

Company Registration Number 06945143

LOGISTIK UNICORP LIMITED

Report and Financial Statements

31 May 2012



LOGISTIK UNICORP LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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LOGISTIK UNICORP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

L Bibeau
J Ambrose

REGISTERED OFFICE

303-307 Oak Drive
Hartlebury Trading Estate
Hartlebury
Kidderminster
Worcestershire
DY10 4JB

BANKERS

Natwest PLC
280 Bishopsgate
London
EC2M 4RB

SOLICITORS

TLT LLP
One Redcliffe Street
Bristol
BS1 6TP

AUDITOR

Deloitte LLP
Bristol

LOGISTIK UNICORP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2012

PRINCIPAL ACTIVITY

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

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company intends to continue to expand its operations in accordance with its medium term plans

The directors have consolidated the business in 2012 but note that they have received a letter from the parent company confirming continued financial support as may be required to carry out the business of the company

GOING CONCERN

The directors acknowledge that the company continues to be loss-making with a high level of inter-company borrowings as at 31 May 2012. The company has however consolidated its operations and is returning to profitability since the year-end but, as noted above, the directors have received a letter of support from the parent company covering the period of at least 12 months from the date of this report. The directors are confident that the parent company is able to continue to provide this support for this period. Accordingly, the going concern basis continues to be adopted.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Foreign exchange and treasury

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates

Competitive environment

There remains price pressure from the company's competitors throughout the marketplace. Logistik Unicorp Limited introduces quality materials to its customers and implements cost-cutting measures to maintain a competitive edge.

Liquidity

In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, the company uses short-term loans.

RESULTS AND DIVIDENDS

The loss for the year was £1.2m (2011: loss £17,000). The directors do not recommend the payment of a dividend (2011: £nil).

DIRECTORS

The directors, who served throughout the year and subsequently, were as follows:

L Bibeau
J Ambrose

LOGISTIK UNICORP LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Haines Watts Limited resigned as the company's auditor on 30 April 2012 and Deloitte LLP was appointed

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'L Bibeau', with a large, stylized flourish at the end.

L Bibeau
Director

LOGISTIK UNICORP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOGISTIK UNICORP LIMITED

We have audited the financial statements of Logistik Unicorp Limited for the year ended 31 May 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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 an auditor's report 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 auditor

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

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, in addition the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Andrew Wright

Andrew Wright (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Bristol, United Kingdom

Date 19 November 2012

LOGISTIK UNICORP LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended 31 May 2012

	Note	2012 £	2011 £
TURNOVER	2	11,792,142	12,234,356
Cost of sales		(9,681,055)	(8,581,844)
GROSS PROFIT		2,111,087	3,652,512
Administrative expenses		(2,471,331)	(3,444,470)
Other operating income		-	8,219
OPERATING (LOSS)/PROFIT	4	(360,244)	216,261
Exceptional costs		(548,449)	(110,718)
Interest payable and similar charges	5	(301,510)	(122,441)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,210,203)	(16,898)
Tax on loss on ordinary activities	6	-	-
LOSS FOR THE FINANCIAL YEAR	14	<u>(1,210,203)</u>	<u>(16,898)</u>

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented

All amounts are derived from continuing operations

LOGISTIK UNICORP LIMITED

BALANCE SHEET At 31 May 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	7		250,457		278,506
CURRENT ASSETS					
Stocks	8	2,857,726		3,550,343	
Debtors	9	6,528,008		6,452,961	
Cash at bank and in hand		54,069		63,653	
			9,439,803		10,066,957
CREDITORS					
Amounts falling due within one year	10	(8,681,941)		(7,949,138)	
NET CURRENT ASSETS			757,862		2,117,819
TOTAL ASSETS LESS CURRENT LIABILITIES			1,008,319		2,396,325
PROVISIONS FOR LIABILITIES	12		-		(177,803)
NET ASSETS			1,008,319		2,218,522
CAPITAL AND RESERVES					
Called up share capital	13	5,200,001		5,200,001	
Profit and loss account	14	(4,191,682)		(2,981,479)	
SHAREHOLDERS' FUNDS	15		1,008,319		2,218,522

The financial statements of Logistik Unicorp Limited, registered number 06945143, were approved by the Board of Directors and authorised for issued on *16 November 2012*

Signed on behalf of the Board of Directors



L Bibeau
Director

LOGISTIK UNICORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2012

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. They have all been applied consistently throughout the current and preceding year. The particular accounting policies adopted are described below.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The directors acknowledge that the company continues to be loss-making with a high level of inter-company borrowings as at 31 May 2012. The company has however consolidated their operations and is returning to profitability since the year-end but, the directors have received a letter of support from the parent company covering the period of at least 12 months from the date of this report. The directors are confident that the parent company is able to continue to provide this support for this period. Accordingly, the going concern basis continues to be adopted.

Cash flow statement

The company has taken advantage of the exemption granted under FRS 1 from the requirement to present a cash flow statement, as it is a wholly-owned subsidiary of a parent company and its cash flows are included in the group cash flow statement.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is provided on a straight-line basis, at the following annual rates, in order to write off each asset over its estimated useful life as follows:

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

LOGISTIK UNICORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 May 2012**

1. ACCOUNTING POLICIES (continued)

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.

Hire purchase and leasing commitments

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 2011 was recognised during the prior year.

Exceptional items

Exceptional items relate to the one-off costs expended as part of the restructuring of the original business and are deemed to be non-recurring in nature.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average 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. Deferred tax is measured on a non-discounted basis.

LOGISTIK UNICORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2012

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

	2012 £	2011 £
United Kingdom	11,477,982	11,973,555
Europe	94,662	200,518
Africa	-	-
Asia	5,783	26,174
America	41,140	34,109
	<u>11,792,142</u>	<u>12,234,356</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2012 £	2011 £
Directors' emoluments		
Salary	-	-
Pension contributions	-	-
	<u>-</u>	<u>-</u>

L Bibeau and J Ambrose are paid for their services by Logistik Unicorp Inc. The consolidated financial statements of Logistik Unicorp Inc., which include disclosures regarding the emoluments of these directors, are publicly available from its registered offices at 820, chemin du Grand-Bernier Nord, Saint-Jean-sur-Richelieu QC J2W 0A6, Canada

Where the directors are remunerated by other companies and this includes their services to Logistik Unicorp Limited, it is not practicable to allocate their remuneration between their services as directors of this company and their services as directors of other companies

	2012 £	2011 £
Employee costs during the year		
Wages and salaries	1,571,017	2,594,492
Social security costs	150,738	224,289
Other pension costs	16,984	18,427
	<u>1,738,739</u>	<u>2,837,208</u>

LOGISTIK UNICORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2012

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)	2012	2011
Average number of persons employed	No.	No.
Production	37	51
Administration	48	97
	<u>85</u>	<u>148</u>
4. (LOSS)/PROFIT ON OPERATING ACTIVITIES	2012	2011
	£	£
The operating (loss)/profit is stated after charging/(crediting)		
Hire of plant and machinery	105,839	42,563
Depreciation - owned assets	69,852	37,478
Profit on disposal of fixed assets	(4,817)	(1,300)
Auditor's remuneration	20,000	19,594
Foreign exchange loss	8,672	51,363
	<u>199,546</u>	<u>149,708</u>
5. INTEREST PAYABLE AND SIMILAR CHARGES	2012	2011
	£	£
Bank loan interest	58,583	5,092
Inter-company interest	242,927	117,349
	<u>301,780</u>	<u>122,441</u>

LOGISTIK UNICORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 May 2012

6. TAX ON LOSS ON ORDINARY ACTIVITIES

The current tax charge for the year differs from the standard rate for the reasons set out in the following reconciliation

	2012 £	2011 £
Loss on ordinary activities before tax	(1,210,203)	(16,898)
	£	£
Tax on loss on ordinary activities at blended rate of 25.7% (2011: 28.0%)	(311,022)	(4,731)
Factors affecting the charge		
Expenses not deductible for tax purposes	12,393	-
Depreciation for period in excess of capital allowances	25,267	-
Movement in short - term timing differences	9,288	
Tax losses	264,074	4,731
	-	-

The UK Government announced a reduction in the UK corporation tax rate from 24% to 23% from 1 April 2013, which was substantively enacted on 17 July 2012. The reduction in the balance sheet carrying value of deferred tax assets and liabilities to reflect the rate of tax at which those assets are expected to reverse has not had a material impact on the current year tax charge. The UK Government has indicated that it intends to enact a further reduction in the main tax rate to 22% by 1 April 2014. Future rate reductions would further reduce the UK deferred tax assets and liabilities recognised but the actual impact will be dependent on the deferred tax position at the time.

LOGISTIK UNICORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2012

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 June 2011	30,571	45,917	79,687
Additions	49,165	-	6,957
Disposals	-	-	(30,137)
At 31 May 2012	<u>79,736</u>	<u>45,917</u>	<u>56,507</u>
DEPRECIATION			
At 1 June 2011	3,811	10,308	28,543
Charge for year	11,152	9,183	12,535
Disposals	-	-	(12,237)
At 31 May 2012	<u>14,963</u>	<u>19,491</u>	<u>28,841</u>
NET BOOK VALUE			
At 31 May 2012	<u>64,773</u>	<u>26,426</u>	<u>27,666</u>
At 31 May 2011	<u>26,760</u>	<u>35,609</u>	<u>51,144</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 June 2011	9,800	172,758	338,733
Additions	-	13,110	69,232
Disposals	(4,900)	(8,048)	(43,085)
At 31 May 2012	<u>4,900</u>	<u>177,820</u>	<u>364,880</u>
DEPRECIATION			
At 1 June 2011	3,430	14,135	60,227
Charge for year	1,307	35,675	69,852
Disposals	(2,042)	(1,377)	(15,656)
At 31 May 2012	<u>2,695</u>	<u>48,433</u>	<u>114,423</u>
NET BOOK VALUE			
At 31 May 2012	<u>2,205</u>	<u>129,387</u>	<u>250,457</u>
At 31 May 2011	<u>6,370</u>	<u>158,623</u>	<u>278,506</u>

LOGISTIK UNICORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2012

8. STOCKS	2012	2011
	£	£
Raw materials	1,142,079	1,061,356
Work in progress	49,058	90,677
Finished goods and goods for resale	1,666,589	2,398,310
	<u>2,857,726</u>	<u>3,550,343</u>
9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2012	2011
	£	£
Trade debtors	3,330,209	2,971,337
Other debtors	23,664	40,172
Amounts due from group company	2,620,791	2,583,868
Prepayments and accrued income	553,344	857,584
	<u>6,528,008</u>	<u>6,452,961</u>
10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2012	2011
	£	£
Trade creditors	424,704	700,695
Debtor finance facility	1,219,680	1,210,881
Stock finance facility	225,508	231,036
Amounts due to group company	6,092,117	4,061,600
Social security and other taxes	41,189	76,356
VAT	425,488	316,955
Other creditors	89,959	1,189,948
Accrued expenses	163,296	161,667
	<u>8,681,941</u>	<u>7,949,138</u>
11. SECURED DEBTS	2012	2011
	£	£
The following secured debts are included within creditors		
Stock finance facility	225,508	231,036
Debtors finance facility	1,219,680	1,210,881
	<u>1,445,188</u>	<u>1,441,917</u>
Full Form Debenture		
Leumi Abl Limited has 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 and machinery		
Debenture		
Thistle Garments Limited has 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		

LOGISTIK UNICORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2012

12. PROVISIONS FOR LIABILITIES

	Redundancy provision £
At 1 June 2011	177,803
Utilisation of provision	<u>(177,803)</u>
At 31 May 2012	<u>-</u>

13. SHARE CAPITAL

		2012 £	2011 £
Allotted, called up and fully paid			
Number	Class		
1	Ordinary Share	1	1
5,200,000	Preference Shares	5,200,000	5,200,000
		<u>5,200,001</u>	<u>5,200,001</u>

14. RESERVES

	Profit and loss account £
At 1 June 2011	(2,981,479)
Loss for the financial year	<u>(1,210,203)</u>
At 31 May 2012	<u>(4,191,682)</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER FUNDS

	2012 £	2011 £
Loss for the financial year	(1,210,203)	(16,898)
Issued preference share capital	<u>-</u>	<u>5,200,000</u>
Net (reduction)/addition to shareholder funds	(1,210,203)	5,183,102
Opening shareholders' funds/(deficit)	<u>2,218,522</u>	<u>(2,964,580)</u>
Closing shareholder funds	<u>1,008,319</u>	<u>2,218,522</u>

LOGISTIK UNICORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2012

16. ULTIMATE PARENT COMPANY

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

The company's ultimate parent undertaking at the balance sheet date was Logistik Unicorp Inc. A company incorporated in Canada. Logistik Unicorp Inc. is also the smallest and largest group for which consolidated financial statements are prepared

17. RELATED PARTY DISCLOSURES

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