

Toye & Company p.l.c.

Founded 1685

Annual Report 2006

BY APPOINTMENT
TO HER MAJESTY THE QUEEN
SUPPLIERS OF GOLD AND SILVER LACES
INSIGNIA AND EMBROIDERY
TOYE, KENNING & SPENCER LTD LONDON

Toye, Kenning & Spencer

Civil and Military Regalia, Medals,
Uniforms, Trimmings, Accoutrements and Accessories
Mayoral and Municipal Insignia, Chains of Office
Association, Presidential and Chairman Badges
Supply Chain Management and Distribution

Masonic, Municipal Regalia, Robes, Maces, Caskets
Masonic, Rotary and other Society Badges
Regimental and Civil Embroidered Badges
Gold Laces, Braids, Cords and Fringes
Gold and Silver Thread

Peaked Caps and Uniform Headdress
Hand and Machine Embroidery
Woven and Screen Printed Badges
Narrow Fabrics, Medal and Navy Cap Ribbons
Banners, Bannerettes and Honours Caps

Ties, Scarves and Bow Ties
Tee and Sweat Shirts and Embroidered Pullovers
Corporate Identity, Sports and Leisure Wear
Cups, Plaques, Tankards, Shields, Statuettes
Trophies, Sports Prizes and Enamelled Boxes
Pewter figures

Cufflinks, Relief and Enamelled Badges
Car Badges, Key Fobs, Conference Badges
Metal, Plastic, Celluloid and Button Badges
Silk Screen Printed Products

Gold, Silver and Glassware
Jewellery, Cutlery, Watches and Clocks
Long Service and Special Awards
Proof Coins and Commemorative Medallions
Presentations, Gavel, Mallets and Blocks

John Taylor, Poston

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Directors and Advisers

BOARD OF DIRECTORS B E Toye (*Chairman and Managing Director*)
TOYE & COMPANY p.l.c. Lord Rowe-Beddoe M.A., D.L. (*Deputy Chairman*)
*D Hartley F.C.A., M.A.B.R.P.
N A Haynes B.Sc., F.C.A. (*Appointed 13th April 2007*)
F A Toye (*Appointed 13th April 2007*)
*N K S Wills M.A., F.C.A.

SECRETARY N A Haynes B.Sc., F.C.A.

REGISTERED OFFICE Regalia House, 19-21 Great Queen Street, London WC2B 5BE

AUDITORS PKF (UK) LLP
New Guild House, Queensway, Birmingham B3 2LX

SOLICITORS Ashurst Morris Crisp
Broadwalk House, 5 Appold Street, London EC2A 2HA

DLA Piper UK LLP
Victoria Square House, Victoria Square, Birmingham B2 4DL

BANKERS Lloyds TSB Bank plc
17-23 Coventry Street, Nuneaton,
Warwickshire CV11 5TD

REGISTRARS Capita Registrars
AND TRANSFER OFFICE Northern House, Woodsome Park, Fenay Bridge, Huddersfield,
West Yorkshire HD8 0LA

REGISTERED No. 198641 England

* Independent Non Executive Director

Chairman's Statement

RESULTS

Turnover for the year ended 31st December 2006 amounted to £8,761,537 as against £8,227,663 for the previous year. This increase was achieved principally from the improved sales of the gentlemen's accessories range to domestic wholesalers and retailers, overseas markets and increased sales to the Ministry of Defence. This resulted in a profit before tax of £44,924 as compared with £3,870 for the previous year.

DIVIDEND

Despite the improvement in profit, your Board continues to consider that it would be imprudent to declare a dividend whilst capital repayments and interest are paid to the Bank to reduce our levels of indebtedness after the expenditure necessary to improve a number of aspects of the Company's operations needed to develop our future potential.

TRADING

The Retail Division benefited from a new range of product which has been well received by the market place. After a slow start during 2006, sales on the Ministry of Defence contract are now on target and I am pleased to report that the Defence Clothing Integrated Project Team organisation of the Ministry of Defence, have commended us on our recent performances. Sales in our traditional areas held steady, and by and large remain profitable. Certain areas of manufacturing have been expanded, most notably in Birmingham, where production has been streamlined and its capability, range of work and capacity enhanced, whilst others have been scaled back to meet pricing points demanded by the market place. This has provided an additional impetus to increase offshore supplies, where available, to win orders.

DIRECTORS, MANAGEMENT AND STAFF

I am pleased to welcome Neil Haynes, recently appointed as Financial Director of the Company. Neil Haynes has been Company Secretary for a number of years. This follows his recent appointment to the Board of Toye, Kenning & Spencer Limited, where, together with the other appointments of five of his colleagues to that Board, provides an average age of the principal trading company's eight Directors and the Management Team in the low 40's.

Mrs Fiona Toye, also recently appointed to the Board of Toye, Kenning & Spencer Limited, has been appointed as a Director of the Company, where she holds responsibilities for all aspects of Group Marketing.

Both Mr Haynes and Mrs Toye offer themselves for election at the AGM.

Mr Philip Frost, aged 63 years, resigned from the business in December 2006 to pursue interests elsewhere.

All the Management changes have been well received throughout the company and the Directors wish to thank all members of staff not only for giving their continued support to the Management team but also for their important contribution during the year.

I am pleased to announce that with such a team effort we have retained the ISO 9001:2000 Quality Management System qualification for a further three years.

RESTRUCTURE AND REORGANISATION

Substantial investment has been made to implement a restructuring, reorganisation and modernisation programme throughout the business starting with Marketing and Sales, followed by improvements to Administration and Production facilities. The exercise is planned over a two year period, the year under review and the current year, but may extend to a third year as developments and modernisation proceed. Currently this has been mainly centred on our Birmingham facility in order to accommodate the Ministry of Defence contract alongside an increase in the business's more regular demands. However, this programme will be extended as required throughout the Company, with all operational facilities being carefully scrutinised.

RISK AND UNCERTAINTIES

New regulations require an outline of potential risks and uncertainties which could have a material impact on your Company's long term performance and achievement of its strategy. These risks and uncertainties arise as a result of operation, regulatory, financial, market driven factors, or local or global pandemics.

Operational Factors

Brands, formats and offerings

Trading conditions for a company like ours are exceedingly price sensitive with our competitors often selling at discounted prices as an element of their short term marketing strategy. To combat this, your Company is placing the greatest emphasis on all aspects of marketing, and emphasising the security and reliability of our supply base.

The registration of trade marks have been confirmed for London Badge & Button (LBB) and KJD Jewellers (KJD) alongside the Toye brand (TOYE, TOYE'S, TOYES) registered sometime ago.

Regulatory Factors

The UK legislation, often adopted from the European Union, enhances foreign competition, making it increasingly easy for those companies to enter the UK

Chairman's Statement (continued)

market whilst the playing fields are not as level as is often believed, as we may not be offered similar opportunities to compete in those same countries.

The Government has continually increased the minimum wage materially above the rate of inflation and the new minimum wage often triggers demands to retain the differentials of a structured pay policy. This is no longer achievable if your Company is to maintain profitability unless more product is purchased at very low cost from offshore suppliers. The strategy to streamline the business in order to retain some UK manufacturing capabilities, especially in the higher value low volume work, is essential to your Company's future. Offshore sourcing, is planned to contribute a disproportionate element of the increased sales volume.

Market Driven Factors

Many countries are reducing the size of their own armed forces with a reliance on the US Defence Forces and switching to an increase in NATO capabilities, with the potential loss of each of the participating countries' national identity. There has been a suggestion by Government for a move to a single countrywide uniform for the Police Force.

KEY PERFORMANCE INDICATORS

With all the many variables, it is difficult yearly to identify any meaningful key performance indicators that are reliable. This arises since so much of your Company's product is made to order and subject to tender, but as a generalisation, your Board has considered the sales achieved per head of employee, including those in manufacturing, although this is distorted by wholly factored work where production staff have made no contribution. The result has been:-

Sales Per Employee 2006 – £51,237 (2005 – £43,533)

Earnings Per Share 2006 – 2.00p (2005 – 0.17p)

ENVIRONMENTAL POLICY

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

CORPORATE GOVERNANCE

The Board supports a high standard of Corporate Governance by adopting those features of the Code that are appropriate. Nonetheless, they are becoming increasingly onerous and expensive. The business is not helped by the continuous increase in our cost base caused by the European Union, and other directives enacted by the UK Government. Your Board foresees further burdens yet to come, which will be made more onerous by remaining in the public domain. These issues really must question the benefit of your Company continuing with a formal listing.

HEALTH AND SAFETY

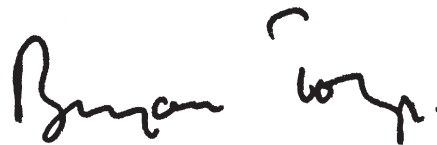
The Management of your Company are committed in the application of all aspects of Health and Safety at work and all related directives. However, the volume of such directives and the limitations at times for implementation are proving to be unduly burdensome on management.

FUTURE

Apart from the reorganisation and equipment improvement within your business, the greater emphasis is now on marketing in its widest sense. This is essential to take the business forward and will be rolled out across all areas of the business as the development of people and finance permit. Early signs are that the policy is working well with the strengthened and more clearly defined sales and marketing team. Underlying this programme is a current strong order book.

There is an enhanced commitment by staff to travel to seek out new suppliers and customers with continued research into the development of new products and sources globally.

After an open process of competitive tendering, the Government has appointed Toye, Kenning and Spencer Ltd to be the sole supplier of a new emblem, which is designed to be worn on the everyday clothing of those who have been appointed to the Order of the British Empire. It will give recipients the opportunity to show in their day to day lives that they have been honoured by Her Majesty the Queen for their contribution to society. The Order of the British Empire emblems have been released and are now available for purchase from your Company. As part of developing an awareness in the public domain of the Company and its qualities for which it stands, the enclosed booklet sent with the initial mailing of this year's Report & Accounts is also being sent with each despatch of OBE Emblems and other appropriate communications.



27th April 2007

Bryan Toye
Chairman

Report of the Directors

The Directors present their report and financial statements for the year ended 31st December 2006.

1. RESULTS AND DIVIDEND

The profit for the year before and after taxation amounted to £44,924 (2005 £3,870).

The Directors do not recommend payment of a dividend in respect of the year ended 31st December 2006.

2. REVIEW OF THE BUSINESS

A business review is contained in the Chairman's statement on pages 3 and 4.

The Group operates in one principal area of activity, that of marketing, selling, supply chain management and distribution, manufacturing as appropriate and procurement of identity products. This comprises the manufacturing and sale of civil and military regalia, including the weaving of ribbons and narrow fabrics, ties and neckwear, flags, leisure wear, trophies, awards, medals, badges, cufflinks, buttons, jewellery, gold and silverware, cutlery, glassware, watches and clocks, commemorative issues and limited editions.

3. DIRECTORS

The Directors of the Company at the date of this report are shown on page 2. All except Mrs F A Toye and Mr N A Haynes served throughout the year.

Mr P R S Frost served throughout the year and resigned on 5th February 2007.

Mrs F A Toye was appointed an alternate director to Mr B E Toye on 11th September 2006 and subsequently on 13th April 2007 her position was changed to that of a full director.

Mrs F A Toye and Mr N A Haynes having been appointed since the last annual general meeting retire and, being eligible, offer themselves for election.

4. DIRECTORS' INTERESTS

The Directors have declared their interests in the Share Capital of the Company at 31st December 2006 as follows:

	As at 31st December 2006		As at 1st January 2006 or subsequent date of appointment	
	Beneficial Interest	As a Trustee	Beneficial Interest	As a Trustee
B E Toye*	21,500	844,866	21,500	844,866
Mrs F A Toye*	4,000	844,866	4,000	844,866
P R S Frost	5,500	—	5,500	—
D Hartley	252,327	—	252,327	—
N A Haynes	—	—	—	—
N K S Wills	272,000	—	272,000	—
Lord Rowe-Beddoe	—	—	—	—

*Both B E Toye and Mrs F A Toye are trustees of the same family trust.

In addition to the above B E Toye has a beneficial interest in 64,100 (2005 64,100) shares held by his self invested personal pension scheme.

There have been no changes in Directors' interests in the period 31st December 2006 to 27th April 2007 except in respect of P R S Frost who sold 4,450 shares on 9th January 2007 thus reducing his holding to 1,050 shares.

Report of the Directors (continued)

5. PRINCIPAL SHAREHOLDERS

In addition to the interests of B E Toye, D Hartley and N K S Wills shown in note 4, the following have notified the Company as being interested in 3% or more of the Company's ordinary share capital as at 31st March 2007:

	Number of Shares	Percentage
S Elias	164,851	7.33%
Mrs R M W Green (née Toye)	89,220	3.97%

6. EMPLOYEES

The Group recognises that a loyal and highly skilled workforce is essential to the future of the business. During the year, the policy of providing employees with information about the Group has continued and employees are encouraged to present their suggestions. Regular meetings are held between management and employee representatives and committees to allow a free flow of information and ideas.

The Group recognises its obligations towards disabled people. Our policy is to give full and fair consideration to every employment application from disabled persons, having regard to their particular aptitudes and abilities and to give equal opportunities to disabled employees, with other employees, for training, career development and promotion. Every practicable effort is made to continue the employment of, or arrange appropriate training for, employees who become disabled.

7. TREASURY

The Group does not actively use financial instruments as part of its risk management with the exception of a cap on its interest rates. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

The Group's policies in respect of treasury management are as follows:

Financing

The Group's policy is to differentiate the financing options between medium and long term funds required for acquisitions and short term working capital finance. Medium and long term funds are financed by three loans totalling £1,650,000 of which £1,520,360 was outstanding at 31st December 2006. Since the year end these three loans have been consolidated into one loan of £1,500,000 which has been scheduled for repayment over 12 years from April 2007 by equal monthly instalments. Working capital finance for day to day requirements is provided through operating cash generation supported by an overdraft facility of £600,000. The Board monitors the Group's financing through its regular review of trading performance and authorises all significant transactions.

Interest rates

The Group's policy is to minimise interest charges and to limit its exposure to volatility within the market. Interest rates are therefore managed using a combination of floating rate borrowings linked to UK base rates where these are favourable combined with a cap on its interest rates.

Foreign currency

The Group monitors foreign currency rates and forward purchases to cover its exposure where necessary.

Hedging

The Group has taken out a cap, fixed at 5.5% libor against £1,000,000 of its debt for a term of 4 years to July 2010.

Further details of financial instruments are disclosed in note 18 to the financial statements.

Report of the Directors (continued)

8. SUPPLIERS' PAYMENT POLICY AND PRACTICE

The Group agrees terms and conditions for its business transactions with suppliers. Payment is then made in accordance with these terms subject to the terms and conditions being met by the supplier. The Company did not have any trade creditors.

9. STATEMENT REGARDING INFORMATION GIVEN TO AUDITORS

Each of the directors has confirmed that, so far as he or she is aware, there is no relevant audit information of which the Company's auditors are unaware, and that he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

10. ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 11th June 2007.

This report was approved by the Board on 27th April 2007 and signed on its behalf by:

N A Haynes B.Sc., F.C.A.
Secretary

Other Reports and Statements

CORPORATE GOVERNANCE

The Company has applied principles of corporate governance commensurate with its size.

Board of Directors

The Board currently comprises two independent Non-Executive Directors and four Executive Directors, and is responsible to shareholders for the proper management of the Group. Board meetings are held at least every two months and more frequently as circumstances require. The Board is responsible for setting and monitoring Group strategy, reviewing trading performance, funding, operating budgets, capital expenditure, acquisitions and divestments, formulating policy on key issues and reporting to shareholders.

The Board meets with the auditors periodically and as necessary. Directors are entitled to individual access to the Company's auditors at the Company's expense if there are concerns they wish to raise privately.

Audit Committee

The Audit Committee members are Mr D Hartley (Chairman), Mr N K S Wills and Lord Rowe-Beddoe, who all served throughout the year. It examines and reviews, on behalf of the Board, internal financial controls, financial and accounting policies and practices, the form and content of financial reports and statements and the work of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the Company, seeking to balance objectivity and value for money. In addition, the Board receives written confirmation from the external auditors as to any relationships which may be reasonably thought to bear on their independence. The external auditors also confirm whether they consider themselves independent within the meaning of UK regulatory and professional requirements.

Remuneration Committee

The Board has established a Remuneration Committee and set its terms of reference. The Remuneration Committee members are Mr N K S Wills (Chairman), Lord Rowe-Beddoe and Mr D Hartley who all served throughout the year. The role of the Committee is to set the Company's policy on the remuneration of the Executive Directors and senior management and to determine their specific remuneration packages, including bonus and share option arrangements. The whole Board decides upon the remuneration of the Non-Executive Directors. The Committee also acts as the Nomination Committee of the Board.

Re-appointment of Non-Executive Directors

All Non-Executive Directors are subject to re-election at the Annual General Meeting following their appointment, and at least once every three years.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Relations with Shareholders

Communications with Shareholders are given high priority. The Chairman's statement on pages 3 to 4 includes a detailed review of the business and future developments. The Board uses the Annual General Meeting to communicate with investors and welcomes their participation. The Chairman aims to ensure that the Chairmen of the Audit and Remuneration Committees are available at Annual General Meetings to answer questions. Details of resolutions to be proposed at the Annual General Meeting on 11th June 2007 can be found in the Notice of the meeting on page 26.

Other Reports and Statements (continued)

Internal Control

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is of the view that there is an on-going process for identifying, evaluating and managing the Group's significant risks, that it has been in place for the year ended 31st December 2006 and up to the date of approval of the annual report and accounts, that it is regularly reviewed by the Board and that it accords with the internal control guidance for directors on the Combined Code, where relevant for a company of our size.

The Board receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness training. The Board and the Audit Committee also receive regular reports from the 'health, safety and environmental monitoring' functions which include recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements for internal financial control.

The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its April 2007 meeting, the Board carried out the annual assessment for the year 2006, also taking account of events since 31st December 2006.

REPORT OF THE REMUNERATION COMMITTEE

The principal function of the Remuneration Committee is to determine the remuneration packages of all executive directors and approve those of senior management. This includes pension contributions, bonus payments, share options and service contracts.

The members of the Committee, which is chaired by a Non-Executive Director, are given on page 8.

The Company operates a remuneration policy for executive directors and senior management designed to ensure it attracts and retains the management skills necessary for it to remain a leader in its field. The Committee believes that directors' and senior managers' total remuneration should seek to recognise their worth in the external market.

Details of Directors' remuneration are set out in note 6 to the financial statements.

Service contracts of the Executive Directors have notice periods of less than one year's duration.

Other Reports and Statements (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to 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 and then apply them consistently;
- * make judgments and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Report of the Auditors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYE & COMPANY p.l.c.

We have audited the Group and Parent Company financial statements ('the financial statements') of Toye & Company p.l.c. for the year ended 31st December 2006 which comprise the Consolidated Profit and Loss Account, the Balance Sheets, the Group Statement of Cash Flows, the Group Statement of Total Recognised Gains and Losses, Other Statements and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements. The information in the Report of the Directors includes that specific information presented in the Chairman's Statement that is cross referenced from the review of the business section of the Report of the Directors.

In addition we report to you if, in our opinion the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the Report of the Directors, the Corporate Governance Statement, the Report of the Remuneration Committee and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the Parent Company's affairs as at 31st December 2006 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

PKF (UK) LLP
Registered Auditors
Birmingham, U.K.

27th April 2007

Consolidated Profit and Loss Account

FOR THE YEAR ENDED 31st DECEMBER 2006

	Notes	2006 £	2005 £
Turnover			
Continuing operations	2	8,761,537	8,227,663
Change in stocks of finished goods and work in progress		80,231	91,273
		<u>8,841,768</u>	<u>8,318,936</u>
Operating charges	3	(8,683,103)	(8,208,912)
Operating profit	5	158,665	110,024
Interest payable	7	(113,741)	(106,154)
Profit on ordinary activities before taxation		44,924	3,870
Taxation	8	—	—
Profit for the financial year	20	<u><u>£44,924</u></u>	<u><u>£3,870</u></u>
Earnings per share – basic and diluted	10	2.00p	0.17p

All activities relate to continuing operations.

Balance Sheets

AT 31st DECEMBER 2006

	Notes	The Group		The Company	
		2006 £	2005 £	2006 £	2005 £
Fixed assets					
Tangible assets	11	2,307,435	2,222,055	2,047,020	2,087,240
Investments	12	—	—	1,804,919	1,779,460
		<u>2,307,435</u>	<u>2,222,055</u>	<u>3,851,939</u>	<u>3,866,700</u>
Current assets					
Stocks	13	1,599,574	1,591,651	—	—
Debtors	14	1,229,129	1,127,529	336,473	177,380
Cash at bank and in hand		246	97,123	—	3,612
		<u>2,828,949</u>	<u>2,816,303</u>	<u>336,473</u>	<u>180,992</u>
Creditors: Amounts falling due within one year	16	<u>2,696,384</u>	<u>1,724,325</u>	<u>1,883,817</u>	<u>781,392</u>
Net current assets/(liabilities)		<u>132,565</u>	<u>1,091,978</u>	<u>(1,547,344)</u>	<u>(600,400)</u>
Total assets less current liabilities		<u>2,440,000</u>	<u>3,314,033</u>	<u>2,304,595</u>	<u>3,266,300</u>
Creditors: Amounts falling due after more than one year	16	<u>451,403</u>	<u>1,370,360</u>	<u>363,403</u>	<u>1,370,360</u>
		<u><u>£1,988,597</u></u>	<u><u>£1,943,673</u></u>	<u><u>£1,941,192</u></u>	<u><u>£1,895,940</u></u>
Capital and reserves					
Called up share capital	19	562,000	562,000	562,000	562,000
Share premium account		2,677	2,677	2,677	2,677
Revaluation reserve	20	1,463,248	1,489,562	1,463,248	1,489,562
Profit and loss account	20	(39,328)	(110,566)	(86,733)	(158,299)
Shareholders' funds		<u><u>£1,988,597</u></u>	<u><u>£1,943,673</u></u>	<u><u>£1,941,192</u></u>	<u><u>£1,895,940</u></u>

B E Toye
D Hartley } Directors

Approved by the Board of Directors and authorised for issue on 27th April 2007

Group Statement of Cash Flows

FOR THE YEAR ENDED 31st DECEMBER 2006

	Notes	2006		2005	
		£	£	£	£
Cash flow from operating activities	5		378,397		(460,632)
Returns on investments and servicing of finance					
Interest paid		(115,758)		(107,077)	
Interest received		2,017		923	
			(113,741)		(106,154)
Taxation			—		—
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(182,069)		(29,571)	
Receipts from sale of tangible fixed assets		—		13,342	
			(182,069)		(16,229)
Cash inflow/(outflow) before financing			82,587		(583,015)
Financing					
New bank loans		150,000		500,000	
Repayment of borrowings		(111,120)		(18,520)	
			38,880		481,480
Increase/(decrease) in cash in the year			£121,467		£(101,535)
Reconciliation of net cash flow to movement in net debt					
Increase/(decrease) in cash in the year			121,467		(101,535)
Cash (inflow) from (increase) in debt			(38,880)		(481,480)
			82,587		(583,015)
Net debt at 1st January 2006			(1,701,130)		(1,118,115)
Net debt at 31st December 2006	15		£(1,618,543)		£(1,701,130)

Group Statement of Total Recognised Gains and Losses and Other Statements

FOR THE YEAR ENDED 31st DECEMBER 2006

	2006 £	2005 £
Group Statement of Total Recognised Gains and Losses		
Profit for the financial year	44,924	3,870
Total recognised gains and losses relating to the year	<u>£44,924</u>	<u>£3,870</u>
 Other Statements		
 Note of Historical Cost Profits and Losses		
Profit on ordinary activities before taxation	44,924	3,870
Difference between historical cost depreciation charge and actual depreciation calculated on revalued amounts	<u>26,314</u>	<u>26,314</u>
Historical cost profit on ordinary activities before taxation	<u>£71,238</u>	<u>£30,184</u>
Historical cost profit for the financial year	<u>£71,328</u>	<u>£30,184</u>
 Reconciliation of Movements in Group Shareholders' Funds		
Profit for the financial year	<u>44,924</u>	<u>3,870</u>
Net increase in Shareholders' funds	44,924	3,870
Opening Shareholders' funds	<u>1,943,673</u>	<u>1,939,803</u>
Closing Shareholders' funds	<u>£1,988,597</u>	<u>£1,943,673</u>

Notes to the Financial Statements

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain freehold and leasehold properties, and are in accordance with applicable accounting standards. The Company has taken advantage of the transitional provisions of FRS 15 and revaluations have not been updated since December 1997.

Basis of consolidation

The consolidated accounts incorporate the accounts of the Company and all its subsidiary undertakings for the year ended 31st December 2006. A separate profit and loss account for the Parent Company has not been presented as permitted by s230 of the Companies Act 1985.

Goodwill arising on acquisitions prior to 31st December 1998 was set off directly against reserves. Goodwill previously eliminated against reserves has not been re-instated on implementation of FRS 10. If a subsidiary or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Depreciation

Land is not depreciated. The cost or valuation of other tangible fixed assets is depreciated by equal annual instalments over the expected useful life of the asset as follows:

Freehold and long leasehold buildings	—	2%
Plant and equipment	—	10% to 25%
Motor vehicles	—	25%

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstance indicate the carrying value may not be recoverable.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost, in the case of work in progress and finished goods, includes an appropriate proportion of production overheads. Cost of materials is valued on a first in, first out basis.

Deferred taxation

Deferred taxation is provided using the full provision method. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax balances are not discounted. Deferred tax assets are only recognised where they arise from timing differences where their recoverability in the short term is regarded as more likely than not. Deferred tax is not provided on timing differences arising from the revaluation of certain fixed assets.

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

Pensions

During the year the Group operated a defined contribution pension scheme. The cost of the scheme is charged to the profit and loss account in the period to which it relates.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Notes to the Financial Statements (continued)

2. TURNOVER AND GROUP PROFIT

Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of sales related taxes. Turnover is recognised when goods are despatched.

The Group operates in one principal area of activity, that of marketing, selling, supply chain management and distribution, manufacturing as appropriate and procurement of identity products. This comprises the manufacturing and sale of civil and military regalia, including the weaving of ribbons and narrow fabrics, ties and neckwear, flags, leisure wear, trophies, awards, medals, badges, cufflinks, jewellery, gold and silverware, cutlery, glassware, watches and clocks, commemorative issues and limited editions.

Toye, Kenning & Spencer Limited, in the person of the Chairman, holds the Royal Warrant to Her Majesty the Queen as suppliers of gold and silver laces, insignia and embroidery.

Since 1978 the Company has held the appointment as Plate Jewellers to the Corporation of the City of London.

The turnover, all of which has been generated in the U.K., is analysed by geographical markets as follows:

	2006	2005
	£	£
United Kingdom	7,290,908	6,941,114
Rest of Europe	392,304	355,148
Africa	188,788	149,217
Australasia	201,765	119,033
Far East	207,484	56,566
North America	367,456	333,603
Rest of World	112,832	272,982
	<u>£8,761,537</u>	<u>£8,227,663</u>

3. OPERATING CHARGES

	2006	2005
	£	£
Raw materials and consumables	3,638,156	3,143,153
Other external charges	1,503,309	1,423,340
Staff costs (see note 4)	3,444,949	3,550,984
Depreciation	96,689	91,435
	<u>£8,683,103</u>	<u>£8,208,912</u>

4. STAFF COSTS

	2006	2005
	£	£
Wages and salaries	3,128,520	3,224,064
Social security costs	266,959	274,489
Other pension costs	49,470	52,431
	<u>£3,444,949</u>	<u>£3,550,984</u>

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

	2006	2005
Management, office staff and sales staff	65	64
Manufacturing	106	125
	<u>171</u>	<u>189</u>

Notes to the Financial Statements (continued)

5. OPERATING PROFIT

(a) This is stated after charging:

	2006	2005
	£	£
Directors' emoluments (see 6 below)	238,739	241,308
Restructure and reorganisation	162,868	—
Operating lease rentals		
— hire of plant and machinery	49,912	92,384
— rent of land and buildings	13,650	13,200
Auditors' remuneration		
— fees in respect of the audit of the Company's accounts	6,000	6,000
— fees in respect of the audit of the Company's subsidiaries' accounts	20,800	19,950
— tax services	4,250	4,250
— Total Auditors' remuneration	£31,050	£30,200

The Audit Committee has established a policy concerning the provision of non-audit services by the auditors and all of the services provided in the year were engaged in accordance with this policy.

The restructure and reorganisation costs relate to the Group's commitment to improve its working conditions and manufacturing efficiencies. This exercise is on going and further costs will be incurred during 2007.

(b) Reconciliation of operating profit to operating cash flow:

	2006	2005
	£	£
Operating profit	158,665	110,024
Depreciation	96,689	91,435
Settlement of residual defined benefit pension scheme obligations	—	(579,430)
(Increase) in stocks	(7,923)	(17,536)
(Increase) in debtors	(101,600)	(5,818)
Increase/(decrease) in creditors	232,566	(59,307)
Net cash flow from operating activities	£378,397	£(460,632)

6. DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Company were:

	2006	2005
	£	£
Fees	37,167	46,000
Remuneration (including benefits)	201,572	195,308
	£238,739	£241,308

Emoluments of Directors

The emoluments of the Directors of the Company were:

	Basic Salary	Fees	Total Benefits	Total 2006	Total 2005
	£	£	£	£	£
B E Toye	118,424	—	10,359	128,783	124,143
Lord Rowe-Beddoe	—	17,167	—	17,167	30,000
P R S Frost	65,202	—	7,587	72,789	71,165
D Hartley	—	10,000	—	10,000	8,000
N K S Wills	—	10,000	—	10,000	8,000
	£183,626	£37,167	£17,946	£238,739	£241,308

Payments were also made during the year as money-purchase contributions under the Group's pension arrangements in respect of P R S Frost amounting to £9,780 (2005 £9,542).

None of the Directors waived their rights to emoluments.

There were no share option schemes or other incentive schemes operating during the year ended 31st December 2006.

Notes to the Financial Statements (continued)

7. NET INTEREST PAYABLE

	2006	2005
	£	£
Interest payable – Bank loans and overdraft	115,758	107,077
Interest receivable – Bank interest	(2,017)	(923)
	£113,741	£106,154

8. TAXATION

The charge for the year represents:

	2006	2005
	£	£
UK corporation tax on profit for the period	£—	£—
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	£44,924	£3,870
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	13,477	1,161
Capital allowances in advance of depreciation	(30,081)	19,999
Other short term timing differences	2,956	—
Expenses not deductible for tax purposes	2,201	2,729
Difference between standard and actual tax rate	—	(225)
ACT utilised during the period	(17,384)	—
Tax losses carried forward net of utilisation of tax losses	28,831	(23,664)
	£—	£—

Factors that may affect future tax:

There are tax losses available for relief against future taxable profits of the relevant businesses amounting to £2,114,000 (2005 £2,069,000). The Group also has surplus ACT of £3,889 (2005 £21,273). In accordance with the Group accounting policy the related deferred tax asset has not been recognised.

No provision for deferred taxation is made in relation to the revaluation of property included in the revaluation reserve. If the Group's interest in property was disposed of at its net book value it is anticipated that no tax liability would arise.

9. PROFIT FOR THE FINANCIAL YEAR

The profit dealt with in the accounts of the Parent Company was £45,252 (2005 £4,213).

10. EARNINGS PER ORDINARY 25p SHARE

The earnings per ordinary 25p share is based on the profit after taxation and the average number of shares in issue throughout the year.

	2006	2005
Profit	£44,924	£3,870
Average number of shares in issue	2,248,000	2,248,000
Earnings per share – basic and diluted	2.00p	0.17p

There were no potentially dilutive ordinary shares in issue.

Notes to the Financial Statements (continued)

11. TANGIBLE FIXED ASSETS

	Land and Buildings		Plant and Equipment £	Motor Vehicles £	Total £
	Freehold £	Long Leasehold £			
The Group					
Cost or valuation					
As at 1st January 2006	1,170,000	1,239,000	2,020,017	84,894	4,513,911
Additions	—	—	148,456	33,613	182,069
Disposals	—	—	(188,267)	(25,724)	(213,991)
As at 31st December 2006	<u>1,170,000</u>	<u>1,239,000</u>	<u>1,980,206</u>	<u>92,783</u>	<u>4,481,989</u>
Depreciation					
As at 1st January 2006	149,120	172,640	1,916,495	53,601	2,291,856
Charge for year	18,640	21,580	42,321	14,148	96,689
Disposals	—	—	(188,267)	(25,724)	(213,991)
As at 31st December 2006	<u>167,760</u>	<u>194,220</u>	<u>1,770,549</u>	<u>42,025</u>	<u>2,174,554</u>
Net book value					
As at 31st December 2006	<u><u>£1,002,240</u></u>	<u><u>£1,044,780</u></u>	<u><u>£209,657</u></u>	<u><u>£50,758</u></u>	<u><u>£2,307,435</u></u>
As at 31st December 2005	<u><u>£1,020,880</u></u>	<u><u>£1,066,360</u></u>	<u><u>£103,522</u></u>	<u><u>£31,293</u></u>	<u><u>£2,222,055</u></u>
The Company					
Cost or valuation					
As at 1st January 2006 and 31st December 2006	<u>1,170,000</u>	<u>1,239,000</u>	<u>14,170</u>	<u>—</u>	<u>2,423,170</u>
Depreciation					
As at 1st January 2006	149,120	172,640	14,170	—	335,930
Charge for year	18,640	21,580	—	—	40,220
As at 31st December 2006	<u>167,760</u>	<u>194,220</u>	<u>14,170</u>	<u>—</u>	<u>376,150</u>
Net book value					
As at 31st December 2006	<u><u>£1,002,240</u></u>	<u><u>£1,044,780</u></u>	<u><u>£—</u></u>	<u><u>£—</u></u>	<u><u>£2,047,020</u></u>
As at 31st December 2005	<u><u>£1,020,880</u></u>	<u><u>£1,066,360</u></u>	<u><u>£—</u></u>	<u><u>£—</u></u>	<u><u>£2,087,240</u></u>

Freehold and leasehold properties were valued in December 1997 on the basis of open market value for existing use in accordance with the RICS Appraisal and Valuation manual by G L Hearn, Chartered Surveyors, the Company's external advisors.

Included in freehold and leasehold properties is land valued at £238,000 and £160,000, respectively, which is not depreciated.

The figures for land and buildings after eliminating the effect of revaluation are as follows:

	Freehold		Long Leasehold	
	2006 £	2005 £	2006 £	2005 £
Original cost	178,403	178,403	630,266	630,266
Depreciation	(40,287)	(37,408)	(149,212)	(138,446)
	<u><u>£138,116</u></u>	<u><u>£140,995</u></u>	<u><u>£481,054</u></u>	<u><u>£491,820</u></u>

Notes to the Financial Statements (continued)

12. FIXED ASSET INVESTMENTS

The Company Subsidiary undertakings	Shares £	Loans £	Total £
Cost			
As at 1st January 2006 and 31st December 2006	£3,547,557	£1,122,942	£4,670,499
Provisions			
As at 1st January 2006	2,142,343	748,696	2,891,039
(Release)	(25,459)	—	(25,459)
As at 31st December 2006	£2,116,884	£748,696	£2,865,580
Net book value			
As at 31st December 2006	<u>£1,430,673</u>	<u>£374,246</u>	<u>£1,804,919</u>
As at 31st December 2005	<u>£1,405,214</u>	<u>£374,246</u>	<u>£1,779,460</u>

Toye & Company p.l.c. controls 100% of the issued share capital of all its subsidiary undertakings. The principal trading subsidiary undertaking during 2006 was Toye, Kenning & Spencer Limited, a company registered in England and principally trading within the United Kingdom. The activities and trading names of Toye, Kenning & Spencer Limited are listed below:

Toye, Kenning & Spencer Limited	Distributors of group products. Supply chain management and distribution. Screen print and leisure wear products. Manufacture and sale of badges, ribbons, laces, cords, fringes, regalia, publications, furniture and accessories, uniform accoutrements, trimmings and accessories. Manufacture and sale of sports trophies, medallions, badges, societies' insignia, enamel boxes and giftware. Supplier of flags, bunting and banners.
* London Badge & Button Company Limited	Manufacture and sale of metal work products including badges, buttons and cufflinks.
* KJD Jewellers	Manufacture and sale of gold and silver cufflinks.
* Cornelia James Neckwear	Manufacture and sale of ties and neckwear.
* Benton & Johnson	Gold and silver wire drawers, manufacturers of gold and silver thread, plate, lace, cord, braid, regalia and all embroidery materials.
* John Taylor, Poston & Co	Suppliers of silver plate, glass, cutlery, gifts and presentations, jewellery, watches and clocks.
* Chas C. Stadden	Manufacture and sale of pewter figurines and models.
* Weston Cap	Manufacture and sale of uniform headdress.
* E Dent & Company (Horologists)	Manufacture, repair and sale of clocks and watches.

* Denotes dormant companies whose trading names are used by Toye, Kenning & Spencer Limited.

Notes to the Financial Statements (continued)

13. STOCKS

	2006 £	2005 £
The Group		
Raw materials	486,454	558,762
Work in progress	258,918	258,142
Finished goods and goods for resale	854,202	774,747
	<u>£1,599,574</u>	<u>£1,591,651</u>

14. DEBTORS

	The Group		The Company	
	2006	2005	2006	2005
	£	£	£	£
Trade debtors	1,167,490	1,068,348	—	—
Amounts owed by subsidiary undertakings	—	—	335,314	175,343
Other debtors	991	1,308	—	—
Prepayments and accrued income	60,648	57,873	—	—
Other taxes	—	—	1,159	2,037
	<u>£1,229,129</u>	<u>£1,127,529</u>	<u>£336,473</u>	<u>£177,380</u>

15. ANALYSIS OF NET DEBT

	At 1st January 2006 £	Cashflow £	Other non cash changes £	At 31st December 2006 £
Cash at bank and in hand	97,123	(96,877)	—	246
Overdraft	(316,773)	218,344	—	(98,429)
	<u>(219,650)</u>	<u>121,467</u>	<u>—</u>	<u>(98,183)</u>
Debt due within one year	(111,120)	111,120	(1,156,957)	(1,156,957)
Debt due after one year	(1,370,360)	(150,000)	1,156,957	(363,403)
	<u>£(1,701,130)</u>	<u>£82,587</u>	<u>£—</u>	<u>£(1,618,543)</u>

Notes to the Financial Statements (continued)

16. CREDITORS

	The Group		The Company	
	2006 £	2005 £	2006 £	2005 £
Due within one year				
Bank loans and overdraft	1,255,386	427,893	1,519,479	427,893
Trade creditors	965,328	857,694	—	—
Amount owed to subsidiary undertakings	—	—	281,604	281,674
Other taxes and social security costs	223,944	230,003	—	—
Other creditors	96,292	33,393	194	194
Accruals	155,434	175,342	82,540	71,631
	<u>£2,696,384</u>	<u>£1,724,325</u>	<u>£1,883,817</u>	<u>£781,392</u>
Due after more than one year				
Bank loans	£363,403	£1,370,360	£363,403	£1,370,360
Deferred payments	£88,000	—	—	—
	<u>£451,403</u>	<u>£1,370,360</u>	<u>£363,403</u>	<u>£1,370,360</u>
Bank borrowings are repayable as follows:				
in one year or less or on demand	1,255,384	427,893	1,519,479	427,893
due within 1-2 years	161,124	1,111,120	161,124	1,111,120
due within 2-5 years	202,279	259,240	202,279	259,240
	<u>£1,618,787</u>	<u>£1,798,253</u>	<u>£1,882,882</u>	<u>£1,798,253</u>

Bank borrowings and overdraft are secured by legal charges and debentures over the Group's assets. Since the year end the Group's bank facilities have been renegotiated. See note 7 on page 6 for details of the revised payment terms.

17. DEFERRED TAXATION

	2006 £	2005 £
The Group		
Accelerated capital allowances	(76,000)	(106,000)
Other timing differences	3,000	—
Losses	(471,000)	(457,000)
	<u>£(544,000)</u>	<u>£(563,000)</u>
The Company		
Accelerated capital allowances	13,000	20,000
Losses	(163,000)	(163,000)
	<u>£(150,000)</u>	<u>£(143,000)</u>

Deferred tax assets have not been recognised in accordance with the Group's accounting policy.

18. FINANCIAL INSTRUMENTS

An explanation of the Group's objectives and policies for financial instruments within its activities can be found in the Report of the Directors on page 6. As permitted by FRS 13, short term debtors and creditors have been excluded from the numerical analyses. The following points are relevant:

Financing assets and liabilities

Loans and overdrafts totalling £1,618,787 (2005 £1,798,253) and cash and bank balances of £246 (2005 £97,123) at 31st December 2006 are subject to floating interest rates based on the UK base rate plus 1.75% as set out in facilities agreed with Lloyds TSB Bank plc. The interest charge has been limited by the means of a cap, fixed at 5.5% against £1,000,000 of its debt for a term of 4 years to July 2010. The Group has no financial assets or liabilities which are non interest bearing.

Borrowing facilities

The Group's undrawn committed borrowing facilities at 31st December 2006 related to an overdraft facility, repayable on demand, of £501,571 (2005 £183,227).

Notes to the Financial Statements (continued)

18. FINANCIAL INSTRUMENTS (continued)

Fair value of financial instruments

There is no significant difference between the carrying value and the fair value of financial instruments.

Currency analysis

The Group has no significant foreign currency denominated balances.

19. CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised 3,000,000 Ordinary shares of 25p each	<u>£750,000</u>	<u>£750,000</u>
Allotted and fully paid 2,248,000 Ordinary shares of 25p each	<u>£562,000</u>	<u>£562,000</u>

20. RESERVES

	The Group		The Company	
	Revaluation reserve £	Profit and loss account £	Revaluation reserve £	Profit and loss account £
Balance at 1st January 2006	1,489,562	(110,566)	1,489,562	(158,299)
Profit for year	—	44,924	—	45,252
Transfer of excess depreciation charge on revalued assets	(26,314)	26,314	(26,314)	26,314
Balance at 31st December 2006	<u>£1,463,248</u>	<u>£(39,328)</u>	<u>£1,463,248</u>	<u>£(86,733)</u>

The cumulative amount of goodwill written off since 31st December 1970 in respect of acquisitions is £519,713.

21. OBLIGATIONS UNDER OPERATING LEASES

The Group has annual commitments under operating leases at 31st December 2006 which expire as follows:

	2006 £	2005 £
Land and buildings		
Less than one year	12,000	—
Between two and five years	—	12,000
	<u>£12,000</u>	<u>£12,000</u>
Others		
Less than one year	30,518	1,023
Between two and five years	9,516	39,742
	<u>£40,034</u>	<u>£40,765</u>

22. PENSION BENEFITS

The Company operates a defined contribution pension scheme. The charge to the profit and loss account in the year amounted to £49,470 (2005 £52,431).

Shareholder Information

FIVE YEAR REVIEW

	2002 £	2003 £	Restated 2004 £	2005 £	2006 £
Group Turnover	7,865,827	7,284,270	8,009,919	8,227,663	8,761,537
Trading Profit before Taxation	12,181	6,284	536,513	3,870	44,924
Taxation	—	—	—	—	—
Dividends	—	—	—	—	—
Transfer to Reserves	12,181	6,284	536,513	3,870	44,924
Tangible Fixed Assets	2,302,447	2,317,340	2,297,261	2,222,055	2,307,435
Share Capital	562,000	562,000	562,000	562,000	562,000
Reserves	2,116,777	2,123,061	1,375,126	1,378,996	1,423,920
Profit before Taxation					
% of capital employed	0.45%	0.23%	27.66%	0.20%	2.26%
Earnings per share – basic and diluted	0.54p	0.28p	23.87p	0.17p	2.00p
Net Assets per share	119.28p	119.56p	86.29p	86.46p	88.46p

NOTICE TO SHAREHOLDERS

Attention is drawn to the special items listed on this page which are considered of particular interest to Shareholders.

DISCOUNT SCHEME

We are pleased to announce the continuation of the scheme whereby private, individual Shareholders may obtain a special discount of up to 15%.

A discount of 15% for cash and cheque payments, and 10% for credit card payments, off the normal VAT inclusive retail selling price will only apply to the purchase of stock lines off the shelf at the retail shops of Toye, Kenning & Spencer Limited in London, Bedworth, Preston and Birmingham. The discount will also apply on orders sent through the post for the same merchandise at those or other offices of Toye, Kenning & Spencer Limited.

A private individual who holds a minimum of 250 Ordinary Shares may apply for the Toye & Company p.l.c. Shareholder's "Special Purchase Card". The card will be available on request from the date the member's name has been entered on the Register. Upon its presentation at the time of purchase or the quotation of its serial number on orders sent through the post the discount will be allowed as an entitlement. The discount allowed by the card may not be added to or compounded with any other form of discount.

The Special Purchase Card will be cancelled as soon as the member ceases to hold the qualifying number of shares according to the Register.

This scheme applies to private persons and not to joint holders or organisations who are Shareholders.

RESULTS

The Group's half year results for 2007 will be announced to the Stock Exchange and sent to Shareholders in September.

TAXATION OF CAPITAL GAINS

The market value of Toye & Company p.l.c. shares at 31st March 1982 was 42p.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the eighty third annual general meeting of Toye & Company p.l.c. will be held at the Company's Offices at Regalia House, 19-21 Great Queen Street, London WC2B 5BE at 12.30 p.m. on 11th June 2007.

The business of the meeting will be:

ORDINARY BUSINESS

Report of the Directors and Financial Statements

1. To receive and, if approved, adopt the Report of the Directors and Financial Statements for the year ended 31st December 2006.

Directors for election

- 2a. To elect Mrs F A Toye as a Director of the Company.
- 2b. To elect N A Haynes as a Director of the Company.

Auditors' appointment and remuneration

3. To re-appoint PKF (UK) LLP as Auditors to the Company and to authorise the Directors to fix their remuneration.

27th April 2007

Registered Office

Regalia House
19-21 Great Queen Street
London WC2B 5BE

By Order of the Board

N A Haynes B.Sc., F.C.A.
Secretary

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. To be effective a completed and signed form of proxy together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power of authority, must reach Capita Registrars plc, The Proxy Processing Centre, Telford Road, Bicester OX26 4LD not less than 2 working days before the time of the meeting.
2. The appointment of a proxy does not prevent a member who so wishes from attending the meeting and voting in person.

Form of Proxy

FOR OFFICE USE	
Shares	

TOYE & COMPANY P.L.C.

If you wish to vote at the Annual General Meeting of Toye & Company p.l.c. but are unable to attend in person, you may appoint a proxy to act on your behalf by completing this form.

I/We the undersigned being a member(s) of Toye & Company p.l.c. hereby appoint the Chairman of the Meeting or *

.....
 as my/our proxy to attend and on a poll to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 12.30 p.m. on the 11th day of June, 2007 and at any adjournment thereof.

* If any other proxy is preferred delete the words "the Chairman of the Meeting or" and insert the name and address of the proxy. Please indicate how you wish your proxy to vote by ticking the appropriate box opposite each Resolution listed below. If you do not give any specific indication the proxy may vote or abstain at his discretion. In the case of joint shareholders any one holder may sign this Form of Proxy but the names of all joint holders must be shown.

Please print below in BLOCK capitals your name and address and that of the joint holder(s) (if any).

Resolutions:	For	Against
Ordinary Business		
1. To receive the Report of the Directors and Financial Statements	<input type="checkbox"/>	<input type="checkbox"/>
2. (a) To elect Mrs F A Toye as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
(b) To elect N A Haynes as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
3. To appoint PKF (UK) LLP as Auditors to the Company and to authorise the Directors to fix their remuneration	<input type="checkbox"/>	<input type="checkbox"/>

Signature Date

To be valid this Form of Proxy must be returned duly completed to the Company's Registrars not later than 48 hours before the time fixed for the Meeting, together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority. In the case of a company this form must be under the Common Seal or under the hand of an officer or attorney so authorised.

Second Fold

BUSINESS REPLY NUMBER
RRHB-RSXJ-GKCY

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CAPITA Registrars
The Proxy Processing Centre
Telford Road
Bicester
OX26 4LD

First Fold

Third Fold