

Registration number: 05672914

Houston Motor Cars Limited

trading as Bramley Cars

Annual Report and Financial Statements

for the Year Ended 31 March 2019

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



Houston Motor Cars Limited

trading as Bramley Cars

Contents

Company Information	1
Strategic Report	2
Director's Report	3
Statement of Director's Responsibilities	4
Independent Auditor's Report	5 to 7
Profit and Loss Account	8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 to 23

Houston Motor Cars Limited

trading as Bramley Cars

Company Information

Director	S P.Gregg
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 2019

The director presents his strategic report for the year ended 31 March 2019.

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 2019 into 2020.

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 continuing to move our stock profile to newer cars that are still under manufacturers warranty and so need less reconditioning.

We have also substantially changed the business model to allow it to run effectively with a lower cost base.


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 director on 10/12/19 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 2019

The director presents his report and the financial statements for the year ended 31 March 2019.

Director of the company

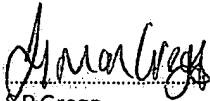
The director who held office during the year was as follows:

S P Gregg

Disclosure of information to the auditors

The director has taken 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 auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

Approved by the director on 10/12/19 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 he is 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

Opinion

We have audited the financial statements of Houston Motor Cars Limited (the 'company') for the year ended 31 March 2019, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit 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.

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 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates although the company made a profit of £57,981 during the year ended 31 March 2019, trading conditions remain difficult post year end. As stated in note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Houston Motor Cars Limited

trading as Bramley Cars

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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.

Matters on which we are required to report by exception

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.

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.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities (set out on page 4), the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Houston Motor Cars Limited

trading as Bramley Cars

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

In preparing the financial statements, the director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

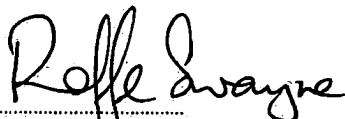
Auditor's responsibilities for the audit of the financial statements

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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



Jeremy Gardner BSc FCA (Senior Statutory Auditor)
For and on behalf of Roffe Swayne, Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Date: 10 December 2019

Houston Motor Cars Limited

trading as Bramley Cars

Profit and Loss Account for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	3	13,775,109	15,535,829
Cost of sales		<u>(13,195,021)</u>	<u>(14,891,745)</u>
Gross profit		580,088	644,084
Administrative expenses		(654,886)	(617,791)
Other operating income	4	<u>226,011</u>	<u>30,000</u>
Operating profit	5	<u>151,213</u>	<u>56,293</u>
Interest payable and similar expenses	6	<u>(96,809)</u>	<u>(132,317)</u>
		<u>(96,809)</u>	<u>(132,317)</u>
Profit/(loss) before tax		54,404	(76,024)
Taxation	9	<u>3,577</u>	<u>2,427</u>
Profit/(loss) for the financial year		<u>57,981</u>	<u>(73,597)</u>

The above results were derived from continuing operations.

Houston Motor Cars Limited

trading as Bramley Cars

Statement of Comprehensive Income for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Profit/(loss) for the year		57,981	(73,597)
Movement on capital contribution		<u>(123,897)</u>	<u>(62,399)</u>
Total comprehensive income for the year		<u>(65,916)</u>	<u>(135,996)</u>

The notes on pages 13 to 23 form an integral part of these financial statements.

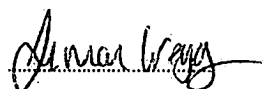
Houston Motor Cars Limited

trading as Bramley Cars

(Registration number: 05672914)
Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	19,876	35,913
Tangible assets	11	<u>1,944,017</u>	<u>2,314,480</u>
		<u>1,963,893</u>	<u>2,350,393</u>
Current assets			
Stocks	12	4,314,360	5,434,499
Debtors	13	318,124	147,307
Cash at bank and in hand		<u>3,741</u>	<u>1,214</u>
		4,636,225	5,583,020
Creditors: Amounts falling due within one year	14	<u>(4,524,101)</u>	<u>(5,430,863)</u>
Net current assets		<u>112,124</u>	<u>152,157</u>
Total assets less current liabilities		2,076,017	2,502,550
Creditors: Amounts falling due after more than one year	14	<u>(1,201,543)</u>	<u>(1,562,160)</u>
Net assets		<u>874,474</u>	<u>940,390</u>
Capital and reserves			
Called up share capital	16	3,422,377	3,422,377
Other reserves		351,922	475,819
Profit and loss account		<u>(2,899,825)</u>	<u>(2,957,806)</u>
Total equity		<u>874,474</u>	<u>940,390</u>

Approved and authorised by the director on 10/12/19



SP Gregg
Director

Houston Motor Cars Limited

trading as Bramley Cars

Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2017	3,422,377	538,218	(2,884,209)	1,076,386
Loss for the year	-	-	(73,597)	(73,597)
Other comprehensive income	-	(62,399)	-	(62,399)
Total comprehensive income	-	(62,399)	(73,597)	(135,996)
At 31 March 2018	<u>3,422,377</u>	<u>475,819</u>	<u>(2,957,806)</u>	<u>940,390</u>

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2018	3,422,377	475,819	(2,957,806)	940,390
Profit for the year	-	-	57,981	57,981
Other comprehensive income	-	(123,897)	-	(123,897)
Total comprehensive income	-	(123,897)	57,981	(65,916)
At 31 March 2019	<u>3,422,377</u>	<u>351,922</u>	<u>(2,899,825)</u>	<u>874,474</u>

The notes on pages 13 to 23 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 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit/(loss) for the year		57,981	(73,597)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	65,427	54,863
Finance costs	6	96,809	132,317
Income tax expense	9	<u>(3,577)</u>	<u>(2,427)</u>
		216,640	111,156
Working capital adjustments			
Decrease/(increase) in stocks	12	1,120,139	(884,316)
(Increase)/decrease in debtors	13	(170,817)	4,339
(Decrease)/increase in creditors	14	<u>(215,437)</u>	<u>278,370</u>
Cash generated from operations		950,525	(490,451)
Interest paid		(96,809)	(132,317)
Income taxes received/(paid)	9	<u>3,577</u>	<u>(3,573)</u>
Net cash flow from operating activities		<u>857,293</u>	<u>(626,341)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(47,453)	(5,324)
Proceeds from sale of tangible assets		<u>368,526</u>	<u>-</u>
Net cash flows from investing activities		<u>321,073</u>	<u>(5,324)</u>
Cash flows from financing activities			
Repayment of other borrowing		17,102	-
Increase/(decrease) in Stock financing loan		(156,837)	722,252
Amount introduced by director		1,974,997	1,032,203
Amount withdrawn by director		<u>(2,468,215)</u>	<u>(1,280,610)</u>
Net cash flows from financing activities		<u>(632,953)</u>	<u>473,845</u>
Net increase/(decrease) in cash and cash equivalents		545,413	(157,820)
Cash and cash equivalents at 1 April		<u>(567,726)</u>	<u>(409,906)</u>
Cash and cash equivalents at 31 March		<u>(22,313)</u>	<u>(567,726)</u>

The notes on pages 13 to 23 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 2019

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. The utilisation of the overdraft has decreased during the year, as a result of the sale of Quadrum Park. The director has received confirmation that the overdraft facility is renewed until July 2020, and he is satisfied that the company will be able to continue to trade within the facilities available.

In addition, the company is looking to reduce the level of vehicles that are financed through the stocking facilities that are available, in order to reduce the associated cost to the business.

The level of overheads remains under review and following the year end, the director has put into place a number of measures to reduce the monthly overheads in the business.

Conditions within the motor vehicle trade have remained difficult in the period since March 2019 and the prospects for the industry as a whole remain difficult to predict with any degree of confidence.

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.

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2019

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.

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 £830,000 which is not depreciated.

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

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 2019

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.

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2019

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity.

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.

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.

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Revenue

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

	2019 £	2018 £
Sale of goods	<u>13,775,109</u>	<u>15,535,829</u>

4 Other operating income

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

	2019 £	2018 £
Rents received	(934)	30,000
Profit on sale of freehold property	<u>226,945</u>	<u>-</u>
	<u>226,011</u>	<u>30,000</u>

5 Operating profit

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	49,390	38,825
Amortisation expense	16,037	16,038
Auditor's remuneration	<u>11,500</u>	<u>10,500</u>

6 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and borrowings	<u>96,809</u>	<u>132,317</u>

7 Staff costs

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

	2019 £	2018 £
Wages and salaries	211,246	193,251
Social security costs	20,602	16,439
Pension costs, defined contribution scheme	4,388	1,098
Other employee expense	<u>4,840</u>	<u>-</u>
	<u>241,076</u>	<u>210,788</u>

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2019

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

	2019 No.	2018 No.
Administration and support	<u>7</u>	<u>6</u>

8 Director's remuneration

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

	2019 £	2018 £
Remuneration	<u>7,956</u>	<u>7,956</u>

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2019

9 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax adjustment to prior periods	<u>(3,577)</u>	<u>(2,427)</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit/(loss) before tax	<u>54,404</u>	<u>(76,024)</u>
Corporation tax at standard rate	10,337	(14,445)
Effect of:		
Expenses not deductible in determining taxable profit (tax loss)	348	811
Tax losses	21,506	4,990
Tax (decrease)/increase from capital allowances and depreciation	(32,191)	8,644
Other tax adjustments	<u>(3,577)</u>	<u>(2,427)</u>
Total tax credit	<u>(3,577)</u>	<u>(2,427)</u>

Carried forward losses totalling £2.57 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 2019

10 Intangible assets

	Goodwill £	Website £	Total £
Cost or valuation			
At 1 April 2018	666,475	64,151	730,626
At 31 March 2019	666,475	64,151	730,626
Amortisation			
At 1 April 2018	666,475	28,238	694,713
Amortisation charge	-	16,037	16,037
At 31 March 2019	666,475	44,275	710,750
Carrying amount			
At 31 March 2019	-	19,876	19,876
At 31 March 2018	-	35,913	35,913

11 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2018	2,687,304	173,271	41,627	2,902,202
Additions	4,167	350	42,936	47,453
Disposals	(423,620)	-	-	(423,620)
At 31 March 2019	2,267,851	173,621	84,563	2,526,035
Depreciation				
At 1 April 2018	385,022	161,073	41,627	587,722
Charge for the year	31,351	4,961	13,078	49,390
Eliminated on disposal	(55,094)	-	-	(55,094)
At 31 March 2019	361,279	166,034	54,705	582,018
Carrying amount				
At 31 March 2019	1,906,572	7,587	29,858	1,944,017
At 31 March 2018	2,302,282	12,198	-	2,314,480

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2019

Included within freehold property are buildings that have been let on an operating lease basis with a base cost of £220,371 (2018: £220,371) and accumulated depreciation of £47,876 (2018: £47,876).

12 Stocks

	2019 £	2018 £
Work in progress	339,868	293,831
Finished goods and goods for resale	<u>3,974,492</u>	<u>5,140,668</u>
	<u>4,314,360</u>	<u>5,434,499</u>

The cost of stocks recognised as an expense in the year amounted to £11,804,651 (2018: £15,297,405).

13 Debtors

	2019 £	2018 £
Trade debtors	197,633	29,715
Other debtors	62,842	67,510
Prepayments	<u>57,649</u>	<u>50,082</u>
	<u>318,124</u>	<u>147,307</u>

14 Creditors

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	17	3,638,327	4,329,652
Trade creditors		514,385	813,766
Social security and other taxes		56,759	123,332
Other payables		231,805	101,279
Accruals		<u>82,825</u>	<u>62,834</u>
		<u>4,524,101</u>	<u>5,430,863</u>
Due after one year			
Loans and borrowings	17	<u>1,201,543</u>	<u>1,562,160</u>

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2019

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 £4,388 (2018 - £1,098).

16 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	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

	2019 £	2018 £
Non-current loans and borrowings		
Finance lease liabilities	8,704	-
Other borrowings	<u>1,192,839</u>	<u>1,562,160</u>
	<u>1,201,543</u>	<u>1,562,160</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.

	2019 £	2018 £
Current loans and borrowings		
Bank overdrafts	26,054	568,940
Finance lease liabilities	8,398	-
Stock financing loan	<u>3,603,875</u>	<u>3,760,712</u>
	<u>3,638,327</u>	<u>4,329,652</u>

Houston Motor Cars Limited

trading as Bramley Cars

Notes to the Financial Statements for the Year Ended 31 March 2019

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 £4.35 million. The loan is repayable on demand and interest is charged at 2.99%.

18 Related party transactions

Key management compensation

	2019 £	2018 £
Salaries and other short term employee benefits	93,762	93,346

Transactions and balances with related parties

	Key management £	Other related parties £
2019		
Sale of goods	528,347	-
Purchase of goods	1,974,997	-
Amounts payable to related party	1,973,991	-
Amounts receivable from related party	-	32,496
2018		
Sale of goods	154,700	-
Purchase of goods	1,493,877	-
Amounts payable to related party	1,664,160	-
Amounts receivable from related party	-	32,496

19 Ultimate controlling party

The ultimate controlling party is S.P. Gregg.