration, are 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 UGC Limited.

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/(loss) on ordinary activities

	Year ended 31 Dec 2004	6 months ended 31 Dec 2003
	£000	£000
<i>Current Tax:</i>		
UK Corporation Tax at 30% (2003 - 30%) for the financial year/period	(98)	173
Adjustment in respect of prior periods	44	-
Foreign taxes	(10)	(151)
Tax (charge)/credit on profit/(loss) on ordinary activities	(64)	22

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 30% (2003 - 30%). The actual tax charge for the year and the prior period differ from the standard rate. The principal reconciling items are illustrated below:

	Year ended 31 Dec 2004	6 months ended 31 Dec 2003
	£000	£000
Profit/(loss) on ordinary activities before tax	360	(578)
Profit/(loss) before tax multiplied by the UK tax rate of 30%	(108)	173
Foreign taxes	-	(151)
Adjustments in respect of prior periods	44	-
Current tax (charge)/credit for the year/period	(64)	22

Unipart North America Limited

Notes to the financial statements (continued)

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For the year ended 31 December 2004

8 Stocks	2004 £000	2003 £000
Finished goods and goods for resale	28,031	25,436

9 Debtors	2004 £000	2003 £000
<i>Amounts falling due within one year:</i>		
Trade debtors and bills receivable	9,771	10,124
Corporation Tax	110	50
Other debtors	1,606	1,355
	11,487	11,529

10 Creditors - amounts falling due within one year	2004 £000	2003 £000
Trade creditors	177	1,463
Amounts owing to fellow subsidiaries	43,041	33,606
Taxation	123	-
Other creditors	8,406	9,289
Accruals and deferred income	677	891
	52,424	45,249

11 Called up share capital	2004 Number	2003 Number	2004 £	2003 £
<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 account	Total
	£000
At 1 January 2004	(2,370)
Profit for the financial year	296
At 31 December 2004	(2,074)

13 Reconciliation of movements in shareholders funds	2004 £000	2003 £000
Profit/(loss) for the financial year/period	296	(556)
At 1 January / 1 July	(2,370)	(1,814)
At 31 December	(2,074)	(2,370)

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 2004 was £26.7million (2003 - £28.3 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.