

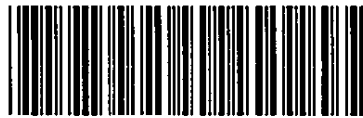
Registered No 4330119 (England)

Unipart Logistics Limited

Annual Report and Financial Statements

For the year ended 31 December 2009

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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

4330119

Statutory Auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Directors' Report

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For the year ended 31 December 2009

The directors present their report together with the audited financial statements for the year ended 31 December 2009

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 distribution and logistics market in partnership with its customers. 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 (2008 - £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. 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 with the exception of Mr M H Tonks who was appointed on 21 January 2009. 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 12.

Auditors

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

Employees

The Company continues to involve employees in decision-making processes and communicates with staff on various areas, including economic and financial factors affecting the Company through regular briefings, employee forums, on-site training and our in-house online and DVD programme, Grapevine. Staff involvement in the Company's performance is encouraged via employee bonus and share schemes. The Company's aim for members of staff and applicants for employment is to fit the qualifications, aptitude and ability of each individual to the appropriate job, and to provide equal opportunity regardless of sex, religion or ethnic origin. The Company does all that is practicable to meet its responsibility towards the employment and training of disabled people. Where an employee becomes disabled every effort is made to provide continuity of employment in the same job or a suitable alternative.

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.

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, 8 April 2010

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 2009 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 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 2009 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 matter 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.



Adrian Walters BSc ACA (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham, 8 April 2010

Financial Statements

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Profit and Loss Account

For the year ended 31 December 2009

	Note	2009 £000	2008 £000
Turnover	2	250,119	220,176
Operating profit	3	3,795	628
Net interest payable	6	(363)	(483)
Profit on ordinary activities before tax		3,432	145
Tax on profit on ordinary activities	7	(961)	(12)
Profit for the financial year	14	2,471	133

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 12 form part of these financial statements

Unipart Logistics Limited

Balance Sheet

As at 31 December 2009

	Note	2009 £000	2008 £000
Fixed assets			
Investments	8	124	-
Current assets			
Debtors - amounts falling due within one year	9	23,850	26,886
Debtors - amounts falling due after more than one year	9	4,529	5,310
Cash at bank and in hand		5,632	641
		34,011	32,837
Creditors - amounts falling due within one year	10	(16,995)	(17,420)
Net current assets		17,016	15,417
Total assets less current liabilities		17,140	15,417
Creditors - amounts falling due after more than one year	11	(2,130)	(2,878)
Net assets		15,010	12,539
Capital and reserves			
Called up share capital	13	-	-
Profit and loss reserve	14	15,010	12,539
Total shareholders' funds	15	15,010	12,539

Approved by the Board on 8 April 2010 and signed on its behalf by


F W BURNS - Director

Unipart Logistics Limited
Registered No 4330119

The notes on pages 8 to 12 form part of these financial statements

Unipart Logistics Limited

Notes to the Financial Statements

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For the year ended 31 December 2009

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. 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'.

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.

Long term contracts

Profit includes the results attributable to long term contracts in progress where a profitable outcome can prudently be foreseen, after making provision for foreseeable future costs. The amount by which provisions for foreseeable future costs exceed costs incurred, after transfers to cost of sales, is included within either provisions for liabilities and charges or creditors, as appropriate.

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 on the retranslation at closing rates of the opening balance sheets of overseas activities, together with the period end adjustment to closing rates of profit and loss accounts translated at average rates, are taken to reserves. 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 principally used when accounting for pension costs and in certain instances in revenue recognition.

Notes to the financial statements (continued)

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For the year ended 31 December 2009

1 Accounting policies (continued)

Investments

Investments are stated at cost less provision for impairment. Investments are assessed for impairment on an annual basis by comparing the net book amount of investments with the net assets of the businesses to which they relate.

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 distribution and logistics 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 2009	Year ended 31 Dec 2008
	£000	£000
Turnover	250,119	220,176
Cost of sales	(246,324)	(219,548)
Operating profit	3,795	628

	Year ended 31 Dec 2009	Year ended 31 Dec 2008
	£000	£000
Operating profit is stated after charging:		
Lease of land and buildings	2,105	1,977

Auditors' remuneration is borne by Unipart Group Limited, a fellow subsidiary of the Unipart Group of Companies. The remuneration amounted to £5,000 in respect of audit fees (2008 – £1,000) and £4,000 in respect of other services relating to taxation (2008 – £nil) 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, a fellow subsidiary undertaking 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.

Notes to the Financial Statements (continued)

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For the year ended 31 December 2009

6 Net interest payable	Year ended 31 Dec 2009	Year ended 31 Dec 2008
	£000	£000
<i>Receivable in respect of</i>		
Trade bills, bank and other short-term deposits	-	67
Finance lease interest received	13	191
Interest receivable	13	258
<i>Payable in respect of</i>		
Amounts payable to fellow subsidiaries	(176)	(632)
Finance lease interest paid	(200)	(109)
Interest payable	(376)	(741)
Net interest payable	(363)	(483)

7 Tax on profit on ordinary activities	Year ended 31 Dec 2009	Year ended 31 Dec 2008
	£000	£000
<i>Current Tax</i>		
UK Corporation Tax on profits of the year	961	42
UK Corporation Tax in respect of prior periods	-	(30)
Tax charge on profit on ordinary activities	961	12

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 28% (2008 - 28.5%)
The actual tax charge for the previous year differed to the standard rate. The principal reconciling items are set out below

	Year ended 31 Dec 2009	Year ended 31 Dec 2008
	£000	£000
Profit on ordinary activities before tax	3,432	145
Profit on ordinary activities multiplied by standard rate in the UK 28% (2008 - 28.5%)	961	41
Permanent differences	-	1
Adjustments in respect of prior years	-	(30)
Current tax charge for the year	961	12

8 Fixed asset investments	£000
<i>Cost and net book value</i>	
At 1 January 2009	-
Additions	124
At 31 December 2009	124

The investment in subsidiary undertaking represents the Company's interest in 100% of the share capital of Unipart Logistics (Suzhou) Trading Co Limited, a company incorporated in China which carries out general commodity trading, logistics and consultancy

Notes to the Financial Statements (continued)

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For the year ended 31 December 2009

9 Debtors	2009	2008
	£000	£000
<i>Amounts falling due within one year</i>		
Trade debtors and bills receivable	7,357	11,846
Amounts owed by parent company	4,773	-
Other debtors	-	21
Amounts receivable under finance leases	707	664
Prepayments and accrued income	11,013	14,355
	23,850	26,886

<i>Amounts falling due after more than one year</i>		
Amounts receivable under finance leases	4,529	5,310
	4,529	5,310

Total debtors	28,379	32,196
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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	2009	2008
	£000	£000

<i>Total amounts receivable</i>		
Within 1 year	707	664
Between 2 - 5 years	4,529	5,310
	5,236	5,974

Rentals receivable during the year under finance leases amounted to £2,337,000 (2008 - £1,558,000). The cost of assets acquired during the year for onwads finance leasing was £4,998,000.

10 Creditors - amounts falling due within one year	2009	2008
	£000	£000
Bank loans and overdrafts	-	5
Trade creditors	150	2,374
Amounts owing to parent company	-	1,508
Corporation tax	961	12
Other taxes and social security costs	9,440	10,500
Amounts payable under finance leases	748	702
Accrual for future costs on contract setup	-	1,554
Other accruals and deferred income	5,696	765
	16,995	17,420

11 Creditors - amounts falling due after more than one year	2009	2008
	£000	£000
Amounts payable under finance leases	2,130	2,878

12 Finance lease obligations

Future minimum payments under finance leases are as follows

	2009	2008
	£000	£000
Within one year	902	902
Between two to five years	2,289	3,191
Total gross payments	3,191	4,093
Less finance charges included above	(313)	(513)
Total due under finance leases	2,878	3,580

Unipart Logistics Limited

Notes to the Financial Statements (continued)

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For the year ended 31 December 2009

13 Called up share capital	2009 Number	2008 Number	2009 £	2008 £
<i>Ordinary shares of £1 each</i>				
Issued and fully paid	1	1	1	1
Authorised	10,000	10,000	10,000	10,000

14 Profit and loss reserve	Total £000
At 1 January 2009	12,539
Profit for the financial year	2,471
At 31 December 2009	15,010

15 Reconciliation of movements in total shareholders' funds	2009 £000	2008 £000
Profit for the financial year	2,471	133
At 1 January	12,539	12,406
At 31 December	15,010	12,539

16 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 2009 was £11.9 million (2008 - £25.2 million).

17 Operating lease commitments

At 31 December 2009 the Company had annual commitments under non-cancellable operating leases expiring as follows

	Land and buildings	
	2009 £000	2008 £000
- within one year	-	-
- after one year but within five years	1,394	260
- after five years	785	1,922
	2,179	2,182

18 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.