

Crystal Motor Group Limited
Report and unaudited financial statements

For the 15 months ended 31 March 2022

Company Number 04813767



Crystal Motor Group Limited

Report and unaudited financial statements

For the 15 months ended 31 March 2022

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Crystal Motor Group Limited
Officers and Professional Advisers
For the 15 months ended 31 March 2022

The Board of Directors

R.J. Blumberger
J.H. Crowther
J.L. Head
T.G. Lampert
A. Wallington

Company Secretary

S.R. Jones

Registered Office

Airport House
The Airport
Cambridge
CB5 8RY
United Kingdom

Banker

Barclays Bank plc
9-11 St. Andrew's Street
Cambridge
CB2 3AA

Solicitor

Dentons UKMEA LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1FE

Crystal Motor Group Limited

Strategic Report

For the 15 months ended 31 March 2022

Review of the business

The activities of Crystal Motor Group Limited ("the Company") continue to consist primarily of vehicle sales, servicing of vehicles and associated activities.

On 21 December 2021, the Company changed its accounting reference date from 31 December to 31 March. Consequently, the Company's financial performance as reported in these financial statements is for the 15 month period ended 31 March 2022; the comparative period remains that of the year ended 31 December 2020.

The Company's financial performance is assessed primarily in relation to turnover and gross margin as disclosed in the Income Statement. Turnover grew to £79,569,000 (year ended 31 December 2020: £31,093,000) along with an increase in gross profit to £7,777,000 (year ended 31 December 2020: £3,086,000). In addition to the impact of the extension of the current reporting period to 15 months, turnover and gross profit have improved as significantly less disruption was experienced in the current period due to measures taken in respect of the COVID-19 pandemic compared to during 2020.

Key performance indicators

The business activities of the Company cover multiple divisions operated by the group headed by Marshall Motor Holdings Limited ("the Group"). As performance is managed on a divisional basis, additional Company specific performance indicators are not considered necessary to provide an understanding of the financial position and performance of business activities. Divisional performance is discussed in the Marshall Motor Holdings Limited consolidated financial statements which is available online or can be obtained from the address in Note 21. The Marshall Motor Holdings Limited consolidated financial statements does not form part of this Strategic Report.

Principal risks and uncertainties

The principal risks and uncertainties that may have a significant impact on the Company's financial condition, results of operations and/or reputation include: business interruption, business relationships and strategy, legal and regulatory changes, compliance risk, economic and political uncertainty, treasury and finance risks, environmental and health and safety risks, attracting and retaining key employees and IT and cyber security risks. The Company is a member of the Group, for full details of these risks, see the Principal Risks and Uncertainties section of the Group's consolidated financial statements.

Financial risk management

Business activities are carried out under normal trade terms; these terms and relationships with suppliers and customers are regularly reviewed. The Company has a treasury arrangement providing access to Group facilities; funding requirements are managed on a group wide basis. The Company does not use financial derivatives and does not enter into financial instruments, including derivative financial instruments, for speculative purposes.

Board decision making (s172 statement)

When making decisions, the Directors consider what is most likely to lead to the success of the Company and to be of benefit to the members as a whole over the long term. When making such decisions, the Directors also consider the interests of other key stakeholder groups and seek to arrive at conclusions which do not adversely affect these groups as a whole. For full details of these considerations, see the Strategic Report section of the Group consolidated financial statements.

Approval

This Strategic Report was approved by order of the Board on 21 December 2022.

DocuSigned by:

Richard Blumberger

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R.J Blumberger
Director

Crystal Motor Group Limited

Directors' report

For the 15 months ended 31 March 2022

Directors

The Directors of the Company throughout the period and to the date of this report were:

R.J. Blumberger
D. Gupta (resigned 25 May 2022)
J.H. Crowther (appointed 1 July 2022)
J.L. Head (appointed 1 July 2022)
T.G. Lampert (appointed 1 July 2022)
A Wallington (appointed 1 September 2022)

Results and dividends

The Company is owned by Marshall Motor Holdings Limited ("the Group").

The profit for the period, after tax, amounted to £1,414,000 (year ended 31 December 2020: £300,000). No dividends have been paid during the period (year ended 31 December 2020: £nil).

Charitable donations

During the period, the Company made charitable donations of £nil (year ended 31 December 2020: £nil).

Events since the balance sheet date

For full details of all such events see Note 22 'Events after reporting period'.

Going concern

The financial statements are prepared on a going concern basis. After making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date that these financial statements are signed. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

For further information on the going concern assessment see Note 1 'Basis of preparation and statement of compliance'.

Future developments

The Group's strategic vision is to be regarded as the UK's premier automotive retailer. The Company will continue to focus on achieving this goal through:

- the performance optimisation of the business
- offering outstanding customer service
- demonstrating retail excellence
- building strong relations with our brand partners and key suppliers, and
- being a great place to work.

Employment of disabled persons

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

During the period, the policy of providing employees with information about the Company has been continued through the newsletter 'Marshall Matters', team briefings and Chief Executive Officer video briefings. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Crystal Motor Group Limited

Directors' report

For the 15 months ended 31 March 2022

Business relationships

The Directors recognise that it is essential for the ongoing success and reputation of the Company to foster strong relationships with the stakeholder community. For full details of these considerations and the effect this regard has had on the principal decisions made in the period, see the Board Decision Making (s172 Statement) section of the Strategic Report in the Marshall Motor Holdings Limited consolidated financial statements.

Streamlined Energy and Carbon Reporting (SECR)

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the Regulations"), the Company is mandated to disclose its UK energy use and the associated greenhouse gas emissions relating to natural gas, electricity and transport fuel. In addition, publication of an intensity ratio as well as the calculation methodology applied is required.

The energy consumption and associated greenhouse gas emissions of the Company's operations during the reporting period from 1 January 2021 to 31 March 2022 are included within the figures reported in the SECR section of the Directors' Report in the consolidated financial statements of the Group. As a result, these statistics are not also required to be reported in the Company's financial statements. The Group consolidated financial statements do not form part of this Directors' Report.

Approval

This Directors' Report was approved by order of the Board on 21 December 2022.

DocuSigned by:

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R.J. Blumberger
Director

Crystal Motor Group Limited

Statement of Directors' Responsibilities

For the 15 months ended 31 March 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 Company 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 its profit or loss for that year.

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;
- 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.

Crystal Motor Group Limited

Income Statement

For the 15 months ended 31 March 2022

	Note	15 months ended 31 March 2022 £'000	Year ended 31 December 2020 £'000
Turnover	4	79,569	31,093
Cost of sales		(71,792)	(28,007)
Gross profit		7,777	3,086
Administrative expenses		(5,914)	(2,883)
Other operating income	5	-	271
Operating profit		1,863	474
Interest payable and similar charges	8	(67)	(84)
Profit on ordinary activities before taxation	6	1,796	390
Tax on profit on ordinary activities	9	(382)	(90)
Profit for the financial period		1,414	300

The Company has no recognised gains or losses other than the profit for the period as set out above.

All of the activities of the Company are classed as continuing.

The notes on pages 10 to 20 form part of these financial statements.

Crystal Motor Group Limited

Balance Sheet

As at 31 March 2022

	Note	31 March 2022		31 December 2020	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		1,806		1,834
Current assets					
Stock	11	9,757		4,943	
Debtors	12	5,702		2,438	
Cash at bank and in hand		1		1	
		<u>15,460</u>		<u>7,382</u>	
Creditors: amounts falling due within one year	13	<u>(15,445)</u>		<u>(8,938)</u>	
Net current assets / (liabilities)			15		(1,556)
Total assets less current liabilities			<u>1,821</u>		<u>278</u>
Creditors: amounts falling due after more than one year	14		(105)		(41)
Provisions for liabilities	15		(112)		(47)
Net assets			<u><u>1,604</u></u>		<u><u>190</u></u>
Capital and reserves					
Called-up share capital	18		250		250
Revaluation reserve	19		141		145
Profit and loss account	19		1,213		(205)
Shareholder's funds			<u><u>1,604</u></u>		<u><u>190</u></u>

The notes on pages 10 to 20 form part of these financial statements.

For the period ended 31 March 2022 the Company was entitled to exemption under section 479A of the Companies Act 2006. No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and for the preparation of accounts.

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2022.

DocuSigned by:

Richard Blumberger

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R.J. Blumberger
Director

Company Number: 04813767

Crystal Motor Group Limited

Statement of Changes in Equity

For the 15 months ended 31 March 2022

	Note	Called up share capital £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2020		250	148	(508)	(110)
Profit for the financial year		-	-	300	300
Total comprehensive income for the year		-	-	300	300
Revaluation depreciation transfer	10	-	(3)	3	-
At 31 December 2020		250	145	(205)	190
Profit for the financial period		-	-	1,414	1,414
Total comprehensive income for the period		-	-	1,414	1,414
Revaluation depreciation transfer	10	-	(4)	4	-
At 31 March 2022		250	141	1,213	1,604

The notes on pages 10 to 20 form part of these financial statements.

Crystal Motor Group Limited

Notes to the Financial Statements

For the 15 months ended 31 March 2022

1. Basis of preparation and statement of compliance

Crystal Motor Group Limited (company number: 04813767) ("the Company") is a private company, limited by shares, incorporated in England and Wales. The registered office is Airport House, The Airport, Newmarket Road, Cambridge, CB5 8RY. The financial statements have been prepared in compliance with FRS 102, 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'.

The financial statements of the Company were authorised for issue by the Board of Directors on 21 December 2022.

The financial statements are prepared in sterling which is the functional and presentational currency of the Company and rounded to the nearest £'000.

The Company accounts have also adopted the following disclosure exemptions:

- presentation of a cash-flow statement and related notes
- financial instrument related disclosures
- key management personnel compensation disclosures
- related party disclosures with wholly owned subsidiaries within the Group.

These exemptions have been applied as the Company is a qualifying entity and the shareholders of the Company have been notified in writing and no objection has been made to the use of the exemptions.

The Company has taken the exemption from an audit for the period ended 31 March 2022 by virtue of s479A of the Companies Act 2006. In order to allow the Company to take the audit exemption, the parent company Marshall Motor Holdings Limited has given a statutory guarantee of all the outstanding liabilities of the Company as at 31 March 2022.

Under section 479C of the Companies Act 2006, the parent company Marshall Motor Holdings Limited has guaranteed all outstanding liabilities to which the Company was subject at the end of 31 March 2022 until they are satisfied in full. Such guarantees are enforceable against Marshall Motor Holdings Limited by any person to whom any such liability is due.

Reporting period

The Company's immediate parent undertaking is CMG 2007 Limited which is a subsidiary of Marshall Motor Holdings Limited. On 11 May 2022 the entire share capital of Marshall Motor Holdings Limited was acquired by CAG Vega 2 Limited, part of the Constellation Automotive Group. In anticipation of this change of ownership, to align the reporting period with that of the acquirer, all entities in the Group changed their accounting reference date from 31 December to 31 March. Amounts presented in respect of the 2022 reporting period cover 15 months. Comparative figures per the Income Statement, Statement of Changes in Equity and related notes are for a 12 month period.

Going concern

The Company reported a profit for the 15 months ended 31 March 2022 and maintained a positive financial position. In addition, the Company has a treasury arrangement with other companies in the Group. As at 31 March 2022 the Group had £60 million of committed, but undrawn, banking facilities made available under a facility agreement due to expire in September 2024.

In addition to these banking facilities the Company also has, through being a member of the Group, access to substantial vehicle inventory funding arrangements of which £4.7 million was utilised by the Company and a total of £413.0 million was utilised by the Group at 31 March 2022. These Group treasury arrangements facilitate the Company being able to meet its liabilities as they fall due.

The financial statements are prepared on a going concern basis. After making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date that these financial statements are signed. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern.

Crystal Motor Group Limited

Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

2. Accounting policies

Revenue recognition

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding Value Added Tax. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover in respect of new and used vehicle sales is recognised when: the significant risks and rewards of ownership of the goods have passed to the buyer, (usually when a customer takes possession of a vehicle); the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or expected to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover in respect of other services is recognised once the service has been provided.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. All such grants relate to expense items. The grant is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant income is disclosed in other operating income in the Income Statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of tangible assets have different useful lives, those components are accounted for as separate items of tangible fixed assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The revaluation reserve is reduced by transfer of the accumulated depreciation on the revalued portion of the freehold land and buildings.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

Depreciation is charged to the Income Statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Estimated residual values are included in the calculation of depreciation. The useful lives applicable are:

Freehold buildings	- 50 years
Leasehold improvements	- shorter of the lease term or 10 years
Fixtures and fittings	- 5 years
Computer equipment	- 2-5 years
Land	- indefinite life, not depreciated

Crystal Motor Group Limited

Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

2. Accounting policies *(continued)*

Impairment of non-financial assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Income Statement for the period.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income Statement for the period.

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Stock held on consignment is recognised in the Balance Sheet when the terms of a consignment agreement and commercial practice indicate that the principal benefit of owning the stock (the ability to sell it) and principal risks of ownership (stock holding cost, responsibility for safekeeping and some risk of obsolescence) rest with the Company. Stock held on consignment is recognised net of Value Added Taxes.

The Company finances the purchase of new and used vehicle stock using vehicle funding facilities provided by various lenders including the captive finance companies associated with brand partners.

These finance arrangements have varying maturity profiles with terms ranging from 60 to 360 days. The Company is normally required to repay amounts outstanding on the earlier of the sale of the vehicles that have been funded under the facilities or the stated maturity date. Amounts due to finance companies in respect of vehicle funding are included within trade creditors and disclosed under vehicle financing arrangements. Vehicle financing facilities are subject to finance house base rate (or similar) interest rates. The interest incurred under these arrangements is included within interest payable and similar charges and classified as stock financing charges.

Basic financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment. Any losses arising from impairment are recognised in the Income Statement in administrative expenses.

Creditors

Short term trade creditors are measured at the transaction price. Trade creditors include the liability for vehicles (inclusive of value added taxes) held on consignment with the corresponding asset included within stock (exclusive of value added taxes).

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is recognised in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand.

Leasing – as lessee

Rentals payable under operating leases are charged in the Income Statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

During the prior period, as a direct consequence of the COVID-19 pandemic, the Company received rent concessions under a number property leases in the form of both deferred and waived rent payments. A number of these concessions continued to unwind during the current period.

Crystal Motor Group Limited

Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

2. Accounting policies *(continued)*

Leasing – as lessee *(continued)*

Waived rent payments have been accounted for in accordance with the amendments to Section 20 of FRS 102. Where the following conditions are met, no lease expense has been recognised during the period covered by the waived rent payments:

- the change in lease payments resulted in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- the reduction in lease payments affected only payments originally due on or before 30 June 2021; and
- there is no significant change to other terms and conditions of the lease.

Deferred rent payments do not impact the total consideration payable under the lease, and therefore continue to be recognised on a straight-line over the lease term.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

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

Deferred tax is calculated without discounting using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition in a business combination, the tax charge / (credit) is presented in either the Income Statement, Other Comprehensive Income or Statement of Changes in Equity depending on the transaction that resulted in the tax charge / (credit).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Pensions

The Company participates in a defined contribution scheme for its employees. Contributions are charged to the Income Statement as they become payable in accordance with the rules of the scheme.

3. Significant judgements and key sources of estimation uncertainty

The Company makes judgements and estimates concerning the future. The judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

Estimated useful life of tangible fixed assets and impairment of non-financial assets

The Company estimates the useful life and residual values of tangible fixed assets and reviews these estimates at each financial year end. The Company also tests for impairment when a trigger event occurs or annually as appropriate.

Stock valuation

Motor vehicle stock is stated at the lower of cost and net realisable value (being the fair value of the motor vehicles less costs to sell). Fair values are assessed using reputable industry valuation data which is based upon recent industry activity and forecasts. Whilst this data is deemed representative of the current value of vehicles held in stock it is possible that the price at which the vehicles are actually sold will differ from the vehicles' industry valuations. Where this is the case, adjustments arise in the Income Statement on the sale of vehicles held in stock.

Crystal Motor Group Limited

Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

3. Significant judgements and key sources of estimation uncertainty *(continued)*

Industry valuations are sensitive to rapid changes in regulatory and market conditions which are difficult to anticipate. In light of the materiality of the inventory balance in the Balance Sheet, this uncertainty is considered to represent a key source of estimation uncertainty. The inventory provision as at 31 March 2022 represents 5.2% of the gross inventory balance (31 December 2020: 3.1%), this increase is due to the unusual market conditions during the 15 months ended 31 March 2022 and the expectation of lower pricing during the year ending 31 March 2023.

4. Turnover

Turnover is all attributable to the principal activity of the Company, which is car and commercial vehicle sales, distribution and servicing. All turnover arises from continuing activities within the United Kingdom and is stated net of VAT.

Turnover is analysed as follows:

	15 months ended 31 March 2022	Year ended 31 December 2020
	£'000	£'000
Sale of goods	77,695	30,167
Rendering of services	1,874	926
	79,569	31,093

5. Other operating income

	15 months ended 31 March 2022	Year ended 31 December 2020
	£'000	£'000
Coronavirus Job Retention Scheme grant income	-	271

6. Profit on ordinary activities before taxation

This is arrived at after charging:

	15 months ended 31 March 2022	Year ended 31 December 2020
	£'000	£'000
Depreciation of tangible fixed assets (note 10)	205	152
Operating lease costs - land and buildings	375	158
Operating lease costs - vehicle and equipment	2	-

The operating lease costs in respect of leases of land and buildings disclosed above are the expense after recognising in the Income Statement COVID-19 related rent concessions received of £nil (year ended 31 December 2020: £11,000).

7. Staff costs

Staff costs consist of:

	15 months ended 31 March 2022	Year ended 31 December 2020
	£'000	£'000
Wages and salaries	3,290	1,695
Social security costs	349	179
Other pension costs	66	38
	3,705	1,912

Employee costs stated above exclude grant income of £nil (year ended 31 December 2020: £271,000) received under the Coronavirus Job Retention Scheme.

Crystal Motor Group Limited

Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

7. Staff costs *(continued)*

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

	15 months ended 31 March 2022	Year ended 31 December 2020
	No.	No.
Administration	5	9
Sales and aftersales	55	39
	60	48

The costs of Directors' services are borne by the Group.

8. Interest payable and similar charges

	15 months ended 31 March 2022	Year ended 31 December 2020
	£'000	£'000
Stock financing charges	67	84

9. Tax

a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	15 months ended 31 March 2022	Year ended 31 December 2020
	£'000	£'000
<i>Current tax</i>		
Current tax on profit for the period	337	93
Adjustment in respect of previous periods	(20)	-
Total current tax	317	93
<i>Deferred tax</i>		
Origination and reversal of timing differences	18	(7)
Adjustment in respect of previous periods	20	(2)
Effect of change in tax rates	27	6
Total deferred tax	65	(3)
Taxation on profit on ordinary activities	382	90

Crystal Motor Group Limited

Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

9. Tax *(continued)*

b) Factors affecting the total tax charge

The tax assessed on the profit on ordinary activities for the period is higher (year ended 31 December 2020: higher) than the standard rate of corporation tax in the UK of 19% (year ended 31 December 2020: 19%). The differences are explained below:

	15 months ended 31 March 2022 £'000	Year ended 31 December 2020 £'000
Profit on ordinary activities before tax	1,796	390
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020: 19%)	341	74
Effects of:		
Expenses not deductible for tax purposes	14	12
Adjustments in respect of previous periods	-	(2)
Effect of change in tax rate	27	6
Total tax charge for the period	382	90

c) Factors that may affect future tax charges

Future tax charges, therefore the Company's effective tax rate, may be affected by factors such as acquisitions, disposals, restructuring and tax regime reforms.

In the Budget of 3 March 2021, the Chancellor of the Exchequer announced a 6% increase in the standard rate of corporation tax, which will be applicable in the financial year beginning 1 April 2023. This change in the rate of corporation tax to 25% will affect the amount of future tax payments for which the Company will be responsible. Being substantively enacted, this rate change has already been reflected in the measurement of the Company's deferred tax assets and liabilities.

For further information on deferred tax balances see Note 16.

10. Tangible fixed assets

	Freehold land and buildings £'000	Leasehold improvements £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 January 2021	928	1,146	280	2,354
Additions	-	14	163	177
At 31 March 2022	928	1,160	443	2,531
Depreciation				
At 1 January 2021	56	232	232	520
Charge for the period	16	147	42	205
At 31 March 2022	72	379	274	725
Net book value				
At 31 March 2022	856	781	169	1,806
At 1 January 2021	872	914	48	1,834

Crystal Motor Group Limited

Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

10. Tangible fixed assets *(continued)*

Freehold land and buildings

If freehold land and buildings had not been included at valuation as deemed cost they would have been included under the historical cost convention as follows:

	31 March 2022 £'000	31 December 2020 £'000
Historic cost	700	700
Cumulative depreciation based on historical cost	(201)	(183)
Historic net book value	499	517

Included in freehold land and buildings is land of £275,000 (31 December 2020: £275,000) which is not depreciated.

Revaluation reserve transfer

A transfer of £4,000 (year 31 December 2020: £3,000) represents the depreciation charge on revalued asset balances.

11. Stock

	31 March 2022 £'000	31 December 2020 £'000
Stock held for resale	9,757	4,943

The replacement cost of stock is not significantly different from the value included in the Balance Sheet.

At 31 March 2022 and 31 December 2020, all new and the majority of used vehicles are held under vehicle financing arrangements, see Note 13.

12. Debtors

	31 March 2022 £'000	31 December 2020 £'000
Trade debtors	1,633	362
Amounts owed by Group undertakings	3,815	1,925
Other debtors	175	70
VAT	13	-
Prepayments	66	81
	5,702	2,438

Outstanding balances with Group entities are unsecured, interest free and are expected to be settled in cash. During the period ended 31 March 2022, the Company has not made any provision for doubtful debtors relating to amounts owed by related parties (year ended 31 December 2020: nil).

Crystal Motor Group Limited
Notes to the Financial Statements *(continued)*
For the 15 months ended 31 March 2022

13. Creditors: amounts falling due within one year

	31 March 2022	31 December 2020
	£'000	£'000
Bank overdrafts	3,086	2,346
Trade creditors		
- Vehicle financing arrangements	4,710	4,129
- Other trade creditors	5,621	1,042
Amounts owed to Group undertakings	1,200	977
Other taxation and social security	74	194
Other creditors	2	6
Accruals	752	244
	15,445	8,938

The Company finances the purchase of new and used vehicle inventories using vehicle funding facilities provided by various lenders including the captive finance companies associated with brand partners. These finance arrangements have varying maturity profiles with terms ranging from 60 to 360 days. The Company is normally required to repay amounts outstanding on the earlier of the sale of the vehicles that have been funded under the facilities or the stated maturity date.

Amounts due to finance companies in respect of vehicle funding are included within trade creditors and disclosed under vehicle financing arrangements.

Vehicle financing facilities are subject to floating interest rates linked to the Bank of England Base Rate (or equivalent finance house interest rates). The interest incurred under these arrangements is included within interest payable and similar charges.

Vehicle funding facilities provided by various lenders are secured against vehicles and by guarantees provided by the Group's parent company, Marshall Motor Holdings Limited.

Management considers the carrying amount of creditors to approximate their fair value.

14. Creditors: amounts falling due after more than one year

	31 March 2022	31 December 2020
	£'000	£'000
Deferred income	105	41

15. Operating lease commitments

The Company's future minimum operating lease payments all relate to land and buildings and are as follows:

	31 March 2022	31 December 2020
	£'000	£'000
Within one year	122	112
Between one and five years	380	426
In more than five years	-	71
	502	609

Crystal Motor Group Limited

Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

16. Provisions for liabilities – deferred tax

The movement on the deferred tax liability during the period was:

	31 March 2022 £'000	31 December 2020 £'000
At 1 January	47	50
Changes in provision	65	(3)
At period end	112	47

The balance of the deferred tax liability consists of the tax effect of timing differences in respect of:

	31 March 2022 £'000	31 December 2020 £'000
Accelerated capital allowances	82	20
Retirement benefit obligations	(5)	(1)
Revalued properties	35	28
Total deferred taxation	112	47

During the year beginning 1 April 2022, the net reversal of existing deferred tax assets and liabilities is expected to decrease the corporation tax charge for that year by £11,000. This is due to the net impact of deferred tax relating to timing differences on tangible fixed assets and retirement benefit obligations.

17. Pensions

As described in Note 2, the Company participates in a defined contribution pension scheme for the benefit of its employees. The scheme is funded by the payment of contributions to a trustee administered fund which is kept independently from the assets of the participating employers.

The total pension cost for the period for the Company in respect of the scheme was £66,000 (year ended 31 December 2020: £38,000).

The total unpaid pension contributions outstanding at the period-end were £12,000 (31 December 2020: £6,000).

18. Share capital

	31 March 2022 £'000	31 December 2020 £'000
Allotted, called up and fully paid:		
250,000 ordinary shares of £1 each	250	250

19. Reserves

Revaluation reserve

- prior to the transition to FRS 102, freehold land and buildings were held at valuation. On transition to FRS 102 the transitional exemption in paragraph 35.10(d) of FRS 102 'Revaluation as Deemed Cost' was applied. Fair value at the date of transition was taken as deemed cost; freehold land and buildings are now held at this cost going forward. The balance on the revaluation reserve relates to pre-transition revaluation surpluses.

- each year a transfer is made from the revaluation reserve to the profit and loss reserves equivalent to the excess depreciation that has been charged in respect of the revalued assets.

- these amounts are not distributable to shareholders as dividends as the gains are not realised.

Profit and loss account reserve

- includes all current and prior period profits and losses.

Crystal Motor Group Limited

Notes to the Financial Statements *(continued)*

For the 15 months ended 31 March 2022

20. Guarantees and other financial commitments

The Group has a revolving credit facility of £60,000,000 of which £nil was drawn at 31 March 2022 (31 December 2020: £nil). This facility includes access to an overdraft facility of £25,000,000. This facility is available for general corporate purposes including acquisitions or working capital requirements.

The facility is secured by cross guarantees granted by certain members of the Group. The facility is available until September 2024.

21. Ultimate parent company

The Company's immediate parent undertaking is CMC 2007 Limited which is a subsidiary of Marshall Motor Holdings Limited. On 11 May 2022 Marshall Motor Holdings Limited was acquired by a new intermediate parent company, CAG Vega 2 Limited, a company incorporated in England and Wales. The ultimate controlling party became TDR Capital LLP, a Limited Liability Partnership incorporated in England and Wales. Constellation Automotive Holdings Limited is the largest undertaking that consolidates these financial statements. The parent company of the smallest such group is Marshall Motor Holdings Limited.

Copies of the consolidated financial statements for both Marshall Motor Holdings Limited and Constellation Automotive Holdings Limited can be obtained from The Registrar of Companies at Companies House, Crown Way, Cardiff CF14 3UZ.

22. Events after the reporting period

Change of control

On 29 November 2021 the Board of Constellation Automotive Holdings Limited announced the terms of a cash offer pursuant to which its wholly-owned subsidiary CAG Vega 2 Limited would acquire the entire issued, and to be issued, share capital of the Marshall Motor Holdings Limited, subject to the requisite regulatory approvals being obtained. Marshall of Cambridge (Holdings) Limited provided an irrevocable undertaking to accept the offer in respect of its entire shareholding in the ordinary share capital of Marshall Motor Holdings, representing approximately 64.4% of the issued ordinary share capital. Following the granting of the requisite regulatory approvals on 11 May 2022, the change of control took effect.

Subsequent to the change of control, on 15 June 2022 the admission to trading of the shares of Marshall Motor Holdings on the Alternative Investment Market of the London Stock Exchange was cancelled. Consequently, Marshall Motor Holdings was re-registered as a private limited company.