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Registered number: 06997035

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**KEEN & TOMS HOLDINGS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 29 JUNE 2019**

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**KEEN & TOMS HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	P G Keen J P G Keen R L Eastoe S Keen R Keen J M Keen
<b>Registered number</b>	06997035
<b>Registered office</b>	c/o Hypnos Limited Longwick Road Princes Risborough Bucks HP27 9RT
<b>Independent auditors</b>	Barnes Roffe LLP Chartered Accountants & Statutory Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX
<b>Bankers</b>	National Westminster Bank plc 33 High Street High Wycombe Buckinghamshire HP11 2AG

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**KEEN & TOMS HOLDINGS LIMITED**

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## KEEN & TOMS HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 29 JUNE 2019

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#### Introduction

The directors present the Strategic report for the period ended 29 June 2019.

The principal activity of the company continues to be that of a holding company of a group comprising subsidiaries that specialise in the manufacture and sale of beds and furniture.

#### Business review

The year proved a difficult trading year with retail sentiment dropping at the beginning of 2019 mainly due the uncertainty surrounding Britain's exit from the European Union. The group revenue decreased by 1.0% (2018 – 4.7% grew).

Operating profit decreased by 132% (2018 – decreased by 6.9%) due to the reduction in revenue growth and continued investment in Keen and Able, the group's home delivery business.

#### KPI Review

KPI	2018/19	2017/18	2016/17	
Stock Turn Ratio	29.8	28.9	33.2	Class leading figures
Operating (loss)/profit %	(1.62)%	5.02%	5.60%	Disappointing reverse in profitability
Turnover Growth	(1.0)%	4.73%	2.70%	Near neutral revenue performance in a difficult year

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## KEEN & TOMS HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 29 JUNE 2019

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#### Principal risks and uncertainties

The group's primary financial instruments are trade creditors, cash at bank, overdrafts and inter-company balances. These arise directly from the group's trading activities and management have implemented procedures to monitor and control the liquidity and credit risks relating to the group's financial affairs.

The group's cash and cash equivalents have decreased by £2,540,740 (2018 - increased by £1,553,834) in the year, however, the group rarely requires its ID facility.

#### Credit risk

The group has a confidential invoice discounting facility which is rarely used. The CID provider has withdrawn the bad debt cover element of its product and the group has taken out a specific credit insurance policy to cover its credit risk.

Bad debts remain low and credit control processes are constantly reviewed to ensure they are appropriate for our risk environment.

#### Cash flow Risk

The group operates a detailed cash flow forecast and actively seeks appropriate funding to meet the group's ambitions.

#### Price risk

The group is not exposed to any particular commodity price and has an extensive network of suppliers that would be used to minimise any effect.

#### Foreign exchange risk

The group uses no derivative financial instruments and only operates a natural hedge between receivables and payables in foreign currencies.

#### Financial key performance indicators

The directors use a variety of KPIs to assess group performance. The major measures are operational profitability, stock turn ratio and turnover growth. These are shown and commented on earlier in this report.

This report was approved by the board on

11/11/19

and signed on its behalf.

  
J P G Keen  
Director

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## KEEN & TOMS HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 29 JUNE 2019

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The directors present their report and the financial statements for the period ended 29 June 2019.

#### Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The loss for the period, after taxation, amounted to £994,863 (2018 - profit £2,407,695). The group declared dividends of £350,000 (2018 - £193,125) during the period.

#### Directors

The directors who served during the period were:

P G Keen  
J P G Keen  
R L Eastoe  
S Keen  
R Keen  
J M Keen

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## KEEN & TOMS HOLDINGS LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 29 JUNE 2019

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#### Financial instruments

The group's primary financial instruments are current assets and current liabilities arising directly from its trading activities and management have implemented procedures to monitor and control the liquidity and credit risks related to the group's financial assets and liabilities.

The group uses no derivative financial instruments and only operates a natural hedge between receivables and payables in foreign currencies when possible.

#### Employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practical to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

The group recognises the importance of good communications with its employees and considers the most effective form of communication regarding its activities, performance and plans is by way of informal discussions between management and other employees at a local level.

#### Charitable Activities

This year marks the third year the group has teamed up with the charity Magic Breakfast, that supports children from underprivileged backgrounds up and down the country in providing a nutritious meal at the start of the day that helps in the children's learning and development across the board. It is pleasing to see that the work they do has been recognised nationally and accepted as Government policy.

#### Matters covered in the strategic report

The company has chosen, in accordance with section 414C of the Company's Act 2006, to set out the following information which would otherwise be required to be contained in the director's report within the strategic report:

Financial risk management objectives and policies; and key performance indicators.

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

#### Post balance sheet events

The group chose to suspend the operation of The Furniture Recycling Company in the light of the loss of its main customer. The group has provided for the closure costs of this business within these accounts.

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**KÉEN & TOMS HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**Auditors**

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

11 / 11 / 19

and signed on its behalf.



**J P G Keen**  
Director



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## KEEN & TOMS HOLDINGS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KEEN & TOMS HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Keen & Toms Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 29 June 2019, which comprise the Group profit and loss account, the Group and Company statements of financial position, the Group statement of cash flows, the Group and Company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 29 June 2019 and of the Group's loss for the period 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.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

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## KEEN & TOMS HOLDINGS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KEEN & TOMS HOLDINGS LIMITED (CONTINUED)

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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KEEN & TOMS HOLDINGS LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KEEN & TOMS HOLDINGS LIMITED  
(CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Barnes Roffe LLP*

Nigel Goodman (Senior statutory auditor)

for and on behalf of

**Barnes Roffe LLP**

Chartered Accountants and Statutory Auditors

3 Brook Business Centre

Cowley Mill Road

Uxbridge

Middlesex

UB8 2FX

Date: *11th November 2019*

KEEN & TOMS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 29 JUNE 2019

	Note	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
Turnover	4	66,652,283	67,343,936
Cost of sales		(40,846,652)	(43,994,006)
<b>Gross profit</b>		<b>25,805,631</b>	<b>23,349,930</b>
Distribution costs		(17,766,862)	(14,698,404)
Administrative expenses		(9,006,434)	(5,267,905)
Exceptional administrative expenses	13	(109,300)	-
Other operating income		-	227
<b>Operating (loss)/profit</b>	6	<b>(1,076,965)</b>	<b>3,383,848</b>
Interest payable and expenses	10	(99,760)	(387,874)
<b>(Loss)/profit before taxation</b>		<b>(1,176,725)</b>	<b>2,995,974</b>
Tax on (loss)/profit	11	181,862	(588,279)
<b>(Loss)/profit for the financial period</b>		<b>(994,863)</b>	<b>2,407,695</b>
 <b>Total comprehensive income for the period</b>		 <b>(994,863)</b>	 <b>2,407,695</b>

The notes on pages 17 to 43 form part of these financial statements.

**KEEN & TOMS HOLDINGS LIMITED**  
**REGISTERED NUMBER: 06997035**

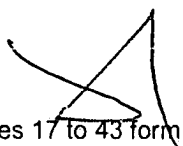
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 29 JUNE 2019**

	Note	£	29 June 2019 £	£	30 June 2018 £
<b>Fixed assets</b>					
Tangible assets	15		6,229,893		6,071,803
<b>Current assets</b>					
Stocks	17	1,793,203		2,332,688	
Debtors: amounts falling due within one year	18	9,824,177		10,269,325	
Cash at bank and in hand	19	644,644		3,185,384	
			<u>12,262,024</u>	<u>15,787,397</u>	
Creditors: amounts falling due within one year	20	(11,478,951)		(13,772,811)	
<b>Net current assets</b>			<u>783,073</u>		<u>2,014,586</u>
<b>Total assets less current liabilities</b>			<u>7,012,966</u>		<u>8,086,389</u>
Creditors: amounts falling due after more than one year	21		(2,532,156)		(2,445,283)
<b>Provisions for liabilities</b>					
Deferred taxation	25	(158,085)		(168,826)	
Other provisions	26	(195,308)		-	
			<u>(353,393)</u>		<u>(168,826)</u>
<b>Net assets</b>			<u><u>4,127,417</u></u>		<u><u>5,472,280</u></u>
<b>Capital and reserves</b>					
Called up share capital	27		3,346,577		3,346,577
Capital redemption reserve	28		1,090,856		1,090,856
Profit and loss account	28		(310,016)		1,034,847
			<u><u>4,127,417</u></u>		<u><u>5,472,280</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

11/10/19

**J P G Keen**  
Director



The notes on pages 17 to 43 form part of these financial statements.

**KEEN & TOMS HOLDINGS LIMITED**  
**REGISTERED NUMBER: 06997035**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 29 JUNE 2019**

			29 June 2019 £	30 June 2018 £
	Note	£	£	£
<b>Fixed assets</b>				
Investments	16		4,940,804	4,940,804
<b>Current assets</b>				
Debtors: amounts falling due within one year	18	274,575	203,730	
Cash at bank and in hand	19	197	-	
		<u>274,772</u>	<u>203,730</u>	
Creditors: amounts falling due within one year	20	(602,624)	(5,693)	
<b>Net current (liabilities)/assets</b>			<u>(327,852)</u>	198,037
<b>Net assets</b>			<u><u>4,612,952</u></u>	<u><u>5,138,841</u></u>
<b>Capital and reserves</b>				
Called up share capital	27	3,346,577	3,346,577	
Capital redemption reserve	28	1,090,856	1,090,856	
Profit and loss account brought forward		701,408	307,261	
(Loss)/profit for the year		(175,889)	1,637,272	
Other movements in the profit and loss account		(350,000)	(1,243,125)	
<b>Profit and loss account carried forward</b>			<u><u>175,519</u></u>	<u><u>701,408</u></u>
			<u><u>4,612,952</u></u>	<u><u>5,138,841</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

**J P G Keen**  
Director



11/11/19

The notes on pages 17 to 43 form part of these financial statements.

KEEN & TOMS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 29 JUNE 2019

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2018	3,346,577	1,090,856	1,034,847	5,472,280
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(994,863)	(994,863)
<b>Total comprehensive income for the period</b>	-	-	(994,863)	(994,863)
Dividends: Equity capital	-	-	(350,000)	(350,000)
<b>Total transactions with owners</b>	-	-	(350,000)	(350,000)
<b>At 29 June 2019</b>	<b>3,346,577</b>	<b>1,090,856</b>	<b>(310,016)</b>	<b>4,127,417</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2018

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 2 July 2017	3,346,347	40,856	(129,723)	3,257,480
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	2,407,695	2,407,695
<b>Total comprehensive income for the period</b>	-	-	2,407,695	2,407,695
Dividends: Equity capital	-	-	(193,125)	(193,125)
Purchase of own shares	-	1,050,000	(1,050,000)	-
Shares issued during the period	230	-	-	230
<b>Total transactions with owners</b>	<b>230</b>	<b>1,050,000</b>	<b>(1,243,125)</b>	<b>(192,895)</b>
<b>At 30 June 2018</b>	<b>3,346,577</b>	<b>1,090,856</b>	<b>1,034,847</b>	<b>5,472,280</b>

The notes on pages 17 to 43 form part of these financial statements.

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KEEN & TOMS HOLDINGS LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 29 JUNE 2019

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	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2018	3,346,577	1,090,856	701,408	5,138,841
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(175,889)	(175,889)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	-	-	(175,889)	(175,889)
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(350,000)	(350,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	-	(350,000)	(350,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 29 June 2019</b>	<b>3,346,577</b>	<b>1,090,856</b>	<b>175,519</b>	<b>4,612,952</b>

The notes on pages 17 to 43 form part of these financial statements.



**KEEN & TOMS HOLDINGS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2018**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 2 July 2017	3,346,347	40,856	307,261	3,694,464
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	1,637,272	1,637,272
<b>Total comprehensive income for the period</b>	-	-	1,637,272	1,637,272
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(193,125)	(193,125)
Purchase of own shares	-	1,050,000	(1,050,000)	-
Shares issued during the period	230	-	-	230
<b>Total transactions with owners</b>	230	1,050,000	(1,243,125)	(192,895)
<b>At 30 June 2018</b>	<b>3,346,577</b>	<b>1,090,856</b>	<b>701,408</b>	<b>5,138,841</b>

The notes on pages 17 to 43 form part of these financial statements.

**KEEN & TOMS HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 29 JUNE 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial period	(994,863)	2,407,695
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,084,365	786,069
Loss on disposal of tangible assets	6,047	-
Interest payable	99,760	387,874
Taxation (credit)/charge	(181,862)	588,279
Decrease/(increase) in stocks	539,485	(393,897)
Decrease in debtors	445,148	1,036,711
(Decrease)/increase in creditors	(2,047,723)	876,576
Increase in provisions	195,308	-
Corporation tax (paid)	(454,073)	(731,637)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,308,408)</b>	<b>4,957,670</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,248,502)	(2,152,734)
<b>Net cash used in investing activities</b>	<b>(1,248,502)</b>	<b>(2,152,734)</b>

**KEEN & TOMS HOLDINGS LIMITED**

(CONTINUED)  
FOR THE PERIOD ENDED 29 JUNE 2019

	2019 £	2018 £
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	230
New secured loans	-	289,330
Repayment of loans	(128,346)	-
New finance leases	594,276	90,337
Dividends paid	(350,000)	(193,125)
Interest paid	(89,186)	(387,874)
Redemption of preference shares	-	(1,050,000)
HP interest paid	(10,574)	-
<b>Net cash generated from/ (used in) financing activities</b>	<b>16,170</b>	<b>(1,251,102)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,540,740)</b>	<b>1,553,834</b>
Cash and cash equivalents at beginning of period	3,181,453	1,627,619
<b>Cash and cash equivalents at the end of period</b>	<b>640,713</b>	<b>3,181,453</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	644,644	3,185,384
Bank overdrafts	(3,931)	(3,931)
	<b>640,713</b>	<b>3,181,453</b>

The notes on pages 17 to 43 form part of these financial statements.

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## KEEN & TOMS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2019

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#### 1. General information

Keen & Toms Holdings Limited is a company limited by shares incorporated in England and Wales. The address of the registered office is C/O Hypnos Limited, 1 Longwick Road, Princes Risborough, Buckinghamshire, HP27 9RT.

The principal activity of the company continues to be that of a holding company of a group comprising subsidiaries that specialise in the manufacture and sale of beds and furniture.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and on the assumption that the company is a going concern.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the group's accounting policies (see note 3).

The company and the group maintain their accounting records on a weekly basis. For this reason the financial statements cover the period from 1 July 2018 to 29 June 2019, being the end of the last full trading week in the year.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### 2.3 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the company's Statement of financial position records net current liabilities of £327,852, which the directors believe to be appropriate as the group has sufficient net current assets.

The directors have prepared group budgets and forecasts that show the group has sufficient headroom in its facilities to meet its liabilities as they become due.

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## KEEN & TOMS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2019

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#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is recognised when performance obligations are met and where there is no product risk or credit risk even if the customer chooses to delay delivery of goods.

Rental revenue is recognised over the length of the respective lease term.

##### 2.5 Intangible assets

##### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated profit and loss account over its useful economic life.

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## KEEN & TOMS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2019

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#### 2. Accounting policies (continued)

##### 2.6 Operating leases: the Group as lessor

Rentals income from operating leases is credited to the Consolidated statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

##### 2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 1% straight line
Plant and machinery	- 20% straight line
Motor vehicles	- 33% straight line
Fixtures and fittings	- 20% straight line
Office equipment	- 25% straight line
Other fixed assets	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

##### 2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated statement of comprehensive income.

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## KEEN & TOMS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2019

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#### 2. Accounting policies (continued)

##### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.12 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated statement of financial position when there is an enforceable right to set off the recognised amounts and there is

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## KEEN & TOMS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2019

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#### 2. Accounting policies (continued)

##### 2.12 Financial instruments (continued)

an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.14 Foreign currency translation

###### Functional and presentation currency

The group's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

##### 2.15 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.16 Dividends

Equity dividends are recognised when they become legally payable. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.



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## KEEN & TOMS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2019

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#### 2. Accounting policies (continued)

##### 2.17 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

##### 2.18 Leased assets: the Group as lessee

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 Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 2.19 Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payments obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

##### 2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the period in which they are incurred

##### 2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the period that the Group becomes aware of the obligation, and are measured at the best estimate at the Consolidated statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated statement of financial position.

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## KEEN & TOMS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2019

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#### 2. Accounting policies (continued)

##### 2.22 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.23 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors do not consider any of the estimates or judgements in relation to applying the accounting policies material to these financial statements.

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**4. Turnover**

The whole of the turnover is attributable to the principal activity of the group.

Analysis of turnover by country of destination:

	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
United Kingdom	61,883,047	62,528,369
Rest of the world	4,769,236	4,815,567
	<u>66,652,283</u>	<u>67,343,936</u>

**5. Other operating income**

	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
Other operating income	-	227
	<u>-</u>	<u>227</u>

**6. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
Depreciation of tangible fixed assets	1,084,365	786,069
Exchange differences	7,384	20,052
Other operating lease rentals	773,918	506,925
Stock recognised as an expense	<u>24,896,202</u>	<u>27,149,585</u>

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**7. Auditors' remuneration**

	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
Fees payable to the Group's auditor for the audit of the Group	4,850	4,700
<b>Fees payable to the Group's auditor in respect of:</b>		
Audit of subsidiaries	45,925	44,575

**8. Employees**

Staff costs, including directors' remuneration were as follows:

	2019 £	2018 £
Wages and salaries	17,099,604	15,377,701
Social security costs	1,520,343	1,559,236
Cost of defined contribution scheme	460,825	409,276
	<u>19,080,772</u>	<u>17,346,213</u>

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

	52 week period ended 29 June 2019 No.	52 week period ended 30 June 2018 No.
Production	379	399
Administration	136	131
	<u>515</u>	<u>530</u>

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**9. Directors' remuneration**

	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
Directors' emoluments	454,152	522,984
Amounts receivable under long-term incentive schemes	20,000	61,717
Company contributions to defined contribution pension schemes	11,500	27,446
	<u>485,652</u>	<u>612,147</u>

During the period retirement benefits were accruing to 1 directors (2018 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £201,686 (2018 - £190,271).

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £Nil (2018 - £226,295) and company pension contributions of £Nil (2018 - £9,618) were made on her behalf.

In 2014 the group introduced a long term incentive plan for certain directors of the group's subsidiary companies. The long term incentive plan allows for reward payments to be made after 1 July 2019 to those respective individuals based upon the performance of certain subsidiary companies of the group and their continuing employment for the 5 year period beginning 1 July 2014.

Only the directors are considered to be key management and therefore the remuneration of key management is as disclosed for directors.

**10. Interest payable and similar charges**

	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
Bank interest payable	52,890	50,373
Other loan interest payable	36,296	252,575
Finance leases and hire purchase contracts	10,574	-
Preference share dividends	-	84,926
	<u>99,760</u>	<u>387,874</u>

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**11. Taxation**

	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
<b>Corporation tax</b>		
Current tax on profits for the period	(131,163)	588,293
Adjustments in respect of previous periods	(39,958)	(14)
<b>Total current tax</b>	<u>(171,121)</u>	<u>588,279</u>
Origination and reversal of timing differences	<u>(10,741)</u>	<u>-</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(181,862)</u>	<u>588,279</u>

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**11. Taxation (continued)**

**Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
(Loss)/profit on ordinary activities before tax	(1,176,725)	2,995,974
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(223,578)	569,235
<b>Effects of:</b>		
Non-tax deductible expenses	54,492	22,763
Depreciation for period in excess of capital allowances	3,127	29,905
Utilisation of tax losses	(27,552)	(41,868)
Changes in provisions	63,295	21,398
Other timing differences leading to a decrease in taxation	(5,436)	(13,057)
Prior year adjustment	(39,958)	(14)
Origination and reversal of timing differences	(10,741)	-
Over provision	-	(83)
Unrelieved tax losses carried forward	4,489	-
<b>Total tax charge for the period</b>	<b>(181,862)</b>	<b>588,279</b>

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KEEN & TOMS HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019

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11. Taxation (continued)

Factors that may affect future tax charges

The group has trading and property losses amounting to approximately £774,219 (2018 - £915,069) to utilise against future profits.

12. Dividends

	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
Dividends paid on equity shares	350,000	193,125
	<u>350,000</u>	<u>193,125</u>

Directors' and close family's interest in the dividends paid during the year was £350,000 (2017 - £193,125).

13. Exceptional items

	52 week period ended 29 June 2019 £	52 week period ended 30 June 2018 £
Dilapidation and redundancy	109,300	-
	<u>109,300</u>	<u>-</u>

The exceptional items relates to a provision for dilapidations and redundancy for a subsidiary company that has ceased operations.



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KEEN & TOMS HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019

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14. Intangible assets

Group

	Goodwill £
<b>Cost</b>	
At 1 July 2018	6,597,332
At 29 June 2019	<u>6,597,332</u>
<b>Amortisation</b>	
At 1 July 2018	6,597,332
At 29 June 2019	<u>6,597,332</u>
<b>Net book value</b>	
At 29 June 2019	<u><u>-</u></u>
<i>At 30 June 2018</i>	<u><u>-</u></u>

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**15. Tangible fixed assets**

**Group**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
<b>Cost</b>					
At 1 July 2018	3,214,300	3,007,011	-	1,805,827	5,293
Additions	1,591	155,147	778,651	247,066	66,047
Disposals	-	-	-	(8,246)	(661)
At 29 June 2019	<u>3,215,891</u>	<u>3,162,158</u>	<u>778,651</u>	<u>2,044,647</u>	<u>70,679</u>
<b>Depreciation</b>					
At 1 July 2018	121,373	1,068,788	-	767,489	2,978
Charge for the period on owned assets	40,000	540,025	816	382,308	11,790
Charge for the period on financed assets	-	23,653	85,773	-	-
Disposals	-	-	-	(2,199)	(661)
At 29 June 2019	<u>161,373</u>	<u>1,632,466</u>	<u>86,589</u>	<u>1,147,598</u>	<u>14,107</u>
<b>Net book value</b>					
At 29 June 2019	<u>3,054,518</u>	<u>1,529,692</u>	<u>692,062</u>	<u>897,049</u>	<u>56,572</u>
At 30 June 2018	<u>3,092,927</u>	<u>1,938,223</u>	<u>-</u>	<u>1,038,338</u>	<u>2,315</u>

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**15. Tangible fixed assets (continued)**

	Other fixed assets £	Total £
<b>Cost</b>		
At 1 July 2018	43,444	8,075,875
Additions	-	1,248,502
Disposals	-	(8,907)
At 29 June 2019	<u>43,444</u>	<u>9,315,470</u>
<b>Depreciation</b>		
At 1 July 2018	43,444	2,004,072
Charge for the period on owned assets	-	974,939
Charge for the period on financed assets	-	109,426
Disposals	-	(2,860)
At 29 June 2019	<u>43,444</u>	<u>3,085,577</u>
<b>Net book value</b>		
At 29 June 2019	<u>-</u>	<u>6,229,893</u>
At 30 June 2018	<u>-</u>	<u>6,071,803</u>

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

	29 June 2019 £	30 June 2018 £
Plant and machinery	33,509	57,162
Motor vehicles	685,528	-
	<u>719,037</u>	<u>57,162</u>

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**16. Fixed asset investments**

**Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 July 2018	4,940,804
At 29 June 2019	<u>4,940,804</u>
<b>Net book value</b>	
At 29 June 2019	<u>4,940,804</u>
At 30 June 2018	<u><u>4,940,804</u></u>

See note 34 for a list of subsidiaries.

**17. Stocks**

	Group 20 June 2019 £	Group 30 June 2018 £
Raw materials	1,184,846	1,611,752
Finished goods and goods for resale	608,357	720,936
	<u>1,793,203</u>	<u>2,332,688</u>

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**18. Debtors**

	Group 29 June 2019 £	Group 30 June 2018 £	Company 29 June 2019 £	Company 30 June 2018 £
Trade debtors	8,325,965	8,614,260	-	-
Amounts owed by group undertakings	-	-	274,345	203,500
Other debtors	527,587	742,972	230	230
Prepayments and accrued income	970,625	912,093	-	-
	<u>9,824,177</u>	<u>10,269,325</u>	<u>274,575</u>	<u>203,730</u>

**19. Cash and cash equivalents**

	Group 29 June 2019 £	Group 30 June 2018 £	Company 29 June 2019 £	Company 30 June 2018 £
Cash at bank and in hand	644,644	3,185,384	197	-
Less: bank overdrafts	(3,931)	(3,931)	-	-
	<u>640,713</u>	<u>3,181,453</u>	<u>197</u>	<u>-</u>

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JUNE 2019**

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**20. Creditors: Amounts falling due within one year**

	<b>Group</b> <b>29 June</b> <b>2019</b> <b>£</b>	<b>Group</b> <b>30 June</b> <b>2018</b> <b>£</b>	<b>Company</b> <b>29 June</b> <b>2019</b> <b>£</b>	<b>Company</b> <b>30 June</b> <b>2018</b> <b>£</b>
Bank overdrafts	3,931	3,931	-	-
Bank loans	134,546	130,197	-	-
Trade creditors	5,860,449	7,414,372	-	-
Amounts owed to group undertakings	-	-	587,124	-
Corporation tax	-	625,194	-	5,693
Other taxation and social security	953,777	998,140	-	-
Obligations under finance lease and hire purchase contracts	420,519	41,811	-	-
Other creditors	1,826,418	2,473,091	-	-
Accruals and deferred income	2,277,061	2,083,825	15,500	-
Share capital treated as debt	2,250	2,250	-	-
	<u><u>11,478,951</u></u>	<u><u>13,772,811</u></u>	<u><u>602,624</u></u>	<u><u>5,693</u></u>

Bank overdrafts of £3,931 (2018 - £3,931) are secured against all assets of the group. There is also an unlimited cross company guarantee by Keen & Toms Partnership Limited, and all other subsidiaries within the group over any overdraft or invoice discount borrowings from the group bankers.

Bank loans are secured by all assets of the group.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Disclosure of the terms and conditions attached to the non-equity shares is made in note 27.

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KEEN & TOMS HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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21. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £
Bank loans	1,582,582	1,715,277
Net obligations under finance leases and hire purchase contracts	271,316	55,748
Other creditors	678,258	674,258
	<u>2,532,156</u>	<u>2,445,283</u>

Bank loans are secured by all assets of the group.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Disclosure of the terms and conditions attached to the non-equity shares is made in note 27.

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**KEEN & TOMS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Loans**

	Group 29 June 2019 £	Group 30 June 2018 £
<b>Amounts falling due within one year</b>		
Bank loans	134,546	130,197
	<u>134,546</u>	<u>130,197</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	138,892	134,546
	<u>138,892</u>	<u>134,546</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	442,754	429,715
	<u>442,754</u>	<u>429,715</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	1,000,936	1,151,016
	<u>1,000,936</u>	<u>1,151,016</u>
	<u><u>1,717,128</u></u>	<u><u>1,845,474</u></u>

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	Group 29 June 2019 £	Group 30 June 2018 £
Within one year	420,519	41,811
Between 1-5 years	27,316	55,748
	<u>447,835</u>	<u>97,559</u>



KEEN & TOMS HOLDINGS LIMITED

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24. Financial instruments

	Group 29 June 2019 £	Group 30 June 2018 £	Company 29 June 2019 £	Company 30 June 2018 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>8,853,552</u>	<u>9,357,232</u>	<u>274,575</u>	<u>203,730</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>10,780,269</u>	<u>12,510,935</u>	<u>587,124</u>	<u>-</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, trade creditors, other creditors, obligations under finance leases and hire purchase contracts, amounts owed to group undertakings and share capital treated as debt.

25. Deferred taxation

Group

	2019 £
At beginning of period	168,826
Credited to the statement of comprehensive income	(10,741)
<b>At end of period</b>	<u><b>158,085</b></u>

	Group 29 June 2019 £	Group 30 June 2018 £
Accelerated capital allowances	<u>158,085</u>	<u>168,826</u>
	<u><b>158,085</b></u>	<u><b>168,826</b></u>

**KEEN & TOMS HOLDINGS LIMITED**

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**26. Provisions**

**Group**

	Dilapidation and redundancy provision £	Onerous contract provision £	Total £
Charged to statement of comprehensive income	109,300	86,008	195,308
<b>At 29 June 2019</b>	<b>109,300</b>	<b>86,008</b>	<b>195,308</b>

**27. Share capital**

	29 June 2019 £	30 June 2018 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
3,346,347 Ordinary shares of £1 each	3,346,347	3,346,347
230 Ordinary G shares of £1 each	230	230
	<b>3,346,577</b>	<b>3,346,577</b>
	29 June 2019 £	30 June 2018 £
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
2,250 Preference shares of £1 each	2,250	2,250

The Ordinary G shares have no voting rights or dividend rights; the shares have rights to participate in a capital distribution (including on a winding-up) after priority capital payments have been made to the ordinary shareholders.

The preference shares attract an annual dividend of 1% in the first year, 2% in the second year and 5% thereafter payable quarterly in arrears. No premium is payable on redemption.

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## KEEN & TOMS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2019

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#### 28. Reserves

##### Capital redemption reserve

The capital redemption reserve is a non-distributable reserve into which amounts were transferred following the redemption or purchase of the company's own shares.

##### Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

#### 29. Contingent liabilities

There is an unlimited cross guarantee originally dated 26 August 2008 and updated due to new subsidiaries between the company, Keen & Toms Partnership Limited, Hypnos Limited, Hypnos Contract Beds Limited, The Furniture Recycling Company Limited, The Sheen Bed Company Limited, Keen & Able Limited and Imperial Sleep Limited over any overdraft or invoice discounting borrowings from their bankers of the respective companies. The company entered into a debenture with its bankers on 13 August 2008 providing security over all assets of the company. The total amount of borrowings in the group is £3,931 (2018 - £2,011).

#### 30. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in a separately administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £460,825 (2018 - £409,276). Contributions amounting to £197,111 (2018 - £87,147) were payable to the fund at the period end date.

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**KEEN & TOMS HOLDINGS LIMITED**

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**31. Commitments under operating leases**

At 29 June 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 29 June 2019 £	Group 30 June 2018 £
<b>Land and buildings</b>		
Not later than 1 year	539,343	382,940
Later than 1 year and not later than 5 years	1,572,107	1,254,235
Later than 5 years	306,250	411,250
	<u>2,417,700</u>	<u>2,048,425</u>

	Group 29 June 2019 £	Group 30 June 2018 £
<b>Other</b>		
Not later than 1 year	182,684	254,132
Later than 1 year and not later than 5 years	96,061	164,947
	<u>278,745</u>	<u>419,079</u>

The future minimum lease payments receivable under non-cancellable operating leases as follows:

	Group 29 June 2019 £	Group 30 June 2018 £
Not later than 1 year	70,000	70,000
Later than 1 year and not later than 5 years	280,000	280,000
Later than 5 years	256,667	326,667
	<u>606,667</u>	<u>676,667</u>

There were no commitments under non-cancellable operating leases in the company (2018 - £Nil).

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## KEEN & TOMS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2019

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#### 32. Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 102 not to disclose any transactions with other wholly owned members of the group.

During the period the group made sales to directors and close family members of the directors which are at the same prices as the staff sales scheme. In aggregate these were £20,812 (2018 - £31,760). The outstanding balances at the year end aggregated to £2,610 (2018 - £3,251).

During the period the group made purchases amounting of £149,539 (2018 - £Nil) from Fusemetrix Systems Limited, a company in which R L Eastoe, director, is also a director. At the period end the amount owed to Fusemetrix Systems Limited was £4,054 (2018 - £Nil).

During the period, the group reimbursed expenses to directors and close family members of the directors. In aggregate these totalled £Nil (2018 - £Nil). The outstanding balances at the year end aggregated to £Nil (2018 - £2,655).

At the period end an amount of £79,670 (2018 - £58,699) was due to The Furniture Recycling Group Limited, a company with common directors. During the period the group made purchases of £142,651 (2018 - £Nil) from The Furniture Recycling Group Limited.

During the period the group made sales amounting to £19,430 (2018 - £Nil) to a company with common directors.

#### 33. Controlling party

According to the directors there is no ultimate controlling party.

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## KEEN & TOMS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 JUNE 2019

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#### 34. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Holding	Principal activity
Keen & Toms Partnership Limited	100 %	Property development Manufacture of beds and furniture
*Hypnos Limited	100 %	
*The Furniture Recycling Company (UK) Limited	100 %	Recycling of furniture Retails of beds and furniture
*The Sheen Bed Company Limited	100 %	
*Imperial Sleep Limited	100 %	Dormant company Retails of beds and furniture
*Hypnos Contract Beds Limited	100 %	Distribution of beds
Keen & Able Limited	100 %	

\*Held via Keen & Toms Partnership Limited.