
KEEN & TOMS HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2018

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KEEN & TOMS HOLDINGS LIMITED

COMPANY INFORMATION

Directors

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

Registered number

06997035

Registered office

c/o Hypnos Limited
1 Longwick Road
Buckinghamshire
HP27 9RT

Independent auditors

Barnes Roffe LLP
Chartered Accountants & Statutory Auditors
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX

Bankers

National Westminster Bank plc
33 High Street
High Wycombe
Buckinghamshire
HP11 2AG

KEEN & TOMS HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 JUNE 2018

Introduction

The directors present the Strategic report for the period ended 30 June 2018.

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 group continues to make satisfactory progress. The group grew revenues by 4.7% (2017 – 2.7%) in line with its business plan. This came from continued good retail performance and a healthy growth in contract. The Keen and Able home delivery business tripled its revenues in its first full year of trading and is positioned to continue its strong growth. The growth is all the more pleasing when it is considered that the retail business implemented a new IT system half way through the year without disruption to customer service and supply.

Operating profit decreased by 6.9% (2017 – increase by 21%) due to the increase in infrastructure and people investment in the business.

KPI Review

KPI	2017/18	2016/17	2015/16	
Stock Turn Ratio	28.9	33.2	38.8	Class leading figures but affected by customer delays in contract Acceptable profitability
Operating Profit %	5.02%	5.60%	4.80%	
Turnover Growth	4.73%	2.70%	32.30%	Growth in line with business plan

KEEN & TOMS HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2018

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 improved by £1,553,834 in the year and have led to the group rarely requiring to borrow against 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

20/11/18

and signed on its behalf.



Director

P G KEEN

KEEN & TOMS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2018

The directors present their report and the financial statements for the period ended 30 June 2018.

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 profit for the period, after taxation, amounted to £2,407,695 (2017 - £2,376,748). The group declared dividends of £193,125 (2017 - £103,596) 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 Keen

KEEN & TOMS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2018

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.

During the year the group brought in additional Employee Benefits in the form of a medical cash plan for all, Medicash, raised the age limit on its group life cover policy to 70 and provided assurance over long-term sickness support.

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 second year the group teamed up with a charity to focus its pledge of donating 1% of profits. The charity chosen was 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.

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

There have been no significant events affecting the Group since the period end.

KEEN & TOMS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2018

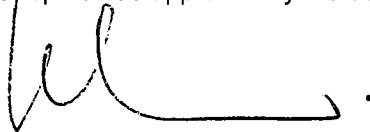
Auditors

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

20/11/18

and signed on its behalf.



Director

P G KEEN

KEEN & TOMS HOLDINGS LIMITED

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

Opinion

We have audited the financial statements of Keen & Toms Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 30 June 2018, 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 30 June 2018 and of the Group's profit 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

KEEN & TOMS HOLDINGS LIMITED

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

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.

KEEN & TOMS HOLDINGS LIMITED

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

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. 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.



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: 20th November 2018

KEEN & TOMS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018

	Note	52 week period ended 30 June 2018 £	53 week period ended 1 July 2017 (As restated) £
Turnover	4	67,343,936	64,304,000
Cost of sales		(43,994,006)	(40,425,241)
Gross profit		23,349,930	23,878,759
Distribution costs		(14,698,404)	(15,510,135)
Administrative expenses		(5,267,905)	(4,734,207)
Other operating income	5	227	1,040
Operating profit	6	3,383,848	3,635,457
Interest receivable and similar income	10	-	449
Interest payable and similar expenses	11	(387,874)	(375,191)
Profit before tax		2,995,974	3,260,715
Tax on profit	12	(588,279)	(883,967)
Profit for the financial period		2,407,695	2,376,748
Total Comprehensive income for the year		2,407,695	2,376,748

The notes on pages 17 to 42 form part of these financial statements.

KEEN & TOMS HOLDINGS LIMITED
REGISTERED NUMBER: 06997035

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

			30 June 2018	1 July 2017
	Note	£	£	£
Fixed assets				
Tangible assets	15		6,071,803	4,705,138
			<u>6,071,803</u>	<u>4,705,138</u>
Current assets				
Stocks	17	2,332,688	1,938,791	
Debtors: amounts falling due within one year	18	10,269,325	11,306,036	
Cash at bank and in hand	19	3,185,384	1,717,588	
		<u>15,787,397</u>	<u>14,962,415</u>	
Creditors: amounts falling due within one year	20	(13,772,811)	(13,169,374)	
Net current assets			<u>2,014,586</u>	<u>1,793,041</u>
Total assets less current liabilities			<u>8,086,389</u>	<u>6,498,179</u>
Creditors: amounts falling due after more than one year	21	(2,445,283)	(3,071,873)	
Provisions for liabilities				
Deferred taxation	25	(168,826)	(168,826)	
			<u>(168,826)</u>	<u>(168,826)</u>
Net assets			<u><u>5,472,280</u></u>	<u><u>3,257,480</u></u>
Capital and reserves				
Called up share capital	26	3,346,577	3,346,347	
Capital redemption reserve	27	1,090,856	40,856	
Profit and loss account	27	1,034,847	(129,723)	
			<u><u>5,472,280</u></u>	<u><u>3,257,480</u></u>

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

20/11/18

Director

P G KEEN

The notes on pages 17 to 42 form part of these financial statements.

KEEN & TOMS HOLDINGS LIMITED
REGISTERED NUMBER: 06997035

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

			30 June 2018		1 July 2017
	Note	£	£	£	£
Fixed assets					
Investments	16		4,940,804		4,940,804
			<u>4,940,804</u>		<u>4,940,804</u>
Current assets					
Debtors: amounts falling due within one year	18	203,730		-	
		<u>203,730</u>		<u>-</u>	
Creditors: amounts falling due within one year	20	(5,693)		(196,340)	
				<u>(196,340)</u>	
Net current assets/(liabilities)			<u>198,037</u>		<u>(196,340)</u>
Total assets less current liabilities			<u>5,138,841</u>		<u>4,744,464</u>
Creditors: amounts falling due after more than one year	21		-		(1,050,000)
					<u>(1,050,000)</u>
Net assets excluding pension asset			<u>5,138,841</u>		<u>3,694,464</u>
Net assets			<u><u>5,138,841</u></u>		<u><u>3,694,464</u></u>
Capital and reserves					
Called-up share capital	26		3,346,577		3,346,347
Capital redemption reserve	27		1,090,856		40,856
Profit and loss account brought forward		307,261		(456,318)	
Profit for the period		1,637,272		863,581	
Dividends paid and purchase of own shares during the period		(1,243,125)		(100,002)	
				<u>(100,002)</u>	
Profit and loss account carried forward			<u>701,408</u>		<u>307,261</u>
			<u><u>5,138,841</u></u>		<u><u>3,694,464</u></u>

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

Director
P G KEEN

The notes on pages 17 to 42 form part of these financial statements.

20/6/18

KEEN & TOMS HOLDINGS LIMITED

**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
Comprehensive income for the period				
Profit for the period	-	-	2,407,695	2,407,695
Total comprehensive income for the period	-	-	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
Total transactions with owners	230	1,050,000	(1,243,125)	(192,895)
At 30 June 2018	3,346,577	1,090,856	1,034,847	5,472,280

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JULY 2017**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 26 June 2016	3,346,347	40,856	(2,402,875)	984,328
Comprehensive income for the period				
Profit for the period	-	-	2,376,748	2,376,748
Total comprehensive income for the period	-	-	2,376,748	2,376,748
Dividends: Equity capital	-	-	(103,596)	(103,596)
Total transactions with owners	-	-	(103,596)	(103,596)
At 1 July 2017	3,346,347	40,856	(129,723)	3,257,480

The notes on pages 17 to 42 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
Comprehensive income for the period				
Profit for the period	-	-	1,637,272	1,637,272
Total comprehensive income for the period	-	-	1,637,272	1,637,272
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(193,125)	(193,125)
Purchase of own shares	-	1,050,000	(1,050,000)	-
Shares issued during the period	230	-	-	230
Total transactions with owners	230	1,050,000	(1,243,125)	(192,895)
At 30 June 2018	3,346,577	1,090,856	701,408	5,138,841

The notes on pages 17 to 42 form part of these financial statements.

KEEN & TOMS HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JULY 2017**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2016	3,346,347	40,856	(456,318)	2,930,885
Comprehensive income for the period				
Profit for the period	-	-	863,581	863,581
Total comprehensive income for the period	-	-	863,581	863,581
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(100,002)	(100,002)
Total transactions with owners	-	-	(100,002)	(100,002)
At 1 July 2017	3,346,347	40,856	307,261	3,694,464

The notes on pages 17 to 42 form part of these financial statements.

KEEN & TOMS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018**

	30 June 2018 £	1 July 2017 £
Cash flows from operating activities		
Profit for the financial period	2,407,695	2,376,748
Adjustments for:		
Amortisation of intangible assets	-	22,626
Depreciation of tangible assets	786,069	524,311
Loss on disposal of tangible assets	-	178,312
Interest payable	387,874	375,191
Interest receivable	-	(449)
Taxation charge	588,279	883,967
Increase in stocks	(393,897)	(320,245)
Decrease/(increase) in debtors	1,036,711	(1,974,902)
Increase in creditors	876,576	878,572
Corporation tax paid	(731,637)	(659,601)
Net cash generated from operating activities	4,957,670	2,284,530
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,152,734)	(1,328,445)
Sale of tangible fixed assets	-	414,662
Interest received	-	449
Net cash used in investing activities	(2,152,734)	(913,334)

KEEN & TOMS HOLDINGS LIMITED

(CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2018

	30 June 2018 £	1 July 2017 £
Cash flows from financing activities		
Issue of ordinary shares	230	-
New secured loans	289,330	-
Repayment of loans	-	(93,778)
New/(repayment of) finance leases	90,337	(42,499)
Redemption of preference shares	(1,050,000)	-
Dividends paid	(193,125)	(103,596)
Interest paid	(387,874)	(375,191)
Net cash used in financing activities	(1,251,102)	(615,064)
Net increase in cash and cash equivalents	1,553,834	756,132
Cash and cash equivalents at beginning of period	1,627,619	871,487
Cash and cash equivalents at the end of period	3,181,453	1,627,619
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	3,185,384	1,717,588
Bank overdrafts	(3,931)	(89,969)
	3,181,453	1,627,619

The notes on pages 17 to 42 form part of these financial statements.

KEEN & TOMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

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 group maintain their accounting records on a weekly basis. For this reason the financial statements cover the period from 2 July 2017 to 30 June 2018, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.3 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 goods are delivered.

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

2.4 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.

KEEN & TOMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.5 Operating leases: the Group as lessor

Rentals income from operating leases is credited to the Consolidated profit and loss account 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.

2.6 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
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 profit and loss account.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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

KEEN & TOMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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

2.12 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.

2.13 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'.

2.14 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.

2.15 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.

KEEN & TOMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.16 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

2.17 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.

2.18 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method

2.19 Borrowing costs

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

2.20 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated profit and loss account, 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.

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.

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

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 30 June 2018 £	53 week period ended 1 July 2017 £
United Kingdom	62,528,369	61,607,315
Rest of the world	4,815,567	2,696,685
	<u>67,343,936</u>	<u>64,304,000</u>

5. Other operating income

	52 week period ended 30 June 2018 £	53 week period ended 1 July 2017 £
Other operating income	227	1,040
	<u>227</u>	<u>1,040</u>

6. Operating profit

The operating profit is stated after charging:

	52 week period ended 30 June 2018 £	53 week period ended 1 July 2017 £
Depreciation of tangible fixed assets	786,069	523,486
Amortisation of intangible assets, including goodwill	-	22,626
Exchange differences	20,052	38,019
Other operating lease rentals	506,925	651,118
Stock recognised as an expense	27,149,585	26,417,986
Loss on disposal of tangible fixed assets	-	178,312
Defined contribution pension cost	409,276	313,294
	<u>409,276</u>	<u>313,294</u>

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

7. Auditors' remuneration

	52 week period ended 30 June 2018 £	53 week period ended 1 July 2017 £
Fees payable to the Group's auditor for the audit of the Group and subsidiary annual financial statements	50,775	48,450
Non-audit services - taxation	5,425	5,250
	<u>56,200</u>	<u>53,700</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	52 week period ended 30 June 2018 £	53 week period ended 1 July 2017 £
Wages and salaries	15,377,701	14,121,717
Social security costs	1,559,236	1,334,854
Cost of defined contribution scheme	409,276	313,254
	<u>17,346,213</u>	<u>15,769,825</u>

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

	52 week period ended 30 June 2018 No.	53 week period ended 1 July 2017 No.
Production	399	380
Administration	131	107
	<u>530</u>	<u>487</u>

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

9. Directors' remuneration

	52 week period ended 30 June 2018 £	53 week period ended 1 July 2017 £
Directors' emoluments	522,984	560,914
Amounts receivable under long-term incentive schemes	61,717	-
Company contributions to defined contribution pension schemes	27,446	9,168
	<u>612,147</u>	<u>570,082</u>

During the period retirement benefits were accruing to 5 directors (2017 - 3) in respect of defined contribution pension schemes.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £226,295 (2017 - £190,271) and company pension contributions of £9,618 (2017 - £Nil) were made on his 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 receivable

	52 week period ended 30 June 2018 £	53 week period ended 1 July 2017 £
Other interest receivable	-	449
	<u>-</u>	<u>449</u>

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

11. Interest payable and similar charges

	52 week period ended 30 June 2018 £	<i>53 week period ended 1 July 2017 £</i>
Bank interest payable	50,373	52,884
Other loan interest payable	252,575	177,955
Preference share dividends	84,926	144,352
	<u>387,874</u>	<u>375,191</u>

12. Taxation

	53 week period ended 1 July 2018 £	<i>53 week period ended 1 July 2017 £</i>
Corporation tax		
Current tax on profits for the year	588,293	768,552
Adjustments in respect of previous periods	(14)	81
Total current tax	<u>588,279</u>	<u>768,633</u>
Deferred tax		
Origination and reversal of timing differences	-	115,334
Total deferred tax	<u>-</u>	<u>115,334</u>
Taxation on profit on ordinary activities	<u>588,279</u>	<u>883,967</u>

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

12. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	53 week period ended 1 July 2018 £	53 week period ended 1 July 2017 £
Profit on ordinary activities before tax	<u>2,995,974</u>	<u>3,260,715</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	569,235	652,143
Effects of:		
Non-tax deductible expenses	22,763	4,498
Depreciation for period in excess of capital allowances	29,905	48,647
Utilisation of tax losses	(41,868)	(27,383)
Increase or decrease in pension fund prepayment leading to an increase/(decrease) in tax	-	(6,532)
Changes in provisions	21,398	414
Other timing differences leading to a decrease in taxation	(13,057)	63,284
Prior year adjustment	(14)	42
Origination and reversal of timing differences	-	164,459
Over provision	(83)	50
Difference in tax rates	-	(15,655)
Total tax charge for the period	<u><u>588,279</u></u>	<u><u>883,967</u></u>

Factors that may affect future tax charges

The group has trading and property losses amounting to approximately £915,069 (2017 - £1,027,643) to utilise against future profits.

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

13. Dividends

	30 June 2018 £	1 July 2017 £
Dividends paid on equity shares	193,125	103,596
	<u>193,125</u>	<u>103,596</u>

Directors' and close family's interest in the dividends paid during the year was £193,125 (2017 - £100,002).

14. Intangible assets

Group

	Goodwill £
Cost	
At 2 July 2017	6,597,332
At 30 June 2018	<u>6,597,332</u>
Amortisation	
At 2 July 2017	6,597,332
At 30 June 2018	<u>6,597,332</u>
Net book value	
At 30 June 2018	<u>-</u>
At 1 July 2017	<u>-</u>

KEEN & TOMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

15. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Other fixed assets £
Cost					
At 2 July 2017	2,641,800	1,893,160	1,339,706	5,031	43,444
Additions	572,500	1,113,851	466,121	262	-
At 30 June 2018	3,214,300	3,007,011	1,805,827	5,293	43,444
Depreciation					
At 2 July 2017	81,373	645,682	454,093	1,486	35,369
Charge for the period on owned assets	40,000	409,308	313,396	1,492	8,075
Charge for the period on financed assets	-	13,798	-	-	-
At 30 June 2018	121,373	1,068,788	767,489	2,978	43,444
Net book value					
At 30 June 2018	3,092,927	1,938,223	1,038,338	2,315	-
At 1 July 2017	2,560,427	1,247,478	885,613	3,545	8,075

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

15. Tangible fixed assets (continued)

	Total £
Cost	
At 2 July 2017	5,923,141
Additions	2,152,734
At 30 June 2018	<u>8,075,875</u>
Depreciation	
At 2 July 2017	1,218,003
Charge for the period on owned assets	772,271
Charge for the period on financed assets	13,798
At 30 June 2018	<u>2,004,072</u>
Net book value	
At 30 June 2018	<u>6,071,803</u>
At 1 July 2017	<u>4,705,138</u>

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

	30 June 2018 £	1 July 2017 £
Plant and machinery	57,162	106,448
	<u>57,162</u>	<u>106,448</u>

KEEN & TOMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 2 July 2017	4,940,804
At 30 June 2018	4,940,804
Net book value	
At 30 June 2018	4,940,804
At 1 July 2017	4,940,804

See note 34 for a list of subsidiaries.

17. Stocks

	Group 30 June 2018 £	Group 1 July 2017 £	Company 30 June 2018 £	Company 1 July 2017 £
Raw materials	1,611,752	1,216,139	-	-
Finished goods and goods for resale	720,936	722,652	-	-
	<u>2,332,688</u>	<u>1,938,791</u>	<u>-</u>	<u>-</u>

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

18. Debtors

	Group 30 June 2018 £	Group 1 July 2017 £	Company 30 June 2018 £	Company 1 July 2017 £
Trade debtors	8,614,260	8,912,386	-	-
Amounts owed by group undertakings	-	-	203,500	-
Other debtors	742,972	1,614,473	230	-
Prepayments and accrued income	912,093	779,177	-	-
	<u>10,269,325</u>	<u>11,306,036</u>	<u>203,730</u>	<u>-</u>

19. Cash and cash equivalents

	Group 30 June 2018 £	Group 1 July 2017 £	Company 30 June 2018 £	Company 1 July 2017 £
Cash at bank and in hand	3,185,384	1,717,588	-	-
Less: bank overdrafts	(3,931)	(89,969)	-	-
	<u>3,181,453</u>	<u>1,627,619</u>	<u>-</u>	<u>-</u>

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

20. Creditors: Amounts falling due within one year

	Group 30 June 2018 £	<i>Group 1 July 2017 £</i>	Company 30 June 2018 £	<i>Company 1 July 2017 £</i>
Bank overdrafts	3,931	89,969	-	-
Bank loans	130,197	98,545	-	-
Trade creditors	7,414,372	6,102,842	-	-
Amounts owed to group undertakings	-	-	-	143,839
Corporation tax	625,194	768,552	5,693	-
Other taxation and social security	998,140	1,065,514	-	-
Obligations under finance lease and hire purchase contracts	41,811	7,222	-	-
Other creditors	2,473,091	1,833,585	-	1
Accruals and deferred income	2,083,825	3,200,895	-	52,500
Share capital treated as debt	2,250	2,250	-	-
	<u>13,772,811</u>	<u><i>13,169,374</i></u>	<u>5,693</u>	<u><i>196,340</i></u>

Bank overdrafts of £3,931 (2017 - £89,969) represent the invoice discounting facilities of the group, 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 26.

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

21. Creditors: Amounts falling due after more than one year

	Group 30 June 2018 £	<i>Group 1 July 2017 £</i>	Company 30 June 2018 £	<i>Company 1 July 2017 £</i>
Bank loans	1,715,277	1,457,599	-	-
Net obligations under finance leases and hire purchase contracts	55,748	-	-	-
Other creditors	674,258	564,274	-	-
Share capital treated as debt	-	1,050,000	-	1,050,000
	<u>2,445,283</u>	<u>3,071,873</u>	<u>-</u>	<u>1,050,000</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 26.

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

22. Loans

	Group 30 June 2018 £	Group 1 July 2017 £
Amounts falling due within one year		
Bank loans	130,197	98,545
	<u>130,197</u>	<u>98,545</u>
Amounts falling due 1-2 years		
Bank loans	134,546	102,170
	<u>134,546</u>	<u>102,170</u>
Amounts falling due 2-5 years		
Bank loans	429,715	328,254
	<u>429,715</u>	<u>328,254</u>
Amounts falling due after more than 5 years		
Bank loans	1,151,016	1,027,175
	<u>1,151,016</u>	<u>1,027,175</u>
	<u><u>1,845,474</u></u>	<u><u>1,556,144</u></u>

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 30 June 2018 £	Group 1 July 2017 £
Within one year	41,811	7,222
Between 1-5 years	55,748	-
	<u>97,559</u>	<u>7,222</u>

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

24. Financial instruments

	Group 30 June 2018 £	Group 1 July 2017 £	Company 30 June 2018 £	Company 1 July 2017 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>9,357,232</u>	<u>10,526,859</u>	<u>203,730</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>12,510,935</u>	<u>11,206,286</u>	<u>-</u>	<u>1,193,840</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

	2018 £
At beginning of period	168,826
Charged to profit or loss	-
At end of period	<u><u>168,826</u></u>

	Group 30 June 2018 £	Group 1 July 2017 £
Accelerated capital allowances	<u>168,826</u>	<u>168,826</u>
	<u><u>168,826</u></u>	<u><u>168,826</u></u>

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

26. Share capital

	30 June 2018 £	1 July 2017 £
Shares classified as equity		
Allotted, called up and fully paid		
3,346,347 Ordinary shares of £1 each	3,346,347	3,346,347
230 Ordinary G shares of £1 each	230	-
	<u>3,346,577</u>	<u>3,346,347</u>
	30 June 2018 £	1 July 2017 £
Shares classified as debt		
Allotted, called up and fully paid		
2,250 (2017 - 1,052,250) Preference shares of £1 each	<u>2,250</u>	<u>1,052,250</u>

During the year company issued 230 Ordinary G shares of £1 each. The 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.

During the year company redeemed 1,050,000 preference shares of £1 each. No premium was payable on the premature redemption of preference shares. Until the date of redemption the preference shares attracted an annual dividend of 1% in the first year, 2% in the second year and 5% thereafter payable quarterly in arrears.

27. 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.

28. Prior year adjustment

Certain comparatives have been restated to conform with current period treatment. This has no effect on the profit and loss or reserves for the prior period.

KEEN & TOMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

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 £2,011 (2017 - £89,969).

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 £409,276 (2017 - £313,254). Contributions amounting to £87,147 (2017 - £58,340) were payable to the fund at the period end date.

KEEN & TOMS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018**

31. Commitments under operating leases

At 30 June 2018 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 30 June 2018 £	<i>Group 1 July 2017 £</i>
Land and buildings		
Not later than 1 year	382,940	371,690
Later than 1 year and not later than 5 years	1,254,235	1,282,175
Later than 5 years	411,250	693,750
	<u>2,048,425</u>	<u>2,347,615</u>

	Group 30 June 2018 £	<i>Group 1 July 2017 £</i>
Other		
Not later than 1 year	254,132	248,975
Later than 1 year and not later than 5 years	164,947	125,163
	<u>419,079</u>	<u>374,138</u>

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

	Group 30 June 2018 £	<i>Group 1 July 2017 £</i>
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	326,667	420,000
	<u>676,667</u>	<u>770,000</u>

There were no commitments under non-cancellable operating leases in the company (2017 - £Nil).

KEEN & TOMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

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 £31,760 (2017 - £26,759). The outstanding balances at the year end aggregated to £3,251 (2017 - £4,785).

During the period the group made purchases amounting to £Nil (2017 - £67,339) from Web Office Systems Limited, a company in which R L Eastoe, director, is also a director. At the period end the amount owned to Web Office Systems Limited was £Nil (2017 - £10,758).

During the period, the group reimbursed expenses to directors and close family members of the directors. In aggregate these totalled £Nil (2017 - £46,965). The outstanding balances at the year end aggregated to £2,655 (2017 - £1,045).

At the period end an amount of £58,699 (2017 - £45,228) was due to The Furniture Recycling Group Limited, a company in which P G Keen and R L Eastoe, directors, are also directors. During the period the group made purchases of £Nil (2017 - £375,820) from The Furniture Recycling Group Limited.

At the period end an amount of £Nil (2017 - £923,359) was due from The London Bedding Centre Limited, a company controlled by P G Keen, a director.

In the prior years the group transferred a freehold property to The London Bedding Centre Limited, at cost of £341,446. The balance owed to the group at the period end was £359,257 (2017 - £341,446).

33. Controlling party

According to the directors there is no ultimate controlling party.

KEEN & TOMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

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.