

Registered No 04330119 (England)

# **Unipart Logistics Limited**

## **Annual Report and Financial Statements**

*For the year ended 31 December 2011*

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## **Company Information**

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Directors	F W Burns P M Dessain A J Mourgue J M Neill M H Tonks
Secretary	M D Rimmer
Registered office	Unipart House Cowley Oxford OX4 2PG
Registered number	04330119
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 2011

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The directors present their report together with the audited financial statements for the year ended 31 December 2011

### **Principal activity and review of business**

The principal activity of Unipart Logistics Limited ("the Company") is the development, implementation and operation of supply chain solutions in the logistics and distribution market in partnership with its customers. The directors are satisfied with the financial performance and position of the Company and anticipate similar levels of activity in the coming financial year.

The Company is a subsidiary 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 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. A dividend of £5,000,000 (2010 - £nil) was paid on 31 December 2011 to the Company's sole shareholder, Unipart Group Limited.

### **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. Accordingly, 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 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 board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements, which are shown on pages 6 to 13.

### **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 prepared 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.

**Directors' Report** (continued)  
For the year ended 31 December 2011

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**Statement of directors' responsibilities (continued)**

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

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 director 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, 6 March 2012  
Registered No 04330119 (England)

## **Independent Auditors' Report to the Members of Unipart Logistics Limited**

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We have audited the financial statements of Unipart Logistics Limited for the year ended 31 December 2011 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2011 and of its profit 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.

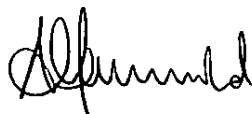
### **Opinion on other matters prescribed by the Companies Act 2006**

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, 6 March 2012

## Financial Statements

### Profit and Loss Account

For the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
<b>Turnover</b>	2	<b>288,388</b>	263,130
<b>Operating profit</b>	3	<b>2,631</b>	2,969
Net interest payable	6	(344)	(286)
<b>Profit on ordinary activities before tax</b>		<b>2,287</b>	2,683
Tax on profit on ordinary activities	7	(677)	(752)
<b>Profit for the financial year</b>	15	<b>1,610</b>	1,931

The results for the year relate to continuing operations

There is no difference between the profit on ordinary activities before taxation and the profit 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 13 form part of these financial statements

**Unipart Logistics Limited**


## Financial Statements (continued)

### Balance Sheet

As at 31 December 2011

	Note	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Investments	9	379	379
<b>Current assets</b>			
Stocks	10	1,899	1,951
Debtors - amounts falling due within one year	11	38,481	37,552
Debtors - amounts falling due after more than one year	11	3,079	3,798
Cash at bank and in hand		1,128	168
		<b>44,587</b>	<b>43,469</b>
Creditors - amounts falling due within one year	12	(28,153)	(23,265)
<b>Net current assets</b>		<b>16,434</b>	<b>20,204</b>
<b>Total assets less current liabilities</b>		<b>16,813</b>	<b>20,583</b>
Creditors - amounts falling due after more than one year	13	(3,262)	(3,642)
<b>Net assets</b>		<b>13,551</b>	<b>16,941</b>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Profit and loss reserve	15	13,551	16,941
<b>Total shareholders' funds</b>	16	<b>13,551</b>	<b>16,941</b>

Approved by the Board on 6 March 2012 and signed on its behalf by



**F W BURNS - Director**

**Unipart Logistics Limited**  
Registered No 4330119

The notes on pages 8 to 13 form part of these financial statements

**Unipart Logistics 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.

**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, Unipart Group of Companies Limited, a company registered in England and Wales.

**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 selling and distribution costs. Provision is made for obsolete, slow-moving or defective items where appropriate.

**Lease accounting**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases where the Company acts as the lessor are presented as a receivable at an amount equal to the net investment in the lease. Rental payments received by the Company under the finance leases are apportioned between the finance charge and the reduction of the outstanding obligation. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the finance lease. The finance charge from the lease is recognised within interest receivable in each accounting period. Rentals relating to the reduction of the outstanding obligation are recognised through revenue over the term of the lease. Normal selling losses are recognised through costs of sales on inception of the lease.

Where the Company acts as lessee of assets for the purposes of onward leasing as a lessor, the tangible fixed asset is not recognised and as such no depreciation charge is required. The liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against finance income.

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

**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 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. Estimates are used in certain instances in revenue recognition.

# **1 Accounting policies (continued)**

## **Investments**

Investments are stated at cost less provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

## **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.

## **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 Turnover**

The directors consider that the Company operates in one business segment, the provision of logistics and distribution services principally from the United Kingdom, where all operations and net assets are controlled and thus where turnover originates and profit arises.

# **3 Operating profit**

	Year ended 31 Dec 2011	Year ended 31 Dec 2010
	£'000	£'000
Turnover	288,388	263,130
Cost of sales	(285,757)	(260,161)
Operating profit	2,631	2,969

## **Operating profit is stated after charging:**

	Year ended 31 Dec 2011	Year ended 31 Dec 2010
	£'000	£'000
Operating lease charges - other	2,212	2,182

Auditors' remuneration is borne by the parent company, Unipart Group Limited, a subsidiary of the Unipart Group of Companies. The remuneration amounted to £8,000 in respect of audit fees (2010 - £5,000) and £10,000 in respect of other services relating to taxation (2010 - £9,000) on behalf of the Company.

# **4 Staff numbers and costs**

The Company does not have any employees in its own right. Employees are all employed and paid through Unipart Group Limited, the parent company and all applicable disclosures are made in those financial statements. Recharges for employees are made by Unipart Group Limited to the Company and these are included in cost of sales.

# **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 (2010 - £nil).

For the year ended 31 December 2011

<b>6 Net interest payable</b>	<b>Year ended 31 Dec 2011 £'000</b>	<b>Year ended 31 Dec 2010 £'000</b>
<i>Receivable in respect of</i>		
Trade bills, bank and other short-term deposits	-	12
Finance lease interest received	21	13
Interest receivable	21	25
<i>Payable in respect of</i>		
Amounts payable to fellow subsidiaries	(261)	(157)
Finance lease interest paid	(104)	(154)
Interest payable	(365)	(311)
<b>Net interest payable</b>	<b>(344)</b>	<b>(286)</b>

<b>7 Tax on profit on ordinary activities</b>	<b>Year ended 31 Dec 2011 £'000</b>	<b>Year ended 31 Dec 2010 £'000</b>
<i>Current Tax</i>		
UK corporation tax on profits of the year	606	751
UK corporation tax in respect of prior periods	71	1
<b>Tax charge on profit on ordinary activities</b>	<b>677</b>	<b>752</b>

The standard effective rate of tax for the year, based on the UK standard rate of corporation tax, is 26.5% (2010 - 28%). The actual tax charge for the previous year differed to the standard rate. The principal reconciling items are set out below

	<b>Year ended 31 Dec 2011 £'000</b>	<b>Year ended 31 Dec 2010 £'000</b>
<b>Profit on ordinary activities before tax</b>	<b>2,287</b>	<b>2,683</b>
Profit on ordinary activities multiplied by standard effective rate in the UK 26.5% (2010 - 28%)	606	751
Adjustments in respect of prior years	71	1
<b>Current tax charge for the year</b>	<b>677</b>	<b>752</b>

Further reductions to the UK corporation tax rate were announced in the March 2011 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 23% 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>8 Dividends</b>	<b>Year ended 31 Dec 2011 £000</b>	<b>Year ended 31 Dec 2010 £000</b>
Final dividend paid £5,000,000 per share, (2010 - nil)	5,000	-

<b>9 Fixed asset investments</b>	<b>£'000</b>
<i>Cost and net book value</i>	
<b>At 1 January 2011 and 31 December 2011</b>	<b>379</b>

The investment in subsidiary undertaking represents the Company's interest in 100% of the ordinary share capital of Unipart Logistics (Suzhou) Trading Co. Limited, incorporated in China, and 99% of the ordinary share capital of Unipart Services India Private Limited, incorporated in India. Both companies carry out general logistics and consultancy.

**Notes to the Financial Statements** (continued)

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For the year ended 31 December 2011

<b>10 Stocks</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Finished goods and goods for resale	<b>1,899</b>	<b>1,951</b>

<b>11 Debtors</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<i>Amounts falling due within one year</i>		
Trade debtors and bills receivable	<b>10,128</b>	9,761
Amounts owed by parent company	<b>13,907</b>	12,082
Amounts receivable under finance leases	<b>719</b>	719
Prepayments and accrued income	<b>13,727</b>	14,990
	<b>38,481</b>	<b>37,552</b>
<i>Amounts falling due after more than one year</i>		
Amounts receivable under finance leases	<b>3,079</b>	3,798
<b>Total debtors</b>	<b>41,560</b>	<b>41,350</b>

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

Amounts receivable under finance leases comprises	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<i>Total amounts receivable</i>		
Within 1 year	<b>719</b>	719
Between 2 - 5 years	<b>3,079</b>	3,798
	<b>3,798</b>	<b>4,517</b>

Rentals receivable during the year under finance leases amounted to £719,000 (2010 - £3,124,000). The cost of assets acquired during the year for on-wards finance leasing was £nil (2010 - £2,331,000).

<b>12 Creditors - amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	<b>983</b>	107
Corporation tax	<b>677</b>	752
Other taxes and social security costs	<b>16,728</b>	12,740
Amounts payable under finance leases	<b>851</b>	798
Other accruals and deferred income	<b>8,914</b>	8,868
	<b>28,153</b>	<b>23,265</b>

For the year ended 31 December 2011

<b>13 Creditors - amounts falling due after more than one year</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	2,782	2,311
Amounts payable under finance leases	480	1,331
	<b>3,262</b>	<b>3,642</b>

**Finance lease obligations**

Future minimum payments under finance leases are as follows

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	902	902
Between two to five years	484	1,387
Total gross payments	1,386	2,289
Less finance charges included above	(55)	(160)
Total due under finance leases	<b>1,331</b>	<b>2,129</b>

<b>14 Called up share capital</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Number</b>	<b>Number</b>	<b>£'000</b>	<b>£'000</b>
Ordinary shares of £1 each				
Issued and fully paid	1	1	-	-

**15 Profit and loss reserve**

	<b>Total</b>
	<b>£'000</b>
At 1 January 2011	16,941
Profit for the financial year	1,610
Dividends paid	(5,000)
<b>At 31 December 2011</b>	<b>13,551</b>

**16 Reconciliation of movements in total shareholders' funds**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	1,610	1,931
Dividends paid	(5,000)	-
At 1 January	16,941	15,010
<b>At 31 December</b>	<b>13,551</b>	<b>16,941</b>

**17 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 and overdrafts provided to certain fellow subsidiary undertakings. The amount outstanding under such arrangements at 31 December 2011 was £3.0 million (2010 - £5.2 million).

For the year ended 31 December 2011

**18 Operating lease commitments**

At 31 December 2011 the Company had annual commitments under non-cancellable operating leases expiring as follows

	Land and buildings	
	2011	2010
	£'000	£'000
- within one year	10	-
- after one year but within five years	1,414	1,394
- after five years	788	788
	<b>2,212</b>	<b>2,182</b>

**19 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.

**20 Principal undertakings**

At 31 December 2011	Country of incorporation	% holding of equity capital	Principal activity
Unipart Logistics (Suzhou) Trading Co. Ltd	China	100	marketing, sales and distribution of automotive parts and components
Unipart Services India Private Limited	India	99	