

HOPE'S AUCTION COMPANY LIMITED

31 MARCH 2013

ABBREVIATED ACCOUNTS

**THE REGISTRAR  
OF COMPANIES**

TUESDAY



\*A2D80KUQ\*

A22

23/07/2013

#139

COMPANIES HOUSE

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

**HOPE'S AUCTION COMPANY LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

Mr J J Dixon  
Mr D A Harrison  
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**

52362

**REGISTERED OFFICE**

Syke Road  
Wigton  
Cumbria  
CA7 9NS

**INDEPENDENT AUDITORS**

Armstrong Watson  
Chartered Accountants  
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**

**CONTENTS**

	Page
<b>Directors' report</b>	1 - 2
<b>Independent auditors' report</b>	3
<b>Profit and loss account</b>	4
<b>Balance sheet</b>	5
<b>Cash flow statement</b>	6
<b>Notes to the abbreviated accounts</b>	7 - 17

## **HOPE'S AUCTION COMPANY LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013**

The directors present their report and the financial statements for the year ended 31 March 2013

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing 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.

#### **PRINCIPAL ACTIVITIES**

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

#### **BUSINESS REVIEW**

The business review is incorporated into the Chairman's Statement on page 1 of the financial statements.

The results for the 12 months to 31st March 2013 have been affected by the move to the new auction mart. The Golf Hotel has under-performed again however steps have been taken to rectify this. The result for the year shows an increase in turnover of £37,792, resulting in an uplift in gross profit of £26,026.

#### **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 and the possibility of an outbreak of a notifiable animal disease are the other major risks to the Company's performance together with a downturn in the tourist trade within Cumbria.

#### **RESULTS**

The loss for the year, after taxation, amounted to £157,424 (2012 - profit £74,491)

**HOPE'S AUCTION COMPANY LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2013**

**DIRECTORS**

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

	Ordinary shares of £1 each		3.5% Cum. Preference shares of 6.7p each	
	31/3/13	1/4/12	31/3/13	1/4/12
Mr J J Dixon	5,204	4,195	12,546	6,816
Mr D A Harrison	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	5,906	5,906	4,642	4,642

Mr S Robertson, Mr D A Harrison and Mr J T Wilson retire in accordance with the Articles of Association and, being eligible, offer themselves for re-election

**PROVISION OF INFORMATION TO AUDITORS**

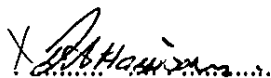
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- 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**

The auditors, Armstrong Watson, 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

X  ..  
**Mr D A Harrison**  
Director

Date X 10. 7. 2013

Syke Road  
Wigton  
Cumbria  
CA7 9NS

## 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 2013 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**

Chartered Accountants

Carlisle

Date 12 07. 2013

**HOPE'S AUCTION COMPANY LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>	1	<b>2,780,523</b>	2,742,731
<b>GROSS PROFIT</b>		<b>2,344,457</b>	2,356,155
Administrative expenses		<b>(2,415,251)</b>	(2,180,917)
<b>OPERATING (LOSS)/PROFIT</b>	2	<b>(70,794)</b>	175,238
Interest receivable and similar income		21	37
Interest payable and similar charges	5	<b>(122,070)</b>	(82,244)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(192,843)</b>	93,031
Tax on (loss)/profit on ordinary activities	6	<b>35,419</b>	(18,540)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	16	<b>(157,424)</b>	74,491

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 7 to 17 form part of these financial statements

**HOPE'S AUCTION COMPANY LIMITED**  
**REGISTERED NUMBER. 52362**


**ABBREVIATED BALANCE SHEET**  
**AS AT 31 MARCH 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Intangible assets	7		123,200		131,800
Tangible assets	8		7,927,036		4,737,553
			8,050,236		4,869,353
<b>CURRENT ASSETS</b>					
Stocks	9	60,403		66,072	
Debtors	10	1,590,340		1,688,522	
Investments	11	32,558		32,543	
			1,683,301		1,787,137
<b>CREDITORS</b> : amounts falling due within one year	12		(3,668,070)		(2,994,255)
<b>NET CURRENT LIABILITIES</b>			(1,984,769)		(1,207,118)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,065,467		3,662,235
<b>CREDITORS</b> : amounts falling due after more than one year	13		(4,897,505)		(2,268,000)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	14		(24,081)		(59,500)
<b>NET ASSETS</b>			1,143,881		1,334,735
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		263,000		263,000
Profit and loss account	16		880,881		1,071,735
<b>SHAREHOLDERS' FUNDS</b>	17		1,143,881		1,334,735

The notes on pages 7 to 17 form part of these financial statements

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 D A Harrison**  
 Director

  
 .....  
**Mr B Walton**  
 Director

Date *X 10.7.2013*

The notes on pages 7 to 17 form part of these financial statements



**HOPE'S AUCTION COMPANY LIMITED**

**ABBREVIATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	19	545,908	276,968
Returns on investments and servicing of finance	20	(122,049)	(82,207)
Capital expenditure and financial investment	20	(3,256,642)	(1,095,807)
Equity dividends paid		(33,430)	(33,430)
<b>CASH OUTFLOW BEFORE FINANCING</b>		<b>(2,866,213)</b>	<b>(934,476)</b>
Financing	20	2,629,505	450,000
<b>DECREASE IN CASH IN THE YEAR</b>		<b>(236,708)</b>	<b>(484,476)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 MARCH 2013**

	2013 £	2012 £
Decrease in cash in the year	(236,708)	(484,476)
Cash inflow from increase in debt and lease financing	(2,629,505)	(450,000)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(2,866,213)</b>	<b>(934,476)</b>
Net debt at 1 April 2012	(3,618,518)	(2,684,042)
<b>NET DEBT AT 31 MARCH 2013</b>	<b>(6,484,731)</b>	<b>(3,618 518)</b>

The notes on pages 7 to 17 form part of these financial statements

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**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 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
----------	---	------------------------

## HOPE'S AUCTION COMPANY LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

#### 1 ACCOUNTING POLICIES (continued)

##### 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
Motor vehicles	-	25% reducing balance

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 will be capitalised by the company until construction of the asset is 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 Operating leases

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

##### 1.8 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 2013

1. ACCOUNTING POLICIES (continued)

1.9 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 10 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 (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2013	2012
	£	£
Amortisation - intangible fixed assets	8,600	8,600
Depreciation of tangible fixed assets		
- owned by the company	67,144	68,902
Auditors' remuneration	11,000	10,500
Operating lease rentals		
- plant and machinery	4,848	4,436
	<u>          </u>	<u>          </u>

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**3. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	1,228,865	1,134,016
Social security costs	81,692	76,633
Other pension costs	21,322	29,190
	1,331,879	1,239,839

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

	2013 No	2012 No
Auction staff	25	16
Hotel staff	50	59
Administration staff	8	8
Directors	2	3
Estate and land agency staff	10	10
	95	96

**4. DIRECTORS' REMUNERATION**

	2013 £	2012 £
Remuneration	101,848	112,743
Company pension contributions to defined contribution pension schemes	6,188	6,000

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes

**5. INTEREST PAYABLE**

	2013 £	2012 £
On bank loans and overdrafts	122,070	82,244

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**6. TAXATION**

	2013 £	2012 £
<b>Analysis of tax charge in the year</b>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	11,420	10,760
Losses	(46,839)	7,780
	(35,419)	18,540
<b>Total deferred tax (see note 14)</b>	<b>(35,419)</b>	<b>18,540</b>
<b>Tax on (loss)/profit on ordinary activities</b>	<b>(35,419)</b>	<b>18,540</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 20% (2012 - 20%). The differences are explained below

	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	(192,843)	93,031
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	(38,569)	18,606
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	145
Capital allowances for year in excess of depreciation	(954)	(9,886)
Utilisation of tax losses	39,523	(8,865)
	-	-
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**7. INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2012 and 31 March 2013	<u>172,000</u>
<b>Amortisation</b>	
At 1 April 2012	40,200
Charge for the year	8,600
At 31 March 2013	<u>48,800</u>
<b>Net book value</b>	
At 31 March 2013	<u><u>123,200</u></u>
At 31 March 2012	<u><u>131,800</u></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.

**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 2012	4,431,447	788,763	58,342	5,278,552
Additions	3,115,947	140,680	-	3,256,627
At 31 March 2013	<u>7,547,394</u>	<u>929,443</u>	<u>58,342</u>	<u>8,535,179</u>
<b>Depreciation</b>				
At 1 April 2012	88,738	428,527	23,734	540,999
Charge for the year	-	58,579	8,565	67,144
At 31 March 2013	<u>- 88,738</u>	<u>487,106</u>	<u>32,299</u>	<u>608,143</u>
<b>Net book value</b>				
At 31 March 2013	<u><u>7,458,656</u></u>	<u><u>442,337</u></u>	<u><u>26,043</u></u>	<u><u>7,927,036</u></u>
At 31 March 2012	<u><u>4,342,709</u></u>	<u><u>360,236</u></u>	<u><u>34,608</u></u>	<u><u>4,737,553</u></u>

Included within freehold property of £7,458,656 is an aggregate amount of £70,646 relating to finance costs capitalised during the period.

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**9. STOCKS**

	2013 £	2012 £
Finished goods and goods for resale	<u>60,403</u>	<u>66,072</u>

**10 DEBTORS**

	2013 £	2012 £
Trade debtors	1,524,834	1,494,043
Other debtors	16,418	32,848
Prepayments and accrued income	49,088	161,631
	<u>1,590,340</u>	<u>1,688,522</u>

**11 CURRENT ASSET INVESTMENTS**

	2013 £	2012 £
Unlisted investments	<u>32,558</u>	<u>32,543</u>

Included in the above figure is £31,000 (2012 - £31,000) in respect of investments recorded at fair value

**12 CREDITORS.**

**Amounts falling due within one year**

	2013 £	2012 £
Bank loans and overdrafts	1,587,226	1,350,518
Trade creditors	1,171,941	590,665
Other taxation and social security (see below)	25,432	106,547
Other creditors	24,674	141,081
Accruals and deferred income	858,797	805,444
	<u>3,668,070</u>	<u>2,994,255</u>

**Other taxation and social security**

	2013 £	2012 £
PAYE and social security	20,958	21,357
VAT	4,474	85,190
	<u>25,432</u>	<u>106,547</u>

Included in creditors falling due within one year are liabilities totalling £1,653,210 (2012 - £1,350,518) which are secured by the company



HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2013

13. CREDITORS

Amounts falling due after more than one year

	2013 £	2012 £
Bank loans	<u>4,897,505</u>	<u>2,268,000</u>

Included within the above are amounts falling due as follows

	2013 £	2012 £
<b>Between one and two years</b>		
Bank loans	<u>4,897,505</u>	<u>2,268,000</u>

Included in creditors falling due after more than one year are liabilities totalling £4,897,505 (2012 - £2,268,000) which are secured by the company

14. DEFERRED TAXATION

	2013 £	2012 £
At beginning of year	59,500	40,960
(Released during)/charge for year (P&L)	(35,419)	18,540
At end of year	<u>24,081</u>	<u>59,500</u>

The provision for deferred taxation is made up as follows

	2013 £	2012 £
Accelerated capital allowances	73,372	60,290
Tax losses carried forward	(49,291)	(790)
	<u>24,081</u>	<u>59,500</u>

15. SHARE CAPITAL

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
255,000 Ordinary shares shares of £1 each	255,000	255,000
120,000 (2012 - 120,000) 3 5% Cum Preference shares of £0 067 each	8,000	8,000
	<u>263,000</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 ordinary shares and will be repaid at par

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**16. RESERVES**

	<b>Profit and loss account £</b>
At 1 April 2012	1,071,735
Loss for the financial year	(157,424)
Dividends Equity capital	(33,430)
	880,881
At 31 March 2013	880,881

**17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2013 £	2012 £
Opening shareholders' funds	1,334,735	1,293,674
(Loss)/profit for the financial year	(157,424)	74,491
Dividends (Note 18)	(33,430)	(33,430)
	1,143,881	1,334,735
Closing shareholders' funds	1,143,881	1,334,735

**18. DIVIDENDS**

	2013 £	2012 £
Dividends paid on equity capital	33,430	33,430
	33,430	33,430

On 31 March 2013 the directors propose a dividend of £13,030

**19 NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £	2012 £
Operating (loss)/profit	(70,794)	175,238
Amortisation of intangible fixed assets	8,600	8,600
Depreciation of tangible fixed assets	67,144	68,902
Decrease/(increase) in stocks	5,669	(12,229)
Decrease/(increase) in debtors	98,182	(78,394)
Increase in creditors	437,107	114,851
	545,908	276,968
<b>Net cash inflow from operating activities</b>	<b>545,908</b>	<b>276,968</b>

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2013

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

	2013 £	2012 £
<b>Returns on investments and servicing of finance</b>		
Interest received	21	37
Interest paid	(122,070)	(82,244)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(122,049)</u>	<u>(82,207)</u>
	2013 £	2012 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(3,256,627)	(1,166,485)
Sale of tangible fixed assets	-	71,729
Purchase of short term unlisted investments	(15)	(1,051)
<b>Net cash outflow from capital expenditure</b>	<u>(3,256,642)</u>	<u>(1,095,807)</u>
	2013 £	2012 £
<b>Financing</b>		
New secured loans	<u>2,629,505</u>	<u>450,000</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2012 £	Cash flow £	Other non-cash changes £	31 March 2013 £
Bank overdraft	(1,350,518)	(236,708)	-	(1,587,226)
	<u>(1,350,518)</u>	<u>(236,708)</u>	<u>-</u>	<u>(1,587,226)</u>
<b>Debt:</b>				
Debts falling due after more than one year	(2,268,000)	(2,629,505)	-	(4,897,505)
<b>Net debt</b>	<u>(3,618,518)</u>	<u>(2,866,213)</u>	<u>-</u>	<u>(6,484,731)</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 £21,322 (2012 - £29,190).

Other creditors includes accrued pension contributions at the balance sheet date of £8,129 (2012 - £12,953 prepaid contributions).

HOPE'S AUCTION COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2013

23. OPERATING LEASE COMMITMENTS

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

	2013 £	2012 £
<b>Expiry date.</b>		
Between 2 and 5 years	<u>5,488</u>	<u>4,888</u>