

REGISTERED NUMBER: 02564753 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 July 2018**

for

John Pye & Sons Limited

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for the Year Ended 31 July 2018**

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John Pye & Sons Limited

**Company Information
for the Year Ended 31 July 2018**

DIRECTORS:

J J Pye
M A Pye
A J W Pye
S R Miller
P J Longson
J P Foster
S Anderson
Z Wright

SECRETARY:

M A Pye

REGISTERED OFFICE:

James Shipstone House
Radford Road
Nottingham
NG7 7EA

REGISTERED NUMBER:

02564753 (England and Wales)

AUDITORS:

RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
7th Floor, City Gate East
Tollhouse Hill
Nottingham
NG1 5FS

John Pye & Sons Limited (Registered number: 02564753)

**Strategic Report
for the Year Ended 31 July 2018**

COMPANY OVERVIEW

John Pye & Sons (JPS) Limited trades under the following brands:

- John Pye (headline B2B brand)
- John Pye Auctions (headline B2C brand)
- John Pye Property
- John Pye Luxury
- John Pye Retail
- John Pye Business Assets
- John Pye Vehicles

These aforementioned trademarked brands equate to our B2B and B2C headline brands and our five trading departments, all of which provide the following client headline B2B services:

- Appraisals
- Valuations
- Logistics
- Storage
- Marketing
- Auctions
- Sales

Clients supply us with stock and assets for sale, the majority for auction, with some minority sales made by private treaty and tender sale (mainly property and businesses as going concerns).

Stock and assets are supplied by clients and these sales generate commission from the seller and buyer, which form the majority of JPS revenue across the five trading departments.

Our five John Pye trading departments serve the following client market sectors and industries:

- John Pye Business Assets: Banking, Lending, Government, Turnaround, Restructuring, Insolvency & Private Businesses
- John Pye Retail: Retail PLCs; Manufacturers, Wholesalers & Traders
- John Pye Vehicles: Government, Automotive Dealerships & Fleet Hire & Private Collectors
- John Pye Property: Insolvency; Government, Property Owners & Agents
- John Pye Luxury Assets: Pawnbrokers, High Value Luxury Retailers, Dealers & Private Collectors

A minority proportion of the company's revenue is generated from what we traditionally define as 'professional services' fees (these are mainly valuations) and associated disbursements (which are ancillary support services such as logistics and storage).

These ancillary support services create the supporting bridge between client professional services and the auctions and sales deliverables.

John Pye & Sons Ltd has a rich and proud history of significant organic growth with no mergers or acquisitions made to date. We have continued this vein of development this trading year again, with some significant infrastructure undertakings and key business developments.

John Pye is recognised as the benchmark leader of UK commercial auction infrastructure, innovation, marketing and realisations and has received multiple recent awards in such recognition.

**Strategic Report
for the Year Ended 31 July 2018**

BUSINESS REVIEW

For John Pye & Sons Limited 2018 was a milestone year based on two headline developments: it was our 50th Anniversary as a business and we managed to achieve a new record year for both sales and gross profit before bonuses and tax.

Our key financial and performance indicators year-on-year were as follows:-

	2016	2017	2018
Turnover	9,804,543	13,376,343	17,560,265
Turnover growth	11.2%	35.2%	31.2%
Net profit margin	4.7%	8.6%	9.5%

BUSINESS GROWTH

Significant New Site Acquisitions, Developments and Openings

Since 2011 the business has experienced significant growth expansion and development, previously unseen in the UK or European auction sector.

John Pye growth statistics from 2011 year-end to 2018 year-end has been as follows:

	2011	2017	2018
Number of John Pye trading sites:	1	21	22
Number of John Pye trading departments:	2	5	5
Number of John Pye staff:	38	292	353
Number of John Pye Auctions per annum:	176	805	1,019

The year of 2011/12 was when we first embarked upon our national expansion roll out (having secured our first two Central Government disposals contracts) and our site footprint grew from 1 site to 8 in the space of 6 months (May to November 2011), generating two successive record trading years of accounts for John Pye & Sons Limited thereafter in 2012/13 and 2013/14.

The next phase of significant John Pye company investment was undertaken in 2015/16, when we acquired, developed and opened premium auction facilities in Old Bond Street, Mayfair, and a Scottish auction site in Bo'Ness, Scotland.

The set of accounts for 2016/17 covered a third significant phase of capital investment and business expansion in the space of six years. The 2016/17 financial year saw us acquire, refurbish and open not just our biggest John Pye Auctions site but also Europe's biggest general auction facility; a 316,000 sq. ft. premises on a 13-acre site near Port Talbot in South Wales - a site covering the size of almost six full size football pitches all under one roof.

This year's set of accounts - 2017/18 - shows the initial return on investment of this latest phase of growth, achieving a record turnover and profit before taxes and bonuses, with our new South Wales site hosting over 100 online auctions and growing at the fastest rate of any new John Pye Auctions site opening, whilst being able to facilitate our Business Assets department with their most successful year in a decade.

John Pye & Sons Limited (Registered number: 02564753)

**Strategic Report
for the Year Ended 31 July 2018**

Overall as a business in 2017/18 we held a record number of auctions for the business - all held exclusively online supported by saleroom and site viewings - delivering:

	2017-yr-end	2018-yr-end
Online Auctions in Total Across the UK:	805	1019
General Goods & Luxury Online Auctions:	684	835
Vehicle Online Auctions:	109	175
Property Online Auctions:	12	9

Awards and Accreditations

We have continued our rich vein of awards form, this financial year, in Oct 2017, being bestowed for the third consecutive year with 'Asset Valuer / Auctioneer of the Year' in the UK Turnaround, Restructuring and Insolvency (TRI) Awards, held at London's Hilton Hotel on Park Lane, judged by UK's leading industry practitioners and attended by over 800 industry peers:

<http://www.johnpye.co.uk/creating-history-by-winning-uk-tri-award-third-year-in-a-row/>
<https://www.creditstrategy.co.uk/triawards-info/triawards-info/triwinners>

Our core company milestones and investments in 2017/18 are outlined as follows:

John Pye Auctions South Wales Hub First Anniversary and 100 Auction Milestone

Having opened our biggest John Pye Auctions site and Europe's biggest general auction facility - a 316,000 sq. ft. premises on a 13-acre site near Port Talbot in South Wales and being subject to the greatest new site renovations for launch - we are delighted to report the site has begun generating a profit within its first trading year.

Within 10 months the site had chalked up its 100th auction and was employing over 30 full time staff and growing:

<http://www.johnpye.co.uk/port-talbot-100-auctions/>

This facility marked a milestone for John Pye Auctions UK network, which now span all three UK mainland countries of England, Scotland and Wales; offering clients a truly UK wide asset and stock disposal solution to spread large volume holdings across multiple markets to mitigate any risk of flooding regional markets, by spreading consignments far and wide to optimise realisations.

The site has also been a key asset to the UK turnaround and insolvency market, offering available capacity to store some of the UK's biggest restaurant restructuring and administration clearances and disposals of assets, for more than 200 outlets.

John Pye 50th Anniversary Year Launched

The second half of the 2017/18 financial year marked the start of our 50th Anniversary celebrations, marking the half centennial milestone from when John Pye founded the business to its UK market leading position today.

<http://www.johnpye.co.uk/celebrating-50-years/>

Whilst we have transitioned exclusively to digital online auctions, we decided to commit the 50th Anniversary and the 50-year history and development of the business in print, producing a commemorative company brochure for current and future generations to retain as an historic reference guide of the business from 1968 to 2018, along with our five previous other company brochures.

The John Pye 50th Anniversary brochure can be viewed digitally here:

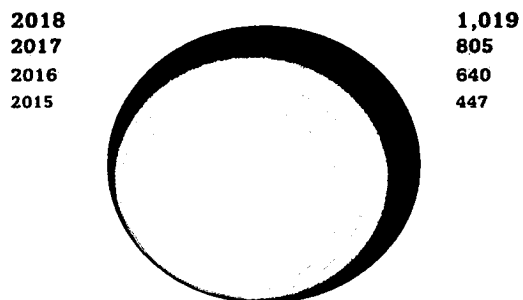
www.johnpyebrochure.co.uk

A series of 50th Anniversary events are planned for the second half of the year, which will fall in the first half of the 2018/19 financial year.

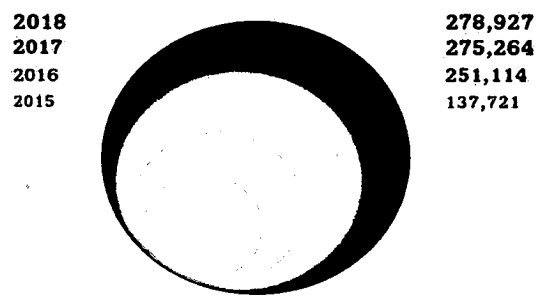
Strategic Report
for the Year Ended 31 July 2018

KEY GROWTH STATISTICS

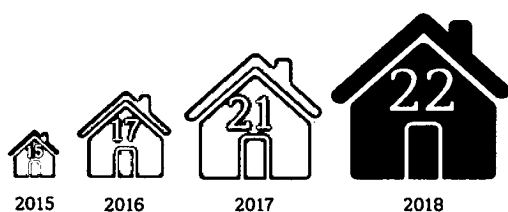
Auctions



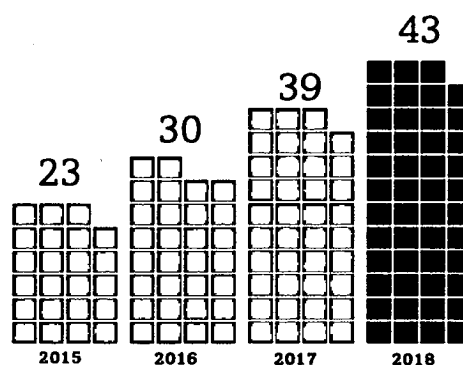
Registered Bidders



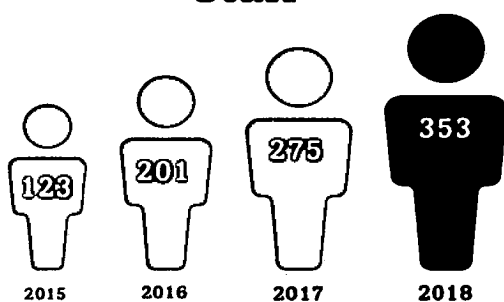
Number of Sites



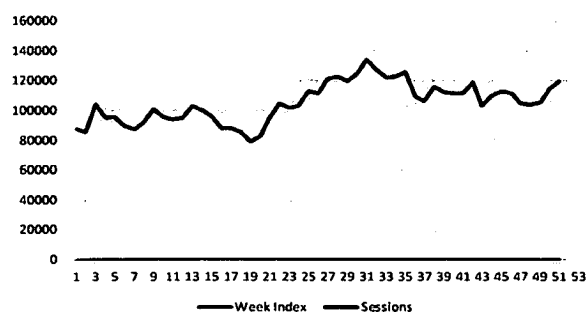
Number of Salerooms



Staff



Weekly Web Sessions



John Pye & Sons Limited (Registered number: 02564753)

**Strategic Report
for the Year Ended 31 July 2018**

DEPARTMENTAL TRADING & DEVELOPMENTS

Summary herein of John Pye Auctions trading department's progresses in 2017/18:

John Pye Business Assets

Our Business Assets department had its most successful trading year in a decade, achieving over 500% profit growth year-on-year, as the department's national profile grew traction and further investment in staffing bore fruit.

The Business Assets department secured some of the UK's highest profile instructions, as such volumes peaked to their highest levels since the last recession of 2008. Some of these instructions are subject to NDAs, whilst others, such as fabb Sofas, are more of public record:

<https://www.eastmidlandsbusinesslink.co.uk/mag/news/john-pye-appointed-to-handle-fabb-sofas-valuation/>

John Pye made history again when we received national recognition in Oct 2017 when we were awarded 'Asset Valuer / Auctioneer of the Year' at the Turnaround, Restructuring and Insolvency (TRI) Awards (formerly the Insolvency & Rescue Awards) held annually at London's Park Lane Hilton, judged by the UK's leading practitioners in the field and attended by over 800 industry professionals:

<http://www.johnpye.co.uk/creating-history-by-winning-uk-tri-award-third-year-in-a-row/>

This was the first time any UK company in any category of the TRI Awards as a shortlisted finalist had won their category three years consecutively.

Our key focuses for 2017/18 were to start expanding the John Pye Mayfair office as a key agent for the London Turnaround, Restructuring and Insolvency (TRI) sector.

Further to taking on a Senior Valuer a year prior, we recruited a Business Assets Business Development Manager in 2017/18 to work together to form and develop a growing team at Bond Street to support both John Pye Business Assets and John Pye Property Business Development Strategies.

We plan to further invest in this market as well as in Birmingham to broaden our client portfolio and revenue streams for Business Assets and address business development opportunities for complementary service offerings of valuations and dispositions.

This will help support our development from the mid-market to greater national cases, where our UK network and infrastructure provides significant competitive advantage to realise greater returns for clients when relocating stock and assets subject to turnaround, restructuring and insolvency where rent pressures are greatest.

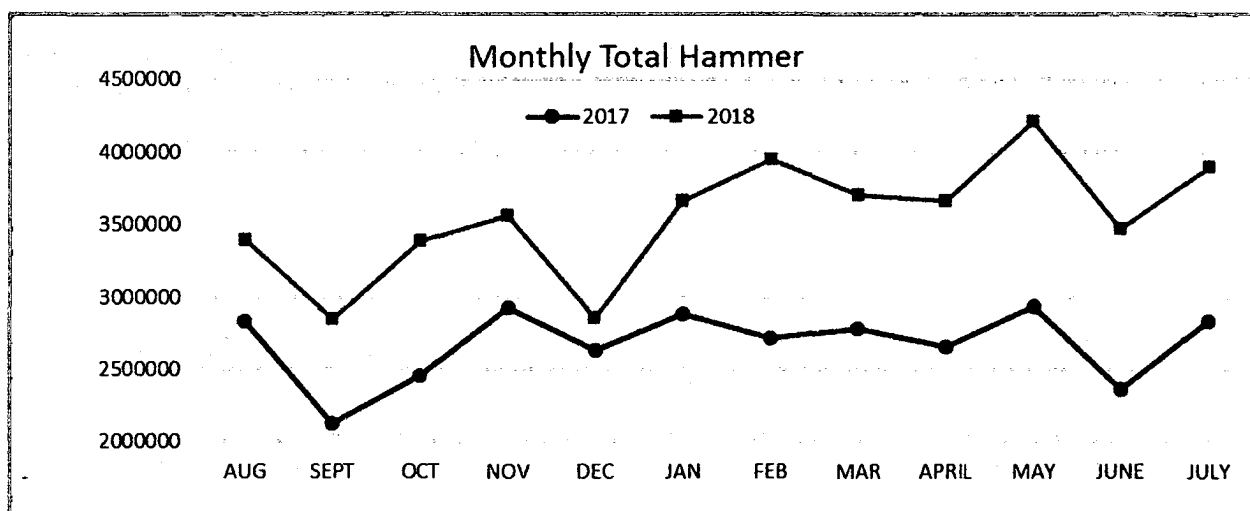
John Pye & Sons Limited (Registered number: 02564753)

**Strategic Report
for the Year Ended 31 July 2018**

John Pye Retail

Our aim was to broaden our retail client base, so we are less reliant as a business on a handful of key national accounts, as has sometimes been the case over the last decade and this has been achieved in 2017/18.

Our biggest sites have been de-risked significantly by building up a far broader portfolio of client and stock volume spread, thus not having all their eggs in one basket. The development of a broader client base and uplift in both variety and volume was reflected in year-on-year monthly auction hammer totals, as follows:



As stated in the previous year's strategic report, this de-risking stock exercise has been an important aim for the business, set out by the Directors, to de-risk certain sites which in the past have been over-reliant on large volumes of stock holdings from single client accounts.

Not only does this present a commercial risk it can also narrow the variety of product offerings through the auction sites and has a danger of adversely impacting recoveries, as end user interest dwindles and trade wholesale buyers look to gain bigger market share.

Traditionally Q4 has always been a significant challenge for the Retail department and was a key focus for the department to address in 2017/18, to generate a sufficient pipeline of existing client account growth as well as new client account wins to offset seasonal Spring/Summer stock volume drop, as occurs after post-Christmas to Easter peak period.

The Board are pleased to report that this is starting to be achieved for Q4, with 2017/18 Q4 year-on-year sales up as follows:

- May sales up 39% yr-on-yr
- June sales up 52% yr-on-yr
- July sales up 45% yr-on-yr

A by-product of this sales growth was the opening of three new salerooms at our South Wales Auction Hub taking the total count of salerooms on-site up to 8, as well as an indoor vehicle auction showroom opened at South Wales.

We also opened a new saleroom at our Nottingham Head Office and Auction Hub, taking the total number of auction salerooms at Nottingham up to six, as we accommodated increasing stock and asset volumes across our network on behalf of clients.

Work is ongoing to broaden the retail client portfolio with more value-added provisions being assessed, researched and developed to open new markets, product pipelines and revenue streams for the short, medium and long term to appreciate the quality and value of client's stock holdings.

John Pye & Sons Limited (Registered number: 02564753)

Strategic Report for the Year Ended 31 July 2018

We are also assessing initiatives with some key clients to help them upcycle more products which were previously considered waste, thus working towards creating zero waste initiatives with clients for greater corporate social responsibility and reducing environmental impact.

John Pye Vehicles

We are already acknowledged by the DVLA to be the largest auctioneers of Seized Vehicles in the UK.

Since 2011 John Pye Auctions have written bespoke Government IT programs to aid with the management, valuation and re sale of government seized vehicle, ranking number one on Google organic search results for the keywords 'seized vehicle auctions'.

We are delighted to report that in 2017/18 we were successful in our re-bid with NSL for the DVLA Seized Vehicle Enforcement and Auction Disposal Contract, the third time we have been appointed from our original win in 2011.

Our Seized vehicle auction figures have performed as follows for the last three years:

	2015/16	2016/17	2017/18
Seized vehicles sold	16,473	25,484	24,232
Through number of auctions	51	109	102

This year we also grew our Private Vehicle auction offerings to a record level for the business, which has presented the senior management with encouraging numbers and the potential for growth.

This has resulted in investment in a private vehicle auction showroom at our West Midlands site at Marchington, Staffs and the Directors and Business Development are working on securing a key industry appointment to head this growth project.

We have made further investment in our Private Vehicle auction department, appointing car auction industry veteran Lee Mabbutt, from British Car Auctions where he worked as remarketing manager. Lee has 28 years of automotive experience having also worked in the UAE for General Motors:

<https://www.eastmidlandsbusinesslink.co.uk/mag/appointments/john-pye-auctions-ap-points-new-head-of-vehicles/>
Lee has been tasked with building John Pye's Private vehicle network, client portfolio and customer base across the UK, initially utilizing our Marchington, Nottingham and South Wales sites with more to follow.

John Pye Property

John Pye Property 2017/18 Summary Overview

Trading sub-departments:

- Appraisals & Valuations
- Auctions
- Estate Agency
- Management, Maintenance & Security

John Pye Property continues to concentrate on its online property auctions as its primary source of revenue, accounting for approximately 77% of the total turnover.

Whilst it has continued to grow it is clear the services need to become diversified to increase annual turnover, as well as increase the number of locations it trades from.

John Pye Property produced a small profit for 2017/18 trading year, although this was less profit than the previous year. The primary reason for this is the cost of developing a new estate agency and the cost of additional staff. We also opened a John Pye Property office in Manchester to start to build market reach in the North West.

**Strategic Report
for the Year Ended 31 July 2018**

John Pye Property will continue to undertake monthly online property auctions and is focusing on the following developments to roll out in next financial year (2018/19):

- Launch new estate agency with revolutionary 0% seller fee offering, the first of its kind for the UK property market. - Strengthen the department's team of surveyors and property agents, across London, Manchester, Birmingham and Wales.
- Develop property management, maintenance and security services nationally. These services are to be offered to Insolvency practitioners as a stand-alone service.
- Open UAE property office:
 - Firstly, to offer UK property auction stock to UAE market
 - Secondly, to sell UAE properties to local and international marketplaces

We anticipate the launch of John Pye Property estate agency to create a significant revenue stream not just for the department but for the business overall, as well as providing significant marketing 'road signs' to our retail and general goods auctions, based on the organic growth of property stock on offer and the increasing number of 'FOR SALE' boards erected in UK streets as the business model grows.

To provide a notable launch first within Nottinghamshire, we shall commit the greatest part of inventory within our John Pye sponsorship of Nottinghamshire County Cricket Club at Trent Bridge to this new initiative, with John Pye Property logo sponsorship placement on Notts' T20 shirt for the 2019 season. A number of other marketing initiatives are also planned alongside this sponsorship to provide a market leading launch within the East Midlands to begin with.

John Pye Luxury Assets

Our Luxury Assets department underwent a period of change in 2017/18, undertaking a complete operational re-structure with senior management developments followed by a period of consolidation.

We expanded the Luxury in-house valuations team to recruit staff with expertise and experience in the market to help us better service client requirements, creating a further focus on growing key client accounts by volume and value and streamlining processes.

In line with our Luxury Assets business development plans, we launched a Luxury Assets saleroom at our one-year old South Wales site, holding monthly luxury online auctions. The creation of a structure to facilitate expansion and growth for Q3/4 2018 (introduction of Luxury Accessories asset stream and expansion in to SW) both of which have improved revenue in to the department.

This new Luxury saleroom is the third in our network, alongside our showcase facility at Standbrook House, 5 Old Bond St, Mayfair, and a second at our West Midlands Auction Hub at Marchington, Staffs.

We have further plans to open a Luxury Saleroom at our Scottish East Auction Hub in Bo'Ness near Edinburgh in the 2018/19 trading year to widen the geographical network, to widen offerings and UK market reach for clients.

Our Luxury Assets department is still in development and has been the subject of a rebrand in this trading year, also benefitting from a new microsite. We have also devised further PR engagement to raise the profile of our luxury asset auction offerings to the market.

We are also undertaking research and development into niche luxury asset markets where we believe John Pye can create greater accessibility for secondary market end users through our online platform, in markets which are traditionally pegged to live auctions.

**Strategic Report
for the Year Ended 31 July 2018**

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors consider that the principle risks and uncertainties facing the Company are:

Regulatory & Legislative Changes

The company faces the risk of key changes in legislation which could adversely affect the business however the company has an experienced management team with significant industry experience and knowledge together with in house counsel to advise on such matters.

Information Technology

The business heavily relies on the stability of its IT systems. The company continually maintain and update software to protect against external attack. A comprehensive back up process is in place to allow business to be both continued and restored in the event of a failure of the IT systems.

Furthermore, we are developing a new online bidding platform to keep the company's digital auction innovations at the forefront of the market to harness more mobile bidding engagement and make the overall customer experience more user friendly with greater search dynamics.

GDPR regulations have also created another risk of data breaches and, as we are coming into contact with more data driven products, we must be mindful of the risks associated with managing such products for clients. We have established an in-house data wiping department to manage these risks effectively and will be undertaking more research and development into this area to widen the scope of risk management provisions for clients and our business.

**Strategic Report
for the Year Ended 31 July 2018**

OTHER BUSINESS & DIGITAL DEVELOPMENTS

We have developed our IT and Marketing support department provisions with two key appointments in Rob Walker as IT manager to support our IT Director Jeff Foster and help restructure the IT department and with the development of key digital development projects.

Most notably, we have undertaken significant investment developing a new online bidding platform for the business to improve the customer search, navigation and bidding experience, particularly on mobile devices which now account for over half of our users' digital engagement.

This new platform will be launched in 2018/19 and we anticipate that as customers benefit and increase bidding traction through the auctions, so too will our clients with sustained recoveries achieved through the mobile uptake.

We have also appointed a Digital Marketing Manager, Natalie Seebarsingh, to support our Marketing Manager Faye Rollinson and her team and provide closer integration with IT, also working alongside our Business Development projects team.

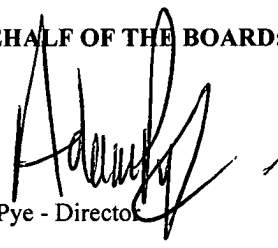
The objective is to reduce waste in offline marketing and improve the pipeline of digital marketing to registration and bidder conversion, creating a seamless pipeline of customer journey. One initiative being developed to help this process is the development of a customer App to provide them with a mobile resource to create their own auction 'shopping list' items of interest and notifications.

If at any one point in time we don't happen to have in auction what they are searching for they will be able to create a notification when that item appears in auction. This will create greater customer retention and deliver better value for our marketing spend.

Finally, as our South Wales Auction Hub approaches its second anniversary, we are now actively looking for our next John Pye Auctions Hub to expand the network and offer greater capacity for clients, particularly mindful against the UK backdrop of Brexit with stockpiling increasing in a UK warehousing shortage and the corporate insolvency market becoming more active.

We plan to expand our network further in 2018/19 if the right commercial property becomes available in a suitable location to engage a new UK regional market.

ON BEHALF OF THE BOARD:


A J W Pye - Director

Date: 18th March 2019

John Pye & Sons Limited (Registered number: 02564753)

**Report of the Directors
for the Year Ended 31 July 2018**

The directors present their report with the financial statements of the company for the year ended 31 July 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of auctioneers and valuers. The company also carries out enforcement agent activities.

DIVIDENDS

The total distribution of dividends for the year ended 31 July 2018 will be £nil (2017 - £nil).

DIRECTORS

J J Pye
M A Pye
A J W Pye
S R Miller
P J Longson
J P Foster

Other changes in directors holding office are as follows:

S Anderson and Z Wright were appointed on 28 November 2018.

MATTERS OF STRATEGIC IMPORTANCE

The company has chosen in accordance with Companies Act 2006 s414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Sch 7 to be contained in the directors report. It has done so in respect of future developments and financial risk management.

EMPLOYEES

It is company policy that there should be effective communication with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current jobs and future prospects.

The achievement of this policy has to be treated flexibly in accordance with the varying circumstances and needs of the company but, in all cases, the emphasis is on communication at the local level.

The company actively encourages the promotion of safe working conditions and procedures and the development of practices which secure and enhance the health and welfare at work of employees.

Applications for employment by disabled persons are fully and fairly considered having regard to the abilities of each applicant. Efforts are made to enable any employee who becomes disabled during employment to continue their career with the company. Training, career development and promotion of disabled persons is, as far as possible, identical to that of other employees who are not disabled.

**Report of the Directors
for the Year Ended 31 July 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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:

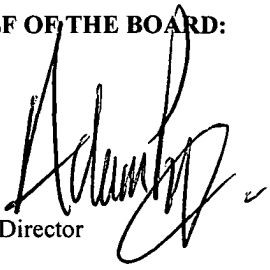
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:


A J W Pye - Director

Date: 18th March 2019

Independent Auditors' Report to the Members of John Pye & Sons Limited

Opinion

We have audited the financial statements of John Pye & Sons Limited (the 'company') for the year ended 31 July 2018 which comprise Statement of Comprehensive income, Statement of Financial Position, Statement of changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Independent Auditors' Report to the Members of
John Pye & Sons Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

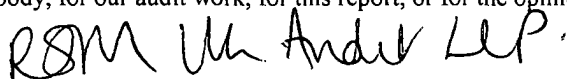
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Kelly Boorman (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
7th Floor, City Gate East
Tollhouse Hill
Nottingham
NG1 5FS

Date: 20/3/19

John Pye & Sons Limited (Registered number: 02564753)

**Statement of Comprehensive Income
for the Year Ended 31 July 2018**

	Notes	2018 £	2017 £
TURNOVER		17,560,265	13,376,343
Cost of sales		<u>1,151,447</u>	<u>745,773</u>
GROSS PROFIT		16,408,818	12,630,570
Administrative expenses		<u>14,792,622</u>	<u>11,680,214</u>
		1,616,196	950,356
Other operating income		<u>56,501</u>	<u>192,850</u>
OPERATING PROFIT	5	1,672,697	1,143,206
Interest receivable and similar income	6	<u>2,375</u>	<u>445</u>
PROFIT BEFORE TAXATION		1,675,072	1,143,651
Tax on profit	7	<u>317,693</u>	<u>195,085</u>
PROFIT FOR THE FINANCIAL YEAR		1,357,379	948,566
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,357,379</u>	<u>948,566</u>

The notes form part of these financial statements

John Pye & Sons Limited (Registered number: 02564753)

**Statement of Financial Position
31 July 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	8	2,850,927	2,124,705
Investments	9	<u>66</u>	<u>66</u>
		2,850,993	2,124,771
CURRENT ASSETS			
Debtors	10	2,339,510	1,020,864
Cash at bank		<u>7,136,422</u>	<u>5,193,074</u>
		9,475,932	6,213,938
CREDITORS			
Amounts falling due within one year	11	<u>7,707,009</u>	<u>5,093,151</u>
NET CURRENT ASSETS		1,768,923	1,120,787
TOTAL ASSETS LESS CURRENT LIABILITIES		4,619,916	3,245,558
PROVISIONS FOR LIABILITIES	13	<u>179,731</u>	<u>162,752</u>
NET ASSETS		4,440,185	3,082,806
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Retained earnings	15	<u>4,439,185</u>	<u>3,081,806</u>
SHAREHOLDERS' FUNDS		4,440,185	3,082,806

The financial statements were approved and authorised for issue by the Board of Directors on 18th March 2019 and were signed on its behalf by:

A J W Pye - Director

The notes form part of these financial statements

John Pye & Sons Limited (Registered number: 02564753)

**Statement of Changes in Equity
for the Year Ended 31 July 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2016	1,000	2,133,240	2,134,240
Changes in equity			
Total comprehensive income	<u>-</u>	<u>948,566</u>	<u>948,566</u>
Balance at 31 July 2017	<u>1,000</u>	<u>3,081,806</u>	<u>3,082,806</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>1,357,379</u>	<u>1,357,379</u>
Balance at 31 July 2018	<u><u>1,000</u></u>	<u><u>4,439,185</u></u>	<u><u>4,440,185</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 July 2018**

1. COMPANY INFORMATION

The company is a private limited company by shares incorporated in the United Kingdom and the registered office is located at James Shipstone House, Radford Road, Nottingham NG7 7EA.

The principal activity of the company in the year under review was that of auctioneers and valuers. The company also carries out enforcement agent activities.

The functional currency of the company is Sterling. Monetary amounts in these financial statements are rounded to the nearest whole £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006, including the provisions of the large and medium sized Companies and Groups (Accounts and Reports) Regulations 2008. The financial statements have been prepared under historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41 (c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48 (a)(iii), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b) and 12.29A providing disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.

The financial statements of the company are consolidated in the financial statements of John Pye & Sons Holdings Limited. The consolidated financial statements of John Pye & Sons Holdings Limited are available from its registered office, James Shipstone House, Radford Road, Nottingham, NG7 7EA.

The company has taken advantage of the exemption in Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently these financial statements present the financial position and financial performance of the company as a single entity.

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

2. ACCOUNTING POLICIES - continued

Accounting estimates and judgements

The Directors are continually evaluating estimates and judgements based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances, the resulting accounting estimates will, by definition, seldom equal the related actual results.

In preparing these financial statements, the directors have made the following judgements:

Indicators of impairment

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Useful life of tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Turnover

Turnover is generated in the UK and relates to the principal activity of the company and is net of value added tax and discounts.

Turnover mainly comprises of commission earned at auctions through the company acting as an agent.

Commissions from sales at auctions represents the percentage earned on the gross auction proceeds. The majority of the commissions are earned at a pre-negotiated fixed rate of gross selling price.

The company recognises commissions when an auction is complete and the company has determined that the sale proceeds are collectible.

Turnover also includes services provided to customers for work carried out, as well as storage fees charged for holding goods as agent which are recognised by the company when undertaken.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property improvements	- 10% on cost
Plant and machinery	- 33% on cost and 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is deducted or charged to the profit or loss.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the SOFP date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Leasing commitments

Payments made under operating leases are recognised on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increase are recognised as incurred.

Lease incentives received are recognised over the term of the lease as an integral part of the total lease expense.

Pension costs and other post-retirement benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods which services are rendered by employees.

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

2. ACCOUNTING POLICIES - continued

Investments

Investments are stated at cost less any provision for impairment.

Other income

Rental income on sub-leased assets are recognised on a straight line basis over the lease term and presented within other operating income.

Government grants

Government grants as included within other operating income are recognised at fair value when there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Capital grants related to purchase of assets are treated as deferred income and allocated to profit and loss account over the useful lives of the related assets. Revenue grants related to expenses are treated as other income in the profit and loss accounts and allocated to match the relevant expense.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Basic financial instruments

Non-derivative financial instruments comprise, trade and other debtors, cash and cash equivalents and trade and other creditors.

The group has decided to apply the provisions of section 11 'Basic Financial Instruments' and section 12 'Other Financial Instruments'. The financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. If any arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Included are certain amounts held in segregated accounts where required by applicable local law which are used to settle auction proceeds payable.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. If any arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

2. ACCOUNTING POLICIES - continued

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When subsequent events cause the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	8,064,739	5,878,442
Social security costs	693,865	494,194
Other pension costs	139,322	100,235
	<u>8,897,926</u>	<u>6,472,871</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

3. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2018	2017
Management and administration	146	125
Salesroom	<u>207</u>	<u>150</u>
	<u>353</u>	<u>275</u>

4. **DIRECTORS' EMOLUMENTS**

	2018	2017
	£	£
Directors' remuneration	740,987	585,720
Directors' pension contributions to money purchase schemes	<u>6,904</u>	<u>30,097</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2018	2017
	£	£
Emoluments etc	<u>255,970</u>	<u>187,114</u>

The directors are considered to be the key management personnel.

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	2018	2017
	£	£
Land and building operating leases	1,309,965	1,219,892
Depreciation - owned assets	347,590	276,222
Loss on disposal of fixed assets	5,302	65,344
Auditors' remuneration	16,000	15,450
Other operating leases	<u>19,445</u>	<u>9,924</u>

6. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2018	2017
	£	£
Deposit account interest	<u>2,375</u>	<u>445</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	310,000	235,000
Prior period adjustments	(9,286)	(24,072)
Total current tax	300,714	210,928
Deferred tax	16,979	(15,843)
Tax on profit	<u>317,693</u>	<u>195,085</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>1,675,072</u>	<u>1,143,651</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.670%)	318,264	224,956
Effects of:		
Expenses not deductible for tax purposes	12,890	13,276
differences		
Change in tax rates	(1,802)	(22,616)
Prior period adjustments	(3,462)	(24,072)
Non-qualifying depreciation	18,403	27,145
Enhanced deduction for research & development expenditure	<u>(26,600)</u>	<u>(23,604)</u>
Total tax charge	<u>317,693</u>	<u>195,085</u>

Factors that may affect future tax charges

Reductions in the main rate of UK corporation tax to 17% by 2020 were announced in the budget on 16 March 2016. The reduction to 19% (effective 1 April 2017) was substantively enacted on 26 October 2015. The reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. Deferred tax is provided at the rates which prevail at the time the temporary differences are expected to reverse.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

8. TANGIBLE FIXED ASSETS

	Leasehold property improvements £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 August 2017	2,300,235	360,692	109,213	2,770,140
Additions	830,291	182,290	74,477	1,087,058
Disposals	-	-	(26,543)	(26,543)
At 31 July 2018	<u>3,130,526</u>	<u>542,982</u>	<u>157,147</u>	<u>3,830,655</u>
DEPRECIATION				
At 1 August 2017	464,679	138,856	41,900	645,435
Charge for year	245,196	78,531	23,863	347,590
Eliminated on disposal	-	-	(13,297)	(13,297)
At 31 July 2018	<u>709,875</u>	<u>217,387</u>	<u>52,466</u>	<u>979,728</u>
NET BOOK VALUE				
At 31 July 2018	<u>2,420,651</u>	<u>325,595</u>	<u>104,681</u>	<u>2,850,927</u>
At 31 July 2017	<u>1,835,556</u>	<u>221,836</u>	<u>67,313</u>	<u>2,124,705</u>

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 August 2017 and 31 July 2018	<u>66</u>
NET BOOK VALUE	
At 31 July 2018	<u>66</u>
At 31 July 2017	<u>66</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

NDA UK Limited

Registered office: James Shipstone House, Radford Road, Nottingham, NG7 7EA

Nature of business: to provide a network of commercial auction houses

Class of shares:	% holding
Ordinary	100.00

	2018 £	2017 £
Aggregate capital and reserves	<u>607</u>	<u>111</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

10. DEBTORS

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	157,110	104,531
Other debtors	1,589,620	810,610
Amounts owed by related company	30,887	65,393
Directors' loan accounts	11,893	15,480
	<u>1,789,510</u>	<u>996,014</u>
Amounts falling due after more than one year:		
Other debtors	<u>550,000</u>	<u>24,850</u>
Aggregate amounts	<u>2,339,510</u>	<u>1,020,864</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	1,103,496	705,202
Corporation tax	240,000	234,994
Social security and other taxes	171,005	128,168
VAT	612,815	462,146
Other creditors	4,251,964	2,580,939
Directors' loan accounts	41,513	91,222
Accruals and deferred income	1,286,216	890,480
	<u>7,707,009</u>	<u>5,093,151</u>

Other creditors includes £4,251,964 in relation to payments received on account from clients (2017: £2,580,939).

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	1,418,463	1,131,136
Between one and five years	3,921,108	2,540,448
In more than five years	2,790,209	664,517
	<u>8,129,780</u>	<u>4,336,101</u>

During the year the directors renegotiated the lease terms which extends the leases. The total commitment of the minimum lease term is included above.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

13. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax	<u>179,731</u>	<u>162,752</u>
		Deferred tax
		£
Balance at 1 August 2017		162,752
Provided during year		<u>16,979</u>
Balance at 31 July 2018		<u>179,731</u>

The elements of the deferred tax provision are as follows:

	2018 £	2017 £
Accelerated capital allowances	184,119	168,984
Pension contributions	<u>(4,388)</u>	<u>(6,232)</u>
	<u>179,731</u>	<u>162,752</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

15. RESERVES

	Retained earnings £
At 1 August 2017	3,081,806
Profit for the year	<u>1,357,379</u>
At 31 July 2018	<u>4,439,185</u>

Retained earnings - includes all current and prior period retained profits and losses.

16. PENSION COMMITMENTS

The pension scheme operated by the company is a defined contribution scheme. The total pension cost for the company was £139,322 (2017: £100,235). Outstanding contributions at the year end were £25,664 (2017: £36,658).

John Pye & Sons Limited (Registered number: 02564753)
Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

17. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 July 2018 and 31 July 2017:

	2018	2017
	£	£
A J W Pye		
Balance outstanding at start of year	15,480	4,190
Amounts advanced	18,187	36,587
Amounts repaid	(21,774)	(25,297)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>11,893</u>	<u>15,480</u>

The above loan is interest free and repayable on demand. The maximum amount outstanding during the year was £18,362 (2017 - £15,480).

18. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

At the balance sheet date the company owed £41,513 (2017: £91,221) to the directors J J Pye and Mrs M A Pye, in respect of loans advanced to the company.

Adam James Limited

During the year, the company was charged rent of £749,285 (2017: £617,102), service charges of £38,180 (2017: £37,380) and recharges of £137,745 (2017: £111,896) by Adam James Limited.

During the year, the company recharged expenses amounting to £34,890 (2017: £78,396) and provided services of £50,200 (2017: £57,833) to Adam James Limited.

The amount due to the company at the balance sheet date, from Adam James Limited included in amounts owed by related party was £27,593 (2017: £64,887).

Storage Space Limited

During the year, the company was charged rent of £106,200 (2017: £146,200).

During the year, the company recharged expenses amounting to £5,608 (2017: £4,629), goods of £1,077 (2017: £nil) to Storage Space Limited.

During the year, the company received commission income on sales made on behalf of Storage Space Limited totalling £176,727 (2017: £137,382) and recharged transport costs of £36,947 (2017: £31,959).

The amount due to the company at the balance sheet date, from Storage Space Limited included in amounts owed by related party was £3,294 (2017: £507).

Both Adam James Limited and Storage Space Limited are related parties by virtue of common directors.

19. ULTIMATE CONTROLLING PARTY

The ultimate parent company and ultimate controlling party is John Pye & Sons Holdings Limited, a company incorporated in England & Wales, which is the largest group to consolidate the financial statements of the Company.

Copies of John Pye & Sons Holdings Limited financial statements can be obtained from James Shipstone House, Radford Road, Nottingham NG7 7EA.