

Company Registration Number 52362

Hope's Auction Company Limited

Abbreviated Accounts

31 March 2009

**THE REGISTRAR
OF COMPANIES**



Armstrong Watson
Chartered Accountants & Registered Auditors
Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

HOPE'S AUCTION COMPANY LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

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HOPE'S AUCTION COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr. J. Dixon
Mr. J. J. Dixon
Mr. D. A. Harrison
Mr. I. J. Heslop
Mr. S. Robertson
Mr. J. T. Wilson C.A.
Mr. B. Walton
Mr. R. E. Jackson
Mr. T. Brockbank

Company secretary

Mr. I. M. Graham M.A.A.T.

Registered office

93 High Street
Wigton
Cumbria
CA7 9PG

Auditor

Armstrong Watson
Chartered Accountants
& Statutory Auditors
Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

Bankers

Clydesdale Bank Plc
Business Banking Centre
Wakefield Road
Kingstown Industrial Estate
Carlisle
Cumbria
CA3 0HE

HOPE'S AUCTION COMPANY LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2009

I am pleased to report that overall your business has had a relatively successful year despite the national down turn in the housing market which our Estate Department has not been immune to.

Auction Mart

The Livestock Mart, which of course is our core business, is back in profit. A steady increase in livestock prices throughout the year has helped increase turnover. However it should be noted that the increase of exposure to the meat industry has also grown and we will continue to monitor debts as carefully as possible. We will continue to work very hard to ensure buyers and sellers alike are kept happy throughout the year.

Estate Department

This department has shown a loss for the year in line with the national trend coupled with the credit crunch. We are however optimistic for the future here as we are now the market leader in our area as some of the other Estate Agents have closed down. We have record numbers of properties on our books both in Wigton and Silloth, ready for the upturn in house sales which must surely happen in the short term.

Land Agency

This department has shown a lower level of profit basically due to the decrease in the sale of farm properties of which there were 17 sold during the year. However since the year end we have had some excellent sales and again the future looks bright as land prices continue to be at very high levels. The department continues to be very busy offering various professional services covering all aspects of planning, compensation claims, valuations, environmental schemes etc.

Furniture

The number of sales has increased during the year. Although the net profit from the department does not amount to much, your Directors take the view that it helps keep the name of Hopes at the forefront in the Town.

Hotels

Greenhill continues to perform strongly and increased its turnover by well over 20% and has turned in excellent profits for the Company.

The Golf Hotel however did not fare as well. Major renovations were carried out over the winter months which meant that the hotel was closed for 2 months. Ongoing expenses during that period resulted in an overall loss for the year. The renovations which cost in the region of £317,000. have resulted in a much improved hotel and I am pleased to report the hotel is now reporting monthly profits.

Tesco

The planning application route continues to be frustrating in the length of time it is taking. It must be remembered however that this is a major development as far as the town is concerned and there are many problems to overcome. We have met with planners recently who assured us that they are working very hard and many of the queries have been resolved and the whole project will go to a council planning meeting in two or three months.

HOPE'S AUCTION COMPANY LIMITED

CHAIRMAN'S STATEMENT *(continued)*

YEAR ENDED 31 MARCH 2009

Conclusion

We are showing a profit of £44,066 before tax compared with a loss last year of £55,946 and we are proposing to maintain the dividend to Shareholders of 10p per ordinary share.

Overall, we face the future with confidence, despite the difficult economic climate, and would urge Shareholders to support the Company as strongly as they can.

Finally I would personally like to thank all the Staff of the company as well as my fellow Directors for all their dedicated efforts throughout the year.

Alan Harrison - Chairman

HOPE'S AUCTION COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the year were those of livestock auctioneers and valuers, estate agents, farmers and hoteliers.

The business review is incorporated into the Chairman's Statement on page 3 to the financial statements.

Principal risks and uncertainties

The Company is not immune to risks and procedures aimed at minimising the probability and scale of specific risks which could impact upon the Company are in place.

One of the principal risks would be a reduction in customers using services which the Company provide. This would of course have a detrimental effect upon turnover and profitability. All endeavours to retain existing customers and gain new customers will be made. Bad debt risk within the livestock business, the possibility of an outbreak of a notifiable animal disease is the other major risks to the Company's performance together with a downturn in the tourist trade within Cumbria.

Fair review of the business

The 12 months to March 2009 have produced a satisfactory result against a background of the severe downturn in the housing market together with the need to close the Golf Hotel for two months whilst extensive refurbishments were carried out to a value of £317,000. The overall picture for the year shows a pleasing increase in turnover of £146,089 resulting in an operating profit of £149,953.

Average share price during the period was £11.15.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £34,633. Particulars of dividends paid are detailed in note 8 to the financial statements.

HOPE'S AUCTION COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2009

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments comprise bank balances, trade creditors, trade debtors, and loans to the company. The main purpose of these instruments is to raise funds for and finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining available balances and facilities where funds are available.

In respect of loans these comprise of bank loans secured over certain assets held by the company. The company manages the liquidity risk by ensuring that there are sufficient funds to meet the repayments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring that there are sufficient funds available to meet amounts due.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

		At 31 March 2009	At 1 April 2008
Mr. J. Dixon	Ordinary	5,204	5,204
	3.5% Cum. Preference	11,841	11,245
Mr. J. J. Dixon	Ordinary	3,895	3,695
	3.5% Cum. Preference	6,111	5,515
Mr. D. A. Harrison	Ordinary	6,899	6,899
	3.5% Cum. Preference	3,882	3,287
Mr. I. J. Heslop	Ordinary	200	200
	3.5% Cum. Preference	1,376	780
Mr. S. Robertson	Ordinary	7,910	7,910
	3.5% Cum. Preference	13,935	13,339
Mr. J. T. Wilson C.A.	Ordinary	8,416	8,416
	3.5% Cum. Preference	13,775	13,180
Mr. B. Walton	Ordinary	2,869	2,619
	3.5% Cum. Preference	1,376	781
Mr. R. E. Jackson	Ordinary	900	800
	3.5% Cum. Preference	1,376	781
Mr. T. Brockbank	Ordinary	1,474	1,374
	3.5% Cum. Preference	782	187

Mr. J. Dixon, Mr. I. J. Heslop, Mr. S. Robertson and Mr. D. A. Harrison retire in accordance with the Articles of Association and, being eligible, offer themselves for re-election. Mr. J. J. Dixon retires by rotation and, being eligible, offers himself for re-election.

HOPE'S AUCTION COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2009

FIXED ASSETS

The directors are of the opinion that the value of freehold land and buildings is in excess of book value.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office:
93 High Street
Wigton
Cumbria
CA7 9PG

Signed by order of the directors



MR. I. M. GRAHAM M.A.A.T.
Company Secretary

Approved by the directors on 9th July 2009



HOPE'S AUCTION COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO HOPE'S AUCTION COMPANY LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes, together with the financial statements of Hope's Auction Company Limited for the year ended 31 March 2009 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 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 for our work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of Audit Opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 to be delivered are properly prepared.

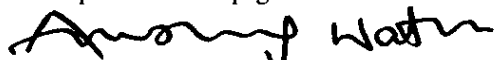
Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Other Information

On 10.07.09 we reported, as auditor of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 2009, and the full text of the company audit report is reproduced on pages 8 to 9 of these financial statements.

CARLISLE



ARMSTRONG WATSON
Chartered Accountants
& Statutory Auditors

10.07.09

HOPE'S AUCTION COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HOPE'S AUCTION COMPANY LIMITED

YEAR ENDED 31 MARCH 2009

We have audited the financial statements of Hope's Auction Company Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chairman's statement that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

HOPE'S AUCTION COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HOPE'S AUCTION COMPANY LIMITED *(continued)*

YEAR ENDED 31 MARCH 2009

Qualified Opinion Arising From Disagreement About Accounting Treatment

As stated in the accounting policies to the financial statements, no depreciation has been provided on freehold buildings in the financial statements which practice, in our opinion, is not in accordance with Financial Reporting Standard 15 "Tangible Fixed Assets". The charge for the year ended 31 March 2009 should be £29,520 and the charge for the year ended 31 March 2008 should have been £28,696, based on the straight-line method of depreciation using annual rates of 2%. Accordingly, accumulated depreciation should be increased by £28,696 and the profit for the year and accumulated reserves should be reduced by £29,520 and £58,216 respectively.

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

CARLISLE

10.07.09
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ARMSTRONG WATSON
Chartered Accountants
& Statutory Auditors

HOPE'S AUCTION COMPANY LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2009

	Note	2009 £	2008 (restated) £
GROSS PROFIT		1,984,716	1,910,418
Administrative expenses		1,901,722	1,864,070
Other operating income		(66,959)	(73,514)
OPERATING PROFIT	2	149,953	119,862
Interest receivable and similar income	5	118	17
Interest payable and similar charges	6	(106,005)	(175,825)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		44,066	(55,946)
Tax on profit/(loss) on ordinary activities	7	9,433	(16,450)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		34,633	(39,496)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 15 to 25 form part of these abbreviated accounts.

HOPE'S AUCTION COMPANY LIMITED


ABBREVIATED BALANCE SHEET

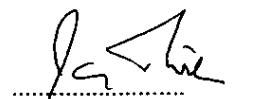
31 MARCH 2009

		2009		2008 (restated)	
	Note	£	£	£	£
FIXED ASSETS					
Intangible assets	9		157,600		166,200
Tangible assets	10		3,578,684		3,266,822
			<u>3,736,284</u>		<u>3,433,022</u>
CURRENT ASSETS					
Stocks	11	26,871		35,285	
Debtors	12	1,365,871		1,107,662	
Investments	14	12,113		12,095	
			<u>1,404,855</u>	<u>1,155,042</u>	
CREDITORS: Amounts falling due within one year	15	<u>2,074,668</u>		<u>1,503,446</u>	
NET CURRENT LIABILITIES			<u>(669,813)</u>		<u>(348,404)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,066,471</u>		<u>3,084,618</u>
CREDITORS: Amounts falling due after more than one year					
	16		<u>1,938,000</u>		<u>1,965,000</u>
			<u>1,128,471</u>		<u>1,119,618</u>
CAPITAL AND RESERVES					
Called-up share capital	19		263,000		263,000
Profit and loss account	20		865,471		856,618
SHAREHOLDERS' FUNDS	21		<u>1,128,471</u>		<u>1,119,618</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors and authorised for issue on 31 March 2009 and are signed on their behalf by:


 MR. D. A. HARRISON


 MR. J. T. WILSON C.A.

The notes on pages 15 to 25 form part of these abbreviated accounts.

HOPE'S AUCTION COMPANY LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2009

	Note	2009 £	£	2008 (restated) £	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES			(5,427)		822,608
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		118		17	
Interest paid		<u>(106,005)</u>		<u>(175,825)</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(105,887)		(175,808)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments to acquire intangible fixed assets		-		(122,000)	
Payments to acquire tangible fixed assets		<u>(361,310)</u>		<u>(1,491,709)</u>	
Receipts from sale of fixed assets		850		13,999	
Payment to acquire other current asset investments		<u>(18)</u>		<u>(11,670)</u>	
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			(360,478)		(1,611,380)
EQUITY DIVIDENDS PAID			(25,780)		(25,780)
CASH OUTFLOW BEFORE FINANCING			<u>(497,572)</u>		<u>(990,360)</u>
FINANCING					
(Repayment of)/increase in bank loans		(27,000)		1,215,000	
Net inflow/(outflow) from other short-term creditors		4,784		(16,238)	
Capital element of hire purchase		<u>(2,641)</u>		<u>(9,888)</u>	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING			(24,857)		1,188,874
(DECREASE)/INCREASE IN CASH			<u>(522,429)</u>		<u>198,514</u>

The notes on pages 15 to 25 form part of these abbreviated accounts.

HOPE'S AUCTION COMPANY LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 MARCH 2009

RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£	<i>(restated)</i>
	£	£
Operating profit	149,953	119,862
Amortisation	8,600	5,800
Depreciation	48,024	53,805
Loss on disposal of fixed assets	574	3,505
Decrease/(increase) in stocks	8,414	(20,205)
Increase in debtors	(267,642)	(60,061)
Increase in creditors	46,650	719,902
Net cash (outflow)/inflow from operating activities	<u>(5,427)</u>	<u>822,608</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009		2008	
	£	£	<i>(restated)</i>	£
(Decrease)/increase in cash in the period	(522,429)		198,514	
Net cash outflow from/(inflow) from bank loans	27,000		(1,215,000)	
Net (inflow) from/outflow from other short-term creditors	(4,784)		16,238	
Cash outflow in respect of hire purchase	2,641		9,888	
		(497,572)		(990,360)
Change in net debt		(497,572)		(990,360)
Net debt at 1 April 2008		(2,033,838)		(1,043,478)
Net debt at 31 March 2009		<u>(2,531,410)</u>		<u>(2,033,838)</u>

The notes on pages 15 to 25 form part of these abbreviated accounts.

HOPE'S AUCTION COMPANY LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 MARCH 2009

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2008 £	Cash flows £	At 31 Mar 2009 £
Net cash:			
Overdrafts	<u>(59,058)</u>	<u>(522,429)</u>	<u>(581,487)</u>
Debt:			
Debt due within 1 year	(7,139)	(4,784)	(11,923)
Debt due after 1 year	(1,965,000)	27,000	(1,938,000)
Hire purchase agreements	<u>(2,641)</u>	<u>2,641</u>	<u>-</u>
	<u>(1,974,780)</u>	<u>24,857</u>	<u>(1,949,923)</u>
Net debt	<u>(2,033,838)</u>	<u>(497,572)</u>	<u>(2,531,410)</u>

The notes on pages 15 to 25 form part of these abbreviated accounts.

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-FRS 21 'Events after the Balance Sheet date (IAS 10)'; and

-the presentation requirements of FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'.
FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of the reporting standard has had no effect on the company's accounting policies.

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'

The adoption of the reporting standard has had no effect on the company's accounting policies.

Turnover

Turnover represents commissions earned, stated net of value added tax, from the sale of livestock and property.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 20 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- no depreciation charged
Plant, Machinery, Fixtures & Fittings	- 15% Reducing balance
Motor Vehicles, Tractors & Trailers	- 25% Reducing balance

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

HOPE'S AUCTION COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

2. OPERATING PROFIT

Operating profit is stated after charging:

	2009	2008 <i>(restated)</i>
	£	£
Amortisation of intangible assets	8,600	5,800
Depreciation of owned fixed assets	48,024	44,969
Depreciation of assets held under hire purchase agreements	-	8,836
Loss on disposal of fixed assets	574	3,505
Auditor's remuneration - as auditor	9,480	9,000

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2009	2008 <i>(restated)</i>
	No	No
Number of Auction staff	15	16
Number of Hotel staff	57	58
Number of Administrative staff	18	20
Number of Directors	3	3
	93	97

The aggregate payroll costs of the above were:

	2009	2008 <i>(restated)</i>
	£	£
Wages and salaries	1,040,478	982,087
Social security costs	76,167	67,102
Other pension costs	25,921	17,899
	1,142,566	1,067,088

HOPE'S AUCTION COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2009	2008 <i>(restated)</i>
	£	£
Aggregate emoluments	98,127	101,516
Value of company pension contributions to money purchase schemes	4,373	4,043
	<u>102,500</u>	<u>105,559</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2009	2008 <i>(restated)</i>
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009	2008 <i>(restated)</i>
	£	£
Other similar income receivable	<u>118</u>	<u>17</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008 <i>(restated)</i>
	£	£
Interest payable on bank borrowing	<u>106,005</u>	<u>175,825</u>

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NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009		2008 (restated)	
	£	£	£	£
Current tax:				
Corporation tax		-		-
Over provision in prior year		(4,152)		-
Total current tax		(4,152)		-
Deferred tax:				
Origination and reversal of timing differences (note 13)				
Capital allowances	15,840		4,040	
Losses	(2,255)		(20,490)	
Total deferred tax (note 13)		13,585		(16,450)
Tax on profit/(loss) on ordinary activities		9,433		(16,450)

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2008 - 20%).

	2009	2008 (restated)
	£	£
Profit/(loss) on ordinary activities before taxation	44,066	(55,946)
Profit/(loss) on ordinary activities by rate of tax	9,254	(11,189)
Excess capital allowances over depreciation	(13,833)	(8,472)
Disallowed items for tax purposes	883	554
Under/(over) provision re previous years	(4,152)	-
Tax losses available	3,696	19,107
Total current tax (note 7(a))	(4,152)	-

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

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8. DIVIDENDS

Equity dividends

	2009	2008 (restated)
	£	£
Paid during the year:		
Equity dividends on ordinary shares	25,500	25,500
Equity dividends on preference shares	280	280
	<u>25,780</u>	<u>25,780</u>
Proposed after the year-end (not recognised as a liability):		
Equity dividends on ordinary shares	25,500	25,500
Equity dividends on preference shares	280	280
	<u>25,780</u>	<u>25,780</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2008 and 31 March 2009	<u>172,000</u>
AMORTISATION	
At 1 April 2008	5,800
Charge for the year	8,600
At 31 March 2009	<u>14,400</u>
NET BOOK VALUE	
At 31 March 2009	<u>157,600</u>
At 31 March 2008	<u>166,200</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 and 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.

HOPE'S AUCTION COMPANY LIMITED
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10. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant, machinery, fixtures & fittings	Motor vehicles, tractors & trailers	Total
	£	£	£	£
COST				
At 1 April 2008	3,058,269	470,309	87,001	3,615,579
Additions	206,040	155,270	-	361,310
Disposals	-	(1,500)	-	(1,500)
At 31 March 2009	<u><u>3,264,309</u></u>	<u><u>624,079</u></u>	<u><u>87,001</u></u>	<u><u>3,975,389</u></u>
DEPRECIATION				
At 1 April 2008	88,738	232,734	27,285	348,757
Charge for the year	-	32,905	15,119	48,024
On disposals	-	(76)	-	(76)
At 31 March 2009	<u><u>88,738</u></u>	<u><u>265,563</u></u>	<u><u>42,404</u></u>	<u><u>396,705</u></u>
NET BOOK VALUE				
At 31 March 2009	<u><u>3,175,571</u></u>	<u><u>358,516</u></u>	<u><u>44,597</u></u>	<u><u>3,578,684</u></u>
At 31 March 2008	<u><u>2,969,531</u></u>	<u><u>237,575</u></u>	<u><u>59,716</u></u>	<u><u>3,266,822</u></u>

As at the balance sheet date the outstanding liability in respect of the hire purchase agreements amounts to £Nil (2008 - £2,641) as disclosed in note 15 to the financial statements.

Hire purchase agreements

Included within the net book value of £3,578,684 is £Nil (2008 - £32,292) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £Nil (2008 - £8,836).

11. STOCKS

	2009	2008 (restated)
	£	£
Stock	<u><u>26,871</u></u>	<u><u>35,285</u></u>

HOPE'S AUCTION COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2009

12. DEBTORS

	2009	2008 <i>(restated)</i>
	£	£
Trade debtors	1,228,822	994,588
Corporation tax repayable	4,152	-
Other debtors	16,455	12,630
Prepayments and accrued income	107,182	77,599
Deferred taxation (note 13)	9,260	22,845
	<u>1,365,871</u>	<u>1,107,662</u>

13. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2009	2008 <i>(restated)</i>
	£	£
Included in debtors (note 12)	<u>9,260</u>	<u>22,845</u>

The movement in the deferred taxation account during the year was:

	2009	2008 <i>(restated)</i>
	£	£
Balance brought forward	22,845	6,395
Profit and loss account movement arising during the year	<u>(13,585)</u>	<u>16,450</u>
Balance carried forward	<u>9,260</u>	<u>22,845</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2009	2008 <i>(restated)</i>
	£	£
Excess of taxation allowances over depreciation on fixed assets	(38,120)	(22,280)
Tax losses available	<u>47,380</u>	<u>45,125</u>
	<u>9,260</u>	<u>22,845</u>

14. INVESTMENTS

	2009	2008 <i>(restated)</i>
	£	£
Other investments	<u>12,113</u>	<u>12,095</u>

The investments are all unquoted.

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

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15. CREDITORS: Amounts falling due within one year

	2009	2008 <i>(restated)</i>
	£	£
Overdrafts	581,487	59,058
Trade creditors	596,241	530,950
Other taxation and social security	42,763	79,550
Hire purchase agreements	-	2,641
Other creditors	11,923	7,139
Accruals and deferred income	842,254	824,108
	<u>2,074,668</u>	<u>1,503,446</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2009	2008 <i>(restated)</i>
	£	£
Overdrafts	581,487	59,058
Hire purchase agreements	-	2,641
	<u>581,487</u>	<u>61,699</u>

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

	2009	2008 <i>(restated)</i>
	£	£
Bank loans	<u>1,938,000</u>	<u>1,965,000</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2009	2008 <i>(restated)</i>
	£	£
Bank loans	<u>1,938,000</u>	<u>1,965,000</u>

17. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2009	2008 <i>(restated)</i>
	£	£
Amounts payable within 1 year	-	2,641
	<u>-</u>	<u>2,641</u>

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

18. PENSIONS

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 £25,921 (2008 £17,899).

Other debtors includes accrued pension contributions of £12,815 (2008 £12,123), and other creditors includes pension contributions payable of £nil (2008 - same).

19. SHARE CAPITAL

Authorised share capital:

	2009	2008 (restated)
	£	£
255,000 Ordinary shares of £1 each	255,000	255,000
120,000 3.5% Cum. Preference shares of £0.067 each	8,000	8,000
	<u>263,000</u>	<u>263,000</u>

Allotted, called up and fully paid:

	2009		2008 (restated)	
	No	£	No	£
Ordinary shares of £1 each	255,000	255,000	255,000	255,000
3.5% Cum. Preference shares of £0.067 each	120,000	8,000	120,000	8,000
	<u>375,000</u>	<u>263,000</u>	<u>375,000</u>	<u>263,000</u>

The 3.5% Cumulative Preference shares are not redeemable and carry voting rights. On a winding up the 3.5% Cumulative Preference shares rank ahead of the ordinary shares and will be repaid at par.

20. PROFIT AND LOSS ACCOUNT

	2009	2008 (restated)
	£	£
Balance brought forward	856,618	921,894
Profit/(loss) for the financial year	34,633	(39,496)
Equity dividends	(25,780)	(25,780)
Balance carried forward	<u>865,471</u>	<u>856,618</u>

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008 <i>(restated)</i>
	£	£
Profit/(Loss) for the financial year	34,633	(39,496)
Equity dividends	<u>(25,780)</u>	<u>(25,780)</u>
Net addition/(reduction) to shareholders' funds	8,853	(65,276)
Opening shareholders' funds	1,119,618	1,184,894
Closing shareholders' funds	<u>1,128,471</u>	<u>1,119,618</u>

22. RESTATEMENT OF COMPARATIVES

The comparative figures have been restated in order to reclassify items previously disclosed as other operating income to turnover. In the director's opinion this restatement provides a more appropriate recognition of income although it does not affect the results for either the current or previous year.