

Registered number: 1121668

TOYE, KENNING & SPENCER LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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TOYE, KENNING & SPENCER LIMITED

COMPANY INFORMATION

Directors	B E Toye JP (Chairman) F A Toye (Managing Director) B B Cope K J Davis N A Haynes B Sc , F C A S L Randle
Secretary	N A Haynes B Sc , F C A
Company number	1121668
Registered office	Regalia House, 19-21 Great Queen Street, London WC2B 5BE
Auditor	PKF (UK) LLP New Guild House, 45 Great Charles Street, Queensway, Birmingham B3 2LX
Bankers	Lloyds TSB Bank plc 17 - 23 Coventry Street, Nuneaton, Warwickshire CV11 5TD
Solicitors	DLA Piper UK LLP Victoria Square House, Victoria Square, Birmingham B2 4DL

TOYE, KENNING & SPENCER LIMITED

CONTENTS

	Page
Directors' report	3 - 6
Statement of directors' responsibilities	7
Independent auditor's report	8
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11 - 18

TOYE, KENNING & SPENCER LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities

The principal activity of the company during the year continued to be that of marketing, selling, supply chain management and distribution, manufacturing as appropriate and procurement of identity products. This includes the manufacturing and sale of regalia (fraternal, civil and military), weaving of ribbons and narrow fabrics, ties and neckwear, screen printed products, flags, leisure wear, trophies, awards, medals, badges, cufflinks, buttons, jewellery, gold and silverware, cutlery, glassware, uniform headdress, commemorative issues and limited editions.

Business review

Results

Turnover for the year ended 31 December 2011 amounted to £7,964,157 compared to £8,481,617 for the previous year. This decrease of £517,460 was due to the extremely difficult trading conditions in our traditional markets, and the winding down of a significant contract, the bulk of which was delivered in 2010.

Export sales have continued to be resilient, with an increase to £1,854,100 over last years' £1,795,270. As in the previous year these sales are in our traditional military and retail markets.

Gross profits have declined due to increased prices for precious metals and factored goods from overseas. It is worth noting that all commodity prices have risen in the last year, whilst our direct labour costs have remained consistent with the prior year despite the fall in turnover.

The tough trading conditions have resulted in a loss for the year of £371,193, which directly reflects the fall in turnover.

Key performance indicators

The company has considered the sales achieved per head of employee, including those in manufacturing, although this is somewhat distorted by wholly factored work. The result has been

Sales Per Employee	2011 - £58,994	2010 - £58,494	2009 - £58,794	2008 - £48,872
	2007- £47,859			

Risks and uncertainties

As with all companies, our Company faces risks and uncertainties that may or could impact the achievement of the Company's strategic objectives. These risks are accepted as being a part of doing business. The management team assess potential risks on the business, the likelihood of these occurring and the impact these risks may have upon the achievement of our strategies. Management recognises that the nature and scope of these risks can change and so regularly reviews the risks faced by the Company as well as the systems and processes to respond to them.

TOYE, KENNING & SPENCER LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

The management have identified the following specific risks

Economic

The economy is a major influence on consumer spending whether governmental, corporate or individual Trends in employment costs and changes in government policies are affecting our customers' ability to benefit from our products and services

Your Company has responded to this situation by increasing the drive to achieve overseas sales where we believe there are greater opportunities We continue to keep our cost base under constant review

Changing Customer Requirements

Increasingly our customers are requiring a prime vendor service, in effect placing the risk of stocking, staffing and distribution on their suppliers

As noted above in this report your Company has responded by improving our warehousing and distribution facilities, and recruiting expertise in supply chain management

Reliance on Foreign Suppliers

Due to the requirement of some customers for increasingly low cost options it is necessary to source some product overseas Consequently the Company is subject to the risks associated with international trade such as inflation, currency fluctuations, foreign laws, and changing foreign government policies

We have increased our purchasing expertise so that our risk is spread over a range of sources in different geographical areas

Quality of Product and Service

The Company recognises that a high quality of product and service is essential to maintaining our reputation

We continually monitor our operation for consistency in performance on quality control and service Training is provided at all levels to ensure that the Company's high standards are maintained

Dependence on Key Personnel

Due to the unique nature of our business we are dependent on craftspeople who have taken many years to acquire their level of expertise Due to the necessity of squeezing margins there is a scarcity of financial resource to invest in training

The management actively pursues all avenues to enable trainees to be employed, though it is increasingly difficult to get apprentices to stay the course It has also been necessary to 'de-skill' many jobs on the shop floor using a change in process or technology

Directors

The directors of the company at the date of this report are shown on page 1, all served throughout the year Mr C E Toye also served from the start of the year until he resigned as director on 12 September 2011

TOYE, KENNING & SPENCER LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

Environmental policy

The Company is committed to a policy that recognises environmental issues in all aspects of its activities, and environmentally sensitive options are integrated in all levels of operation. Increasingly senior management time is being deflected from the primary needs of the business in order to ensure compliance with statutory environmental issues. A good example of our performance in this area is the fact that 96% of all the precious metal that we use in manufacture is re-cycled.

Health and safety

The Company is committed to the application of all relevant aspects of health and safety at work.

Future developments

In 2011 Toye, Kenning & Spencer has continued to excel in its core disciplines of design and craftsmanship both in metals and textiles, and are working hard to refine customer service, especially in the relatively new areas for us of supply chain and distribution services. The rationalisation program has been painful with loss of personnel and many changes, but the result is a tangibly positive attitude throughout the Company, and an impetus for constructive change and development.

This year your Company has admirably demonstrated exceptional craft and production skills. Most notable since the year end is our response to the Queen's Diamond Jubilee Medal Contract. This medal is being awarded to serving members of the Armed Forces, Emergency Services and the Prison Service. With two other companies in Birmingham's Jewellery Quarter we are manufacturing 450,000 die-struck medals to superlative standard, and meeting tight delivery deadlines.

The Queen's Diamond Jubilee Medal Contract will underpin an improved trading performance for 2012. The medals are silver-plated nickel silver, suspended on Toye & Co ribbon, and presented in British made boxes. This is a superb example of British manufacture at its best, and of the benefit of working together on a project by project basis with other companies.

Facilities

Our three sites are all undergoing significant change as part of our on-going programme to improve operation and working conditions, reduce costs, and achieve maximum utilisation of these key resources.

Bedworth is the home of our new combined sales administration office. We have used this move to create a considerably more disciplined office environment with a review of procedure to place the emphasis on digital records rather than endless filing cabinets and desk tops of paper. The financial secretariat and company records have moved over to 'The Cottage' in the centre of the site, and there is a new meeting room for our increasingly frequent visitors on the ground level of this building. The upgraded and extended warehouse and distribution facilities are handling the full supply services for some of our large customers, and responding to our e-commerce so that small and finished goods orders are dispatched cost-effectively.

Birmingham will remain an essential part of the business, and a strong presence in the Jewellery Quarter. But the utilisation of space in this large building must reflect our needs. During the course of the next year we want to investigate how we can maximise the return from this asset by concentrating on the operational layout to improve productivity and working conditions. We believe this will also result in the 'discovery' of excess space.

TOYE, KENNING & SPENCER LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

London The Great Queen Street Showrooms and offices are also being invested in and developed. This site has been an expensive and underutilised facility.

We are currently refurbishing the first floor to create a truly unique Masonic meeting place – **The Toye Club Room**. The second floor offices are being finished to a high standard to provide office and meeting places for the sales teams for all market areas. By the official opening in September this site will be a fitting 'show-case' for our business – which is all about superb traditional craftsmanship and service with a distinctly dynamic and modern attitude.

We are committed to retaining our presence on 'the Street', and serving the Masonic community, and all our London and overseas customers from our address at 19-21 Great Queen Street, that they know so well.

The immediate priorities of the management are to strengthen our financial foundation, and to achieve sustainable profits. Though we continue to operate from three sites we are one company. This united approach is reflected by a rationalisation of our trading brands under the Toye & Company banner. We are concentrating on quality and customer service and driving sales in our many and varied markets. For the longer term we will invest in our superb range of skills for the next generation, utilising the best in modern management techniques.

Although 2012 will be a challenging year, the trading performance for 2012 will be underpinned by the Queens Diamond Jubilee Contract, the anticipated leasing of the Great Queen Street Showroom and the continuous review of our cost base.

Financial instruments

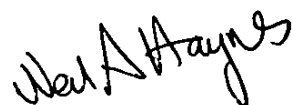
The company does not actively use financial instruments as part of its risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk. The company finances working capital through short term borrowing at a variable rate of interest and therefore has a price risk associated with borrowing at variable rates. As the counterparty to its financial instrument is the company's bankers, and its Parent undertaking, there is minimal liquidity risk attached to the borrowings.

Provision of information to the auditor

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the Board on 16 May 2012 and signed on its behalf by



N A Haynes B.Sc., F.C.A.
Director

TOYE KENNING & SPENCER LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2011**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 to 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.

TOYE, KENNING & SPENCER LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOYE, KENNING & SPENCER LIMITED

We have audited the financial statements of Toye, Kenning & Spencer Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where 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 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.

PKF(UK)LLP

Tobias Stephenson (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Birmingham, U K
16 May 2012

TOYE, KENNING & SPENCER LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Notes	2011 £	2010 £
TURNOVER	1, 2	7,964,157	8,481,617
Change in stocks of finished goods and work in progress		50,160	108,215
Raw materials and consumables		(3,773,895)	(3,849,243)
Other external charges		(1,192,043)	(1,168,656)
Staff costs	4	(2,857,980)	(2,860,802)
Depreciation and amortisation		(50,215)	(64,492)
Other operating charges		(351,455)	(358,682)
OPERATING (LOSS) / PROFIT	3	(211,271)	287,957
Interest receivable		-	-
Interest payable	6	(159,922)	(159,922)
Net interest		(159,922)	(159,922)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(371,193)	128,035
TAXATION ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES	7	-	-
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16	(371,193)	128,035

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 and 2010 other than those included in the profit and loss account

The notes on pages 11 to 18 form part of these financial statements

TOYE, KENNING & SPENCER LIMITED**BALANCE SHEET at 31 December 2011**

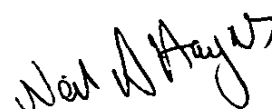
	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible fixed assets	9	131,521	149,459
Fixed asset investments	10	126,578	126,578
		258,099	276,037
CURRENT ASSETS			
Stocks	11	1,351,304	1,330,752
Debtors	12	1,458,221	1,889,261
Cash at bank		5,665	4,205
		2,815,190	3,224,218
CREDITORS amounts falling due within one year	13	2,004,307	2,062,767
NET CURRENT ASSETS		810,883	1,161,451
TOTAL ASSETS LESS CURRENT LIABILITIES		1,068,982	1,437,488
CREDITORS amounts falling due after more than one year	14	4,861	2,174
NET ASSETS		1,064,121	1,435,314
CAPITAL AND RESERVES			
Called up share capital	15	2,500,000	2,500,000
Profit and loss account	16	(1,435,879)	(1,064,686)
SHAREHOLDERS' FUNDS	17	1,064,121	1,435,314

The financial statements were approved and authorised by the board and were signed on its behalf on 16 May 2012

F A Toye
Managing Director



N A Haynes
Director



The notes on pages 11 to 18 form part of these financial statements

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover comprises the invoiced value of the sale of goods and services to external customers, net of value added tax and trade discounts. Turnover is recognised when goods are despatched to customers.

Investments

Investments are included at cost less provision for permanent diminution in value.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less estimated residual value, over their expected useful lives as follows:

- Plant, machinery and equipment is depreciated over 4 to 10 years according to the estimated life of the asset
- Motor vehicles are depreciated over 4 years

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.

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost is determined on a first in first out basis and includes all direct costs and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not 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

Pensions

The group operates a defined contribution pension scheme. Contribution to the defined contribution pension scheme is charged to the profit and loss account in the period to which it relates

Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. Exchange differences arising in respect of revenue transactions in the accounting period are included in the profit and loss account

2. TURNOVER

The whole of the turnover is attributable to one main business segment, which is that of marketing, selling, supply chain management and distribution, manufacturing as appropriate and procurement of identity products

Toye, Kenning & Spencer, in the person of the Chairman, holds a Royal Warrant to her Majesty the Queen as suppliers of gold and silver laces, insignia and embroidery

Since 1978 the company has held the appointment as Plate Jewellers to the Corporation of the City of London

A geographical analysis of turnover is as follows

	2011	2010
	£	£
United Kingdom	6,110,057	6,686,347
Rest of European Union	423,753	397,359
Rest of World	1,430,347	1,397,911
	7,964,157	8,481,617

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

3. OPERATING (LOSS)/PROFIT

The operating profit/(loss) is stated after charging

	2011	2010
	£	£
Depreciation - owned assets	44,188	61,720
- leased assets	6,027	2,772
Auditor's remuneration	23,845	29,500
Auditor's remuneration - other services relating to taxation	3,500	3,500
Operating lease rentals - office equipment	21,442	25,414

4. STAFF COSTS

Staff costs were as follows

	2011	2010
	£	£
Wages and salaries	2,622,022	2,620,553
Social security costs	209,499	215,611
Other pension costs	26,459	24,638
	2,857,980	2,860,802

The average monthly number of employees during the year including Directors but excluding agents and outworkers was as follows

	2011	2010
Management, sales and administration	56	53
Production	79	92
	135	145

5. DIRECTORS' EMOLUMENTS

The emoluments, excluding pension contributions, of the Directors of the Company were £156,020 (2010 £167,434)

Pension contributions amounting to £6,036 (2010 £5,595) were also paid in respect of the directors to a money purchase pension scheme

During the year retirement benefits were accruing to 3 directors (2010 3) in respect of money purchase pension schemes

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

6. INTEREST PAYABLE

	2011	2010
	£	£
Group interest	159,922	159,922

Interest is recharged from the parent undertaking on group loans and the company's bank borrowings

7. TAXATION

There is no tax charge for the year (2010 £nil)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (26%) The differences are explained below

	2011	2010
	£	£
(Loss)/profit on ordinary activities before taxation	(371,193)	128,035
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 28%)	(96,510)	34,569
Effects of,		
Expenses not deductible for tax purposes	2,270	2,775
Depreciation in advance of capital allowances	6,450	(13,961)
Carry forward/(utilisation) of tax losses	87,597	(26,728)
Other differences	193	3,345
	-	-

Factors that may affect future tax charges

There are tax losses available for relief against future taxable profits of the relevant businesses amounting to £2,073,000 (2010 £1,978,000)

8. DEFERRED TAX

The company has a deferred tax asset which is not recognised in accordance with the company's accounting policy as follows

	2011	2010
	£	£
Accelerated capital allowances	30,000	26,000
Losses	580,000	525,000
Other short term timing differences	4,000	3,500
	614,000	554,500

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

9 TANGIBLE FIXED ASSETS

	Plant, machinery and equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2011	1,897,287	65,633	1,962,920
Additions	25,945	14,207	40,152
Disposals	30,000	-	30,000
At 31 December 2011	1,893,232	79,840	1,973,072
Depreciation			
At 1 January 2011	1,757,441	56,020	1,813,461
Charge for year	41,733	8,482	50,215
On disposals	(22,125)	-	(22,125)
At 31 December 2011	1,777,049	64,502	1,841,551
Net book value			
At 31 December 2011	116,183	15,338	131,521
At 31 December 2010	139,846	9,613	149,459

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

	2011 £	2010 £
Motor vehicles	15,338	7,159

10. FIXED ASSET INVESTMENTS

Subsidiary undertakings	Shares in group undertakings £
Cost or valuation	
At 1 January 2011 and 31 December 2011	131,078
Provisions	
At 1 January 2011 and 31 December 2011	4,500
Net book value	
At 31 December 2011	126,578
At 31 December 2010	126,578

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

10. FIXED ASSET INVESTMENTS - Continued

Investments include investments in non-trading subsidiaries, as listed below. All subsidiary undertakings are incorporated in England and Wales and the investment comprises a holding of 100% of its issued ordinary capital.

Toye, Kenning & Spencer (Bedworth) Limited
Toye, Kenning & Spencer (Birmingham) Limited
Toye, Kenning & Spencer (London) Limited

11. STOCKS

	2011 £	2010 £
Raw materials	391,202	420,810
Work in progress	277,425	253,885
Finished goods and goods for resale	682,677	656,057
	1,351,304	1,330,752

12. DEBTORS

	2011 £	2010 £
Trade debtors	898,284	1,563,228
Amount due from parent company	493,158	235,559
Prepayments and accrued income	66,779	90,474
	1,458,221	1,889,261

13. CREDITORS

Amounts falling due within one year

	2011 £	2010 £
Bank overdraft and invoice discounting	715,977	652,596
Trade creditors	1,020,577	986,011
Net obligations under finance lease and hire purchase contracts	6,341	3,066
Social security and other taxes	132,305	212,168
Other creditors	24,105	48,112
Accruals and deferred income	105,002	160,814
	2,004,307	2,062,767

Obligations under finance leases and hire purchase contracts are secured on the asset concerned. The bank overdraft is secured by a fixed and floating charge over the assets of the Toye & Company plc group. Amounts owing under an invoice discounting agreement are secured on trade debtors.

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

14. CREDITORS

Amounts falling due after more than one year

	2011 £	2010 £
Other creditors	-	-
Net obligations under finance lease and hire purchase contracts	4,861	2,174
	4,861	2,174

15. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid 2,500,000 ordinary shares of £1 each	2,500,000	2,500,000

16. RESERVES

	Profit and loss account £
At 1 January 2011	(1,064,686)
(Loss) for the year	(371,193)
At 31 December 2011	(1,435,879)

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	1,435,314	1,307,279
(Loss) / profit for the year	(371,193)	128,035
Closing shareholders' funds	1,064,121	1,435,314

18. CONTINGENT LIABILITIES

The company is party to cross guarantees in respect of bank loans and overdrafts of its parent undertaking and certain fellow subsidiary undertakings amounting to £983,845 (2010 £1,215,021)

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

19. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable lease as follows

	Other	
	2011	2010
	£	£
Expiry date		
Less than one year	7,056	14,827
Between two and five years	8,172	7,184

20. PENSION COSTS

The Company operates a defined contribution pension scheme. The charge to the profit and loss account in the year amounted to £26,459 (2010 £24,638).

21. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 para 3 (c) with respect to disclosure of related party transactions with group companies.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Toye & Company plc.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Toye & Company plc. Consolidated accounts available from the registered office at Regalia House, 19-21 Great Queen Street, London, WC2B 5BE.

In the opinion of the directors this is the company's ultimate controlling party.