

Sherwoods Motor Group toasts second ever highest profits despite headwinds

Directors at North East automotive retailer Sherwoods Motor Group are toasting the firm's second highest profit level despite battling a number of headwinds.

The Washington company, which has dealerships across Tyneside, Wearside and County Durham, has published accounts for 2023 showing rising turnover from £91.5m to £96.4m, while operating profit rose from £1.1m to £1.5m. In the accounts, directors detail how new car volumes increased by 24%, while service labour was up 16% and parts sales rose by 20%.

During the year the firm's headcount dropped from 162 to 153 employees, although the wages, social security and pension bill increased from £5.5m to £5.6m.

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The accounts say: "Despite the headwinds of increased energy costs, borrowing costs and general inflation the business performed well above our expectations finishing with the second highest profit on record.

"We know 2024 is going to be tough with continued pressure on costs, interest rates still high customer uncertainty and alike but we have a strong well performing business and a robust balance sheet and will be more than able to ride out any storms. We also will be looking for further opportunities to grow our business should the opportunity arise in 2024, either with additional franchises on our existing sites or an

additional site if one becomes available.

“The company is reliant on new vehicle products from Peugeot, Citroen and Suzuki. This exposes the company to risks in a number of areas as the company is dependent on its manufacturers in respect of availability of new vehicle products, quality of new vehicle products, pricing of new vehicle products.

“The directors are confident that future new products from manufacturers will continue to be competitively priced and of high quality and therefore consider that this ‘manufacturer risk’ is minimal. The directors believe that it is essential for the continued success and reputation of the business to maintain positive relationships with the customers, suppliers and vehicle manufacturer partners. Business is built upon the prioritisation of customer satisfaction and having positive relationships with all suppliers.

“The directors believe that establishing a great working relationship with our existing brands will enable us to take advantage of future expansion possibilities within our focused geographical area. This coupled with looking at other partners to compliment our existing portfolio will enable us to grow a sustainable group over the medium term.”