

Registration number: 05672914

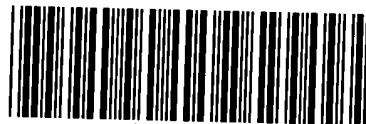
Houston Motor Cars Limited

trading as Bramley Cars

Annual Report and Financial Statements

for the Year Ended 31 March 2017

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21/12/2017

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COMPANIES HOUSE

Roffe Swayne
Statutory Auditors and Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Houston Motor Cars Limited

trading as Bramley Cars

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Houston Motor Cars Limited

trading as Bramley Cars

Company Information

Director S P Gregg

Company secretary K Knight

Registered office The Foundry
26 High Street
Bramley
Guildford
Surrey
GU5 0HB

Auditors Roffe Swayne
Statutory Auditors and Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Houston Motor Cars Limited

trading as Bramley Cars

Strategic Report for the Year Ended 31 March 2017

The director presents his strategic report for the year ended 31 March 2017.

Principal activity

The principal activity of the company is that of the sale of prestige motor vehicles.

Fair review of the business

The challenging trading conditions and changes in the marketplace and motor trade as a whole are envisaged to carry on through 2017 into 2018.

We are endeavouring with this in mind to change our stock profile to hold less units, the units we hold would be of a higher value with an increased margin. We are also changing our stock profile to newer cars that are still under manufacturers warranty and so need less reconditioning. 2017 has seen quite sharp rises in reconditioning costs so this action should reduce these.

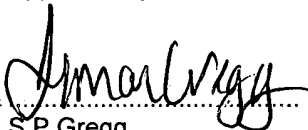
Principal risks and uncertainties

The key business risk faced by the company relates to the impact of the state of the economy on the customer base.

Based on the company's current state of affairs, maintaining liquidity is considered the prime objective for the next twelve months.

Given the straight forward nature of the business, the director is of the opinion that detailed analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the company.

Approved by the Board on 2012 17 and signed on its behalf by:



S P Gregg
Director

Houston Motor Cars Limited

trading as Bramley Cars

Director's Report for the Year Ended 31 March 2017

The director presents his report and the financial statements for the year ended 31 March 2017.

Director of the company

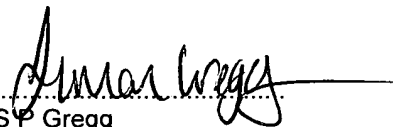
The director who held office during the year was as follows:

S P Gregg

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 20.12.17 and signed on its behalf by:



S P Gregg
Director

Houston Motor Cars Limited

trading as Bramley Cars

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Houston Motor Cars Limited

trading as Bramley Cars

Independent Auditor's Report to the Members of Houston Motor Cars Limited

We have audited the financial statements of Houston Motor Cars Limited for the year ended 31 March 2017, set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditor

As explained more fully in the Statement of Director's Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Houston Motor Cars Limited

trading as Bramley Cars

Independent Auditor's Report to the Members of Houston Motor Cars Limited

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The overall liquidity risk, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

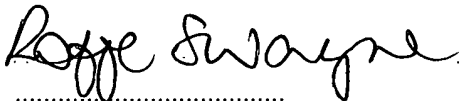
- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

Matters on which we are required to report by exception

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

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



.....
Helen Kay BA FCA (Senior Statutory Auditor)
For and on behalf of Roffe Swayne,
Statutory Auditors & Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Date: 20 December 2017

Houston Motor Cars Limited

trading as Bramley Cars

Profit and Loss Account for the Year Ended 31 March 2017

	Note	Total 31 March 2017 £	Total 31 March 2016 £
Turnover	3	15,418,285	16,830,471
Cost of sales		<u>(14,818,989)</u>	<u>(15,976,723)</u>
Gross profit		599,296	853,748
Administrative expenses		(568,519)	(639,376)
Other operating income	4	<u>30,000</u>	<u>30,000</u>
Operating profit	5	<u>60,777</u>	<u>244,372</u>
Interest payable and similar expenses	6	<u>(96,011)</u>	<u>(98,958)</u>
		<u>(96,011)</u>	<u>(98,958)</u>
(Loss)/profit before tax		(35,234)	145,414
Taxation	9	<u>(6,000)</u>	<u>(5,986)</u>
(Loss)/profit for the financial year		<u>(41,234)</u>	<u>139,428</u>

The above results were derived from continuing operations.

Houston Motor Cars Limited

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Statement of Comprehensive Income for the Year Ended 31 March 2017

	Note	2017 £	2016 £
(Loss)/profit for the year		(41,234)	139,428
Movement on capital contribution		<u>111,528</u>	<u>(88,227)</u>
Total comprehensive income for the year		<u>70,294</u>	<u>51,201</u>

Houston Motor Cars Limited

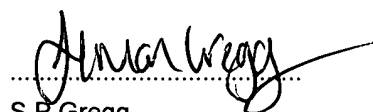
trading as Bramley Cars

(Registration number: 05672914)

Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	10	51,950	37,897
Tangible assets	11	<u>2,347,981</u>	<u>2,381,661</u>
		<u>2,399,931</u>	<u>2,419,558</u>
Current assets			
Stocks	12	4,550,183	3,459,278
Debtors	13	151,646	127,340
Cash at bank and in hand		<u>686</u>	<u>558</u>
		4,702,515	3,587,176
Creditors: Amounts falling due within one year	14	<u>(4,277,893)</u>	<u>(3,584,927)</u>
Net current assets		<u>424,622</u>	<u>2,249</u>
Total assets less current liabilities		2,824,553	2,421,807
Creditors: Amounts falling due after more than one year	14	<u>(1,748,167)</u>	<u>(1,415,715)</u>
Net assets		<u>1,076,386</u>	<u>1,006,092</u>
Capital and reserves			
Called up share capital	16	3,422,377	3,422,377
Other reserves		538,218	426,690
Profit and loss account		<u>(2,884,209)</u>	<u>(2,842,975)</u>
Total equity		<u>1,076,386</u>	<u>1,006,092</u>

Approved and authorised by the Board on 20 12 17 and signed on its behalf by:



S P Gregg

Director

The notes on pages 12 to 21 form an integral part of these financial statements.

Houston Motor Cars Limited

trading as Bramley Cars

Statement of Changes in Equity for the Year Ended 31 March 2017

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2015	3,422,377	514,917	(2,982,403)	954,891
Profit for the year	-	-	139,428	139,428
Other comprehensive income	-	(88,227)	-	(88,227)
Total comprehensive income	-	(88,227)	139,428	51,201
At 31 March 2016	3,422,377	426,690	(2,842,975)	1,006,092
	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2016	3,422,377	426,690	(2,842,975)	1,006,092
Loss for the year	-	-	(41,234)	(41,234)
Other comprehensive income	-	111,528	-	111,528
Total comprehensive income	-	111,528	(41,234)	70,294
At 31 March 2017	3,422,377	538,218	(2,884,209)	1,076,386

The notes on pages 12 to 21 form an integral part of these financial statements.

Houston Motor Cars Limited

trading as Bramley Cars

Statement of Cash Flows for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
(Loss)/profit for the year		(41,234)	139,428
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	59,347	112,527
Finance costs	6	96,011	98,958
Income tax expense	9	6,000	5,986
		<u>120,124</u>	<u>356,899</u>
Working capital adjustments			
(Increase)/decrease in stocks	12	(1,090,905)	147,696
Increase in debtors	13	(24,306)	(41,176)
Increase/(decrease) in creditors	14	219,440	(191,627)
Cash generated from operations		<u>(775,647)</u>	<u>271,792</u>
Interest paid		(96,011)	(98,958)
Income taxes paid	9	<u>(5,994)</u>	<u>(5,992)</u>
Net cash flow from operating activities		<u>(877,652)</u>	<u>166,842</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(9,720)	(9,908)
Acquisition of intangible assets	10	<u>(30,000)</u>	<u>(34,150)</u>
Net cash flows from investing activities		<u>(39,720)</u>	<u>(44,058)</u>
Cash flows from financing activities			
Increase/(decrease) in Stock financing loan		651,989	98,976
Amount introduced by director		904,740	453,103
Amount withdrawn by director		<u>(460,760)</u>	<u>(804,323)</u>
Net cash flows from financing activities		<u>1,095,969</u>	<u>(252,244)</u>
Net increase/(decrease) in cash and cash equivalents		178,597	(129,460)
Cash and cash equivalents at 1 April		<u>(588,503)</u>	<u>(459,043)</u>
Cash and cash equivalents at 31 March		<u>(409,906)</u>	<u>(588,503)</u>

The notes on pages 12 to 21 form an integral part of these financial statements.

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office and place of business is:

The Foundry
26 High Street
Bramley
Guildford
Surrey
GU5 0HB

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

During the year the director has continued to support the company, and he has confirmed his willingness and commitment to continue to provide support as required to enable the company to meet its liabilities as they fall due and to continue as a going concern.

The company is operating within its agreed overdraft facility, although the overdraft has increased during the year. The director has received confirmation that the facility is renewed until July 2018, and he is satisfied that the company will be able to continue to trade within this facility.

The level of overheads remains under review and the director's efforts continue to focus on returning to historic sales levels and achieving sales growth, both in terms of volumes and values.

Conditions within the motor vehicle trade have remained difficult in the period since March 2017 and the prospects for the industry as a whole remain difficult to predict with any degree of confidence. There remains a risk that the industry will continue to deteriorate.

On the basis that the director will continue to provide sufficient working capital for the company to meet its liabilities as they fall due and the renewal of the bank overdraft facility, these financial statements are prepared on a going concern basis.

Revenue recognition

Turnover is measured at fair value of the consideration received for vehicles sold during the financial period, net of trade discounts and VAT. Turnover is recognised at the point that the title is passed.

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2017

Foreign currency transactions and balances

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	2% on cost
Equipment	10% on cost
Motor vehicles	20% on cost

Included within freehold property is freehold land of £1,005,000 which is not depreciated.

Residual values and useful lives are reviewed, and adjusted, if necessary at each balance sheet date.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2006, is being amortised evenly over its estimated useful life of ten years.

Goodwill has been reviewed for impairment at the year end, given the current conditions in the motor vehicle market there is potential for carrying value of goodwill to be different to the realisable value of the brand. However, given the history and reputation of the brand the director does not consider impairment necessary.

Amortisation

Amortisation is provided on other intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Website	Over 3 years

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2017

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stock comprises finished goods and goods for resale and is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined on a first in first out basis. Cost includes the original purchase price and any costs attributable to bringing the stock to its present location and condition.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity.

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2017

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Summary of significant judgements and key accounting estimates

The significant judgements and sources of key accounting estimates that have been applied in the preparation of these financial statements are set out below. These have been deemed appropriate and consistently applied to all the years presented.

Amortisation of goodwill

The amount paid in connection with the acquisition of the business in 2006 is being amortised evenly over its estimated useful life of 10 years. Based on the history and reputation of the brand, the goodwill is considered to have a useful life of 10 years.

Future value of long term director's loan

In accordance with FRS 102 paragraph 11.13, the long term loan payable to the director is measured at amortised cost, being recognised at the present value of all future repayments, discounted at an appropriate rate. At the year end, it is considered that the loan will be repaid in 5 years and that, given the Company's current level of gearing, an appropriate market rate of interest for a comparable loan is 7.5%.

Stock valuation

The estimated selling price is reviewed for each individual stock item and the director assesses the need for any specific provisions depending on the market conditions or condition of the individual stock item.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017	2016
	£	£
Sale of goods	<u>15,418,285</u>	<u>16,830,471</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2017	2016
	£	£
Rents received	<u>30,000</u>	<u>30,000</u>

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2017

5 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	43,400	44,093
Amortisation expense	15,947	68,434
Auditor's remuneration	10,000	9,000

6 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and borrowings	96,011	98,958

7 Staff costs

The aggregate payroll costs (including director's remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	189,233	197,806
Social security costs	17,390	19,726
Pension costs, defined contribution scheme	1,254	-
Other employee expense	11,563	126

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Administration and support	5	5

8 Director's remuneration

The director's remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	7,956	7,956

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2017

9 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	6,000	5,994
UK corporation tax adjustment to prior periods	-	(8)
	<u>6,000</u>	<u>5,986</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 20% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
(Loss)/profit before tax	<u>(35,234)</u>	<u>145,414</u>
Corporation tax at standard rate	(7,047)	29,083
Effect of:		
Expenses not deductible in determining taxable profit (tax loss)	134	2,182
Tax losses	9,996	(44,565)
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	-	(8)
Tax increase from capital allowances and depreciation	<u>2,917</u>	<u>19,294</u>
Total tax charge	<u>6,000</u>	<u>5,986</u>

Carried forward losses totalling £2.4 million are available for use against future trading profits.

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2017

10 Intangible assets

	Goodwill £	Website £	Total £
Cost or valuation			
At 1 April 2016	666,475	34,150	700,625
Additions	-	30,000	30,000
At 31 March 2017	666,475	64,150	730,625
Amortisation			
At 1 April 2016	660,941	1,787	662,728
Amortisation charge	5,534	10,413	15,947
At 31 March 2017	666,475	12,200	678,675
Carrying amount			
At 31 March 2017	-	51,950	51,950
At 31 March 2016	5,534	32,363	37,897

11 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2016	2,680,969	164,562	41,627	2,887,158
Additions	6,335	3,385	-	9,720
At 31 March 2017	2,687,304	167,947	41,627	2,896,878
Depreciation				
At 1 April 2016	317,429	146,441	41,627	505,497
Charge for the year	33,757	9,643	-	43,400
At 31 March 2017	351,186	156,084	41,627	548,897
Carrying amount				
At 31 March 2017	2,336,118	11,863	-	2,347,981
At 31 March 2016	2,363,540	18,121	-	2,381,661

Included within freehold property are buildings that have been let on an operating lease basis with a base cost of £220,371 (2016: £220,371) and accumulated depreciation of £43,468 (2016: £39,061).

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2017

12 Stocks

	2017 £	2016 £
Work in progress	235,008	234,747
Finished goods and goods for resale	<u>4,315,175</u>	<u>3,224,531</u>
	<u>4,550,183</u>	<u>3,459,278</u>

The cost of stocks recognised as an expense in the year amounted to £15,475,894 (2016 - £14,764,076).

13 Debtors

	2017 £	2016 £
Trade debtors	27,229	28,377
Other debtors	66,302	36,026
Prepayments	<u>58,115</u>	<u>62,937</u>
	<u>151,646</u>	<u>127,340</u>

14 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	17	3,449,052	2,975,532
Trade creditors		674,141	428,608
Social security and other taxes		10,747	25,884
Other payables		98,436	106,829
Accrued expenses		39,517	42,080
Income tax liability	9	<u>6,000</u>	<u>5,994</u>
		<u>4,277,893</u>	<u>3,584,927</u>
Due after one year			
Loans and borrowings	17	<u>1,748,167</u>	<u>1,415,715</u>

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15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,254 (2016 - £Nil).

16 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>3,422,377</u>	<u>3,422,377</u>	<u>3,422,377</u>	<u>3,422,377</u>

17 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Other borrowings	<u>1,748,167</u>	<u>1,415,715</u>

The loan provided by the Director falling due after more than one year is interest-free, and has no fixed repayment terms. In accordance with the Company's accounting policies, the loan is discounted at a rate of 7.5% per annum over a period of 5 years.

	2017 £	2016 £
Current loans and borrowings		
Bank overdrafts	410,592	589,061
Stock financing loan	<u>3,038,460</u>	<u>2,386,471</u>
	<u>3,449,052</u>	<u>2,975,532</u>

The bank overdraft is secured by a first legal mortgage over the two properties owned by the company, a mortgage debenture incorporating a specific charge over book debts, and a personal guarantee of £300,000 provided by the director, Mr S P Gregg.

The stock financing loan is secured on the related motor vehicles held in stock with a net book value of £3.9 million. The loan is repayable on demand and interest is charged at 2.99%.

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Notes to the Financial Statements for the Year Ended 31 March 2017

18 Related party transactions

Key management compensation

	2017 £	2016 £
Salaries and other short term employee benefits	96,383	109,852

Transactions and balances with related parties

	Key management £	Other related parties £
2017		
Sale of goods	1,045,454	-
Purchase of goods	2,393,960	-
Amounts payable to related party	1,853,047	-
Amounts receivable from related party	-	31,288
	Key management £	Other related parties £
2016		
Sale of goods	936,555	-
Purchase of goods	1,913,946	100,850
Amounts payable to related party	1,508,428	-
Amounts receivable from related party	-	2,348

19 Ultimate controlling party

The ultimate controlling party is S P Gregg.