

HOPE'S AUCTION COMPANY LIMITED

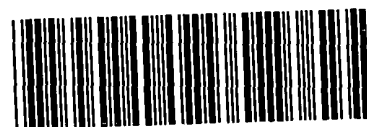
31 MARCH 2015

ABBREVIATED ACCOUNTS

THE REGISTRAR  
OF COMPANIES

**ArmstrongWatson®**  
Accountants & Financial Advisers

TUESDAY



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# **HOPE'S AUCTION COMPANY LIMITED**

## **COMPANY INFORMATION**

### **DIRECTORS**

Mr J J Dixon  
Mr S Robertson (resigned 10 April 2015)  
Mr J T Wilson  
Mr B Walton  
Mr R E Jackson  
Mr T Brockbank  
Mr K Jarman  
Mr J Hope  
Mr I Ritchie (appointed 20 May 2015)

### **COMPANY SECRETARY**

Mr G P Benson

### **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**

## **CONTENTS**

	<b>Page</b>
<b>Directors' report</b>	<b>1 - 2</b>
<b>Strategic report</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Statement of total recognised gains and losses</b>	<b>6</b>
<b>Note of historical cost profits and losses</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Cash flow statement</b>	<b>8</b>
<b>Notes to the abbreviated accounts</b>	<b>9 - 22</b>

## HOPE'S AUCTION COMPANY LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

#### 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.

#### 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 6.6667p each	
	31/3/15	1/4/14	31/3/15	1/4/14
Mr J J Dixon	4,195	4,195	6,816	6,816
Mr S Robertson (resigned 10 April 2015)	7,910	7,910	14,638	14,638
Mr J T Wilson	716	716	14,478	14,478
Mr B Walton	3,529	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	6,156	5,956	4,642	4,642

Mr. T. Brockbank, Mr. R. E. Jackson and Mr. J. T. Wilson 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 2015**

**FINANCIAL INSTRUMENTS**

**Treasury operations and financial instruments**

The directors actively manage the treasury function which is responsible for managing liquidity and interest risks associated with the company's activities. The company's principal financial instruments are bank overdrafts and loans used to finance the company's operations. In addition, the company has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

**Liquidity risk**

The company manages its cash requirements to minimise interest expense whilst ensuring that the company has sufficient liquid resources to meet the operating needs of business activities.

**Credit risk**

Borrowings are made through banks and companies which must fulfil credit rating criteria approved by the board. All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an on-going basis and provision is made for doubtful debts where necessary.

**MATTERS COVERED IN THE STRATEGIC REPORT**

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the strategic report on page 4. These matters relate to the business review, review of the principal risks and uncertainties and discussion of key performance indicators.

**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 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.



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

Date: 14/10/15

Syke Road  
Wigton  
Cumbria  
CA7 9NS

## HOPE'S AUCTION COMPANY LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

#### 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 £70,968 to £2,484,047 and profit before taxation has decreased by £2,132,758. The main reason behind this is the revaluation of land and buildings during the year (as disclosed in the Chairman's Statement) as well as a profit made on sale of land during the previous year.

##### Financial position at the reporting date

The balance sheet shows that net assets at the year end increased by £6,471,341 on the 2014 position to £7,695,379. This increase is again due to the revaluation of land and buildings during the current year.

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

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

Date: 14/10/15

## **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 Statement of total recognised gains and losses, 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 2015 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 Statement of total recognised gains and losses, 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: 21/10/15

**HOPE'S AUCTION COMPANY LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	As restated 2014 £
<b>TURNOVER</b>	1	<b>2,484,047</b>	<b>2,555,015</b>
<b>GROSS PROFIT</b>		<b>2,470,370</b>	<b>3,066,019</b>
Administrative expenses		<b>(2,234,712)</b>	<b>(2,560,925)</b>
Exceptional administrative expenses	3	<b>(1,856,658)</b>	-
Total administrative expenses		<b>(4,091,370)</b>	<b>(2,560,925)</b>
<b>OPERATING (LOSS)/PROFIT</b>	2	<b>(1,621,000)</b>	<b>505,094</b>
Interest receivable and similar income		-	2,532
Interest payable and similar charges	5	<b>(270,902)</b>	<b>(266,770)</b>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,891,902)</b>	<b>240,856</b>
Tax on (loss)/profit on ordinary activities	6	<b>164,030</b>	<b>(139,949)</b>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	17	<b>(1,727,872)</b>	<b>100,907</b>

All amounts relate to continuing operations.

The notes on pages 9 to 22 form part of these financial statements.

The directors wish to specifically draw attention to Note 3 to the accounts which provides further detail in respect of the above exceptional items.

The operating profit of the company for the year pre-exceptional items is £235,658



**HOPE'S AUCTION COMPANY LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	<b>(1,727,872)</b>	<b>100,907</b>
Unrealised surplus on revaluation of tangible fixed assets	<u>8,199,213</u>	<u>-</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u><b>6,471,341</b></u>	<u><b>100,907</b></u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
<b>REPORTED (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u><b>(1,891,902)</b></u>	<u><b>240,856</b></u>
<b>HISTORICAL COST (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u><b>(1,891,902)</b></u>	<u><b>240,856</b></u>
<b>HISTORICAL (LOSS)/PROFIT FOR THE YEAR AFTER TAXATION</b>	<u><b>(1,727,872)</b></u>	<u><b>100,907</b></u>

The notes on pages 9 to 22 form part of these financial statements.

**HOPE'S AUCTION COMPANY LIMITED**  
**REGISTERED NUMBER: 00052362**

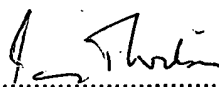
**ABBREVIATED BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Intangible assets	7		36,000		39,000
Tangible assets	8		14,650,192		8,361,340
Investments	9		100		-
			<u>14,686,292</u>		<u>8,400,340</u>
<b>CURRENT ASSETS</b>					
Stocks	10	36,509		37,713	
Debtors	11	1,637,908		1,525,612	
Investments	12	32,589		32,574	
		<u>1,707,006</u>		<u>1,595,899</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(3,456,742)</u>		<u>(3,111,512)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,749,736)</u>		<u>(1,515,613)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,936,556</u>		<u>6,884,727</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		<u>(5,241,177)</u>		<u>(5,496,659)</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	15		-		(164,030)
<b>NET ASSETS</b>			<u><u>7,695,379</u></u>		<u><u>1,224,038</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		255,000		255,000
Revaluation reserve	17		8,199,213		-
Profit and loss account	17		(758,834)		969,038
<b>SHAREHOLDERS' FUNDS</b>	18		<u><u>7,695,379</u></u>		<u><u>1,224,038</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: 14/10/15

The notes on pages 9 to 22 form part of these financial statements.

# HOPE'S AUCTION COMPANY LIMITED

## ABBREVIATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	(139,669)	(64,722)
Returns on investments and servicing of finance	21	(270,902)	(264,238)
Capital expenditure and financial investment	21	119,640	266,398
Acquisitions and disposals	21	(100)	-
Equity dividends paid		-	(12,750)
<b>CASH OUTFLOW BEFORE FINANCING</b>		<b>(291,031)</b>	<b>(75,312)</b>
Financing	21	(251,210)	657,883
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(542,241)</b>	<b>582,571</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 MARCH 2015

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(542,241)	582,571
Cash outflow from decrease in debt and lease financing	251,210	(657,883)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(291,031)</b>	<b>(75,312)</b>
Net debt at 1 April 2014	(6,568,043)	(6,492,731)
<b>NET DEBT AT 31 MARCH 2015</b>	<b>(6,859,074)</b>	<b>(6,568,043)</b>

The notes on pages 9 to 22 form part of these financial statements.

## HOPE'S AUCTION COMPANY LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

#### 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 as modified by the revaluation of Freehold Land & Buildings and in accordance with applicable accounting standards.

Group accounts have not been prepared as all of the company's subsidiaries are permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### 1.2 Going concern

At the balance sheet date current liabilities exceeded current assets by £1,749,736. Facilities are in place with the company's bankers and the directors have a strategic plan in place, as referred to in the Chairman's Statement, which enables the company to meet its liabilities as they fall due, for a minimum of twelve months from the date of the approval of these financial statements. As a result the directors have prepared the accounts on a going concern basis.

##### 1.3 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.

##### 1.4 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
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## HOPE'S AUCTION COMPANY LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

#### 1. ACCOUNTING POLICIES (continued)

##### 1.5 Tangible fixed assets and depreciation

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

Freehold property	-	2% straight line
Plant, machinery, fixtures & fittings	-	15% reducing balance / 5% straight line
Motor vehicles	-	25% reducing balance

No depreciation is provided on freehold land.

##### 1.6 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.

##### 1.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account.

##### 1.8 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

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.

##### 1.9 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.

##### 1.10 Operating leases

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

## HOPE'S AUCTION COMPANY LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

#### 1. ACCOUNTING POLICIES (continued)

##### 1.11 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.

##### 1.12 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.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

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.

##### 1.13 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:

	2015 £	2014 £
Amortisation - intangible fixed assets	3,000	84,200
Depreciation of tangible fixed assets:		
- owned by the company	174,999	78,770
- held under finance leases	19,817	17,115
Auditors' remuneration	15,020	8,000
Operating lease rentals:		
- plant and machinery	15,845	4,811
Exceptional items (note 3)	1,856,658	-

The operating profit of the company for the year pre-exceptional items is £235,658.

# HOPE'S AUCTION COMPANY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

### 3. STAFF COSTS

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

	2015 £	2014 £
Wages and salaries	1,072,327	1,163,002
Social security costs	70,333	80,566
Other pension costs	28,508	31,567
	<u>1,171,168</u>	<u>1,275,135</u>

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

	2015 No.	2014 No.
Auction staff	20	19
Hotel staff	59	58
Administration staff	8	6
Directors	2	2
Estate and land agency staff	11	10
	<u>100</u>	<u>95</u>

### 4. DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	<u>98,048</u>	<u>98,789</u>
Company pension contributions to defined contribution pension schemes	<u>7,499</u>	<u>6,938</u>

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

### 5. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	251,180	216,529
Other interest payable	-	38,264
On finance leases and hire purchase contracts	19,722	11,697
Dividends paid on shares classed as debt	-	280
	<u>270,902</u>	<u>266,770</u>

# HOPE'S AUCTION COMPANY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

### 6. TAXATION

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Deferred tax (see note 15)</b>		
Origination and reversal of timing differences	(164,030)	139,949
<b>Tax on (loss)/profit on ordinary activities</b>	<u>(164,030)</u>	<u>139,949</u>

The above deferred tax has arisen as a result of timing differences between the accounting and tax treatment of fixed assets. It does not represent an actual tax amount payable or recoverable by the company.

#### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	<u>(1,891,902)</u>	<u>240,856</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	(378,380)	48,171
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	319,433	56
Capital allowances for year in excess of depreciation	39,116	(7,204)
Utilisation of tax losses	-	(41,023)
Short term timing difference leading to an increase (decrease) in taxation	55	-
Other timing differences leading to an increase (decrease) in taxation	(10,780)	-
Unrelieved tax losses carried forward	30,556	-
<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 £1,253,607 (2014 - £1,292,521). 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.



# HOPE'S AUCTION COMPANY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

### 7. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>Cost</b>	
At 1 April 2014	172,000
Disposals	(112,000)
	<hr/> 60,000
<b>Amortisation</b>	
At 1 April 2014	133,000
Charge for the year	3,000
On disposals	(112,000)
	<hr/> 24,000
<b>Net book value</b>	
At 31 March 2015	<hr/> <hr/> 36,000
At 31 March 2014	<hr/> <hr/> 39,000

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 in 2014 and subsequently a decision has been made by the directors that the asset will be treated as disposed of as at 31 March 2015.

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 assets acquired as part of that business.

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**8. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant, machinery, fixtures and fittings. £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2014	7,653,800	1,105,996	50,924	8,810,720
Additions	104,412	31,570	22,050	158,032
Disposals	(277,687)	-	-	(277,687)
Impairment charge	(1,595,890)	-	-	(1,595,890)
Revaluation surplus/(deficit)	8,110,475	-	-	8,110,475
<b>At 31 March 2015</b>	<b>13,995,110</b>	<b>1,137,566</b>	<b>72,974</b>	<b>15,205,650</b>
<b>Depreciation</b>				
At 1 April 2014	88,738	327,336	33,306	449,380
Charge for the year	100,100	87,555	7,161	194,816
On revalued assets	(88,738)	-	-	(88,738)
<b>At 31 March 2015</b>	<b>100,100</b>	<b>414,891</b>	<b>40,467</b>	<b>555,458</b>
<b>Net book value</b>				
<b>At 31 March 2015</b>	<b>13,895,010</b>	<b>722,675</b>	<b>32,507</b>	<b>14,650,192</b>
<b>At 31 March 2014</b>	<b>7,565,062</b>	<b>778,660</b>	<b>17,618</b>	<b>8,361,340</b>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and machinery	307,096	396,301
Motor vehicles	19,294	-
	<b>326,390</b>	<b>396,301</b>

Freehold land and buildings were revalued as 1 April 2014 by Edwin Thompson LLP, an independent chartered surveyor.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2015 £	2014 £
Cost	5,884,635	-
Accumulated depreciation	(88,738)	-
<b>Net book value</b>	<b>5,795,897</b>	<b>-</b>

# HOPE'S AUCTION COMPANY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

### 9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2014	-
Additions	100
At 31 March 2015	100
<b>Net book value</b>	
At 31 March 2015	100
At 31 March 2014	-

### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Hopes (Wigton) Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 March 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Hopes (Wigton) Limited	(33,682)	(33,782)

### 10. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	36,509	37,713

### 11. DEBTORS

	2015 £	2014 £
Trade debtors	1,464,337	1,439,123
Amounts owed by group undertakings	59,476	-
Other debtors	46,265	18,745
Prepayments and accrued income	67,830	67,744
	1,637,908	1,525,612

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**12. CURRENT ASSET INVESTMENTS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Unlisted investments	<b>32,589</b>	<b>32,574</b>

Included in the above figure is £31,000 (2014 - £31,000) in respect of investments recorded at fair value.

**13. CREDITORS:  
Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>1,546,896</b>	<b>1,004,655</b>
Net obligations under finance leases and hire purchase contracts	<b>71,001</b>	<b>66,729</b>
Trade creditors	<b>845,557</b>	<b>996,931</b>
Other taxation and social security (see below)	<b>124,726</b>	<b>92,904</b>
Other creditors	<b>47,179</b>	<b>34,729</b>
Accruals and deferred income	<b>821,383</b>	<b>915,564</b>
	<b>3,456,742</b>	<b>3,111,512</b>

**Other taxation and social security**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
PAYE and social security	<b>16,495</b>	<b>19,737</b>
VAT	<b>108,231</b>	<b>73,167</b>
	<b>124,726</b>	<b>92,904</b>

Included in creditors falling due within one year are liabilities totalling £1,610,394 (2014 - £1,083,612) 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 2015**

**14. CREDITORS:**

**Amounts falling due after more than one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>5,024,000</b>	5,224,000
Net obligations under finance leases and hire purchase contracts	<b>209,177</b>	264,659
Share capital treated as debt (Note 16)	<b>8,000</b>	8,000
	<b><u>5,241,177</u></b>	<b><u>5,496,659</u></b>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 16.

Included within the above are amounts falling due as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Between one and two years</b>		
Bank loans	<b><u>5,024,000</u></b>	<b><u>5,224,000</u></b>

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Repayable other than by instalments	<b><u>8,000</u></b>	<b><u>8,000</u></b>

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Between one and five years	<b><u>209,177</u></b>	<b><u>264,659</u></b>

Included in creditors falling due after more than one year are liabilities totalling £5,233,177 (2014 - £5,488,659) which are secured by a debenture that creates a fixed and floating charge over the assets of the company.

**15. DEFERRED TAXATION**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>164,030</b>	24,081
(Released during)/charge for year (P&L)	<b>(164,030)</b>	139,949
At end of year	<b><u>-</u></b>	<b><u>164,030</u></b>

The provision for deferred taxation is made up as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b><u>-</u></b>	<b><u>164,030</u></b>

# HOPE'S AUCTION COMPANY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

### 16. SHARE CAPITAL

	2015 £	2014 £
<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 (2014 - 120,000) 3.5% Cum. Preference shares of £0.067 each	<u>8,000</u>	<u>8,000</u>

The average share price during the period was £10.17.

### 17. RESERVES

	Revaluat'n reserve £	Profit and loss account £
At 1 April 2014		969,038
Loss for the financial year		(1,727,872)
Surplus on revaluation of freehold property	8,199,213	
	<u>8,199,213</u>	<u>(758,834)</u>
At 31 March 2015		

### 18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	1,224,038	1,135,881
(Loss)/profit for the financial year	(1,727,872)	100,907
Dividends (Note 19)	-	(12,750)
Other recognised gains and losses during the year	8,199,213	-
	<u>7,695,379</u>	<u>1,224,038</u>
Closing shareholders' funds		

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**19. DIVIDENDS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Dividends paid on equity capital</b>		
Dividends paid on equity capital	-	12,750
	<u>          </u>	<u>          </u>
<b>Dividends paid on shares classed as debt</b>		
Dividends paid on shares classed as debt	-	280
	<u>          </u>	<u>          </u>
<b>Total dividends paid</b>	-	13,030
	<u>          </u>	<u>          </u>

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

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit	(1,621,000)	505,094
Amortisation of intangible fixed assets	3,000	84,200
Depreciation of tangible fixed assets	194,816	95,885
Profit on disposal of tangible fixed assets	-	(796,604)
Decrease in stocks	1,203	22,691
(Increase)/decrease in debtors	(52,819)	64,728
Increase in amounts owed by group undertakings	(59,476)	-
Decrease in creditors	(201,283)	(40,716)
Impairment on revaluation of fixed assets	1,595,890	-
	<u>          </u>	<u>          </u>
<b>Net cash outflow from operating activities</b>	<b>(139,669)</b>	<b>(64,722)</b>
	<u>          </u>	<u>          </u>

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	-	2,532
Interest paid	(251,180)	(255,073)
Hire purchase interest	(19,722)	(11,697)
	<u>          </u>	<u>          </u>
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(270,902)</b>	<b>(264,238)</b>
	<u>          </u>	<u>          </u>

**HOPE'S AUCTION COMPANY LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(158,032)	(589,851)
Sale of tangible fixed assets	277,687	856,265
Purchase of short term unlisted investments	(15)	(16)
<b>Net cash inflow from capital expenditure</b>	<u>119,640</u>	<u>266,398</u>
	2015 £	2014 £
<b>Acquisitions and disposals</b>		
Purchase of fixed asset investments	(100)	-
	2015 £	2014 £
<b>Financing</b>		
New secured loans	-	326,495
Repayment of loans	(200,000)	-
(Repayment of)/new finance leases	(51,210)	331,388
<b>Net cash (outflow)/inflow from financing</b>	<u>(251,210)</u>	<u>657,883</u>

**22. ANALYSIS OF CHANGES IN NET DEBT**

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Bank overdraft	(1,004,655)	(542,241)	-	(1,546,896)
	<u>(1,004,655)</u>	<u>(542,241)</u>	<u>-</u>	<u>(1,546,896)</u>
<b>Debt:</b>				
Debts due within one year	(66,729)	(4,272)	-	(71,001)
Debts falling due after more than one year	(5,496,659)	255,482	-	(5,241,177)
<b>Net debt</b>	<u>(6,568,043)</u>	<u>(291,031)</u>	<u>-</u>	<u>(6,859,074)</u>

**23. 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 £28,508 (2014 - £31,568).

Other creditors includes accrued pension contributions at the balance sheet date of £555 (2014 - £279).



# HOPE'S AUCTION COMPANY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

### 24. OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
<b>Expiry date:</b>		
Within 1 year	-	4,888
Between 2 and 5 years	<u>11,808</u>	<u>4,900</u>