

**Report of the Directors and**  
**Financial Statements**  
**for the Period**  
**26 June 2009 to 31 May 2010**  
**for**  
**Logistik Unicorp Limited**

TUESDAY



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**Logistik Unicorp Limited**

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**for the Period 26 June 2009 to 31 May 2010**

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**Logistik Unicorp Limited**

**Company Information**

**for the Period 26 June 2009 to 31 May 2010**

<b>DIRECTORS:</b>	L Bibeau J Ambrose
<b>REGISTERED OFFICE:</b>	Gosforth Road Derby DE24 8HU
<b>REGISTERED NUMBER:</b>	06945143 (England and Wales)
<b>AUDITORS:</b>	HW, Chartered Accountants & Statutory Auditors 231/233 St. Vincent Street Glasgow G2 5QY
<b>BANKERS:</b>	Natwest 280 Bishopsgate London EC2M 4RB
<b>SOLICITORS:</b>	Kerman & Co LLP 200 Strand London WC2R 1DJ

**Logistik Unicorp Limited (Registered number: 06945143)**

**Report of the Directors**  
**for the Period 26 June 2009 to 31 May 2010**

The directors present their report with the financial statements of the company for the period 26 June 2009 to 31 May 2010

**INCORPORATION**

The company was incorporated on 26 June 2009

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of design and supply of corporate wear

**REVIEW OF BUSINESS**

On 30 June 2009, Wensum Holdings Limited, the company's immediate holding company, acquired 5 different businesses across 6 locations. The integration of these businesses into its two UK operating subsidiaries required the closure of a number of sites and the consolidation of IT platforms into one. These challenges proved very complicated and caused major operational problems leaving the businesses carrying excessive overhead costs.

The impact of the failure to deliver the original consolidation plan can be seen by the disappointing financial results. It also put an increased demand on working capital at a time when one of the original shareholders of Wensum Holdings Limited did not invest their agreed funding. In response, Logistik Unicorp Holdings Limited bought out all of the other shareholders of Wensum Holdings Limited however due to the amount of consolidation necessary, Wensum and its subsidiaries had to go through a formal restructuring with their creditors. Post year end Logistik Unicorp Holdings Limited has invested a further £2.6m cash into Wensum Holdings Limited to ensure the success of the restructuring and has increased the share capital by converting loans to the value of £4m into equity.

A new senior management team is now implementing the original integration plan. By mid-December 2010 the businesses will have been consolidated into one warehouse and there will be a single IT platform. This will allow the Wensum Group to bring its cost base into line with the original plan.

The Logistik Unicorp Group operates in 9 countries and has a turnover of Cdn\$140 million. The Group has a clear vision to develop the European market through managed services for corporate uniforms and workwear. The market is difficult due to the economic climate and increases in base raw materials prices. However changes within the sector are providing new opportunities. The directors believe that the management changes and integration into one global business will put the Wensum Group in a strong position to deal with the market challenges and deliver a high level of service to all of its customers worldwide.

**DIVIDENDS**

No dividends will be distributed for the period ended 31 May 2010.

**EVENTS SINCE THE END OF THE PERIOD**

Information relating to events since the end of the period is given in the notes to the financial statements.

**DIRECTORS**

The directors who have held office during the period from 26 June 2009 to the date of this report are as follows:

L Bibeau - appointed 30 June 2009  
J Ambrose - appointed 13 October 2010  
Ms K Bibeau - appointed 30 June 2009 - resigned 13 October 2010  
T Newnes - appointed 30 June 2009 - resigned 02 July 2010  
P Curtis - appointed 30 June 2009 - resigned 26 February 2010  
S J Dorrell - appointed 30 June 2009 - resigned 22 March 2010  
R Kashket - appointed 30 June 2009 - resigned 22 December 2009  
L O Maynard - appointed 30 June 2009 - resigned 30 October 2009

J Ambrose was appointed as a director after 31 May 2010 but prior to the date of this report.

T Newnes and Ms K Bibeau ceased to be directors after 31 May 2010 but prior to the date of this report.

Both the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

**Logistik Unicorp Limited (Registered number: 06945143)**

**Report of the Directors**  
**for the Period 26 June 2009 to 31 May 2010**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

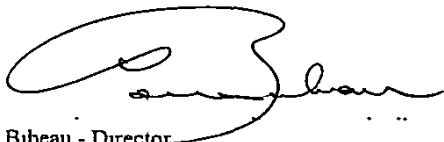
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, HW, Chartered Accountants & Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



L Bibeau - Director

Date 27 May 2011

**Report of the Independent Auditors to the Shareholders of Logistik Unicorn Limited**

We have audited the financial statements of Logistik Unicorn Limited for the period ended 31 May 2010 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Basis of audit opinion**

We were not able to observe the physical counting of stock as no stock count was carried out. Owing to the nature of the Company's records, we were unable to satisfy ourselves as to the stock quantities by other audit procedures. We were also unable to gain significant appropriate audit evidence in relation to the opening balances. Because of the significance of both these items, we have been unable to form a view on the financial statements.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion on financial statements**

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2010 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion:

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

**Emphasis of Matter – Going Concern**

In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in notes 1 and 18 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £2,964,581 during the period ended 31 May 2010 and, at that date the company's current liabilities exceeded its total assets by £2,964,580. These conditions along with the other matters explained in notes 1 and 18 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.



John Devlin CA (Senior Statutory Auditor)  
for and on behalf of HW, Chartered Accountants & Statutory Auditors  
231/233 St Vincent Street  
Glasgow  
G2 5QY

Date 31 May 2011

**Logistik Unicorp Limited (Registered number: 06945143)**

**Profit and Loss Account**  
**for the Period 26 June 2009 to 31 May 2010**

	Notes	£
TURNOVER	2	11,035,612
Cost of sales		<u>9,876,806</u>
GROSS PROFIT		1,158,806
Administrative expenses		<u>3,805,289</u>
		(2,646,483)
Other operating income		<u>53</u>
OPERATING LOSS	4	(2,646,430)
Exceptional Items	5	<u>419,241</u>
		(3,065,671)
Interest payable and similar charges	6	<u>(101,090)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,964,581)
Tax on loss on ordinary activities	7	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>(2,964,581)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current period

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the loss for the current period

The notes form part of these financial statements




**Logistik Unicorp Limited (Registered number: 06945143)**

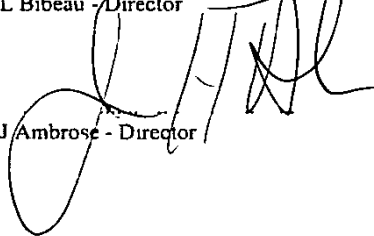
**Balance Sheet**

**31 May 2010**

	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	8		60,311
<b>CURRENT ASSETS</b>			
Stocks	9	2,368,794	
Debtors	10	3,380,165	
Cash at bank and in hand		<u>72,737</u>	
		5,821,696	
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>8,846,587</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(3,024,891)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(2,964,580)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14		1
Profit and loss account	15		<u>(2,964,581)</u>
<b>SHAREHOLDERS' FUNDS</b>	19		<u>(2,964,580)</u>

The financial statements were approved by the Board of Directors on 27 May 2011 and were signed on its behalf by

  
L Bibeau - Director

  
J Ambrose - Director

The notes form part of these financial statements

**Logistik Unicorp Limited (Registered number: 06945143)**

**Notes to the Financial Statements**  
**for the Period 26 June 2009 to 31 May 2010**

**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared on a going concern basis despite the significant losses and negative balance sheet. The company have entered into a Company Voluntary Arrangement (CVA) post year end, however going concern has been recognised due to the continuing support of the directors and other group companies, especially its ultimate parent, Logistik Unicorp Inc

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Cash Flow Statement Preparation**

Exemption has been taken from preparing a cash flow statement, under FRS 1, on the grounds that the parent company includes the subsidiary in its published financial statements

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 20% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost includes all direct costs incurred in bringing each product to its present location and condition, as follows

Raw materials, consumables and goods for resale - purchase cost on a first-in, first-out basis

Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

**Operating Leases**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**Company Voluntary Arrangement (CVA)**

Full relief for the write down of creditors as agreed per the CVA of 16 August 2010 is to be recognised in the financial year of entering the CVA.

**Logistik Unicorp Limited (Registered number. 06945143)**

**Notes to the Financial Statements - continued**  
**for the Period 26 June 2009 to 31 May 2010**

**2 TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	£
United Kingdom	10,838,512
Europe	149,300
Africa	47,800
	<u>11,035,612</u>

**3 STAFF COSTS**

	£
Wages and salaries	2,244,571
Social security costs	176,722
Other pension costs	17,254
	<u>2,438,547</u>

The average monthly number of employees during the period was as follows

Production	72
Administration	83
	<u>155</u>

**4 OPERATING LOSS**

The operating loss is stated after charging

	£
Hire of plant and machinery	5,066
Depreciation - owned assets	8,791
Auditors remuneration	<u>20,865</u>
Directors' remuneration	<u>-</u>

**Logistik Unicorp Limited (Registered number: 06945143)**

**Notes to the Financial Statements - continued**  
**for the Period 26 June 2009 to 31 May 2010**

**5 EXCEPTIONAL ITEMS**

Exceptional items relate to the one-off costs expended as part of the acquisition and subsequent re-structuring of the original business and are deemed to be non-recurring in nature

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	£
Bank interest	71,659
Bad debt provision	(172,749)
	<u>(101,090)</u>

**7 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the period

**8 TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
Additions	<u>21,000</u>	<u>30,137</u>	<u>9,800</u>	<u>8,165</u>	<u>69,102</u>
At 31 May 2010	<u>21,000</u>	<u>30,137</u>	<u>9,800</u>	<u>8,165</u>	<u>69,102</u>
<b>DEPRECIATION</b>					
Charge for period	<u>2,949</u>	<u>3,120</u>	<u>1,470</u>	<u>1,252</u>	<u>8,791</u>
At 31 May 2010	<u>2,949</u>	<u>3,120</u>	<u>1,470</u>	<u>1,252</u>	<u>8,791</u>
<b>NET BOOK VALUE</b>					
At 31 May 2010	<u>18,051</u>	<u>27,017</u>	<u>8,330</u>	<u>6,913</u>	<u>60,311</u>

**9 STOCKS**

	£
Stocks	<u>2,368,794</u>

**10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Trade debtors	2,836,396
Other debtors	30,758
Prepayments and accrued income	<u>513,011</u>
	<u>3,380,165</u>

**Logistik Unicorp Limited (Registered number: 06945143)**

**Notes to the Financial Statements - continued**  
**for the Period 26 June 2009 to 31 May 2010**

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Bank loans and overdrafts (see note 12)	1,705
Trade creditors	1,113,467
Debtor finance facility	2,473,381
Stock finance facility	690,475
Social security and other taxes	58,413
VAT	6,951
Other creditors	244,921
Amounts due to group company	3,804,631
Accrued expenses	452,643
	<u>8,846,587</u>

Post year end, the board of directors accepted a request for the immediate parent company, Wensum Holdings Limited, to convert an element of its intercompany debt into preference shares and 100,000 £1 Ordinary shares

**12 LOANS**

An analysis of the maturity of loans is given below

	£
Amounts falling due within one year or on demand	
Bank overdrafts	<u>1,705</u>

**13 SECURED DEBTS**

The following secured debts are included within creditors

	£
Stock finance facility	690,475
Debtors finance facility	<u>2,473,381</u>
	<u>3,163,856</u>

Full Form Debenture

Leumi Abi Limited have a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, uncalled capital, buildings, fixtures and fixed plant & machinery

Debenture

Thistle Garments Limited have a fixed charge over all properties, all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the property, all book debts and stock

**14 CALLED UP SHARE CAPITAL**

Number	Class	Nominal value	£
1	Ordinary Shares	1	<u>1</u>

**Logistik Unicorp Limited (Registered number: 06945143)**

**Notes to the Financial Statements - continued**  
**for the Period 26 June 2009 to 31 May 2010**

**15 RESERVES**

	<b>Profit and loss account £</b>
Deficit for the period	<b><u>(2,964,581)</u></b>
At 31 May 2010	<b><u>(2,964,581)</u></b>

**16 ULTIMATE PARENT COMPANY**

The company's immediate parent undertaking at the balance sheet date was Wensum Holdings Limited (06945152), a company incorporated in England

The ultimate parent undertaking at the balance sheet date was Logistik Unicorp Inc, a company incorporated in Canada

**17 RELATED PARTY DISCLOSURES**

As the company is a wholly owned subsidiary of Logistik Unicorp Holdings Limited, no disclosure of transactions within the group is given in accordance with the exemptions permitted under Financial Reporting Standard No 8

**Logistik Unicorp Limited (Registered number: 06945143)**

**Notes to the Financial Statements - continued**  
**for the Period 26 June 2009 to 31 May 2010**

**18 POST BALANCE SHEET EVENTS**

The company entered into a Company Voluntary Arrangement (CVA) post year end, the proposal was voted and agreed on 16 August 2010. The terms of the agreement are that creditors will be paid 35p per £1 owing.

The Insolvency Practitioner, MCR Corporate Restructuring, have proposed the CVA report and will continue to oversee the arrangement for the duration of the next 3 years. The Insolvency Practitioner will continue to review and report on the progress or problems of the CVA biannually with first reporting date being February 2011.

The terms of the arrangement state that the group, via the holding company Wensum Holdings Limited, will pay £30,000 to MCR monthly beginning February 2011. These funds will thereafter be distributed to participating creditors in the preferred order. All debts will be repaid by August 2013.

The CVA itself involves Logistik Unicorp Limited, fellow subsidiary Faithful Workwear Limited and their parent company, Wensum Holdings Limited.

At the date the CVA was voted the following was agreed as due:

	<b>£000's</b>
Faithful Workwear Limited	839
Logistik Unicorp Limited	1,843
Wensum Holdings	124

Group companies have waived their right to the CVA and will therefore not be part of the payout from the Insolvency Practitioner.

The group has committed to convert an element of intercompany balances due to redeemable preference shares to ensure the adequate funding of the companies involved in the CVA.

In support of the CVA, the ultimate parent undertaking, Logistik Unicorp Inc, has supported the above companies with funds post year end of £2,600,000.

Following board meetings post year end the parent company, Wensum Holdings Limited, has committed to convert intercompany debt into redeemable preference shares and 100,000 Ordinary Shares.

The company name changed from Sartoria Corporatewear Limited to Logistik Unicorp Limited on 23 September 2010.

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>£</b>
Loss for the financial period	(2,964,581)
Share Capital	<u>1</u>
<b>Net reduction of shareholders' funds</b>	<b>(2,964,580)</b>
Opening shareholders' funds	<u>-</u>
<b>Closing shareholders' funds</b>	<b><u>(2,964,580)</u></b>
 Equity interests	 <b><u>(2,964,580)</u></b>