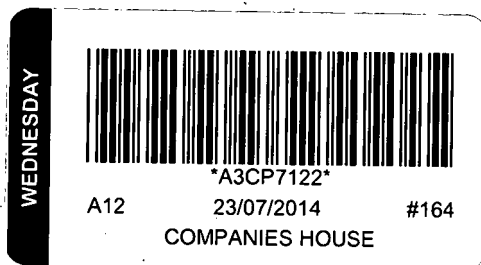


HOPE'S AUCTION COMPANY LIMITED

31 MARCH 2014

ABBREVIATED ACCOUNTS

THE REGISTRAR  
OF COMPANIES



**ArmstrongWatson<sup>®</sup>**  
Accountants & Financial Advisers

**HOPE'S AUCTION COMPANY LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

Mr J J Dixon  
Mr D A Harrison (resigned 28 March 2014)  
Mr S Robertson  
Mr J T Wilson  
Mr B Walton  
Mr R E Jackson  
Mr T Brockbank  
Mr K Jarman  
Mr J Hope

**COMPANY SECRETARY**

Ms D Foster

**REGISTERED NUMBER**

00052362

**REGISTERED OFFICE**

Syke Road  
Wigton  
Cumbria  
CA7 9NS

**INDEPENDENT AUDITORS**

Armstrong Watson Audit Limited  
Chartered Accountants and Statutory Auditors  
Fairview House  
Victoria Place  
Carlisle  
Cumbria  
CA1 1HP

**BANKERS**

Clydesdale Bank Plc  
239 Kingstown Road  
Kingstown Industrial Estate  
Carlisle  
Cumbria  
CA3 0BQ

# HOPE'S AUCTION COMPANY LIMITED

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## HOPE'S AUCTION COMPANY LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

#### RESULTS

The profit for the year, after taxation, amounted to £100,907 (2013 - loss £157,704).

#### DIRECTORS

The directors who served during the year and their interests in the company's issued share capital were:

	Ordinary shares		3.5% Cum. Preference	
	shares of £1 each	shares of £1 each	shares of 6.6667p each	shares of 6.6667p each
	31/3/14	1/4/13	31/3/14	1/4/13
Mr J J Dixon	4,195	4,195	6,816	6,816
Mr D A Harrison (resigned 28 March 2014)	7,899	7,899	4,587	4,587
Mr S Robertson	7,910	7,910	14,638	14,638
Mr J T Wilson	716	716	14,478	14,478
Mr B Walton	3,219	3,219	2,079	2,079
Mr R E Jackson	3,026	3,026	2,079	2,079
Mr T Brockbank	1,874	1,874	1,487	1,487
Mr K Jarman	300	300	703	703
Mr J Hope	5,956	5,906	4,642	4,642

Mr. S. Robertson, Mr. R. E. Jackson, Mr. J. T. Wilson and Mr. B. Walton retire in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

**HOPE'S AUCTION COMPANY LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

On 1st April 2014 Armstrong Watson transferred its audit business to Armstrong Watson Audit Limited. On 31 March 2014 Armstrong Watson resigned as the Company's auditors and Armstrong Watson Audit Limited was subsequently appointed to fill the vacancy arising.

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
**M.B. Walton**  
Director

Date: 25 June 2014

Syke Road  
Wigton  
Cumbria  
CA7 9NS

# HOPE'S AUCTION COMPANY LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

### INTRODUCTION

A detailed review of the business can be found in the Chairman's statement on page 1 of these financial statements.

### PRINCIPAL RISKS AND UNCERTAINTIES

Management continually monitor the key risks facing the company together with assessing the controls used for managing risks. The directors agree policies for managing the risks arising from the company's financial instruments. These are as follows:

Economic downturn - the company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties.

Competitor pressure - the market in which the company operates is considered to be relatively competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk by providing quality services and maintaining strong relationships with its key customers.

Loss of key personnel - this would present significant operational difficulties for the company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

Exposure to bad debts - due to the nature of the market in which the company operates, it faces significant risk in respect of its trade debtor balances. The company manages its risk through close monitoring of trading activity through the auction.

### FINANCIAL KEY PERFORMANCE INDICATORS

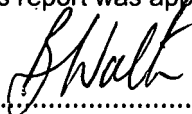
#### Development and financial performance during the year

As reported in the profit and loss account, turnover has seen a decrease of £225,508 to £2,555,015 however profit before taxation has increased by £433,979. The main reason behind this is profit made on sale of land during the year.

#### Financial position at the reporting date

The balance sheet shows that net assets at the year end increased by £88,157 on the 2013 position to £1,224,038 and the company generated a net cash inflow from operations of £582,571.

This report was approved by the board and signed on its behalf.



.....  
Mr B Walton  
Director

Date: 25 JUNE 2014

**HOPE'S AUCTION COMPANY LIMITED**

**INDEPENDENT AUDITORS' REPORT TO HOPE'S AUCTION COMPANY LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, which comprise the abbreviated Profit and loss account, the Balance sheet, the Cash flow statement and the related notes, together with the financial statements of Hope's Auction Company Limited for the year ended 31 March 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' 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, for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts which comprise the abbreviated Profit and loss account, the Balance sheet, the Cash flow statement and the related notes have been properly prepared in accordance with the regulations made under that section.

Andrew Kennon (Senior statutory auditor)  
for and on behalf of  
**Armstrong Watson Audit Limited**  
Chartered Accountants and Statutory Auditors  
Carlisle  
Date: 26 June 2014

**HOPE'S AUCTION COMPANY LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	<i>As restated</i> 2013 £
<b>TURNOVER</b>	1	<b>2,555,015</b>	<b>2,780,523</b>
<b>GROSS PROFIT</b>		<b>2,269,825</b>	<b>2,344,457</b>
Administrative expenses		<b>(1,764,731)</b>	<b>(2,415,251)</b>
<b>OPERATING PROFIT/(LOSS)</b>	2	<b>505,094</b>	<b>(70,794)</b>
Interest receivable and similar income		<b>2,532</b>	<b>21</b>
Interest payable and similar charges	5	<b>(266,770)</b>	<b>(122,350)</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>240,856</b>	<b>(193,123)</b>
Tax on profit/(loss) on ordinary activities	6	<b>(139,949)</b>	<b>35,419</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	16	<b>100,907</b>	<b>(157,704)</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 8 to 19 form part of these financial statements.




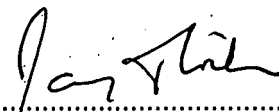
HOPE'S AUCTION COMPANY LIMITED  
REGISTERED NUMBER: 00052362

ABBREVIATED BALANCE SHEET  
AS AT 31 MARCH 2014

	Note	£	2014 £	As restated 2013 £
<b>FIXED ASSETS</b>				
Intangible assets	7		39,000	123,200
Tangible assets	8		8,361,340	7,927,036
			<u>8,400,340</u>	<u>8,050,236</u>
<b>CURRENT ASSETS</b>				
Stocks	9	37,713		60,403
Debtors	10	1,525,612		1,590,340
Investments	11	32,574		32,558
		<u>1,595,899</u>		<u>1,683,301</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(3,111,512)</u>		<u>(3,668,070)</u>
<b>NET CURRENT LIABILITIES</b>			<u>(1,515,613)</u>	<u>(1,984,769)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,884,727</u>	<u>6,065,467</u>
<b>CREDITORS: amounts falling due after more than one year</b>	13		<u>(5,496,659)</u>	<u>(4,905,505)</u>
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred tax	14		<u>(164,030)</u>	<u>(24,081)</u>
<b>NET ASSETS</b>			<u><u>1,224,038</u></u>	<u><u>1,135,881</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	15		255,000	255,000
Profit and loss account	16		969,038	880,881
<b>SHAREHOLDERS' FUNDS</b>	17		<u><u>1,224,038</u></u>	<u><u>1,135,881</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
Mr B Walton  
Director

  
.....  
Mr J T Wilson  
Director

Date: 25 JUNE 2014

The notes on pages 8 to 19 form part of these financial statements.

**HOPE'S AUCTION COMPANY LIMITED**

**ABBREVIATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	19	(64,722)	545,908
Returns on investments and servicing of finance	20	(264,238)	(122,049)
Capital expenditure and financial investment	20	266,398	(3,256,642)
Equity dividends paid		(12,750)	(33,430)
<b>CASH OUTFLOW BEFORE FINANCING</b>		<u>(75,312)</u>	<u>(2,866,213)</u>
Financing	20	657,883	2,629,505
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<u><u>582,571</u></u>	<u><u>(236,708)</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £	2013 £
Increase/(Decrease) in cash in the year	582,571	(236,708)
Cash inflow from increase in debt and lease financing	(657,883)	(2,629,505)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<u>(75,312)</u>	<u>(2,866,213)</u>
Net debt at 1 April 2013	(6,492,731)	(3,626,518)
<b>NET DEBT AT 31 MARCH 2014</b>	<u><u>(6,568,043)</u></u>	<u><u>(6,492,731)</u></u>

The notes on pages 8 to 19 form part of these financial statements.

## HOPE'S AUCTION COMPANY LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

###### **Auction**

Turnover represents commissions earned, stated net of Value Added Tax, from the sale of livestock and furniture, recognised at point of sale.

###### **Land Agency and Estate Agency**

Turnover represents fees receivable, stated net of Value Added Tax, in connection with the sale, purchase and letting of land and properties, recognised on exchange of contracts.

###### **Hotels**

Turnover represents sales, exclusive of Value Added Tax, of goods and services provided to customers during the year, after making due allowance for payments in advance, recognised when rooms are occupied and food and beverages are sold.

###### **Farm**

Turnover represents income derived from farming activities recognised on an accruals basis.

##### 1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	20 years straight line
----------	---	------------------------

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	No depreciation charged
Plant, machinery, fixtures & fittings	-	15% reducing balance / 5% straight line
Motor vehicles	-	25% reducing balance

## HOPE'S AUCTION COMPANY LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

#### 1. ACCOUNTING POLICIES (continued)

No depreciation is provided on freehold land.

In the Directors' opinion the buildings belonging to the company are not depreciating as it is the Board's policy to repair properties on an ongoing basis, hence to charge depreciation in addition to property repairs would be an overly cautious approach. This practice is not in accordance with the requirements of Financial Reporting Standard 15 "Tangible Fixed Assets" which states specific criteria for the depreciation of such assets.

Material departure from accounting standards:

It is a requirement of Financial Reporting Standard 11 "Impairment of Fixed Assets and Goodwill" that the impairment loss on the Golf Hotel should be provided for in the financial statements. At the same time as the Golf Hotel was acquired, the company purchased Low Longthwaite Farm. In the opinion of the directors the increase in the market value of Low Longthwaite Farm exceeds the impairment loss on the Golf Hotel, however, the company does not adopt a policy of revaluation as permitted by Financial Reporting Standard 15 "Tangible Fixed Assets". In the opinion of the directors to include the impairment loss but not report the revalued gain would materially distort the financial statements.

#### 1.5 Capitalisation of finance costs

All directly attributable finance costs incurred in relation to the new auction mart were capitalised by the company until construction of the asset was completed.

#### 1.6 Investments

Certain current asset investments are recorded at fair value. This value is determined by the directors and is based on the last traded price available. Changes in fair value are recognised in the Profit and loss account in the period in which they arise.

#### 1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

#### 1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

## HOPE'S AUCTION COMPANY LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

#### 1. ACCOUNTING POLICIES (continued)

##### 1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### 2. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2014 £	2013 £
Amortisation - intangible fixed assets	84,200	8,600
Depreciation of tangible fixed assets:		
- owned by the company	95,885	67,144
Auditors' remuneration	8,000	11,000
Operating lease rentals:		
- plant and machinery	4,811	4,848
	<u>          </u>	<u>          </u>

**HOPE'S AUCTION COMPANY LIMITED.**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**3. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	1,163,002	1,228,865
Social security costs	80,566	81,692
Other pension costs	31,567	21,322
	<u>1,275,135</u>	<u>1,331,879</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Auction staff	19	25
Hotel staff	58	50
Administration staff	6	8
Directors	2	2
Estate and land agency staff	10	10
	<u>95</u>	<u>95</u>

**4. DIRECTORS' REMUNERATION**

	2014 £	2013 £
Remuneration	<u>98,789</u>	<u>101,848</u>
Company pension contributions to defined contribution pension schemes	<u>6,938</u>	<u>6,188</u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

**5. INTEREST PAYABLE**

	2014 £	2013 £
On bank loans and overdrafts	216,529	122,070
Other interest payable	38,264	-
On finance leases and hire purchase contracts	11,697	-
Dividends paid on shares classed as debt	280	280
	<u>266,770</u>	<u>122,350</u>

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**6. TAXATION**

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	139,949	11,420
Losses	-	(46,839)
<b>Total deferred tax (see note 14)</b>	<u>139,949</u>	<u>(35,419)</u>
<b>Tax on profit/loss on ordinary activities</b>	<u>139,949</u>	<u>(35,419)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
Profit/loss on ordinary activities before tax	<u>240,856</u>	<u>(193,123)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	48,171	(38,625)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	56	56
Capital allowances for year in excess of depreciation	(7,204)	(954)
Utilisation of tax losses	(41,023)	39,523
<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

**Tax losses**

The company has losses for tax purposes of £1,292,521 (2013 - £393,363) of which £518,817 relates to capital allowance claims. These are available to carry forward for use against future profits, subject to approval by HM revenue and Customs. The directors have decided not to reflect the potential value of these tax losses in these accounts.

**Rollover relief**

The company has sold an asset but it has not recognised deferred tax on a taxable gain because the gain has been rolled over into replacement assets. The conditions for this have been met. If these conditions were not met, an estimate of the tax that would become payable is £103,763.

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**7. INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2013 and 31 March 2014	<u>172,000</u>
<b>Amortisation</b>	
At 1 April 2013	48,800
Charge for the year	84,200
At 31 March 2014	<u>133,000</u>
<b>Net book value</b>	
At 31 March 2014	<u>39,000</u>
At 31 March 2013	<u>123,200</u>

The goodwill relates to the purchase of the trade and assets of the Golf Hotel, Silloth; the Greenhill Hotel, Wigton; and Thompson, Roddick and Laurie Estate Agents, Silloth. Goodwill in relation to Thompson, Roddick and Laurie has been written off in full. Goodwill in relation to the Golf Hotel and the Greenhill Hotel is being amortised over 20 years. In the opinion of the directors, this represents a prudent estimate of the period over which the company will derive direct economic benefit from the products acquired as part of that business.

**8. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Plant, machinery, fixtures and fittings. £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2013	7,547,394	929,443	58,342	8,535,179
Additions	161,920	425,931	2,000	589,851
Disposals	(55,514)	(249,378)	(9,418)	(314,310)
At 31 March 2014	<u>7,653,800</u>	<u>1,105,996</u>	<u>50,924</u>	<u>8,810,720</u>
<b>Depreciation</b>				
At 1 April 2013	88,738	487,106	32,299	608,143
Charge for the year	-	89,220	6,665	95,885
On disposals	-	(248,990)	(5,658)	(254,648)
At 31 March 2014	<u>88,738</u>	<u>327,336</u>	<u>33,306</u>	<u>449,380</u>
<b>Net book value</b>				
At 31 March 2014	<u>7,565,062</u>	<u>778,660</u>	<u>17,618</u>	<u>8,361,340</u>
At 31 March 2013	<u>7,458,656</u>	<u>442,337</u>	<u>26,043</u>	<u>7,927,036</u>

Included within freehold property of £7,565,062 is an aggregate amount of £70,646 relating to finance costs capitalised.



HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

9. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	37,713	60,403

10. DEBTORS

	2014 £	2013 £
Trade debtors	1,439,123	1,524,834
Other debtors	18,745	16,418
Prepayments and accrued income	67,744	49,088
	<u>1,525,612</u>	<u>1,590,340</u>

11. CURRENT ASSET INVESTMENTS

	2014 £	2013 £
Unlisted investments	32,574	32,558

Included in the above figure is £31,000 (2013 - £31,000) in respect of investments recorded at fair value.

12. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	1,004,655	1,587,226
Net obligations under finance leases and hire purchase contracts	66,729	-
Trade creditors	996,931	1,171,941
Other taxation and social security (see below)	92,904	25,432
Other creditors	34,729	24,674
Accruals and deferred income	915,564	858,797
	<u>3,111,512</u>	<u>3,668,070</u>

Other taxation and social security

	2014 £	2013 £
PAYE and social security	19,737	20,958
VAT	73,167	4,474
	<u>92,904</u>	<u>25,432</u>

Included in creditors falling due within one year are liabilities totalling £1,083,612 (2013 - £1,653,210) which are secured by a debenture that creates a fixed and floating charge over the assets of the company.

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

13. CREDITORS:  
Amounts falling due after more than one year

	2014 £	<i>As restated</i> 2013 £
Bank loans	5,224,000	4,897,505
Net obligations under finance leases and hire purchase contracts	264,659	-
Share capital treated as debt (Note 15)	8,000	8,000
	<u>5,496,659</u>	<u>4,905,505</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 15.

Included within the above are amounts falling due as follows:

	2014 £	<i>As restated</i> 2013 £
<b>Between one and two years</b>		
Bank loans	<u>5,224,000</u>	<u>4,897,505</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £	<i>As restated</i> 2013 £
Repayable other than by instalments	<u>8,000</u>	<u>8,000</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £	2013 £
Between one and five years	<u>264,659</u>	<u>-</u>

Included in creditors falling due after more than one year are liabilities totalling £5,488,659 (2013 - £4,897,505) which are secured by a debenture that creates a fixed and floating charge over the assets of the company.

14. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	24,081	59,500
Charge for/(released during) year (P&L)	139,949	(35,419)
At end of year	<u>164,030</u>	<u>24,081</u>

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

14. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	164,030	73,372
Tax losses carried forward	-	(49,291)
	<u>164,030</u>	<u>24,081</u>

15. SHARE CAPITAL

	2014 £	<i>As restated</i> 2013 £
<b>Shares classified as capital</b>		
<b>Allotted, called up and fully paid</b>		
255,000 Ordinary shares of £1 each	<u>255,000</u>	<u>255,000</u>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
120,000 (2013 - 120,000) 3.5% Cum. Preference shares shares of £0.067 each	<u>8,000</u>	<u>8,000</u>

The average share price during the period was £13.17.

16. RESERVES

	<b>Profit and loss account £</b>
At 1 April 2013	880,881
Profit for the financial year	100,907
Dividends: Equity capital	(12,750)
At 31 March 2014	<u>969,038</u>

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	<i>As restated</i> 2013 £
Opening shareholders' funds	1,143,881	1,334,735
Reclassification of preference shares	(8,000)	(8,000)
	<hr/>	<hr/>
Opening shareholders' funds (as restated)	1,135,881	1,326,735
Profit/(loss) for the financial year	100,907	(157,704)
Dividends (Note 18)	(12,750)	(33,150)
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,224,038</u>	<u>1,135,881</u>

18. DIVIDENDS

	2014 £	<i>As restated</i> 2013 £
<b>Dividends paid on equity capital</b>		
Dividends paid on equity capital	12,750	33,150
	<hr/>	<hr/>
<b>Dividends paid on shares classed as debt</b>		
Dividends paid on shares classed as debt	280	280
	<hr/>	<hr/>
<b>Total dividends paid</b>	<u>13,030</u>	<u>33,430</u>

The directors have not recommended a dividend for the current year.

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit/(loss)	505,094	(70,794)
Amortisation of intangible fixed assets	84,200	8,600
Depreciation of tangible fixed assets	95,885	67,144
Profit on disposal of tangible fixed assets	(796,604)	-
Decrease in stocks	22,691	5,669
Decrease in debtors	64,728	98,182
(Decrease)/increase in creditors	(40,716)	437,107
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(64,722)</u>	<u>545,908</u>

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	2,532	21
Interest paid	(255,073)	(122,070)
Hire purchase interest	(11,697)	-
	<u>(264,238)</u>	<u>(122,049)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(589,851)	(3,256,627)
Sale of tangible fixed assets	856,265	-
Purchase of short term unlisted investments	(16)	(15)
	<u>266,398</u>	<u>(3,256,642)</u>
<b>Financing</b>		
New secured loans	326,495	2,629,505
New finance leases	331,388	-
	<u>657,883</u>	<u>2,629,505</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Bank overdraft	(1,587,226)	582,571	-	(1,004,655)
	<u>(1,587,226)</u>	<u>582,571</u>	<u>-</u>	<u>(1,004,655)</u>
<b>Debt:</b>				
Debts due within one year	-	(66,729)	-	(66,729)
Debts falling due after more than one year	(4,905,505)	(591,154)	-	(5,496,659)
<b>Net debt</b>	<u>(6,492,731)</u>	<u>(75,312)</u>	<u>-</u>	<u>(6,568,043)</u>

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company for the year of £31,568 (2013 - £21,322).

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

22. PENSION COMMITMENTS (continued)

Other creditors includes accrued pension contributions at the balance sheet date of £279 (2013 - £8,129).

23. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Expiry date:</b>		
Within 1 year	4,888	-
Between 2 and 5 years	4,900	5,488
	<u>          </u>	<u>          </u>