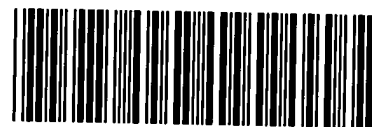


**REGISTERED NUMBER: 01837492 (England and Wales)**

**Cruickshank Motors Limited**  
**Strategic Report, Directors' Report and**  
**Financial Statements for the Year Ended 31 December 2022**

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**Cruickshank Motors Limited**

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for the Year Ended 31 December 2022**

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## **Cruickshank Motors Limited**

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

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

#### **Principal activity and business review**

The Company's principal activity during the year comprised the operation of motor dealerships involving the sale, maintenance and repair of motor vehicles and the supply of related accessories.

On 1 September 2022 the Company acquired 5 Mercedes Benz dealerships and 3 aftersales sites based in North London.

The Company's profit before tax for the year was £23,434,000 (2021: £30,916,000). Further details with regard to the trading results for the year and the amount transferred to reserves are set out in the profit and loss account and also in key performance indicators below.

The Company's net assets as at 31 December 2022 were £77,647,000 (2021: £63,775,000).

#### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to competition from both franchise and independent retailers, colleague retention and interest rate rises and high inflation.

The business focuses on offering customers competitively priced cars and aftersales services with consistently high standards of customer service.

The recruitment and retention of colleagues is essential in motor retail and is a key focus for the business.

The UK is currently experiencing high rates of inflation and as a result we have seen increases in the cost of borrowings through rising interest rates. Continued high inflation and higher borrowing costs may materially and adversely affect customer demand and increase our costs.

The shortage of microchips in the global economy impacted production and supply of vehicles during 2022, the disruption is expected to lessen in 2023.

The conflict in Ukraine continues, although further supply disruptions are not anticipated the Directors are alert to the possibility of impacts to both general economic conditions and risks of disruption to supply chains.

In January 2023 trading with the Company's principal manufacturer partner Mercedes Benz has changed to an agency model. Under an agency model the Company will receive a fee for facilitating the sale of new vehicles but the Company will not hold new vehicle stock, there is no structural or operational impact on the other areas of the business. Transfer of systems and development of revised methods of working have been implemented. The partnership with Mercedes Benz has been well managed and appropriate training has been supplied to all colleagues. There has not been any significant impact on performance or profitability to the date of this report.

Further discussion of these risks and uncertainties, in the context of the Sytner Group as a whole, is provided in the strategic report for Sytner Group Limited, which does not form part of this report.

## **Cruickshank Motors Limited**

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

#### **Section 172(1) statement**

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172(1) of the Companies Act 2006 and are given below:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to;

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

The Company is a wholly owned subsidiary of Sytner Group Limited (Sytner Group Limited and all subsidiaries to be referred to as "the Group"). The Group holds the same aim which is to be "famous for delighting our colleagues, customers, manufacturers and shareholders". Directors of the holding company Sytner Group Limited are also Directors of this Company. The Group operate under the same corporate governance structure as the holding company, the Group being managed as a whole at board level. The Directors review key risk factors faced by the Company and Group and these are discussed above and in context of the Group as a whole, in the strategic report for Sytner Group Limited, which does not form part of this report. The Directors delegate day to day decision making to key employees of the Company through a prescribed operating framework and monitor performance continually through regular meetings and performance review. The Directors are able to access professional advice on any part of their duties should they need further guidance.

The Directors understand that exceptional customer service can only be consistently delivered by attracting, motivating, training and retaining the very best team members, our Delighting Colleagues ethos "developing talent, building careers" supporting this. The Company and Group are keen to ensure employees reach their potential and have designed development programmes and courses to support this.

The Company and Group strive to deliver an exceptional customer experience. Every member of the team is expected to contribute to the delivery of outstanding customer experiences and to earn repeat and referral business. This approach is supported by our framework in delighting Customers - "Getting it right, making it special". The Company collects and analyses feedback from its customers in order to ensure best practise is being applied at each location and should a customer not be satisfied or have any concerns there is a robust system in place to manage that process. The Company and Group also monitors its performance on online feedback forums including Trustpilot and Google.

The Company operates franchised motor car dealerships. Without a franchise the Company would not be able to source new car stock or perform service warranty repairs. Maintaining an excellent working relationship with our franchise partners is critical to the success of the Company, and Group, and is fostered by both the Directors and employees within the Company.

In their decision making the Directors have regard to the impact of the Company operations in the local community and the environment. As well as making the Company and Group a great place to work for our colleagues, the Directors want to ensure that we are making a difference in our local communities and all companies within the Group are challenged to make a commitment to local charities and community initiatives.

The Company's ultimate parent company Penske Automotive Group Inc, is listed on the NYSE and is subject to strict monitoring and processing controls as prescribed by the Sarbanes-Oxley Act of 2002. Each dealership is subject to regular internal audits the results of which are reported to the Penske Automotive Group audit committee.

**Cruickshank Motors Limited****Strategic Report  
for the Year Ended 31 December 2022****Key performance indicators**

The Company's key financial and other performance indicators during the year were as follows

	<b>2022</b>	<b>2021</b>	<b>Change</b>
	<b>£000</b>	<b>£000</b>	<b>%</b>
Turnover	857,315	697,218	23.0%
Gross Profit	127,741	108,899	17.3%
Gross Profit %	14.9%	15.6%	
	<b>Units</b>	<b>Units</b>	
New vehicle sales	5,826	6,237	(6.6%)
Used vehicle sales - retail	12,585	12,567	0.1%

There were shortages in new car availability during the year, the limited supply has resulted in higher selling prices being achieved.

The Company acquired 5 dealerships and 3 aftersales sites in North London on 1 September 2022, the above includes the trading of the newly acquired sites from the date of acquisition.

The Company is part of the Sytner Group. The development, performance and position of the group, which includes this Company, is provided in the strategic report for Sytner Group Limited, which does not form part of this report.

**Going concern**

The Directors have considered the appropriateness of the going concern assumption in light of the economic and market climate and have formed the conclusion that there is a reasonable expectation that the Company will continue to operate in the foreseeable future, being a period of at least 12 months from the date of the signing and approving of these financial statements. The Company, and all legal entities within the Group, are party to the same banking arrangement, the Company is guarantor to the arrangement by way of a cross guarantee in favour of the lenders. The Directors have considered and reviewed, at Group level, forecast compliance with bank covenants and headroom availability during this period and do not forecast to be in breach of the covenants, or exceeding borrowing limits, at any of the test points. As such, the Directors have a reasonable expectation that there are no material uncertainties and continue to adopt the going concern assumption in the preparation of the financial statements.

The Directors believe that the Company has sufficient funds available to support its activities in the future.

**Future developments**

The Company's focus for the future is to organically grow the business, along with its franchise partners, and to progress acquisitions where opportunities arise.

The Company is part of the Sytner Group and further discussion regarding the group's development is provided in the strategic report for Sytner Group Limited, which does not form part of this report.

**Approved by the board and signed on its behalf by:**



S Moorhouse - Director

26 September 2023

## **Cruickshank Motors Limited**

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

The directors present their annual report with the audited financial statements of the Company for the year ended 31 December 2022.

#### **Dividends**

An interim dividend of £5,000,000 (2021: £15,000,000) was paid during the year. The directors do not recommend the payment of a final dividend (2021: £Nil).

#### **Future developments**

Details of future developments can be found in the Strategic report and form part of the report by cross reference.

#### **Events since the end of the year**

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

#### **Directors**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

D Edwards  
R H Kurnick  
J R Mallett  
G E Nieuwenhuys

Other changes in directors holding office are as follows:

L E W Vaughan - resigned 30 June 2022

S Moorhouse - appointed 13 July 2023.

A Collinson - resigned 14 July 2023.

#### **Political donations and expenditure**

The Company made no political donations or incurred any political expenditure during the year.

#### **Financial risk management**

##### **Cash Flow risk**

The Company is part of the Sytner Group and its cash flow risks are managed at Group level. The Group is financed by bank loans and stocking loans with interest rates linked to either the prevailing base rate or SONIA. We do not undertake significant active hedging of this risk. As a result, the Group and Company's interest cost is affected by moving base rates.

##### **Credit risk**

The Company's principal financial assets are bank balances, cash, trade and other debtors.

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of any provisions for amounts identified as being doubtful of recovery.

The credit risk on liquid funds is limited as the counterparts are banks with positive credit ratings.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparts and customers.

##### **Liquidity risk**

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long term and short term finance (note 18).

## **Cruickshank Motors Limited**

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

#### **Engagement with employees and employment policy**

The ultimate aim of the Group and Company is to be considered the best company to work for in the industry. The directors believe that to achieve this it is important to develop good working relations by the use of clear channels of communication and this is realised through formal and informal meetings and briefings, internal newsletters, the colleague hub (an online portal) and other electronic communication.

The Company, and Group, have a strong 'One Team' ethos, encouraging all managers to have an open door policy so they are ready to welcome all contributions and suggestions from our team members. The Company, and Group, hold regular meetings with forums covering the different aspects of the business which consist of employees from across the Group. The forums are used as a platform to share best practice and as a way to bring to the Boards attention any operational challenges faced by the teams.

#### **Disabled Colleagues**

Disabled colleagues receive appropriate training to promote their career development within the Group.

It is the policy of the Company to give full and fair consideration to applications for employment made by disabled persons, having regard to their aptitude and abilities. If any colleague becomes disabled it is standard practice, in all but the most extreme circumstances, to offer an alternative job and provide retraining where necessary.

#### **Engagement with suppliers, customers and others**

Details of engagement with Suppliers, Customers and other can be found in the Strategic Report under Section 172(1) statement and form part of this report by cross reference.

#### **Statement of corporate governance arrangements**

The Company is a wholly owned subsidiary of Sytner Group Limited (Sytner Group Limited and all subsidiaries to be referred to as "the Group"). The Group operate under the same umbrella of corporate governance. Under the format of the Wates Principles the corporate governance arrangements of the Company are discussed below.

#### **Purpose and leadership**

The Company, and the Group's, ultimate aim is to be considered the best company to work for in the industry and the best company to do business with. The Board meet regularly with management teams to analyse performance both financially and operationally and to plan for the future. The Company, and Group, holds regular conferences for different functions within the business which give the Directors the opportunity to communicate and reinforce their aims.

The values of the Company, and Group, are introduced to all new employees during their inductions and access to the company handbook is available to all employees on the colleague hub along with the best practise-guide ("Toolkit"). The company handbook includes the Company's Code of Business Conduct and Ethics. The objective of Toolkit is to record in one place all of the best practices from around the Group, whilst also clarifying what the minimum standards are. This is not to standardise the business but to allow them to be controlled in a way which suits each franchise and geographic locality. Our internal audit function audits each business (based on risk and past performance) to check for compliance with the minimum standards.

The Board monitor the culture of the Company, and Group, through annual colleague surveys, use of external benchmarking surveys, colleague turnover rates, minimum bi-annual colleague performance reviews and should a colleague leave the Group an exit interview is conducted. Should an employee wish to raise concerns about misconduct or unethical practices there is the opportunity to do so through supervisory or management personnel, or where the employee feels it is appropriate through a confidential hotline.

#### **Board composition**

The Board comprises Directors with experience within motor retail, most of whom have worked for the Company or Group, for an extensive period of time. The board of Sytner Group Limited also includes Directors of the Company's ultimate holding company Penske Automotive Group, Inc. The operational management of the Company, and Group, is expanded to include further key members of management with other complementary specialisms.

The Group holds regular meetings with its internal Diversity Forum. This group consists of employees and Directors and constantly looks at ways to improve diversity and inclusivity within the Group.

## **Cruickshank Motors Limited**

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

#### **Director's responsibilities**

The board have developed corporate governance practices throughout the Group which provide clear lines of accountability and responsibility. The Group have a set of policies and procedures in place to manage internal affairs of the company. These policies and procedures have been discussed above.

The board make use of a selection of other committees to assist with the consideration of other areas of operation.

The Company, and Group, have established formal and robust internal processes to ensure systems and controls are operating effectively, and that the quality and integrity of the information provided is reliable. The board rely on information including:

- Financial reporting;
- Key performance indicators;
- Employee data;
- Franchisor feedback;
- Customer feedback.

#### **Opportunity and risk**

The Board assesses risks posed to the Company on a regular basis, discussion of the risks identified are discussed in the strategic report.

The Board considers opportunities to expand the current operation as they arise. Looking to the future, the board considers the risks to which the Company is exposed and how future development could minimise the impact of those risks.

#### **Remuneration**

The remuneration of the Directors of Sytner Group Limited, who share common Directors with this Company, are controlled by the ultimate parent company Penske Automotive Group, Inc. under the remit of the compensation and management development committee. The charter for the compensation and management development committee does not form part of these financial statements but can be accessed via the Penske Automotive Group website.

#### **Stakeholder relations and engagement**

The material stakeholders groups recognised by the Company, and Group, would include the Company's workforce, the franchisors and the shareholders, being the ultimate parent Company Penske Automotive Group, Inc.

With regards to the Company's largest material stakeholder, its employees, the Company has in place communication channels to allow two way dialogue. The Company operates an "open door" policy giving colleagues the freedom to approach any member of management. The Company has a variety of employee forums from which feedback is reviewed by the Board.

#### **Streamlined energy and carbon reporting**

The Company is a subsidiary of Sytner Group Limited and the energy and carbon reporting requirements for the Company form part of the consolidated reporting included in the Directors' report for Sytner Group Limited, which does not form part of this report.



**Cruickshank Motors Limited**

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

**Auditor**

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the 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 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.

The auditor, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**Approved by the board and signed on its behalf by:**



S Moorhouse - Director

26 September 2023

## **Cruickshank Motors Limited**

### **Directors' Responsibilities Statement for the Year Ended 31 December 2022**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent Auditor's Report to the Members of  
Cruickshank Motors Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of Cruickshank Motors Limited (the 'company'):

- 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account and other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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.

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.

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

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

## **Independent Auditor's Report to the Members of Cruickshank Motors Limited**

### **Responsibilities of directors**

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, and for such internal control as the directors 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.

### **Auditor's 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 auditor's 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.

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 auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the Directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included solvency requirements, Financial Conduct Authority (FCA) regulations and environmental regulations.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

**Independent Auditor's Report to the Members of  
Cruickshank Motors Limited**

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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


Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

**Use of our report**

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.

DocuSigned by:  
  
22AFA05F393B47A...

Peter Gallimore FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham, United Kingdom

26 September 2023

**Cruickshank Motors Limited****Profit and loss account and other comprehensive income  
for the Year Ended 31 December 2022**

	Notes	2022 £'000	2021 £'000
<b>TURNOVER</b>	4	857,315	697,218
Cost of sales		(729,574)	(588,319)
<b>GROSS PROFIT</b>		127,741	108,899
Distribution costs		(66,966)	(52,568)
Administrative expenses		(34,593)	(23,588)
		26,182	32,743
Interest payable and similar expenses	7	(2,748)	(1,827)
<b>PROFIT BEFORE TAXATION</b>	8	23,434	30,916
Tax on profit	9	(4,562)	(5,880)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		18,872	25,036
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		18,872	25,036

The notes on pages 15 to 29 form part of these financial statements

**Cruickshank Motors Limited (Registered number: 01837492)****Balance Sheet  
31 December 2022**

	Notes	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>			
Intangible assets	12	33,302	465
Tangible assets	13	126,001	39,068
		<u>159,303</u>	<u>39,533</u>
<b>CURRENT ASSETS</b>			
Stocks	14	128,284	83,239
Debtors: amounts falling due within one year	15	24,151	12,993
Cash at bank and in hand		35,510	44,598
		<u>187,945</u>	<u>140,830</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(214,294)	(115,583)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(26,349)</u>	<u>25,247</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		132,954	64,780
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(53,616)	-
<b>PROVISIONS FOR LIABILITIES</b>	20	(1,691)	(1,005)
<b>NET ASSETS</b>		<u><u>77,647</u></u>	<u><u>63,775</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	500	500
Profit and loss account		77,147	63,275
<b>SHAREHOLDERS' FUNDS</b>		<u><u>77,647</u></u>	<u><u>63,775</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2023 and were signed on its behalf by:



S Moorhouse - Director

The notes on pages 15 to 29 form part of these financial statements

**Cruickshank Motors Limited****Statement of Changes in Equity  
for the Year Ended 31 December 2022**

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 January 2021</b>	500	53,239	53,739
<b>Changes in equity</b>			
Dividends	-	(15,000)	(15,000)
Total comprehensive income	-	25,036	25,036
<b>Balance at 31 December 2021</b>	<u>500</u>	<u>63,275</u>	<u>63,775</u>
<b>Changes in equity</b>			
Dividends	-	(5,000)	(5,000)
Total comprehensive income	-	18,872	18,872
<b>Balance at 31 December 2022</b>	<u><u>500</u></u>	<u><u>77,147</u></u>	<u><u>77,647</u></u>

The notes on pages 15 to 29 form part of these financial statements



## **Cruickshank Motors Limited**

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

#### **1. General information**

Cruickshank Motors Limited, (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Company's registered office address is 2 Penman Way, Grove Park, Leicester, LE19 1ST.

The principal activities of the Company and the nature of the Company's operations are set out in the strategic report on page 1.

The functional and presentation currency of these financial statements is sterling because that is the currency of the primary economic environment in which the Company operates. All amounts in the financial statements have been rounded to the nearest £1,000.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

#### **2. Accounting policies**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Penske Automotive Group, Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments.
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

##### **Going Concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 1. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence in the foreseeable future, for a period of at least 12 months from the date of signing and approving of these financial statements. The Company, and all legal entities within the Group, are party to the same banking arrangement, the Company is guarantor to the arrangement by way of a cross guarantee in favour of the lenders. The Directors have considered and reviewed, at Group level, forecast compliance with bank covenants and headroom availability during this period and do not forecast to be in breach of the covenants, or exceeding borrowing limits, at any of the test points. As such, the Directors have a reasonable expectation that there are no material uncertainties and continue to adopt the going concern assumption in the preparation of the financial statements.

##### **Related party exemption**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****2. Accounting policies - continued****Turnover**

Turnover, which arises wholly in the United Kingdom from the Company's principal activity, being that of the operation of motor dealerships, is the amount derived from the provision of goods and services falling within the Company's ordinary activities after deduction of trade discounts and value added tax.

Turnover is recognised in most cases on despatch of vehicles and parts and after service work is completed. In some instances, a customer may pay in full for the vehicle and accept responsibility for it but request that the company retains possession of the vehicle for delivery at a specified later date. Turnover is recognised on these transactions at the point of payment as the Company believes that the risks and rewards of ownership have substantially transferred.

**Goodwill**

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

**Negative goodwill**

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

**Amortisation**

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, the charge being included in administrative expenses. The estimated useful lives are as follows:

For acquisitions on or before 31 December 2013 - 20 years

For acquisitions on or after 1 January 2014 - 10 years

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Freehold property - 50 years

Short leasehold - over lease term

Fixtures and equipment and motor vehicles - between 3 and 10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

## **Cruickshank Motors Limited**

### **Notes to the Financial Statements - continued for the Year Ended 31 December 2022**

#### **2. Accounting policies - continued**

##### **Stocks**

Stocks, excluding vehicle parts stock, are stated at the lower of cost and net realisable value and include interest bearing consignment vehicles. Cost incurred in bringing each product to its present location and condition is based on purchase price less trade discounts. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Consignment stock are considered to be under the control of the Company and are included in stock on the balance sheet as the Company has the significant risks and rewards of ownership even though legal title has not yet passed. The corresponding liability is included in creditors.

Vehicle parts stock is stated at average cost.

##### **Stocking loans**

Stocking loans are financing arrangements provided by various lenders including manufacturers and other third part asset funders. The funding is generally for specific, separately identifiable vehicles which are being held as stock and repayment is required upon sale of the vehicle. Based on these factors the Company considers it appropriate that such funding be recognised as creditors.

##### **Basic financial instruments**

###### **Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

###### **Interest-bearing borrowings classified as basic financial instruments**

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****2. Accounting policies - continued****Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

**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 profit or loss in the period to which they relate.

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****2. Accounting policies - continued****Expenses and other income****Operating leases**

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

**Finance leases**

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

**Interest payable and similar expenses**

Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset/are expensed as incurred.

**Interest receivable and similar income**

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income is recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**Business combinations**

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Company.

At the acquisition date, the Company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

FRS 102 section 35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The Company elected not to restate business combinations that took place prior to 1 January 2014. In respect of acquisitions prior to 1 January 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****2. Accounting policies - continued****Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**Financial assets**

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**3. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that make a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the Company's accounting policies****Goodwill and other intangibles (note 12)**

The Company reviews goodwill and other intangibles for indicators of impairment as discussed in the respective accounting policy in note 2. The identification and calculation of impairment requires management to calculate the net realisable value of the goodwill or intangible. Management typically use the discounted cashflow method to calculate the net realisable value and would use judgement to forecast future trading, to set the discount factor and to apply sensitivity based on known or anticipated market conditions.

**Key sources of estimation uncertainty****Deferred tax (note 18)**

Determining income tax provisions involves an assessment of the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made estimations as to the probability of future taxable revenues being generated against which tax losses will be available for offset.

**Stocks (note 14)**

The assessment of the net realisable value of stocks utilises market knowledge and history of recent activity, whilst this is deemed to be appropriate it is possible that ultimate sales return will vary from those assumed.

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****4. Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by class of business is given below:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Sale of vehicles	762,443	633,544
Aftersales	94,872	63,674
	<u>857,315</u>	<u>697,218</u>

**5. Staff numbers and costs**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	50,103	38,825
Social security costs	5,384	4,017
Other pension costs	1,367	1,278
	<u>56,854</u>	<u>44,120</u>

The average number of employees during the year was as follows:

	<b>2022</b>	<b>2021</b>
Workshop staff	755	585
Sales and distribution	477	382
Administration	146	116
	<u>1,378</u>	<u>1,083</u>

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****6. Directors' emoluments**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Directors' emoluments for services to the company	370	417
Pension contributions	<u>1</u>	<u>1</u>
Remuneration of the highest paid director (excluding pension contributions)	222	255
Pension contributions of the highest paid director	<u>1</u>	<u>1</u>
The number of directors who are members of the money purchase pension scheme	<u>2</u>	<u>2</u>

The directors' remuneration disclosed is not included in staff costs above as the directors are not remunerated by this Company and no charge has been made for the services provided, the costs and their average number being included in the financial statements of Sytner Group Limited. The same is true for the prior year.

The directors who served during the year are all directors of an intermediate parent company, Sytner Group Limited and are remunerated by that Company, with the exception of RH Kurnick who is remunerated by Penske Automotive Group, Inc., a Company registered in Michigan, USA. The Company is not charged for the services provided by the directors, all costs being included in the financial statements of Sytner Group Limited, the above disclosures represent the amount that would be allocated to the Company were they to be charged.

The remuneration of RH Kurnick is disclosed in the financial statements of Penske Automotive Group, Inc., it is not practicable to allocate his remuneration to individual companies in this Group.

**7. Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest	2,258	821
Stocking loan interest	486	1,006
Other interest	<u>4</u>	<u>-</u>
	<u>2,748</u>	<u>1,827</u>

**8. Profit before taxation**

The profit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation - owned assets	3,433	2,657
Loss on disposal of fixed assets	6	37
Goodwill amortisation	1,470	424
Operating lease rentals	4,844	5,108
Loss on disposal of operations	<u>-</u>	<u>46</u>



**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****8. Profit before taxation - continued**

During the prior year the Company disposed of a Mercedes-Benz dealership in Newbury. The net assets disposed, including goodwill, amounted to £2,898,000, the Company made a loss on disposal of £46,000. The Company has not treated the disposal as discontinuing as it is not considered it will have a material impact on the Companies activities.

Amortisation of goodwill is included in Administrative expenses.

The audit fee for the audit of the financial statements for the current and prior year has been borne on this company's behalf by another group company, for which no recharge has been made. Were the audit fee to be recharged the charge to this company would be £41,000 (2021 - £37,000).

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's intermediate parent Sytner Group Limited.

**9. Taxation****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Current tax:		
UK corporation tax	3,989	5,548
Adjustment in respect of previous years	(113)	10
Total current tax	<u>3,876</u>	<u>5,558</u>
Deferred tax:		
Origination of timing differences	472	102
Effect of change in tax rate	149	241
Adjustment in respect of previous years	65	(21)
Total deferred tax	<u>686</u>	<u>322</u>
Tax on profit	<u><u>4,562</u></u>	<u><u>5,880</u></u>

UK corporation tax has been charged at 19% (2021 - 19%).

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****9. Taxation - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Profit before tax	23,434	30,916
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	4,452	5,874
Effects of:		
Income not taxable for tax purposes	9	(224)
Adjustments to tax charge in respect of previous periods	(48)	(11)
Change in tax rate on deferred tax balances	149	241
Total tax charge	4,562	5,880

**Factors that may affect future current and total tax charges**

The UK corporation tax rate of 19% has been effective since 1 April 2017. An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. Deferred tax balances at 31 December 2022 and at 31 December 2021 are measured at a rate of 25%.

Due to the mature and stable nature of the company's business, we do not expect the gross value of the deferred tax assets and liabilities to materially change during the year ended 31 December 2023.

**10. Dividends**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Ordinary shares of £1 each		
Interim	5,000	15,000

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****11. Acquisition of business****Acquisitions in the current year**

On 1 September 2022 the company acquired the trade and assets of the Mercedes Benz North London market area which comprises 5 dealerships and 3 aftersales sites.

**Effect of acquisition**

The acquisition had the following effect on the Company's assets and liabilities.

<b>Acquirees net assets at balance sheet date</b>	<b>Book Values £'000</b>	<b>Recognised values on acquisition £'000</b>
Tangible fixed assets	78,140	78,140
Stocks	34,380	34,200
Trade and other creditors	(2,008)	(2,008)
	<u>110,512</u>	<u>110,332</u>
<b>Total business combination</b>		
Cash consideration relating to business combination		144,212
Costs directly attributable to the business combination		427
		<u>144,639</u>
<b>Goodwill on acquisition</b>		<u>34,307</u>

The business contributed revenue of £71,973,000 and loss after tax of £267,000 during the year.

**12. Intangible fixed assets**

	<b>Goodwill £'000</b>
<b>Cost</b>	
At 1 January 2022	9,638
Additions	34,307
	<u>43,945</u>
At 31 December 2022	
<b>Amortisation</b>	
At 1 January 2022	9,173
Amortisation for year	1,470
	<u>10,643</u>
At 31 December 2022	
<b>Net book value</b>	
At 31 December 2022	<u>33,302</u>
At 31 December 2021	<u>465</u>

In September 2022 the Company acquired 5 Mercedes Benz dealerships and 3 aftersales sites, details of the acquisition can be found in note 11.

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****13. Tangible fixed assets**

	<b>Freehold property £'000</b>	<b>Short leasehold £'000</b>	<b>Fixtures &amp; equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Totals £'000</b>
<b>Cost</b>					
At 1 January 2022	31,568	5,639	20,368	479	58,054
Additions	77,703	3,042	8,828	881	90,454
Disposals	-	(244)	(1,295)	(51)	(1,590)
At 31 December 2022	109,271	8,437	27,901	1,309	146,918
<b>Depreciation</b>					
At 1 January 2022	3,130	3,009	12,449	398	18,986
Charge for year	602	514	2,186	131	3,433
Eliminated on disposal	-	(229)	(1,222)	(51)	(1,502)
At 31 December 2022	3,732	3,294	13,413	478	20,917
<b>Net book value</b>					
At 31 December 2022	105,539	5,143	14,488	831	126,001
At 31 December 2021	28,438	2,630	7,919	81	39,068

Included in cost of land and buildings is freehold land of £67,006,374 (2021 - £7,523,130) which is not depreciated.

Included in cost are assets in the course of construction which have not been depreciated as follows:

	<b>£'000</b>
Freehold property	2,995
Short leasehold	299
Fixtures & equipment	136
	<u>3,430</u>

Included in tangible fixed assets are assets with a net book value of £74,958,000 (2021: £Nil) which are held as security by way of a fixed charge in favour of bank loans, see note 18.

**14. Stocks**

	<b>2022 £'000</b>	<b>2021 £'000</b>
Vehicles for resale	111,873	72,706
Consignment stock	7,485	6,728
Parts	8,926	3,805
	<u>128,284</u>	<u>83,239</u>

Vehicles for resale are pledged as security for stocking loans managed under a group facility.

**15. Debtors: amounts falling due within one year**

	<b>2022 £'000</b>	<b>2021 £'000</b>
Trade debtors	19,469	9,603
Amounts owed by fellow subsidiaries	41	244
Other debtors	2,158	1,311
Prepayments and accrued income	2,483	1,835
	<u>24,151</u>	<u>12,993</u>

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****15. Debtors: amounts falling due within one year - continued**

Amounts owed by group undertakings are interest free, unsecured and are repayable on demand.

**16. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts (see note 18)	39,380	-
Trade creditors	20,026	12,655
Consignment stock liability	7,485	6,728
Amounts owed to parent company	117,345	76,739
Social security and other taxes	2,027	1,302
Value Added Tax	4,454	3,465
Other creditors	11,139	6,746
Accruals and deferred income	12,438	7,948
	<u>214,294</u>	<u>115,583</u>

Amounts owed to group undertakings are interest free, unsecured and are repayable on demand.

**17. Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans (see note 18)	<u>53,616</u>	<u>-</u>

**18. Loans**

An analysis of the maturity of loans is given below:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year or on demand:		
Bank overdrafts	36,511	-
Bank loans	<u>2,869</u>	<u>-</u>
	<u>39,380</u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>2,861</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>8,599</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years	<u>42,156</u>	<u>-</u>

The bank loan consists of a mortgage secured on the properties to which it relates.

The mortgage was drawn down in September 2022, the mortgage bears a fixed interest rate of 4.45% for the first five years and 4% plus Bank of England base rate thereafter. Capital repayments of £715,000 are payable quarterly until September 2042.

**Cruickshank Motors Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022****19. Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	6,170	3,874
Between one and five years	18,394	11,480
In more than five years	51,529	38,820
	<u>76,093</u>	<u>54,174</u>

**20. Provisions for liabilities**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax		
Accelerated capital allowances	1,621	921
Other timing differences	70	84
	<u>1,691</u>	<u>1,005</u>

	<b>Deferred tax</b>
	<b>£'000</b>
Balance at 1 January 2022	1,005
Charge to Profit and loss account and other comprehensive income during year	686
Balance at 31 December 2022	<u>1,691</u>

There are no assets on which deferred tax has not been recognised. The company does not anticipate any material reversal of the deferred tax liability above.

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the asset and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity in the Company.

**21. Called up share capital****Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2022</b>	<b>2021</b>
			<b>£'000</b>	<b>£'000</b>
500,000	Ordinary	£1	<u>500</u>	<u>500</u>

The shares have attached to them full voting rights, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

**22. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company. Contributions to the scheme are charged to the profit and loss account in the year they are incurred.

The total expense charged to profit or loss in the year ended 31 December 2022 was £1,367,000 (2021: £1,278,000). Outstanding contributions at the end of the financial year were £357,000 (2021: £200,000).

**Cruickshank Motors Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**23. Ultimate parent company and controlling party**

The company is a subsidiary undertaking and under the control of the ultimate parent company Penske Automotive Group, Inc., incorporated in Delaware, USA, registered office address 2555 Telegraph Road, Bloomfield Hills, MI 48302, USA.

Penske Automotive Group, Inc. is the largest group in which the results of the company are consolidated. The consolidated financial statements are available from 2555 Telegraph Road, Bloomfield Hills, MI 48302, USA.

The Company's immediate parent company is Sytner Group Limited, incorporated in England and Wales, registered office address 2 Penman Way, Grove Park, Enderby, Leicester, LE19 1ST.

The smallest group in which the results are consolidated is that headed by Sytner Group Limited. The consolidated financial statements are available to the public from the registrar of companies.

**24. Commitments**

The company is party to cross guarantees in respect of Sytner Group Limited and its subsidiaries in favour of certain lenders to the Group.

As at 31 December 2022 the gross borrowings outstanding under the Group's bank facilities in aggregate were £28,197,000 (2021: £Nil).

**25. Post balance sheet events**

In January 2023 trading with the Company's principal manufacturer partner Mercedes Benz has changed to an agency model. Under an agency model the Company will receive a fee for facilitating the sale of new vehicles but the Company will not hold new vehicle stock, there is no structural or operational impact on the other areas of the business. Transfer of systems and development of revised methods of working have been implemented. The partnership with Mercedes Benz has been well managed and appropriate training has been supplied to all colleagues.

Post balance sheet events discussed above are non- adjusting events.