

Registered number: 1121668

TOYE, KENNING & SPENCER LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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TOYE, KENNING & SPENCER LIMITED

COMPANY INFORMATION

Directors	B E Toye JP (Executive Chairman) B B Cope N A Haynes B.Sc., F.C.A.
Secretary	N A Haynes B.Sc., F.C.A.
Company number	1121668
Registered office	Regalia House, Newtown Road, Bedworth, Warwickshire CV12 8QR
Auditor	BDO LLP 125 Colmore Row, Birmingham B3 3SD
Bankers	Lloyds 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

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TOYE, KENNING & SPENCER LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

Turnover for the year ended 31 December 2014 amounted to £7,319,353 compared to £6,466,927 for the previous year.

The Company has made a loss of £124,252 before and after tax.

RISKS AND UNCERTAINTIES

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 worldwide economic recession has influenced all our markets.

Your company continues to manage 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.

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.

TOYE, KENNING & SPENCER LIMITED

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

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.

Key Performance Indicators

The Company considers the sales achieved per head of employee as the Company's key performance indicators.

The result has been:

Sales per employee:

2014 - £60,490	2013 - £49,746	2012 - £68,221	2011 - £58,925
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Environmental Outlook

The Company is committed to a policy that recognizes environmental issues in all aspects of its activities, and environmentally sensitive options are integrated in all levels of operation.

Health and Safety

The Company is committed to the application of all aspects of health and safety at work. However the volume of statutory directives is onerous, and it is sometimes difficult to discern the value of these directives. It is worth noting that our competitors who rely solely on foreign production are not required to meet these standards, and yet are competing for the same contracts.

PROGRESS AND OUTLOOK

2014 has been a year of planning and transition. The tough trading conditions of the last few years have concentrated the minds of the Board and management. The board are now implementing the restructuring of the management of the company and addressing the issues that lead to recent losses.

Difficult decisions have had to be made concerning personnel, and Great Queen Street. It is essential that we maintain our presence in London, and we have now established a small showroom and offices in a central location at Russell Court Entrance C, Side Gate, Coram Street, London WC1N 1HA.

We are continuing to enhance our traditional skills with the latest technological aides for design and engineering that will allow us to achieve a consistency in execution and delivery of beautifully crafted product designed and made in England.

This report was approved by the Board on 23 June 2015 and signed on its behalf by:


B E Toye
Executive Chairman

TOYE, KENNING & SPENCER LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

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.

Directors

The directors of the company at the date of this report are shown on page 1, all served throughout the year. In addition Mrs F A Toye served as a director until her resignation on 23 December 2014.

Financial instruments

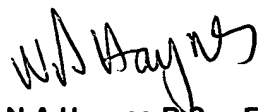
The company does not actively use financial instruments as part of its risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject 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. All bank borrowings were repaid subsequent to the year end.

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 23 June 2015 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 2014**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 2014 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 auditors

As explained more fully in the statement of directors' responsibilities, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

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 2014 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 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.

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 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.

BDO LLP

Stephen Hale (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Birmingham, U.K.
24 June 2015

BDO LLP is a limited liability partnership in England and Wales (with registered number OC305127)

TOYE, KENNING & SPENCER LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2014

	Notes	2014 £	2013 £
TURNOVER	1, 2	7,319,353	6,466,927
Change in stocks of finished goods and work in progress		21,710	(878)
Raw materials and consumables		(3,109,676)	(2,596,686)
Other external charges		(1,398,960)	(1,742,221)
Staff costs	4	(2,340,839)	(2,288,653)
Depreciation and amortisation		(42,857)	(48,001)
Other operating charges		(570,861)	(283,300)
OPERATING (LOSS)	3	(122,130)	(492,812)
Amounts written off investments		-	(60,092)
Interest payable	6	(2,122)	(72,000)
Dividend received		-	28,823
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(124,252)	(596,081)
TAXATION ON (LOSS) ON ORDINARY ACTIVITIES	7	-	-
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	16	(124,252)	(596,081)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 and 2013 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 2014**

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible fixed assets	9	164,387	66,424
Fixed asset investments	10	66,486	66,486
		230,873	132,910
CURRENT ASSETS			
Stocks	11	1,165,442	1,154,248
Debtors	12	777,776	737,167
Cash at bank		809,121	431,724
		2,752,339	2,323,139
CREDITORS: amounts falling due within one year	13	2,133,195	1,545,583
NET CURRENT ASSETS		619,144	777,556
TOTAL ASSETS LESS CURRENT LIABILITIES		850,017	910,466
CREDITORS: amounts falling due after more than one year	14	63,803	-
NET ASSETS		786,214	910,466
CAPITAL AND RESERVES			
Called up share capital	15	2,500,000	2,500,000
Profit and loss account	16	(1,713,786)	(1,589,534)
SHAREHOLDERS' FUNDS	17	786,214	910,466

The financial statements were approved and authorised by the board and were signed on its behalf on 23 June 2015.


B E Toye
 Executive Chairman


N A Haynes
 Director

The notes on pages 10 to 17 form part of these financial statements.

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

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 on a straight line basis 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 2014

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:

	2014 £	2013 £
United Kingdom	4,802,217	4,858,985
Rest of European Union	417,967	408,500
Rest of World	2,099,169	1,199,442
	7,319,353	6,466,927

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

3. OPERATING (LOSS)

The operating (loss) is stated after charging:

	2014 £	2013 £
Depreciation - owned assets	32,280	44,452
- leased assets	10,577	3,549
Auditor's remuneration	15,902	25,000
Auditor's remuneration - other services relating to taxation	3,750	3,750
Operating lease rentals - office equipment	56,510	31,136

4. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,148,545	2,100,226
Social security costs	165,442	153,954
Other pension costs	26,852	34,473
	2,340,839	2,288,653

In addition to the above an amount of £nil (2013: £172,397) was charged in respect of redundancy costs.

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

	2014	2013
Management, sales and administration	53	55
Production	68	75
	121	130

5. DIRECTORS' EMOLUMENTS

The emoluments, excluding pension contributions, of the Directors of the Company were £37,400 (2013: £118,635). Compensation for loss of office payments amounted to £nil (2013: £58,635).

Pension contributions amounting to £2,026 (2013: £6,350) were also paid in respect of the directors to a money purchase pension scheme.

During the year retirement benefits were accruing to 1 director (2013: 3) in respect of money purchase pension schemes.

The amounts above exclude the costs of certain directors that are paid by the parent undertaking. These emoluments are disclosed in the financial statements of that entity and the directors consider it is not practicable to apportion these between companies.

TOYE, KENNING & SPENCER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014**

6. INTEREST PAYABLE

	2014	2013
	£	£
Hire purchase interest	2,122	-
Group interest	-	72,000
	2,122	72,000

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 (2013: £nil).

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK.

The differences are explained below:

	2014	2013
	£	£
(Loss) on ordinary activities before taxation	(124,252)	(596,081)
(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013: 23%)	(26,706)	(137,099)
Effects of:		
Expenses not deductible for tax purposes	1,161	15,086
Depreciation in advance of capital allowances	(27,837)	1,640
Carry forward of tax losses	45,700	128,304
Income not taxable	-	(6,629)
Other differences	(8,191)	(1,302)
Group relief surrendered	15,873	-
	-	-

Factors that may affect future tax charges:

There are tax losses available for relief against future taxable profits of the relevant businesses amounting to £1,900,000 (2013: £1,900,000).

8. DEFERRED TAX

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

	2014	2013
	£	£
Accelerated capital allowances	(4,000)	23,000
Losses	422,000	437,000
Other short term timing differences	10,000	20,000
	428,000	480,000

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

9. TANGIBLE FIXED ASSETS

	Plant, machinery and equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2014	1,668,729	48,329	1,717,058
Additions	140,820	-	140,820
Disposals	(311,804)	(11,086)	(322,890)
At 31 December 2014	1,497,745	37,243	1,534,988
Depreciation			
At 1 January 2014	1,606,154	44,480	1,650,634
Charge for year	39,306	3,551	42,857
Disposals	(311,804)	(11,086)	(322,890)
At 31 December 2014	1,333,656	36,945	1,370,601
Net book value			
At 31 December 2014	164,089	298	164,387
At 31 December 2013	62,575	3,849	66,424

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

	2014 £	2013 £
Motor vehicles	-	3,849
Plant and machinery	95,191	-
	95,191	3,849

10. FIXED ASSET INVESTMENTS

Subsidiary undertakings	Shares in group undertakings £
Cost or valuation	
At 1 January 2014 and 31 December 2014	131,078
Provisions	
At 1 January 2014 and 31 December 2014	64,592
Net book value	
At 31 December 2014	66,486
At 31 December 2013	66,486

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

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

	2014	2013
	£	£
Raw materials	384,332	394,848
Work in progress	207,970	157,916
Finished goods and goods for resale	573,140	601,484
	1,165,442	1,154,248

12. DEBTORS

	2014	2013
	£	£
Trade debtors	721,522	664,908
Other debtors	380	-
Prepayments and accrued income	55,874	72,259
	777,776	737,167

13. CREDITORS

Amounts falling due within one year:

	2014	2013
	£	£
Trade creditors	772,443	763,507
Amount due to parent company	1,049,542	362,328
Net obligations under finance lease and hire purchase contracts	18,674	694
Social security and other taxes	117,339	140,199
Other creditors	36,715	35,406
Accruals and deferred income	138,482	243,449
	2,133,195	1,545,583

TOYE, KENNING & SPENCER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014**

13. CREDITORS - Continued

Amounts falling due within one year:

Obligations under finance leases and hire purchase contracts are secured on the asset concerned.

14. CREDITORS:

Amounts falling due after more than one year

	2014 £	2013 £
Net obligations under finance lease and hire purchase contracts	63,803	-

15. SHARE CAPITAL

	2014 £	2013 £
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 2014	(1,589,534)
(Loss) for the year	(124,252)
At 31 December 2014	(1,713,786)

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	910,466	1,506,547
(Loss) for the year	(124,252)	(596,081)
Closing shareholders' funds	786,214	910,466

TOYE, KENNING & SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

18. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable leases as follows:

	Other	
	2014	2013
	£	£
Expiry date:		
Less than one year	42,739	1,191
Between two and five years	33,941	52,168

19. PENSION COSTS

The Company operates a defined contribution pension scheme. The charge to the profit and loss account in the year amounted to £26,852 (2013 £34,473).

20. 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.

21. ULTIMATE PARENT UNDERTAKING AND 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 & 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 Bailiwick of Guernsey. The ultimate controlling party is Mr B Toye.