

HOPE'S AUCTION COMPANY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
31 MARCH 2001

ARMSTRONG WATSON

Chartered Accountants & Registered Auditors

Fairview House

Victoria Place

Carlisle

Cumbria

CA1 1HP



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HOPE'S AUCTION COMPANY LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

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HOPE'S AUCTION COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 5, together with the financial statements of the company for the year ended 31 March 2001 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

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 3 to 5 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 27th July 2001 we reported, as auditors 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 2001, and the full text of our audit report is reproduced on pages 2 of these financial statements.

Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

27th July 2001

ARMSTRONG WATSON
Chartered Accountants
& Registered Auditors



HOPE'S AUCTION COMPANY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2001

We have audited the financial statements on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 5, the company's directors are responsible for the preparation of the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practice Board, and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the other information contained in the Annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards 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.

QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT

Included in the debtors shown on the balance sheet is an amount of £312,286 which has been outstanding for a considerable period of time. Hopes Auction Co limited has no security for this debt. The board are in the process of attempting to secure the debt. In our opinion, a more prudent approach would have been to make some provision against this debt, reducing profit before tax and net assets accordingly.

Except for the absence of this provision, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

27th July 2001

ARMSTRONG WATSON
Chartered Accountants
& Registered Auditors



HOPE'S AUCTION COMPANY LIMITED

ABBREVIATED BALANCE SHEET

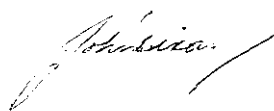
31 MARCH 2001

	Note	2001		2000	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		342,374		290,668
CURRENT ASSETS					
Debtors	3	1,555,178		1,899,471	
Investments		342		315	
		<u>1,555,520</u>		<u>1,899,786</u>	
CREDITORS: Amounts falling Due within one year		<u>(743,404)</u>		<u>(1,164,567)</u>	
NET CURRENT ASSETS			<u>812,116</u>		<u>735,219</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,154,490</u>		<u>1,025,887</u>
CAPITAL AND RESERVES					
Called-up share capital	4		263,000		263,000
Other reserves			68,953		68,953
Profit and Loss Account			822,537		693,934
SHAREHOLDERS' FUNDS			<u>1,154,490</u>		<u>1,025,887</u>

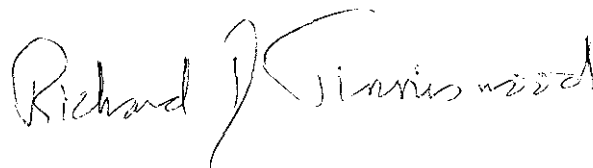
These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 25th July 2001, and are signed on their behalf by:

.....
MR. J. DIXON



.....
MR. R. D. TINNISWOOD



The notes on pages 4 to 5 form part of these financial statements.

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

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

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
Plant, Machinery, fixtures & fittings	- 15% Reducing balance
Motor Vehicles, tractors & trailers	- 25% Reducing balance

No depreciation is provided on freehold land.

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

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Capital grants

Government grants are deducted from the cost of the relevant asset.

Finance contracts

Amounts due to the company under leases, hire purchase and other finance contracts are included in debtors at the amount of the net investment in the contract. The finance charges earned are credited to the profit and loss account on a straight line basis.

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

2. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1 April 2000	488,357
Additions	101,112
Disposals	(30,115)
At 31 March 2001	<u>559,354</u>
DEPRECIATION	
At 1 April 2000	197,689
Charge for year	31,779
On disposals	(12,488)
At 31 March 2001	<u>216,980</u>
NET BOOK VALUE	
At 31 March 2001	<u>342,374</u>
At 31 March 2000	<u>290,668</u>

3. DEBTORS

Debtors include amounts of £50,671 (2000 - £107,016) falling due after more than one year.

4. SHARE CAPITAL

Authorised share capital:

	2001 £	2000 £
255,000 Ordinary shares of £1.00 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:

	2001		2000	
	No.	£	No.	£
Ordinary shares	255,000	255,000	255,000	255,000
3.5% Cum. Preference shares	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.