

Hope's Auction Company Limited

ABBREVIATED ACCOUNTS

31 MARCH 2006

**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 2006

CONTENTS	PAGES
Independent auditor's report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3 to 6

HOPE'S AUCTION COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts which comprise the Balance Sheet and the related notes, together with the financial statements of the company for the year ended 31 March 2006 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 audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 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 Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.


BASIS OF OPINION

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

CARLISLE


ARMSTRONG WATSON
Chartered Accountants
& Registered Auditors

7th June 2006

HOPE'S AUCTION COMPANY LIMITED

ABBREVIATED BALANCE SHEET

31 MARCH 2006

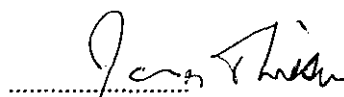
	Note	2006		2005 (restated)	
		£	£	£	£
FIXED ASSETS	2				
Tangible assets			1,070,194		356,708
CURRENT ASSETS					
Stocks		5,070		7,680	
Debtors		962,113		1,231,818	
Investments		409		392	
Cash at bank and in hand		-		428,078	
		<u>967,592</u>		<u>1,667,968</u>	
CREDITORS: Amounts falling due within one year	3	<u>726,801</u>		<u>755,557</u>	
NET CURRENT ASSETS			<u>240,791</u>		<u>912,411</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,310,985</u>		<u>1,269,119</u>
CREDITORS: Amounts falling due after more than one year	4		<u>4,167</u>		<u>1,505</u>
PROVISIONS FOR LIABILITIES AND CHARGES			<u>7,860</u>		<u>4,948</u>
			<u>1,298,958</u>		<u>1,262,666</u>
CAPITAL AND RESERVES					
Called-up share capital	5		263,000		263,000
Profit and loss account			<u>1,035,958</u>		<u>999,666</u>
SHAREHOLDERS' FUNDS			<u>1,298,958</u>		<u>1,262,666</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 7TH June 2006 and are signed on their behalf by:



MR. D. A. HARRISON



MR. J. T. WILSON C.A.

The notes on page 2 form part of these abbreviated accounts.

HOPE'S AUCTION COMPANY LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 MARCH 2006****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Changes in accounting policies

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

-Financial Reporting Standard for Smaller Entities (effective January 2005).

Financial Reporting Standard for Smaller Entities (effective January 2005)

FRSSE 2005 was adopted for the first time this year. The impact on the financial statements resulting from the adoption of this financial reporting standard, is in respect of both equity dividends paid and equity dividends proposed on ordinary shares.

Dividends paid are no longer disclosed on the face of the profit and loss account and are now disclosed within the profit and loss reserves note to the financial statements.

In respect of proposed equity dividends, if the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the company. Shareholders' funds at 1 April 2005 have been increased by £15,580. For year ended 31 March 2005, the change in accounting policy has resulted in a net increase in retained profit for the year of £15,580. The balance sheet at 31 March 2005 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £15,580. For year ended 31 March 2006, the change in accounting policy has resulted in a net decrease in retained profit for the year of £15,580.

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost.

HOPE'S AUCTION COMPANY LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 MARCH 2006****1. ACCOUNTING POLICIES** *(continued)***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	- 2% Reducing balance/2% straight line
Plant, Machinery, Fixtures & Fittings	- 15% Reducing balance
Motor Vehicles, Tractors & Trailers	- 25% Reducing balance

No depreciation is provided on freehold land.

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.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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.

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES *(continued)*

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.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 April 2005	653,539
Additions	754,608
Disposals	(42,140)
At 31 March 2006	<u><u>1,366,007</u></u>
DEPRECIATION	
At 1 April 2005	296,831
Charge for year	30,373
On disposals	(31,391)
At 31 March 2006	<u><u>295,813</u></u>
NET BOOK VALUE	
At 31 March 2006	<u><u>1,070,194</u></u>
At 31 March 2005	<u><u>356,708</u></u>

3. CREDITORS: Amounts falling due within one year

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

	2006	2005 <i>(restated)</i>
	£	£
Hire purchase agreements	<u><u>7,456</u></u>	<u><u>1,505</u></u>

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

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

	2006	2005 <i>(restated)</i>
	£	£
Hire purchase agreements	<u><u>4,167</u></u>	<u><u>1,505</u></u>

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2006

5. SHARE CAPITAL

Authorised share capital:

	2006	2005 (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:

	2006		2005	
	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.

6. PRIOR YEAR ADJUSTMENT

The prior year adjustment arises as a result of the adoption of the Financial Reporting Standard for Smaller Entities 2005 which states that dividends declared after the balance sheet date should not be recognised as liabilities at the balance sheet date. Also, where dividends are declared after the balance sheet date but before the financial statements are authorised for issue, then the dividends are not recognised as a liability at the balance sheet date since they do not meet the criteria of a present obligation. Such dividends should only be disclosed in the notes to the financial statements. As a result the comparative figures have been restated to remove the proposed dividend of £15,580 included in creditors at 31 March 2005 (2004 - £13,030).