

Company Registration No. 01121668 (England and Wales)

TOYE KENNING & SPENCER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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TOYE KENNING & SPENCER LIMITED

COMPANY INFORMATION

Directors	B Toye B Cope N Haynes
Secretary	N Haynes
Company number	01121668
Registered office	Regalia House Newtown Road Bedworth Warwickshire CV12 8QR
Auditors	Baldwins (Ashby) Limited Elsmore House 14A The Green Ashby de la Zouch Leicestershire LE65 1JU

TOYE KENNING & SPENCER LIMITED

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TOYE KENNING & SPENCER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Business Review

The Company design and manufacture a wide range of products from State and Civic Insignia, Regalia and medals, military and civic accoutrements and uniform, sports awards and medals, jewellery and fashion accessories, and Friendly Society regalia.

The Company specializes in designing and making or supplying product that is consistently of the highest quality, and we take great pride in our craftsmanship whether working in precious metals or textiles.

Key objectives

The key objectives for the Board are to:

- Improve the operational performance of the Company
- Improve the value and knowledge of our core Brands
- Increase exports
- Preserve and further develop the craft and technical skills of our employees

Results

The results for the year are set out in the profit and loss account on page 8.

Turnover for the year ended 31 December 2015 amounted to £7,573,551 (2014: £7,319,353) on which the Company has made a profit of £526,177 before and after tax.

As with all companies, we face risks and uncertainties that could impact on the achievement of our strategic objectives. The Board are constantly assessing the potential risks to the business, and planning or implementing effective responses to these.

Economic

The result of the referendum vote for the UK to leave the EU has led to uncertainties in both the economic and political environments. The company continues to review the resultant effect on its markets and manages the cost of our operations to maintain our competitiveness in the marketplace.

Changing customer requirements

We are constantly reviewing and developing our products and services in response to customer requirements. An ever increasing challenge is the increased use of reverse auctions by Government and other statutory bodies.

Reliance on foreign suppliers

In order to maintain competitiveness it is necessary to source some product and components from overseas. Consequently the Company is subject to the risks associated with international trade such as inflation, currency fluctuations, foreign laws and changing government policies.

We try to ensure that we are not dependent on any one supplier or concentration of suppliers in a particular geographical area, and regularly visit our suppliers to maintain a good working relationship, and to ensure the quality of their production and working conditions.

TOYE KENNING & SPENCER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Quality of product and service

The Company recognizes that a high quality of product and service is essential to maintaining our reputation and increasing our sales. We continually monitor our operations for consistency in performance in execution, quality control and service. Training is provided at all levels to ensure that the Company's high standards are maintained.

Dependence on key personnel

Our craftspeople are uniquely skilled, as are our sales and service personnel who have to acquire a great depth of knowledge to be able to effectively respond to customer enquiries.

The Board is aware of the need to ensure continuity of skills and knowledge in the business. The Company is involved in apprenticeship programs for both production and service disciplines.

Performance, Progress and Outlook

Key performance indicators

The directors of the Company assess performance by measuring growth in turnover, gross profit and operating profit.

Turnover for 2015 is £7,573,551 (2014: £7,319,353), an increase of 3.5%. The increase in turnover combined with production efficiencies has resulted in an increase in gross profit, which along with tight control over overheads has resulted in an operating profit of £529,050.

Progress and outlook

2015 continued to be a year of planning and transition with some progress being made on implementing the restructuring of the management of the company and addressing the issues that lead to losses in prior years.

Although we have seen some improvements in certain of our export markets there is now a level of uncertainty especially those tender opportunities with other EU countries following the referendum decision for the UK to leave the EU.

We maintain our presence in London, having moved in February 2015 into a new central location at Russell Court Entrance C, Side Gate, Coram Street, London WC1N 1HA, where we are pleased to be able to welcome visitors to the showroom and offices.

We are continuing to enhance our traditional skills with purchase of tool room equipment which will enable the company to respond faster to enquiries.

Purchase of company shares

In 2014 Following the successful bid by the Toye family at 35p per share Toye & Co plc was taken private and renamed Toye Group Holdings Limited.

Toye Group Holdings is now a private company and there is no market in the shares and no prospect of one for the foreseeable future. In addition, the company is in need of restoring its financial position and dividends are not anticipated for the foreseeable future either.

On behalf of the board



B Toye
Director

6 September 2016

TOYE KENNING & SPENCER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Principal activities

The principal activity of the company 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 headaddress, commemorative issues and limited editions.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B Toye
B Cope
N Haynes

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

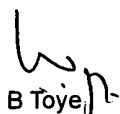
Auditors

Baldwins (Ashby) Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



B Toye
Director

6 September 2016

TOYE KENNING & SPENCER LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Annual 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 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.

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 2015 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows 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), including Financial Reporting Standard 102.

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 auditors

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 of the financial statements

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

TOYE KENNING & SPENCER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TOYE KENNING & SPENCER LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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 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.

Miss Lisa Joanne Emery (Senior Statutory Auditor)
for and on behalf of Baldwins (Ashby) Limited


Chartered Certified Accountants
Statutory Auditor

28 September 2016

Elsmore House
14A The Green
Ashby de la Zouch
Leicestershire
LE65 1JU

TOYE KENNING & SPENCER LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	7,573,551	7,319,353
Cost of sales		(4,768,717)	(4,680,779)
Gross profit		2,804,834	2,638,574
Administrative expenses		(2,275,784)	(2,760,704)
Operating profit/(loss)	4	529,050	(122,130)
Interest receivable and similar income	8	310	-
Interest payable and similar charges	9	(3,183)	(2,122)
Profit/(loss) before taxation		526,177	(124,252)
Taxation	10	-	-
Profit/(loss) for the financial year		526,177	(124,252)
Total comprehensive income for the year		526,177	(124,252)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

TOYE KENNING & SPENCER LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11		228,967		164,387
Investments	12		66,486		66,486
			<u>295,453</u>		<u>230,873</u>
Current assets					
Stocks	14	1,055,911		1,165,442	
Debtors	15	773,075		790,559	
Cash at bank and in hand		917,849		809,121	
		<u>2,746,835</u>		<u>2,765,122</u>	
Creditors: amounts falling due within one year	16	<u>(1,684,768)</u>		<u>(2,145,978)</u>	
Net current assets			<u>1,062,067</u>		<u>619,144</u>
Total assets less current liabilities			<u>1,357,520</u>		<u>850,017</u>
Creditors: amounts falling due after more than one year	17		(45,129)		(63,803)
Net assets			<u><u>1,312,391</u></u>		<u><u>786,214</u></u>
Capital and reserves					
Called up share capital	20	2,500,000		2,500,000	
Profit and loss reserves		<u>(1,187,609)</u>		<u>(1,713,786)</u>	
Total equity			<u><u>1,312,391</u></u>		<u><u>786,214</u></u>

The financial statements were approved by the board of directors and authorised for issue on 6 September 2016 and are signed on its behalf by:


B Toye
Director


N Haynes
Director

Company Registration No. 01121668

TOYE KENNING & SPENCER LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		2,500,000	(1,589,534)	910,466
Period ended 31 December 2014:				
Loss and total comprehensive income for the year		-	(124,252)	(124,252)
Balance at 31 December 2014		2,500,000	(1,713,786)	786,214
Period ended 31 December 2015:				
Loss and total comprehensive income for the year		-	526,177	526,177
Balance at 31 December 2015		2,500,000	(1,187,609)	1,312,391

TOYE KENNING & SPENCER LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	25	242,418		438,556	
Interest paid		(3,183)		(2,122)	
Net cash inflow from operating activities		239,235		436,434	
Investing activities					
Purchase of tangible fixed assets		(112,343)		(140,820)	
Proceeds on disposal of tangible fixed assets		200		-	
Interest received		310		-	
Net cash used in investing activities		(111,833)		(140,820)	
Financing activities					
Payment of finance leases obligations		(18,674)		81,783	
Net cash (used in)/generated from financing activities		(18,674)		81,783	
Net increase in cash and cash equivalents		108,728		377,397	
Cash and cash equivalents at beginning of year		809,121		431,724	
Cash and cash equivalents at end of year		917,849		809,121	

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Toye Kenning & Spencer Limited is a company limited by shares incorporated in England and Wales. The registered office is Regalia House, Newtown Road, Bedworth, Warwickshire, CV12 8QR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Toye Kenning & Spencer Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% straight line
Fixtures, fittings & equipment	20% straight line
Computer equipment	25% straight line
Motor vehicles	25% straight line

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

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015	2014
	£	£
Turnover		
Turnover	7,573,551	7,319,353

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

3 Turnover and other revenue (Continued)

Other significant revenue

Interest income	310	-
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Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	4,306,359	4,802,217
Rest of Europe	373,464	417,967
Africa	1,339,003	531,424
Australasia	201,118	211,560
Far East	1,031,412	1,091,227
North America	290,015	230,678
Rest of World	32,180	34,280
	<u>7,573,551</u>	<u>7,319,353</u>

4 Operating profit/(loss)

	2015 £	2014 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	14,782	19,652
Depreciation of owned tangible fixed assets	31,898	32,280
Depreciation of tangible fixed assets held under finance leases	15,865	10,577
Profit on disposal of tangible fixed assets	(200)	-
Cost of stocks recognised as an expense	2,949,048	2,923,754
Operating lease charges	16,669	17,486

5 Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	<u>14,782</u>	<u>19,652</u>

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Management, sales and administration	60	53
Production	63	68
	<u>123</u>	<u>121</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	2,112,718	2,281,340
Social security costs	164,771	182,063
Pension costs	36,921	35,704
	<u>2,314,410</u>	<u>2,499,107</u>

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	38,914	37,400
Company pension contributions to defined contribution schemes	1,887	2,026
	<u>40,801</u>	<u>39,426</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

The emoluments for the directors excluding pension contributions was £38,914 for the year (2014: £37,400). There has been amounts excluded for certain directors as these have been paid for by the parent undertaking and have been disclosed accordingly in that entity.

8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	<u>310</u>	<u>-</u>

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

(Continued)

8 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	310	-
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9 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	3,183	2,122

10 Taxation

The charge for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2015 £	2014 £
Profit/(loss) before taxation	526,177	(124,252)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.50%)	105,235	(26,714)
Group relief	-	18,573
Depreciation	9,553	9,214
Capital allowances	(22,428)	(37,060)
Disallowable expenditure	524	1,161
Other	(92,884)	34,826
Tax expense for the year	-	-

The company has tax losses to carry forward of £957,800 (2014: £1,422,021)

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

11 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2015	1,253,450	140,676	103,619	37,243	1,534,988
Additions	81,362	733	16,576	13,672	112,343
Disposals	-	(37,301)	-	(12,203)	(49,504)
At 31 December 2015	1,334,812	104,108	120,195	38,712	1,597,827
Depreciation and impairment					
At 1 January 2015	1,116,583	130,153	86,918	36,947	1,370,601
Depreciation charged in the year	32,922	2,768	11,207	866	47,763
Eliminated in respect of disposals	-	(37,301)	-	(12,203)	(49,504)
At 31 December 2015	1,149,505	95,620	98,125	25,610	1,368,860
Carrying amount					
At 31 December 2015	185,307	8,488	22,070	13,102	228,967
At 31 December 2014	136,867	10,523	16,701	298	164,387

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £15,865 (2014 - £10,577) for the year.

	2015 £	2014 £
Plant and machinery	79,326	95,191

12 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	24	66,486	66,486

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

12 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2015 & 31 December 2015	66,486
Carrying amount	
At 31 December 2015	66,486
At 31 December 2014	66,486

13 Financial instruments

	2015 £	2014 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	708,253	734,685
Equity instruments measured at cost less impairment	66,486	66,486
Carrying amount of financial liabilities		
Measured at amortised cost	1,616,129	2,092,442

14 Stocks

	2015 £	2014 £
Raw materials and consumables	351,063	384,331
Work in progress	175,608	207,970
Finished goods and goods for resale	529,240	573,141
	1,055,911	1,165,442

15 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	703,980	734,305
Other debtors	4,273	380
Prepayments and accrued income	64,822	55,874
	773,075	790,559

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

16 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Obligations under finance leases	18	18,674	18,674
Trade creditors		494,209	771,167
Other taxation and social security		113,768	117,339
Other creditors		986,546	1,100,316
Accruals and deferred income		71,571	138,482
		<u>1,684,768</u>	<u>2,145,978</u>

17 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Obligations under finance leases	18	<u>45,129</u>	<u>63,803</u>

18 Finance lease obligations

	2015 £	2014 £
Future minimum lease payments due under finance leases:		
Within one year	18,674	18,674
In two to five years	<u>45,129</u>	<u>63,803</u>
	<u>63,803</u>	<u>82,477</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £36,921 (2014 - £35,704).

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

20 Share capital

	2015 £	2014 £
Ordinary share capital		
Authorised		
2,500,000 Ordinary shares of £1 each	2,500,000	2,500,000
Issued and fully paid		
2,500,000 Ordinary shares of £1 each	2,500,000	2,500,000

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	71,154	42,739
Between two and five years	47,913	33,941
In over five years	1,209	-
	120,276	76,680

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2015 £	2014 £
Aggregate compensation	38,914	39,426

No guarantees have been given or received.

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.

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

23 Controlling party

The company's immediate parent company undertaking is Toye Group Holdings Limited, a company incorporated in England and Wales.

Toye Group Holdings Limited is the smallest and largest group for which consolidated financial statements, including Toye Kenning and Spencer Limited, are prepared and publicly available. The consolidated financial statements of Toye Group Holdings Limited are available from Companies House, Crown Way, Cardiff.

The company's ultimate parent undertaking is Bryan Toye Limited, a company incorporated in the Bailwick of Guernsey. The ultimate controlling party is Mr B Toye.

24 Subsidiaries

These financial statements are separate company financial statements for TOYE Kenning and Spencer Limited.

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
TOYE Kenning and Spencer (Birmingham) Limited	Dormant	Ordinary	100.00	
TOYE Kenning and Spencer (Bedworth) Limited	Dormant	Ordinary	100.00	
TOYE Kenning and Spencer (London) Limited	Dormant	Ordinary	99.99	

25 Cash generated from operations

	2015 £	2014 £
Profit/(loss) for the year after tax	526,177	(124,252)
Adjustments for:		
Finance costs	3,183	2,122
Investment income	(310)	-
Gain on disposal of tangible fixed assets	(200)	-
Depreciation and impairment of tangible fixed assets	47,763	42,857
Movements in working capital:		
Decrease/(increase) in stocks	109,531	(11,194)
Decrease/(increase) in debtors	17,484	(53,392)
(Decrease)/increase in creditors	(461,210)	582,415
Cash generated from operations	242,418	438,556

TOYE KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2015***

26 Auditor's liability limitation agreement

In accordance with Companies Act 2006 (s538), we are required to disclose any auditor liability limitation agreements in effect.

A resolution was passed dated 6th September 2016 limits the liability of the auditor to £5,000,000 for any loss or damage suffered by Toye Kenning and Spencer Limited arising out of or in connection with the provision of the services provided by the auditor including negligence but not willful default.