

**25 September 2009**

**TOYE & COMPANY PLC**

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 30<sup>TH</sup> JUNE 2009**

**Chairman's Statement**

**Results**

The current economic climate has without doubt affected your Company's results. This has resulted in turnover for this first half year of £4,000,123, a reduction of £231,949 from the first half year turnover for 2008. Against a background of reduced sales, lower margins and costs associated with the redundancy programme, we have recorded a loss for the first half year of £197,006 compared to a loss of £195,082 for the first half of 2008 when no redundancy costs were incurred.

**Trading**

These are difficult trading conditions for any company as customers respond to the deepening recession, the effects of which have been most prevalent in the retail market which has accounted for most of the reduction in sales.

The results have been further affected by a reduction in gross profit margins. Raw material and component costs, many of which are quoted in US dollars, have continued to increase due to adverse fluctuations in the exchange rate of sterling against the US dollar. Pressure on margins will continue in the second half year particularly in the narrow fabrics market as the new MoD ribbon contract, won last year after a reverse auction leading to extremely low margins, goes into production.

The Company is continuing to implement measures to reduce overheads and improve productivity. Redundancies costs occur before the corresponding saving is felt. For the first half year redundancy costs amounted to £48,676. Further costs of £15,000 were charged in the first half year with the closure of the Preston branch which comprised a small showroom and workroom.

**Management**

Fiona Toye was appointed Chief Executive of the Company on 1<sup>st</sup> August 2009. I will remain as Chairman and will actively support the new Chief Executive and the Company by utilising my experience, knowledge, connections and skills, built up over many years.

**Outlook**

In her new role as Chief Executive, Fiona is taking the opportunity to review the operation and management team. This will apply to all sites with particular emphasis on the fundamentals of cost analysis, rationalisation of processes, productivity and product estimating. Attention to job specification and performance to improve individual effectiveness and team work, service to our customers and job satisfaction for our employees will be paramount. We hope that these actions will ultimately result in improved margins but recognise that initially costs will need to be incurred before the benefits are recognised.

The Company is continuing to improve its e-commerce services through both its expanding [www.toye.com](http://www.toye.com) web site and the introduction of the new 'Small-order' on line shopping website at [www.thetoyeshop.com](http://www.thetoyeshop.com) which is being developed to host retail as well as military products. These enable us to access a global market, without "on the ground" facilities, thus reducing sales administration and other overheads, whilst giving us the financial benefit of immediate cash sales. A full list of current web sites is listed on the inside back cover of this half year statement.

A new Corporate Brochure is planned for launch at the end of this month. This will provide for both current and potential new customers an introduction to our wide ranging design services which are backed by our capability to produce detailed specifications, sourcing and our own quality production.

The recession continues to affect all markets in which we operate and in particular the supply of product to other retailers. I am pleased to report that we have retained our retail customers albeit the orders received have been reduced in volume. In some regions of the world we have increased our customer base which augurs well for those overseas markets as and when they move out of recession.

In these difficult economic times, the Company has responded to wide ranging changes in the world at large with wide

ranging changes of its own. The Company is looking inwards to improve organisation, reduce overheads, improve productivity and sourcing; and outwards to new markets, new products and generally improved sales with the goal of being well placed to take advantage of an upturn in the economic situation and of returning to profitability.

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

BRYAN TOYE  
Chairman

25 September 2009

**Consolidated Income Statement**  
for the six months ended 30 June 2009

	Notes	Six months to 30 June 2009 £	Six months to 30 June 2008 £	Year to 31 December 2008 £
<b>Revenue</b>		<b>4,000,123</b>	4,232,072	8,604,610
Operating expenses		<b>4,165,946</b>	4,363,079	8,750,184
<b>Operating (loss)</b>		<b>(165,823)</b>	(131,007)	(145,574)
Finance costs		<b>(31,183)</b>	(64,075)	(121,866)
<b>(Loss) before and after taxation</b>		<b>(197,006)</b>	(195,082)	(267,440)
(Loss) per share - basic and diluted	2	(8.76)p	(8.68)p	(11.90)p

All activities relate to continuing operations.

Statement of Recognised Income and  
Expenses

(Loss) for the period	<b>(197,006)</b>	(195,082)	(267,440)
Total recognised (expenses) for the period	<b>(197,006)</b>	(195,082)	(267,440)

## Consolidated Balance Sheet

at 30 June 2009

	Notes	At 30 June 2009 £	At 30 June 2008 £	At 31 December 2008 £
<b>Assets</b>				
<b>Non-current assets</b>				
Plant, property and equipment		<b>2,079,777</b>	2,192,148	2,124,595
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<b>Current assets</b>				
Inventories		<b>1,260,261</b>	1,538,283	1,473,668
Trade and other receivables		<b>1,286,768</b>	1,335,445	1,679,024
Cash and cash equivalents		<b>4,671</b>	6	4,866
Total current assets		<b>2,551,700</b>	2,873,734	3,157,558
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<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		<b>1,100,658</b>	1,450,771	1,356,621
Current borrowings	4	<b>790,278</b>	427,522	902,842
		<b>1,890,936</b>	1,878,293	2,259,463
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<b>Net current assets</b>		<b>660,764</b>	995,441	898,095
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<b>Non-current liabilities</b>				
Non-current borrowings	4	<b>1,165,814</b>	1,299,498	1,250,957
Deferred payments		<b>22,000</b>	66,000	22,000
		<b>1,187,814</b>	1,365,498	1,272,957
<hr/>				
<b>Net assets</b>		<b>1,552,727</b>	1,822,091	1,749,733
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<b>Equity - Capital and reserves attributable to the Company's equity holders</b>				
Share capital		<b>562,000</b>	562,000	562,000
Share premium account		<b>2,677</b>	2,677	2,677
Retained profits		<b>988,050</b>	1,257,414	1,185,056
Total equity		<b>1,552,727</b>	1,822,091	1,749,733

### Consolidated Statement of Changes in Equity

for the six months ended 30 June 2009

	Share capital £	Share premium £	Retained earning £	Total £
Balance at 31 December 2007	562,000	2,677	1,452,496	2,017,173
Total recognised expenses	-	-	(267,440)	(267,440)
Balance at 31 December 2008	562,000	2,677	1,185,056	1,749,733
Total recognised expenses	-	-	(197,006)	(197,006)
<b>Balance at 30 June 2009</b>	<b>562,000</b>	<b>2,677</b>	<b>988,050</b>	<b>1,552,727</b>

**Consolidated Cash Flow Statement**  
for the six months ended 30 June 2009

	<b>Six months to 30 June 2009 £</b>	Six months to 30 June 2008 £	Year to 31 December 2008 £
<b>Cash flows from / (used in) operating activities</b>			
Cash generated from / (used by) operating activities	<b>243,333</b>	(39,815)	(498,100)
Interest received	-	2,135	5,774
Interest paid	<b>(31,183)</b>	(66,210)	(127,640)
Net cash generated from / (absorbed by) operating activities	<b>212,150</b>	(103,890)	(619,966)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	<b>(14,638)</b>	(5,945)	(38,894)
Proceeds from sale of property, plant and equipment	-	-	127,106
Net cash flows from investing activities	<b>(14,638)</b>	(5,945)	88,212
<b>Cash flows from financing activities</b>			
Net repayment of borrowings	<b>(56,854)</b>	(42,174)	(87,398)
Net cash flows from financing activities	<b>(56,854)</b>	(42,174)	(87,398)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>140,658</b>	(152,009)	(619,152)
Cash and cash equivalents at the beginning of the period	3 <b>(808,311)</b>	(189,159)	(189,159)
<b>Cash and cash equivalents at the end of the period</b>	3 <b>(667,653)</b>	(341,168)	(808,311)

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**

The accounting policies and methods of computation followed in the interim financial statement are consistent with those published in the Group's Annual Report and Financial Statements for the year ended 31 December 2008 except for the adoption in the period of: IFRS 8 - Operating segments, which had no material impact on these financial statements. IFRS1 - Presentation of financial statements, which has resulted in the inclusion of the consolidated statement of changes in equity as a primary statement. The adoption of this standard has not changed the recognition or measurement of specific transactions or events.

The results for the six months ended 30 June 2009 and 30 June 2008 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 2008 has been derived from the statutory accounts included in the Annual Report 2008, 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 25 September 2009. 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](http://www.toye.com).

### **2. Earnings per share**

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

### 3. Analysis of net debt

	At 1 January 2009 £	Cashflow £	Other non cash changes £	At 30 June 2009 £
Cash at bank and in hand	4,866	(195)	-	<b>4,671</b>
Bank overdraft and invoice discounting	(813,177)	140,853	-	<b>(672,324)</b>
	(808,311)	140,658	-	<b>(667,653)</b>
Debt due within one year	(89,665)	56,854	(85,143)	<b>(117,954)</b>
Debt due after one year	(1,250,957)	-	85,143	<b>(1,165,814)</b>
	(2,148,933)	197,512	-	<b>(1,951,421)</b>

### 4. Borrowings

	At 30 June 2009 £	At 30 June 2008 £	At 31 December 2008 £
<b>Current</b>			
Bank overdraft and invoice discounting	<b>672,324</b>	341,174	813,177
Bank loans	<b>117,954</b>	86,348	89,665
	<b>790,278</b>	427,522	902,842
<b>Non current</b>			
Bank loans	<b>1,165,814</b>	1,299,498	1,250,957
Total bank borrowings	<b>1,956,092</b>	1,727,020	2,153,799