

Registered number: 04330119

**Unipart Logistics Limited**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2022**



**Unipart Logistics Limited**

**Company Information**

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

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## **Unipart Logistics Limited**

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## **Unipart Logistics Limited**

### **Strategic Report For the Year Ended 31 December 2022**

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#### **Business review and future developments**

The directors present their strategic report on the Company for the year ended 31 December 2022.

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 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"). 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 Chief Executive Officer's Report, the Strategic Report and the Financial Review in the 2022 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 2022 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 Report and Financial Review in the 2022 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 2022.

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 3,500 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 Executive Chairman and the 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.

Employee engagement is a key metric for the Group and the results from the annual employee engagement survey are fed back to the Executive 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.

## **Unipart Logistics Limited**

### **Strategic Report For the Year Ended 31 December 2022**

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#### **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 Finance Director 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 Executive Chairman. 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 Executive Chairman's Statement and the Strategic Report, 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 2022 brought forward its commitment to be carbon net zero by a decade to 2040. These matters are regularly discussed by the directors at the Group Board and Executive 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. For example, we have achieved low tax risk status with HMRC, recognising the Group's approach to tax matters. 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

24 April 2023

## **Unipart Logistics Limited**

### **Directors' Report For the Year Ended 31 December 2022**

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The directors present their report and the audited financial statements for the year ended 31 December 2022.

#### **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 12.

A dividend of £3,000,000 (2021: £2,500,000) was paid in the year.

## **Unipart Logistics Limited**

### **Directors' Report For the Year Ended 31 December 2022**

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#### **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 (resigned 31 January 2023)  
D P Leigh  
A R Leung  
J M Neill  
I W D Truesdale  
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.

#### **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 12 - 26.

Global markets have experienced significant levels of uncertainty in the last few years, which has affected most sectors and businesses. After careful consideration of market conditions throughout the year, the key financial risks that the directors have identified for the next financial year are:

- turnover growth not achieved due to customers' depressed volume demands; and
- increased supply chain costs.

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:

1. Customers' adverse demand impacting growth by up to 50%; and
2. Adverse supply chain costs resulting in impaired financial performance in addition to the deterioration already seen in 2022.

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. 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.

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**Unipart Logistics Limited**

**Directors' Report  
For the Year Ended 31 December 2022**

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**Going Concern (continued)**

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.

The Company and Group will continue to monitor and respond to market conditions in the normal course of business and with a forward-looking approach to ensure any issues are identified and addressed at the earliest opportunity.

**Independent auditors**

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

This report was approved by the Board on 24 April 2023 and signed on its behalf by:



**C J Weldon**  
Director

24 April 2023

Registered number: 04330119

## **Unipart Logistics Limited**

### **Independent Auditors' Report to the Members of Unipart Logistics Limited For the Year Ended 31 December 2022**

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#### **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 2022 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, including 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 2022; 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 or, 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 2022 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.

## Unipart Logistics Limited

### Independent Auditors' Report to the Members of Unipart Logistics Limited For the Year Ended 31 December 2022

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#### 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 compliance with 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 during the year, particularly focused around 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](http://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 2022**

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**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*

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

Birmingham  
24 April 2023

**Unipart Logistics Limited**

**Statement of Comprehensive Income  
For the Year Ended 31 December 2022**

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		<b>2022</b>	2021
		<b>£000</b>	£000
	Note		
Turnover	5	<b>242,151</b>	210,818
Cost of Sales		<b>(229,106)</b>	(199,641)
<b>Gross profit</b>		<b>13,045</b>	11,177
Administrative expenses		<b>(6,016)</b>	(4,946)
Other operating income	6	-	65
<b>Operating profit</b>	7	<b>7,029</b>	6,296
Income from other fixed asset investments	15	<b>217</b>	524
Interest receivable and similar income	10	<b>106</b>	6
Interest payable and similar expenses	11	<b>(40)</b>	(33)
<b>Profit before taxation</b>		<b>7,312</b>	6,793
Tax on profit	12	<b>(1,300)</b>	(1,243)
<b>Profit for the financial year</b>		<b>6,012</b>	5,550

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of Comprehensive Income.

The notes on pages 15 to 26 form part of these financial statements.

**Unipart Logistics Limited**

**Balance Sheet  
As at 31 December 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	14	61	80
Investments	15	489	390
		<u>550</u>	<u>470</u>
<b>Current assets</b>			
Stocks	16	149	38
Debtors: amounts falling due after more than one year	17	3,694	94
Debtors: amounts falling due within one year	18	50,712	61,283
Cash at bank and in hand		4,907	81
		<u>59,462</u>	<u>61,496</u>
Creditors: amounts falling due within one year	19	<u>(36,109)</u>	<u>(33,624)</u>
<b>Net current assets</b>		<b>23,353</b>	<b>27,872</b>
<b>Total assets less current liabilities</b>		<b>23,903</b>	<b>28,342</b>
Creditors: amounts falling due after more than one year	20	(1,072)	(9,612)
<b>Provisions for liabilities</b>			
Dilapidations	22	(1,089)	-
<b>Net assets</b>		<b>21,742</b>	<b>18,730</b>
<b>Capital and reserves</b>			
Called up share capital	23	-	-
Profit and loss account	24	21,742	18,730
<b>Total shareholder's funds</b>		<b>21,742</b>	<b>18,730</b>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 24 April 2023.



**C J Weldon**  
Director

The notes on pages 15 to 26 form part of these financial statements.

Registered number: 04330119

**Unipart Logistics Limited**

**Statement of Changes in Equity  
For the Year Ended 31 December 2022**

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	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total shareholder's funds £000</b>
At 1 January 2022	-	18,730	<b>18,730</b>
Profit for the financial year	-	6,012	<b>6,012</b>
Dividends paid	-	(3,000)	<b>(3,000)</b>
As at 31 December 2022	-	21,742	<b>21,742</b>

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

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

The notes on pages 15 to 26 form part of these financial statements.

## **Unipart Logistics Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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#### **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**

As also noted in more detail in the Directors' Report, the Company has undertaken various stress test scenarios to assess financial resilience and the sufficiency of 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 the ongoing activities of the Company. The financial statements have, therefore, been prepared on the going concern basis, under the historical cost basis of accounting, including FRS 102 and the Companies Act 2006.

The company's financial statements are presented in pound sterling and rounded to the nearest thousand. The company's functional and presentational currency is pound sterling.

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 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.

**3.15 Provisions**

Provision is made for the best estimate of dilapidation costs, on a discounted basis, where material, at the date the obligation arises. The unwinding of the discount is included within interest expense. The provision is net of amounts recoverable in respect of dilapidation costs for properties that have been sublet to unrelated third parties.

**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, the useful economic lives of fixed tangible 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.

## Unipart Logistics Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 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:

	2022 £000	2021 £000
United Kingdom	218,955	191,165
Rest of Europe	22,105	19,148
Rest of World	1,091	505
	<u>242,151</u>	<u>210,818</u>

#### 6 Other operating income

	2022 £000	2021 £000
Government grants	-	65
	<u>-</u>	<u>65</u>

#### 7 Operating profit

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

	2022 £000	2021 £000
Depreciation of tangible fixed assets	20	4
Amount of stock expensed	2,409	2,081
Operating lease rentals		
- plant and machinery	1,110	1,029
- land and buildings	4,379	4,418
Exchange differences	6	(1)
	<u>6</u>	<u>(1)</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 (2021: 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 (2021: £nil). During the year, management recharges in respect of the directors' services totalling £nil (2021: £164,000) were charged to the Company from other Group companies.

**Unipart Logistics Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**10 Interest receivable and similar income**

	<b>2022</b>	2021
	<b>£000</b>	£000
Interest receivable	6	6
Intragroup interest receivable	100	-
	<u>106</u>	<u>6</u>

**11 Interest payable and similar expenses**

	<b>2022</b>	2021
	<b>£000</b>	£000
Bank loans and overdrafts	36	32
Finance leases	4	1
	<u>40</u>	<u>33</u>

**12 Tax on profit**

	<b>2022</b>	2021
	<b>£000</b>	£000
<b>Current tax</b>		
UK corporation tax charge on profit for the year	1,348	1,243
Adjustments in respect of prior years	(48)	-
<b>Total current tax</b>	<u>1,300</u>	<u>1,243</u>

<b>Tax on profit</b>	<u>1,300</u>	<u>1,243</u>
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**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	<b>2022</b>	2021
	<b>£000</b>	£000
Profit before taxation	<u>7,312</u>	<u>6,793</u>

Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	1,389	1,291
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**Effects of:**

Income not taxable	(41)	(48)
Adjustments in respect of prior years	(48)	-

<b>Total tax charge for the year</b>	<u>1,300</u>	<u>1,243</u>
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## Unipart Logistics Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 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 Government announced that from 1 April 2023 the corporation tax rate for larger businesses would increase to 25% (rather than remaining at 19%, as previously enacted). As a result, the relevant deferred tax balances have been calculated at 25% as the applicable rate.

#### 13 Dividend

	2022	2021
	£000	£000
Full dividend paid of £3,000,000 per share (2021: £2,500,000 per share)	<u>3,000</u>	<u>2,500</u>

#### 14 Tangible assets

	Motor Vehicles £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 January 2022	84	919	1,003
Additions	1	-	1
<b>At 31 December 2022</b>	<b>85</b>	<b>919</b>	<b>1,004</b>
Accumulated depreciation			
At 1 January 2022	4	919	923
Charge for the year	20	-	20
<b>At 31 December 2022</b>	<b>24</b>	<b>919</b>	<b>943</b>
Net book value			
<b>At 31 December 2022</b>	<b>61</b>	<b>-</b>	<b>61</b>
At 31 December 2021	80	-	80

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## Unipart Logistics Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 15 Investments

	<b>2022</b>	2021
	<b>£000</b>	£000
<b>Cost and net book value</b>		
At 31 December	<u><u>489</u></u>	<u><u>390</u></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 £217,000 (2021: £240,000) from Unipart Services India Private Limited, a dividend of £nil (2021: £34,000) from Unipart Logistics s.r.o and a dividend of £nil (2021: £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, Vaclavske namesti 832/19, Czech Republic.

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

#### 16 Stocks

	<b>2022</b>	2021
	<b>£000</b>	£000
Finished goods	<u>149</u>	38
	<u><u>149</u></u>	<u><u>38</u></u>

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

Stocks are stated after provisions for obsolescence of £148,000 (2021: £128,000).

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**Unipart Logistics Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**17 Debtors: amounts falling due after more than one year**

	<b>2022</b>	2021
	<b>£000</b>	£000
<b>Amounts falling due after more than one year</b>		
Deferred tax (note 21)	2	2
Other debtors	<u>3,692</u>	<u>92</u>
	<u><b>3,694</b></u>	<u><b>94</b></u>

**18 Debtors: amounts falling due within one year**

	<b>2022</b>	2021
	<b>£000</b>	£000
<b>Amounts falling due within one year</b>		
Trade debtors	27,049	23,695
Amounts owed by Group undertakings	12,913	26,732
Prepayments and accrued income	10,664	10,773
Other debtors	<u>86</u>	<u>83</u>
	<u><b>50,712</b></u>	<u><b>61,283</b></u>

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

Trade debtors are stated after provisions for impairment of £1,307,000 (2021: £1,217,000).

**19 Creditors: amounts falling due within one year**

	<b>2022</b>	2021
	<b>£000</b>	£000
Trade creditors	113	346
Amounts owed to Group undertakings	-	4
Corporation tax	1,300	1,243
Finance lease	19	18
Other creditors	29,524	27,901
Accruals and deferred income	<u>5,153</u>	<u>4,112</u>
	<u><b>36,109</b></u>	<u><b>33,624</b></u>

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

Unipart Logistics Limited

Notes to the Financial Statements  
For the Year Ended 31 December 2022

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**20 Creditors: amounts falling due after more than one year**

	<b>2022</b>	2021
	<b>£000</b>	£000
Bank loans and overdrafts	764	9,110
Other creditors	264	440
Finance lease	44	62
	<u>1,072</u>	<u>9,612</u>

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 2027.

**21 Deferred tax**

	<b>2022</b>	2021
	<b>£000</b>	£000
At 1 January and 31 December	<u>2</u>	<u>2</u>

**The deferred tax asset is made up as follows:**

	<b>2022</b>	2021
	<b>£000</b>	£000
Accelerated capital allowances	<u>2</u>	<u>2</u>

The Company recognised all available deferred tax assets.

**22 Provisions for liabilities**

	<b>Dilapidations</b>
	<b>£000</b>
At 1 January 2022	-
Charged in the year	1,089
At 31 December 2022	<u>1,089</u>

Provisions are made in respect of dilapidations where contractual obligations arise.

## Unipart Logistics Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 23 Called up share capital

	2022	2021
	£	£
<b>Allotted called up and fully paid</b>		
1 (2021: 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.

#### 24 Reserves

##### Profit and loss account

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

#### 25 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 2022 was £6,410,000 (2021: £16,452,000).

#### 26 Post balance sheet event

After the balance sheet date, the Company has entered into an agreement to renew its banking facilities on similar terms as before and the new facilities are committed until March 2027.

## Unipart Logistics Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 27 Operating lease commitments

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

	2022	2021
	£000	£000
<b>Expiry date</b>		
Within 1 year	4,688	4,075
Between 2 and 5 years	<u>16,240</u>	<u>7,155</u>

#### 28 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.