

Registered number: 04330119

Unipart Logistics Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2021

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Unipart Logistics Limited

Company Information

Directors	F W Burns D P Leigh A R Leung J M Neill I W D Truesdale C J Weldon
Company Secretary	T Russell
Registered number	04330119
Registered office	Unipart House Cowley Oxford Oxfordshire OX4 2PG
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham B3 3AX

Unipart Logistics Limited

Contents

	Page(s)
Strategic Report	1 - 4
Directors' Report	5 - 8
Independent Auditors' Report	9 - 12
Statement of Comprehensive Income	13
Balance Sheet	14
Statement of Changes in Equity	15
Notes to the Financial Statements	16 - 27

Business review and future developments

The directors present their strategic report on the company for the year ended 31 December 2021.

Unipart Logistics Limited ("the Company") develops, implements and operates supply chain solutions in the logistics and distribution market in partnership with its customers.

The directors are satisfied with the underlying trading performance and position of the Company for the reporting period. The outlook and focus for the Company is dominated by the continued implications of Covid-19. The directors are closely monitoring the potential implications as economies adjust post-pandemic and the impact that will have on the performance of the Company's interests for the coming year. The directors have undertaken a review of the potential impacts that Covid-19 will have on the Company in 2022, further details of which are reported in the Directors' Report, and the directors are confident that they have a robust business plan that can withstand the economic challenges that may result from the pandemic.

The Company is a subsidiary of the Unipart Group of Companies ("the Group"). The strategic objectives of the Company are aligned with those of the Group. Further details on the strategy and performance of the Group, including key performance indicators, can be found in the Chairman's Statement, the Strategic and Operating Review and the Financial Review in the 2021 Annual Report of Unipart Group of Companies Limited, which does not form part of this report.

Principal risks and uncertainties

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 included those of the Company, are discussed in the Financial Review in the 2021 Annual Report of Unipart Group of Companies Limited, which does not form part of this report.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effect of price risk, credit risk, interest risk and cash flow risk. The financial risks of the Company are managed centrally by the Group's treasury department. The exposure of the Group, which includes that of the Company, is discussed in the Strategic, Operating and Financial Review in the 2021 Annual Report of Unipart Group of Companies Limited, which does not form part of this report.

Stakeholder Engagement

The directors set out their section 172(1) statement in accordance with the Companies Act 2006 in relation to stakeholder engagement for the year ended 31 December 2021.

The Board recognises that the long-term success of the Unipart Group is strongly correlated to a positive interaction with all of its stakeholders. Effective engagement allows the Board to understand relevant stakeholder views on material issues which may impact the business and helps to inform the Board's decision making. Stakeholder engagement is ultimately managed and owned by the Unipart Group Board Directors, but takes place at all levels within the organisation.

At the heart of our engagement is The Unipart Way, our Group philosophy, which is led from the boardroom. Principle 4 of The Unipart Way, 'We manage with a long term view', guides the Board's thinking, encouraging the adoption of strategic initiatives, rather than short term gains. This includes the directors' engagement with each of its stakeholders.

Stakeholder engagement (continued)

Unipart's latest Corporate Responsibility Strategy is published on our website and sets out how the Group plans to engage with its customers, suppliers, people and communities in a mutually sustainable manner. We always aim to act fairly across all our stakeholders and create a longstanding reputation as a Group where people want to work, customers want to give us their business and suppliers want to provide us their services, whilst at the same time ensuring the Group maintains the highest levels of ethical standards and support for its community and environment.

This report identifies some of our key stakeholders and explains how our businesses interact with them in order to promote the success of the Unipart Group for the stakeholders as a whole.

Employees

Our employees are critical to the delivery of our strategy and the future growth of the business. The directors empower each colleague throughout the business, encouraging each to solve problems at their own level. Through a wide range of training and development programmes, such as the Gate to Great journeys, we are able to develop our people so that we can promote from within and provide long term and fulfilled careers across the Group.

The Mark In Action award ceremonies are held six times each year, even during the pandemic when they were held online, and celebrate our employees who have demonstrated outstanding customer service. Each and every one of these events have been led and presented by the Group Chief Executive for more than 30 years, with over 3,400 awards presented to date.

The directors also engage with employees in a number of formal and informal ways, including Management Brief newsletters, our in-house news programme, Grapevine, and the bi-annual Leadership Conference led by the Chairman and Group Chief Executive. In addition, the directors meet sector specific operating committees on a regular basis, and will frequently take the opportunity to engage with the employees on site visits. The Chairman and Group Chief Executive has hosted a series of digital philosophy courses, which all employees have been invited to attend.

Employee engagement is a key metric for the Group and the results from the annual employee engagement survey are fed back to the Group Leadership Team. The directors have supported the group-wide employee wellbeing strategy, Unipart Lifeworks, which amongst other features provides free support to employees for personal health, financial and counselling matters.

Customers

The Board of Directors support our business by engaging with our future, new and existing customers. We strive to develop enduring partnerships with our customers and drive continuous improvement and innovation into our operations to drive long term relationships across each of our businesses. To achieve this, the directors take time to understand the real and perceived needs of our customers, which they do through actively maintaining close relationships and engaging in regular customer surveys and feedback programmes. Continuous improvement is at the heart of our operations, driving out waste and improving efficiencies for our customers.

Suppliers

The core of Unipart's business is managing complex supply chain solutions for our customers and therefore it is essential to work with our suppliers in an ethical manner. We engage closely with suppliers, because we rely on them to provide us with products and services which meet our stringent quality and performance requirements, which in turn allows us to fulfil our commitments to our customers. This engagement will be at an operational level on a day-to-day basis to ensure that our expectations are met from a quality and delivery perspective or at director level in relation to more strategic discussions. The Group has instilled a culture of ensuring we pay suppliers in line with commercially agreed payment terms.

Long-term agreements are entered into with key suppliers where appropriate and performance targets are regularly agreed with suppliers to align with our drive for continuous improvement. We have strong codes of conduct in relation to Anti-Bribery and Corruption, Competition Law, Human Trafficking and Modern Slavery and Criminal Finances legislation, this zero-tolerance culture being driven by the Board of Directors.

Shareholders and Pension Trustees

The Group's largest shareholder is UGC Pension Funding LP, a Limited Partnership whose shareholdings are beneficially held on behalf of the Group's main defined benefit pension schemes. As such the directors are actively involved in Pension Trustee meetings, with a number holding positions as Employer Nominated Trustees on the independent Trustee Boards. In addition, the Group Chief Financial Officer will regularly update the Trustee Boards on the Company's performance and future projections.

A large proportion of the remaining shareholders of the Unipart Group are existing, former or retired employees who receive updates from the directors through the employee communications referred to earlier. The key formal interaction with shareholders is through the Annual Report & Accounts, which is distributed to all shareholders with a letter from the Chairman & Group Chief Executive. Any questions are invited to be made to the Group Company Secretary.

Our community and the environment

We recognise that each of our businesses has an important role to play in its local community. We also acknowledge the impact of our business on the wider society. The Group, led by the directors, has been actively engaged with its community and publishes its Corporate Responsibility Statement on the website. The Board is very proud of its success in achieving a variety of community and environmental awards, some of which are referred to in the Chairman's Statement and the Strategic and Operating Review, but we continue to seek out new ways to engage with our local communities and improve our environmental credentials. The Group is committed to reducing its carbon footprint and during 2021 signed up to the UN Race to Zero Campaign. These matters are regularly discussed by the directors at the Group Board and Group Leadership Team meetings.

Regulatory bodies

The Group aims to maintain the highest standards of conduct with each of the regulatory bodies that it engages with. It does not adopt aggressive policies aimed to maximise short term returns, instead the directors support a principled and moral way of doing business. We publish a number of our policies on our website including our zero tolerance to ethical matters such as bribery and corruption, along with maintaining transparent and fair policies with each of our stakeholders such as those reported in the Group Tax Strategy and Gender Pay Report. We maintain a regular dialogue with government bodies and regulators, and actively participate in various industry working groups and trade representative bodies. This enables us to engage in discussions regarding future policy development and planned regulatory changes, and to identify potential opportunities and risks for the business.

This report was approved by the Board and signed on its behalf.



C J Weldon
Director

20 July 2022

Unipart Logistics Limited

Directors' Report For the Year Ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Statement of directors' responsibilities in respect of the financial statements

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

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; 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.

The directors 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Results for the year

The results for the year are set out in the Statement of Comprehensive Income on page 13.

A dividend of £2,500,000 (2020: £4,000,000) was paid in the year.

Unipart Logistics Limited

Directors' Report For the Year Ended 31 December 2021

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

F W Burns
D P Leigh
A R Leung
J M Neill
I W D Truesdale (appointed 27 October 2021)
C J Weldon

There was no contract subsisting during the year or at the date of approval of the financial statements in which any director of the Company had a material interest; however, during the year and at the date of approval of the financial statements, a qualifying third party 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.

Future developments

A review of the business and an indication of likely future developments are included in the Strategic Report.

Financial risk management

Details of the financial risks of the Company are disclosed in the Strategic Report.

Impact of Covid-19

Since March 2020, there has been significant macro-economic uncertainty as a result of the Covid-19 crisis, the scale and duration of which inherently remains uncertain.

Since the start of the escalation of Covid-19 pandemic, the senior management team have been monitoring and reacting to the situation on a daily basis and have put in place contingency plans to safeguard the employees and mitigate the developing risks of this global pandemic. These contingency plans include ensuring employees receive appropriate guidance and clear communications, along with the necessary equipment and facilities to maintain a safe working environment. Additional hygiene supplies have been provided to help limit the spread of any infection, along with increased cleaning protocols of all locations. Both domestic and international business travel was scaled back very quickly and attendance at face-to-face business meetings throughout the year has been strongly discouraged. Where virtual meetings using digital technologies have not been possible or practical, clear guidelines have been set out with regards to social distancing and ventilation of meeting rooms. Many of our office employees were already able to work effectively from home and this has been enforced for all but essential working requirements throughout the year. The Group has also been working closely with both customers and suppliers to mitigate any disruption to supply chains and to support them as they navigate their way through the impacts on their businesses. These plans will continue to be adapted as the situation evolves.

Impact of Covid-19 (continued)

As a multi-national organisation primarily operating in the lesser impacted industry sectors, the Group was expected to be as resilient, if not more so, than many other companies across the world. Although we have experienced an impact on turnover and profits in some parts of the Group, the diversity of our operations has meant that we have been able to remain stable and present a robust platform from which to participate in the economic recovery.

After careful monitoring of the impact of Covid-19 throughout the year, the key financial risks that the directors have identified for the next financial year are:

- a decline in turnover due to customers' reduced volume demands; and
- increased levels of absenteeism.

A potential risk exists regarding working capital increases if customers delay payments, however, the Group has not experienced this so far during the pandemic.

The Group's banking headroom position and associated covenants have been stress tested for various scenarios relating to the key risks, looking in particular at the impact of varying levels of customers' reduced demand resulting in:

1. A repeat of the adverse financial impact as in 2021; and
2. Operating profits that are 30% lower than 2021.

These assessments have been reviewed and discussed by the Board of Directors, with consideration given to sensible mitigating actions that are readily available to the companies within the Group. The directors have considered the commercial mechanisms in place with customers and suppliers, along with the ability, if required, for the business to scale down costs according to the reduced demand. Whilst these are unprecedented times, being able to efficiently manage costs in line with fluctuating volumes is a fundamental part of the offering the Group already provides to many of its customers. Other mitigating options available include changing the timing of intragroup payments as well as the delaying of discretionary expenditure, which have each been considered and modelled. Furthermore, we have been able to redeploy colleagues from one site to another in line with volume demand due to the consistent use of The Unipart Way across each of our operations.

Based on this assessment, at the date of signing these financial statements, the Board has a reasonable expectation that the Company and Group has adequate resources to manage its way through the potential impacts of this pandemic and continue in operational existence for the foreseeable future.

The health and safety of our people remains our top priority. We continue to encourage each of our colleagues to get vaccinated to help protect themselves, their families and our colleagues against Covid-19 and have also offered free flu vaccines over the winter period to help protect our people further. The Company and Group will continue to monitor guidance issued from the various worldwide authorities as the global crisis progresses to ensure that our business remains well placed to respond to this ever-changing situation.

Going concern

In considering going concern, the directors have reviewed the cash flow requirements of the Group, both under normal circumstances and reflecting the current assessment of the severe but plausible downside scenarios in light of the Covid-19 pandemic. The Company and Group has access to long-term borrowing facilities, which the directors anticipate being available on a continuing basis. Based on these assessments, 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 13 - 27.

Unipart Logistics Limited

**Directors' Report
For the Year Ended 31 December 2021**

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. This report was approved by the Board on 20 July 2022 and signed on its behalf by:



C J Weldon

Director

20 July 2022

Registered number: 04330119

Report on the audit of the financial statements

Opinion

In our opinion, Unipart Logistics Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements; the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**Independent Auditors' Report to the Members of Unipart Logistics Limited
For the Year Ended 31 December 2021**

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK employment legislation and taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of unusual journals to revenue or the manipulation of accounting estimates which could be subject to management bias. Audit procedures performed by the engagement team included:

- Understanding and evaluating the key elements of the Unipart group's internal control related to estimates;
- Reviewing accounting estimates for bias and validating the support behind the assumptions and judgements made by management including challenging against possible alternatives;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Reviewing legal expense accounts, board minutes and in-house legal counsel documentation;
- Reading the minutes of the Board meetings to identify any inconsistencies with other information provided by management;
- Substantive testing of manual journal entries, particularly focused around the year end and journals which have unexpected account relationships;
- Incorporating elements of unpredictability.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Unipart Logistics Limited

**Independent Auditors' Report to the Members of Unipart Logistics Limited
For the Year Ended 31 December 2021**

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Matthew Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Birmingham
20 July 2022

Unipart Logistics Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2021**

		2021	2020
		£000	£000
Turnover	Note 5	210,818	195,059
Cost of Sales		(199,641)	(180,943)
Gross profit		11,177	14,116
Administrative expenses		(4,946)	(6,127)
Other operating income	6	65	72
Operating profit	7	6,296	8,061
Income from other fixed asset investments	15	524	-
Interest receivable and similar income	10	6	21
Interest payable and similar expenses	11	(33)	(110)
Profit before taxation		6,793	7,972
Tax on profit	12	(1,243)	(1,518)
Profit after taxation		5,550	6,454

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of Comprehensive Income.

The notes on pages 16 to 27 form part of these financial statements.

Unipart Logistics Limited

Balance Sheet
As at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	80	-
Investments	15	390	390
		<u>470</u>	<u>390</u>
Current assets			
Stocks	16	38	128
Debtors: amounts falling due after more than one year	17	94	177
Debtors: amounts falling due within one year	18	61,283	57,442
Cash at bank and in hand		81	79
		<u>61,496</u>	<u>57,826</u>
Creditors: amounts falling due within one year	19	<u>(33,624)</u>	<u>(31,323)</u>
Net current assets		27,872	26,503
Total assets less current liabilities		28,342	26,893
Creditors: amounts falling due after more than one year	20	(9,612)	(11,213)
Net assets		18,730	15,680
Capital and reserves			
Called up share capital	22	-	-
Profit and loss account	23	18,730	15,680
Total shareholder's funds		18,730	15,680

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 20 July 2022.



C J Weldon
Director

The notes on pages 16 to 27 form part of these financial statements.

Registered number: 04330119

Unipart Logistics Limited**Statement of Changes in Equity
For the Year Ended 31 December 2021**

	Called up share capital £000	Profit and loss account £000	Total shareholder's funds £000
At 1 January 2021	-	15,680	15,680
Profit for the financial year	-	5,550	5,550
Dividends paid	-	(2,500)	(2,500)
As at 31 December 2021	-	18,730	18,730

**Statement of Changes in Equity
For the Year Ended 31 December 2020**

	Called up share capital £000	Profit and loss account £000	Total shareholder's funds £000
At 1 January 2020	-	13,226	13,226
Profit for the financial year	-	6,454	6,454
Dividends paid	-	(4,000)	(4,000)
As at 31 December 2020	-	15,680	15,680

The notes on pages 16 to 27 form part of these financial statements.

Unipart Logistics Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1 General information

The Company is a trading company within the United Kingdom.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Unipart House, Cowley, Oxford, Oxfordshire, OX4 2PG.

2 Statement of compliance

The financial statements of Unipart Logistics Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Basis of accounting

At the date of signing these accounts, the Company is closely monitoring the continuing implications of Covid-19. As reported in more detail in the Directors' Report, various stress test scenarios have been assessed to evaluate the impact that this global pandemic may have on the Company's performance in the coming financial year. The financial resilience tests take into account the significant long-term borrowing facilities available for the Company and the Group. Based on the outcomes of those financial resilience tests, the Board is of the view that the Company and Group will have sufficient headroom available to finance both the ongoing activities of the Company and manage its way through the reasonably foreseeable potential impacts of this pandemic. As a result, the financial statements have been prepared on the going concern basis, under the historical cost basis of accounting, including FRS 102 and the Companies Act 2006.

The presentation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.2 Consolidated financial statements

The Company is a wholly owned subsidiary of Unipart Group Limited and of its ultimate parent, Unipart Group of Companies Limited. It is included in the consolidated financial statements of Unipart Group of Companies Limited, which are publicly available. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements are the Company's individual financial statements.

3 Accounting policies (continued)

3.3 Cash flow statement

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a cash flow statement, on the basis that it is a qualifying entity and its ultimate parent company, Unipart Group of Companies Limited, includes the Company's cash flows in its own consolidated financial statements.

3.4 Turnover

Income is recognised as the fair value of consideration receivable on goods and services supplied during the year, including amounts received and receivable on management fee contracts.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, with provision for impairment where considered appropriate. The cost of purchased assets is the value of consideration given to acquire the assets and value of other directly attributable costs that are incurred in bringing the assets to the location and condition necessary for their intended use. Depreciation on the cost of tangible fixed assets is provided over the following periods on a straight-line basis, to write off the assets over their estimated useful lives from the date they are brought into use.

Plant and machinery	-	3 years
Motor Vehicles	-	3 years

3.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Impairment reviews are performed by the directors when there has been an indication of potential impairment.

3.7 Lease accounting

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

Assets held under finance leases where the Group 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 Group 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 Group'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 cost of sales on inception of the lease.

Operating lease rentals are charged to the Statement of Comprehensive Income on a straight line basis.

3 Accounting policies (continued)

3.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

3.9 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

3.10 Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.11 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. 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 the 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 or substantively enacted by the Balance Sheet date.

3.12 Financial instruments

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(c), from presenting disclosures in relation to financial instruments, on the basis that it is a qualifying entity and its ultimate parent company, Unipart Group of Companies Limited, includes the equivalent disclosures in its own consolidated financial statements.

3 Accounting policies (continued)

3.13 Key management personnel

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(e), from presenting disclosures in relation to key management personnel, on the basis that it is a qualifying entity and its ultimate parent company, Unipart Group of Companies Limited, includes the equivalent disclosures in its own consolidated financial statements.

3.14 Related party transactions

The Company is controlled by Unipart Group of Companies Limited. The Company has taken advantage, under FRS 102 paragraph 1.12(e), from disclosing transactions with other wholly owned Group companies.

4 Judgments in applying accounting policies and key sources of estimation uncertainty

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, particularly in relation to the adoption of the going concern assumption, accounting for pension costs, the valuation of investment properties and freehold and long leasehold land and buildings, the useful economic lives of fixed tangible and intangible assets, the recognition of provisions and the recognition of deferred tax assets. Actual results could differ from those estimates.

The financial statements have been prepared on the going concern basis, in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom.

In considering the going concern assumption, the directors have had to apply judgment in relation to the potential impact that the Covid-19 global pandemic might continue to have on the global and domestic economies the Company and Group operates in and its potential impact on the Group. In arriving at this judgment, projections have been prepared to model the financial resilience of the Company and Group to various scenarios resulting from continued impacts. The projections themselves require judgment and estimates regarding the potential recovery profile that the industry might experience and the impact it might have on the Company's and Group's profit and cash flow. The results of the financial resilience tests, and the mitigating actions that are available provide a reasonable expectation that the Company and Group has adequate resources to manage its way through the potential impacts of Covid-19. Therefore the directors continue to consider it appropriate to adopt the going concern assumption in preparing these financial statements. The directors have also concluded that, whilst there are uncertainties over the scale and duration of this pandemic, they do not lead the directors to consider that there are material uncertainties which cast significant doubt over the Company's and Group's ability to continue as a going concern. The Directors' Report includes more detail on the financial resilience testing undertaken.

Impairment reviews are performed by the directors when there has been an indication of potential impairment. See note 15 for the carrying value of fixed asset investments.

Unipart Logistics Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

5 Turnover

All turnover in the current and prior year relates to the provision of supply chain and logistics solutions.

An analysis of turnover by geographical location of customer is as follows:

	2021 £000	2020 £000
United Kingdom	191,165	178,220
Rest of Europe	19,148	16,655
Rest of World	505	184
	<u>210,818</u>	<u>195,059</u>

6 Other operating income

	2021 £000	2020 £000
Government Grants	65	72
	<u>65</u>	<u>72</u>

7 Operating profit

The operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Depreciation of tangible fixed assets	4	-
Amount of stock expensed	2,081	1,097
Operating lease rentals		
- plant and machinery	1,029	817
- land and buildings	4,418	4,529
Exchange differences	<u>(1)</u>	<u>(3)</u>

Audit fees relating to the current and prior year are borne by the immediate parent company, Unipart Group Limited.

8 Employees

The Company does not have any employees in its own right (2020: nil). Employees are all employed and paid through Unipart Group Limited, the immediate 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 and administrative expenses.

9 Directors' emoluments

The directors received their remuneration in respect of services to the Group as a whole and were not directly remunerated by the Company (2020: £nil). During the year, management recharges in respect of the directors' services totalling £164,000 (2020: £161,000) were charged to the Company from other Group companies.

Unipart Logistics Limited**Notes to the Financial Statements
For the Year Ended 31 December 2021****10 Interest receivable and similar income**

	2021	2020
	£000	£000
Interest receivable	<u>6</u>	<u>21</u>
	6	21

11 Interest payable and similar expenses

	2021	2020
	£000	£000
Bank loans and overdrafts	32	108
Other interest payable	-	2
Finance leases	<u>1</u>	<u>-</u>
	33	110

12 Tax on profit

	2021	2020
	£000	£000
Current tax		
UK corporation tax charge on profit for the year	1,243	1,515
Adjustments in respect of prior years	-	3
Total current tax	<u>1,243</u>	<u>1,518</u>
Tax on profit	1,243	1,518

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£000	£000
Profit before taxation	<u>6,793</u>	<u>7,972</u>
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	1,291	1,515
Effects of:		
Other adjustments	(48)	-
Adjustments in respect of prior years	-	3
Total tax charge for the year	<u>1,243</u>	<u>1,518</u>

12 Tax on profit (continued)**Factors that may affect future tax charges**

The Group has generated significant UK capital losses from disposals in previous years. Such losses will only be available to offset UK capital profits arising in future periods, such as gains arising on the future sale of freehold properties, and it is expected to be some time before these losses are relieved. Accordingly, the Group has not recognised a deferred tax asset in respect of these losses. As a consequence, the Group does not expect to incur any significant tax charges in respect of capital gains within the foreseeable future.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining reducing at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

13 Dividend

	2021 £000	2020 £000
Full dividend paid of £2,500,000 per share (2020: £4,000,000 per share)	2,500	4,000

14 Tangible assets

	Motor Vehicles £000	Plant and machinery £000	Total
Cost or valuation			
At 1 January 2021	-	919	919
Additions	84	-	84
At 31 December 2021	84	919	1,003
Accumulated depreciation			
At 1 January 2021	-	919	919
Charge for the year	4	-	4
At 31 December 2021	4	919	923
Net book value			
At 31 December 2021	80	-	80
At 31 December 2020	-	-	-

Unipart Logistics Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

15 Investments

	2021 £000	2020 £000
Cost and net book value		
At 1 January and 31 December 2021	<u>390</u>	<u>390</u>

The investment in subsidiary undertakings represents the Company's interest in 100% of the ordinary share capital of Unipart Logistics (Suzhou) Trading Co. Limited, a company incorporated in China, 100% of the ordinary share capital of Unipart Accelerated Logistics Limited, a company incorporated in England, 99% of the ordinary share capital of Unipart Services India Private Limited, a company incorporated in India, 100% of the ordinary share capital of Unipart Logistics (Single Shareholder) LLC, a company incorporated in Saudi Arabia, and 100% of the ordinary share capital of Unipart Logistics s.r.o., a company incorporated in the Czech Republic.

Income from investments in the year relates to a dividend of £240,000 from Unipart Services India Private Limited, a dividend of £34,000 from Unipart Logistics s.r.o and a dividend of £250,000 from Unipart Accelerated Logistics Limited.

The registered office address for Unipart Logistics (Suzhou) Trading Co. Limited is Room 901, 9th Floor, Xian Dai Logistics Tower, No.88 Xian Dai Avenue, Suzhou Industrial Park, China.

The registered office address for Unipart Accelerated Logistics Limited is Unipart House, Garsington Road, Cowley, Oxford, Oxfordshire, OX4 2PG.

The registered office address for Unipart Services India Private Limited is Office No. 224, Sector 30-A, Platinum Techno Park, Vashi, Navi Mumbai - 400703, Maharashtra, India.

The registered office address for Unipart Logistics s.r.o. is Praha 1, Nove Mesto, Václavské náměstí 832/19, Czech Republic.

The registered office address for Unipart Logistics (Single Shareholder) LLC is PO Box 16743, Riyadh 11464, KSA.

16 Stocks

	2021 £000	2020 £000
Finished goods	<u>38</u>	<u>128</u>
	<u>38</u>	<u>128</u>

There is no material difference between carrying value and replacement cost.

Stocks are stated after provisions for obsolescence of £128,000 (2020: £116,000).

Unipart Logistics Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

17 Debtors: amounts falling due after more than one year

	2021	2020
	£000	£000
Amounts falling due after more than one year		
Deferred tax (note 21)	2	2
Other debtors	92	175
	94	177

18 Debtors: amounts falling due within one year

	2021	2020
	£000	£000
Amounts falling due within one year		
Trade debtors	23,695	20,278
Amounts owed by Group undertakings	26,732	28,446
Prepayments and accrued income	10,773	8,638
Other debtors	83	80
	61,283	57,442

Amounts owed by Group undertakings are unsecured, non-interest bearing and are repayable on demand.

Trade debtors are stated after provisions for impairment of £1,217,000 (2020: £932,000).

Unipart Logistics Limited**Notes to the Financial Statements
For the Year Ended 31 December 2021**

19 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	346	158
Amounts owed to Group undertakings	4	4
Corporation tax	1,243	1,518
Other taxation and social security	-	9,683
Finance lease	18	-
Other creditors	27,901	15,026
Accruals and deferred income	4,112	4,934
	33,624	31,323

Amounts owed to Group undertakings are unsecured, non-interest bearing and are repayable on demand.

20 Creditors: amounts falling due after more than one year

	2021	2020
	£000	£000
Bank loans and overdrafts	9,110	10,597
Other creditors	440	616
Finance lease	62	-
	9,612	11,213

The bank loans and overdrafts bear interest based on the applicable reference rate and are secured by fixed and floating charges over certain of the Company and fellow subsidiary assets. The bank loan is part of a working capital facility that is currently committed until March 2024.

21 Deferred tax

	2021	2020
	£000	£000
At 1 January and 31 December	2	2
The deferred tax asset is made up as follows:		
	2021	2020
	£000	£000
Accelerated capital allowances	2	2

The Company recognised all available deferred tax assets.

Unipart Logistics Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

22 Called up share capital

	2021	2020
	£	£
Allotted called up and fully paid		
1 (2020: 1) Ordinary share of £1	<u>1</u>	<u>1</u>

Ordinary shares are classified as equity.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital on these ordinary shares.

23 Reserves

Profit and loss account

The profit and loss account represents accumulated comprehensive income for the year and prior years less dividends paid.

24 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 2021 was £16,452,000 (2020: £1,730,000).

Unipart Logistics Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

25 Operating lease commitments

At 31 December, the Company had total future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Expiry date		
Within 1 year	4,075	4,097
Between 2 and 5 years	<u>7,155</u>	<u>6,089</u>

26 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Unipart Group Limited, which is the parent undertaking of the smallest group to consolidate these financial statements. Copies of Unipart Group Limited's consolidated financial statements can be obtained from the Company Secretary at Unipart House, Cowley, Oxford, OX4 2PG.

The ultimate parent undertaking and controlling party is Unipart Group of Companies Limited, which is the parent undertaking of the largest group to consolidate these financial statements. 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.