

# CASSIDY BROTHERS plc (the “Company”)

Interim Results to 31 October 2007

## Chairman’s Statement

The Company’s performance for the six months to 31 October 2007 has shown an 8.5% increase in turnover to £1.95 million (2006: £1.80 million), which generated profit before taxation of £134,751 (2006: £265,597). The improvement in turnover has come from overseas F.O.B. business, which continues to grow albeit at a reduced margin.

Whilst this improvement in turnover is welcome news, the UK Christmas sales have been further compressed into the November and December second half results and are therefore, excluded from these figures.

I can advise, however, that sales for November were 50% higher on the month than 2006, with December approximately 20% higher. The Board anticipates that the first half contribution will be supported by increased revenue in the second half.

The Company’s balance sheet remains strong with net assets of £3,318,624 (2006: £3,392,672), representing a net asset value of 60.1 pence per share (2006: 61.4 pence per share).

The Company’s current product inventory is higher than 2006 due to an increase in anticipated 2008 spring and summer business.

## Current Trading

The market has seen a significant shift towards internet sales, not only from the traditional online suppliers, but also from the websites of high street stores. Customers now appear to know that if purchases are left to the last minute there is a better chance of the stores being panicked into price reductions. Our increase in turnover in November and December is a testament to this customer strategy. Online retailers need branded products to sell to give prestige to their website, instil a reliable image and a better degree of to purchase. In addition, 24-hour delivery service offered by online retailers, do not need the loss leader products to entice the public onto their sales floor, and we cannot see this trend changing.

## Future Prospects

Recent developments by the Chinese government has tightened quality controls, not only at point of manufacture, but also insisting that all exports have up to date test certificates no more than twelve months old.

The effects of this are positive for Casdon, in that we anticipate many small manufacturers will have to close down and these are the factories mostly responsible for making illicit copies of both our products and others from western economies.

The new dolls accessory range has performed well during 2007 and we plan to add more products for 2008.

The Middle Eastern market has had only minor success and requires consistent exposure. We will be showing again at the Dubai Fair.

**Interim Dividend**

The Directors are confident that the prospects for 2008 remain positive, and the Board has therefore announced an interim dividend of 0.7 pence per share (2006: Interim Dividend 0.7 pence per share) to be paid on 10 April 2008 to shareholders on the register on 7 March 2008. The Directors would like to thank all shareholders for their support and wish them a prosperous new year for 2008.

Paul M. Cassidy  
Chairman  
28 January 2008

<u>Profit &amp; Loss Account</u>	<b>Six months ended 31 October 2007 (unaudited) £</b>	Six months ended 31 October 2006 (unaudited) £	Year ended 30 April 2007 £
Turnover	<u>1,948,465</u>	<u>1,796,798</u>	<u>2,943,527</u>
Cost of Sales	<u>(1,309,739)</u>	<u>(1,026,054)</u>	<u>(1,629,723)</u>
Gross Profit	638,726	770,744	1,313,804
Warehouse and Distribution Costs	(382,588)	(366,383)	(899,102)
Administrative Expenses	(190,402)	(194,630)	(404,127)
Other Operating Income	62,962	56,717	122,422
Operating profit / (loss)	<u>128,698</u>	<u>266,448</u>	<u>132,997</u>
Net interest receivable / (payable)	<u>6,053</u>	<u>(851)</u>	<u>10,415</u>
Profit / (loss) on ordinary activities before taxation	134,751	265,597	143,412
Taxation	<u>(26,950)</u>	<u>(50,463)</u>	<u></u>
Profit / (loss) attributable to shareholders	107,801	215,134	143,412
Dividends	(71,817)	(27,620)	
Retained profit / (loss)	<u><u>35,984</u></u>	<u><u>187,514</u></u>	<u><u>143,412</u></u>
 <b>Earnings per share</b>	 <u><u>1.95p</u></u>	 <u><u>3.89p</u></u>	 <u><u>2.60p</u></u>

Summarised Balance Sheets

	<b>As at</b>	As at	As at
	<b>31 October</b>	31 October	30 April
	<b>2007</b>	2006	2007
	<b>(unaudited)</b>	(unaudited)	
	<b>£</b>	£	£
Fixed assets	<b>2,035,994</b>	1,955,685	2,009,520
Stock	<b>529,626</b>	383,992	197,394
Debtors	<b>1,567,582</b>	1,294,578	305,467
Cash	<b>578,739</b>	400,136	1,074,071
Current assets	<b>2,675,947</b>	2,078,706	1,576,932
Creditors: amounts falling due within one year	<b>(1323,840)</b>	(581,719)	(233,050)
Net current assets	<b>1,352,107</b>	1,496,987	1,343,882
Total assets less current liabilities	<b>3,388,101</b>	3,452,672	3,353,402
Deferred liabilities and provisions	<b>(69,837)</b>	(60,000)	(71,122)
Net assets employed	<b>3,318,264</b>	3,392,672	3,282,280
Share capital	<b>552,435</b>	552,435	552,435
Reserves	<b>2,765,829</b>	2,840,237	2,729,845
Shareholders' funds	<b>3,318,624</b>	3,392,672	3,282,280
NAV per share	<b>60.1p</b>	61.4p	59.4p

<u>Cash Flow Statement</u>	<b>Six Months Ended 31 October 2007 £</b>	Six Months Ended 31 October 2006 £	Year Ended 30 April 2007 £
Operating Profit	<b>128,698</b>	266,448	132,997
Depreciation charges	<b>51,750</b>	45,431	78,535
Loss on sale of tangible fixed assets	<b>(11,531)</b>		(275)
(Increase) / Decrease in Stock	<b>(332,232)</b>	(92,746)	93,852
(Increase) / Decrease in Debtors	<b>(1,262,115)</b>	(872,153)	108,079
Increase / (Decrease) in Creditors	<b>497,525</b>	149,839	(140,601)
	<b><u>(927,905)</u></b>	<u>(503,181)</u>	<u>272,587</u>
Net Interest (paid)/received	<b>6,053</b>	(851)	10,415
Taxation			8,879
Capital Expenditure	<b>(66,693)</b>	(128,105)	(214,769)
Equity Dividends paid	<b>(71,817)</b>	(27,620)	(66,290)
Unsecured loan and Finance lease	<b>(1,285)</b>		11,122
(Decrease) / increase in Cash Flow	<b><u>(1,061,647)</u></b>	<u>(659,757)</u>	<u>21,944</u>

## **Notes**

1. The results for the half year ended 31 October 2007, which have been prepared in accordance with the accounting policies adopted in the financial statements for the year ended 30 April 2007, have not been audited or reviewed by the Company's Auditors and do not constitute statutory accounts as defined in s240 of the Companies Act 1985.

The financial information for the year ended 30 April 2007 is an abridged version of the full accounts for that year, which have received an unqualified audit report and have been filed with the Registrar of Companies.

2. Taxation for the six months ended 31 October 2007 has been based on the estimated effective tax rate for the full year.

3. The calculation of Earnings per share is based upon the profit after taxation for the period divided by the number of ordinary shares in issue during the period. The number of shares in issue was 5,524,350 ordinary shares.
4. The calculation of Net Asset Value per share is based upon shareholders funds divided by the number of ordinary shares in issue at the balance sheet date. The number of shares in issue was 5,524,350 ordinary shares.
5. Deferred liabilities and provisions relate to provisions for deferred taxation and motor vehicle hire purchase.
6. This interim report will be available from the Company's offices and a copy will be sent to shareholders.