

Automotive case studies

DELIVERING TANGIBLE BENEFITS TO OUR AUTOMOTIVE CLIENTS

We have an excellent track record of going beyond statutory compliance to genuinely add value.

Our specialist and experienced automotive team are committed to providing a value added service that goes beyond statutory compliance and achieves tangible benefits for our clients.

Below are some specific examples about how we have added value to our automotive clients' businesses in the last 12 months.

Adding value through our extensive contact base

We are engaged as auditors and accountants to a two site franchised dealer in the North West. The business was only recently created and has not had chance to build up significant capital reserves. It is expanding rapidly and outgrown one of its current leasehold locations. An opportunity to move to a new freehold location was identified but the business was struggling to fund the transaction. We were approached to see if we could assist.

Using our network of contacts we were able to identify a potential partner for the existing leasehold location. Following a period of negotiation, this partner was persuaded to pay a significant lease premium to secure the site. This premium together with the avoided onerous lease commitment significantly improved the financial metrics of the deal. As a result a funding partner was able to be found and the transaction progressed. The net result is that our client has been able to move from leasehold to much larger freehold premises providing a sound platform for further growth of the business.

Providing strategic support to deliver future goals

We were appointed by a single site, multi franchise operation to provide ongoing strategic advisory services. The business had been subject to a management buyout in 2011 and had struggled to generate any meaningful profits in the period since. One

of the three franchises represented had been terminated and the viability of the business was under threat.

We worked with the management team to identify a replacement franchise which was introduced along with a significant marketing support contribution. The franchise has gradually started to add a meaningful contribution to the site results. At the same time, we have worked steadily with the management team to deliver enhancements to the business in a number of areas, introducing specialist expertise where necessary.

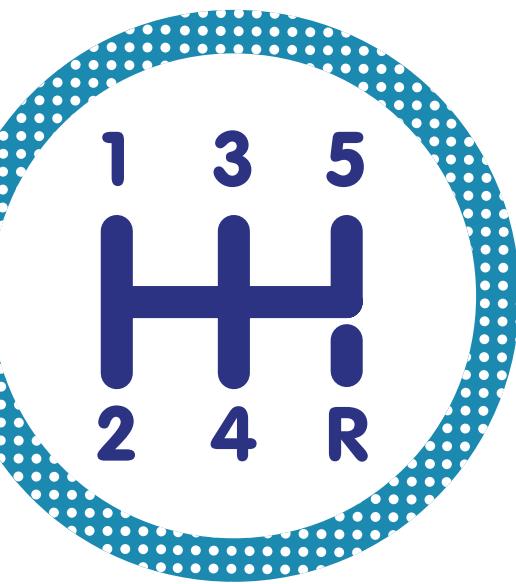
The key areas focused on have been improvements to pay plans in the sales department, significant amounts of work in the parts department (delivered a £100k annualised profit improvement alone), focus on improving used car returns and optimising the utilisation of working capital. The business delivered a £200k profit in its last audited accounts and is set to deliver a £275k profit in the current year.

We are now working with the business to secure funding and negotiate the purchase of the trading premises from the landlord. Longer term, the business plans to use its profits to pay off mortgage debt before selling the company in around ten years' time.

How can we help your business?

Our automotive offering is led by experts dedicated to the sector who have considerable industry insight that they can share with you.

We provide a wealth of services to suppliers, dealers and OEMs including audit and taxation, mergers and acquisitions, independent business reviews, operational support and many other aspects of compliance, best practice and controls. However, it is the combination of our experience and the level of ongoing support that we provide that can add real value to your operations.



IT is the combination of our experience and the level of ongoing support that we provide that can add real value to your operations.

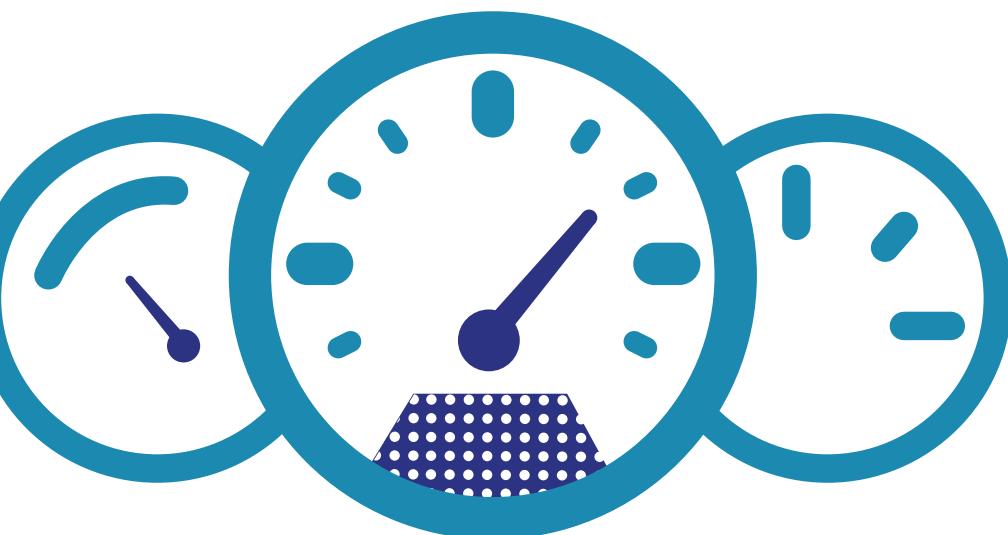
THE NEXT STEP

For further information or to discuss how we can help add value to your business, please contact:

David Kendrick, head of automotive
t: 0161 236 6936
e: d.kendrick@uhy-uk.com

Paul Daly, partner
t: 0161 236 6936
e: p.daly@uhy-uk.com

Alternatively, you can find details of your local expert on our website at www.uhy-uk.com/automotive.



UHY Hacker Young Associates is a UK company which is the organising body of the UHY Hacker Young Group, a group of independent UK accounting and consultancy firms. Any services described herein are provided by the member firms and not by UHY Hacker Young Associates Limited. Each of the member firms is a separate and independent firm, a list of which is available on our website. Neither UHY Hacker Young Associates Limited nor any of its member firms has any liability for services provided by other members.

A member of UHY International, a network of independent accounting and consulting firms.



This publication is intended for general guidance only. No responsibility is accepted for loss occasioned to any person acting or refraining from actions as a result of any material in this publication.

© UHY Hacker Young 2018

www.uhy-uk.com

Helping you prosper