

26 September 2008

TOYE & COMPANY PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

Chairman's Statement

Results

The turnover for the first six months of the year was £4,232,072, a reduction of £249,674 against the previous half year. The decrease in sales primarily related to the month of March which was, significantly, both below budget and the previous year's sales. Whilst it was anticipated that the subsequent months to the half year would recover those sales, in the event this did not materialise. This reduction in sales combined with lower gross margins on the longer term Governmental contracts resulted in a loss before taxation of £195,082 as against a profit for the same period last year of £14,980.

Trading

The half year period was marked by the premature death of a very experienced London-based senior sales executive and by the emigration, for family reasons, of an experienced sales Director. These unexpected events have had an impact on our comparatively small business. Whilst those areas immediately involved with the foregoing, suffered, other market sectors performed well. On a positive note, this situation, has provided the opportunity to restructure and re-focus a new Corporate Sales team, which is concentrating its energies on those areas which need strengthening.

The results for the half year loss include charging costs incurred in the restructuring programme which is being implemented across the company and which continues in both the Birmingham and Bedworth factories.

Many Government contracts either permit no increases in price throughout the term of the contract or, where any increase is allowed, it is usually limited to increases in the Retail Price Index. Your Company has experienced significant rises above the RPI, e.g. in raw materials, bullion and energy. Some of these contracts are nearing four years duration and the costings were based on facts clearly very different at the time of pricing. Despite cost escalation clauses, many cost increases have had to be absorbed, resulting in little or no margin on some contracts.

Outlook

In my year end statement I expressed concern that the next two years were likely to be difficult with both national and international recession threatening. This is proving to be the case.

Historically, the second half year is generally less strong and this situation will be exacerbated by lack of confidence due to the current financial and economic situation. However, the second half year will benefit from orders already placed with your company by retailers in readiness for the Christmas period.

With improvements in overall efficiency and the continuing programme of increasing productivity through investment in modern technology, management firmly believes that the future will be protected when senior skilled members of the work force retire.

The Design and Marketing Department centred on our Birmingham facility now incorporates a new website manager to support the development work of the new website. The website and this position are considered essential for the future, as sales move from more traditional routes to web-based purchasing. The further development of our e-commerce facilities are a key component in this.

Provided there is no further deterioration or turmoil within the global financial situation, it is our belief that results will be improved by a combination of increased productivity, further use of outsourcing and offshore manufacture, and an improvement in sales performance.

Regalia House
19, 20 & 21 Great Queen Street,
London, WC2B 5BE

BRYAN TOYE
Chairman

26 September 2008

Consolidated Income Statement
for the six months ended 30 June 2008

	Notes	Six months to 30 June 2008 £	Six months to 30 June 2007 £	Year to 31 December 2007 £
Revenue	2	4,232,072	4,481,746	8,662,517
Operating expenses		4,363,079	4,404,956	8,501,557
Operating (loss)/profit		(131,007)	76,790	160,960
Finance costs		(64,075)	(61,810)	(132,384)
(Loss)/profit before and after taxation		(195,082)	14,980	28,576
(Loss)/earnings per share - basic and diluted	3	(8.68)p	0.67p	1.27p

All activities relate to continuing operations.

Statement of Recognised Income and Expenses

(Loss)/profit for the period		(195,082)	14,980	28,576
Total recognised (expenses)/income for the period		(195,082)	14,980	28,576

Consolidated Balance Sheet
at 30 June 2008

	Notes	At 30 June 2008 £	At 30 June 2007 £	At 31 December 2007 £
Assets				
Non-current assets				
Plant, property and equipment		2,192,148	2,285,514	2,242,847
Current assets				
Inventories		1,538,283	1,555,061	1,608,538
Trade and other receivables		1,335,445	1,289,136	1,157,832
Cash and cash equivalents		6	-	6
Total current assets		2,873,734	2,844,197	2,766,376
Liabilities				
Current liabilities				
Trade and other payables		1,450,771	1,343,590	1,308,865
Current borrowings	5	427,522	300,512	272,082
		1,878,293	1,644,102	1,580,947
Net current assets		995,441	1,200,095	1,185,429
Non-current liabilities				
Non-current borrowings	5	1,299,498	1,394,032	1,345,103
Deferred payments		66,000	88,000	66,000
		1,365,498	1,482,032	1,411,103
Net assets		1,822,091	2,003,577	2,017,173
Equity - Capital and reserves attributable to the Company's equity holders				
Share capital		562,000	562,000	562,000
Share premium account		2,677	2,677	2,677
Retained profits		1,257,414	1,438,900	1,452,496
Total equity		1,822,091	2,003,577	2,017,173

Consolidated Cash Flow Statement
for the six months ended 30 June 2008

	Six months to 30 June 2008	Six months to 30 June 2007	Year to 31 December 2007
	£	£	£
Cash flows from / (used in) operating activities			
Cash (used by)/generated from operating activities	(39,815)	25,419	185,974
Interest received	2,135	1,946	3,742
Interest paid	(66,210)	(63,756)	(136,126)
Net cash (absorbed by)/generated from operating activities	(103,890)	(36,391)	53,590
Cash flows from investing activities			
Purchase of property, plant and equipment	(5,945)	(39,610)	(62,739)
Proceeds from sale of property, plant and equipment	-	-	10,513
Net cash flows from investing activities	(5,945)	(39,610)	(52,226)
Cash flows from financing activities			
Net repayment of borrowings	(42,174)	(46,478)	(92,340)
Net cash flows from financing activities	(42,174)	(46,478)	(92,340)
Net (decrease) in cash and cash equivalents			
	(152,009)	(122,479)	(90,976)
Cash and cash equivalents at the beginning of the period	4	(189,159)	(98,183)
Cash and cash equivalents at the end of the period	4	(341,168)	(189,159)

Cash and cash equivalents comprise cash in hand and at bank net of bank overdrafts.

Notes to the Interim Financial Statements

1. Basis of preparation

This interim report has been prepared using accounting policies consistent with those to be adopted in the next consolidated financial statements which will be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The results for the six months ended 30 June 2008 and 30 June 2007 have not been audited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The abridged financial information for the year ended 31 December 2007 has been derived from the statutory accounts included in the Annual Report 2007, which were prepared under International Financial Reporting Standards (IFRS), and have been filed with the Registrar of Companies. The auditor's report on these accounts was unqualified and did not contain statements under Section 237 (2) or (3) of the Companies Act 1985 which deal respectively with the maintaining of proper accounting books and records and the availability of information to the auditors.

The Interim Report and Financial statements were approved by the Board of Directors on 26 September 2008. A copy of the interim statement will be posted to shareholders and made available to the public at the Company's Registered Office, 19, 20 & 21 Great Queen Street, London and on the Company's website www.toye.com.

2. Segmental reporting

The Group has one main business segment, which is that of the marketing, selling, supply chain management and distribution, manufacture as appropriate and procurement of identity products.

The revenue, all of which has been generated in the UK, is analysed by geographical markets as follows:

	Six months to 30 June 2008	Six months to 30 June 2007	Year to 31 December 2007
	£	£	£
United Kingdom	3,638,644	3,848,599	7,271,886
Rest of World	593,428	633,147	1,390,631
	4,232,072	4,481,746	8,662,517

3. Earnings per share

The calculation of earnings per ordinary share is based on Group profit after taxation and the unchanged number of 2,248,000 ordinary shares of the Company.

Notes to the Interim Financial Statements (continued)

4. Analysis of net debt

	At 1 January 2008 £	Cashflow £	Other non cash changes £	At 30 June 2008 £
Cash at bank and in hand	6	-	-	6
Overdraft	(189,165)	(152,009)	-	(341,174)
	(189,159)	(152,009)	-	(341,168)
Debt due within one year	(82,917)	42,174	(45,605)	(86,348)
Debt due after one year	(1,345,103)	-	45,605	(1,299,498)
	(1,617,179)	(109,835)	-	(1,727,014)

5. Borrowings

	At 30 June 2008 £	At 30 June 2007 £	At 31 December 2007 £
Current			
Bank overdrafts	341,174	220,662	189,165
Bank borrowings	86,348	79,850	82,917
	427,522	300,512	272,082
Non current			
Bank borrowings	1,299,498	1,394,032	1,345,103
Total borrowings	1,727,020	1,694,544	1,617,185

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WEBSITES

www.toye.com
(Catalogue of group products)

www.lbbblondon.com
(Catalogue of men's accessories)

www.kjdjewellers.com
(Catalogue of cufflinks and men's accessories)

www.staddendirect.com
(Online shopping for pewter models & figurines)

www.bentonandjohnson.com
(Online shopping for embroidery requisites)

www.toyekenningandspencer.com
(Online masonic shopping)

tks-uniform-insignia.co.uk
(Catalogue of embossed technology products)

www.tksidentityclothing.co.uk
(Catalogue of identity clothing)

www.cornelijamesneckwear.co.uk
(Catalogue of corporate neckwear)

www.tksmedalsandribbons.co.uk
(Online shopping for medals and ribbons)

www.rotaryregalia.com
(Online rotary products shopping)