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The Company (Registered Number 565383)

DIRECTORS

P.M. Cassidy (Chairman and Managing Director)
T.D. Cassidy MBE (President) (deceased 3rd May 2007)
P.C. Cassidy (Joint Managing Director)
P.T. Cassidy (appointed 2nd June 2008 Joint Managing Director)
S. Wilkinson FCA *
(* Non-executive)

SECRETARY

S. Wilkinson FCA

REGISTERED OFFICE

Cornford Road,
Off Clifton Road, Marton
Blackpool FY4 4QQ

STOCKBROKERS AND NOMINATED ADVISORS

Zeus Capital Limited
3 Ralli Courts
West Riverside
Manchester
M3 5FT

AUDITORS

Tenon Audit Limited,
Registered Auditor,
88–96 Market Street West,
Preston PR1 2EU

SOLICITORS

Cuddy, Woods & Cochrane,
41 Springfield Road,
Blackpool FY1 1QE

BANKERS

Royal Bank of Scotland plc,
Talbot Square,
Blackpool FY1 1LE

REGISTRARS

Stanley Wilkinson & Co,
134 Red Bank Road,
Bispham,
Blackpool FY2 9HZ

Chairman's Statement

Good news. I thought that would be an appropriate start. The year to 30th April 2008 has returned profits before tax of £241,098 (2007 - £143,412), an increase of 68%, after an increase in sales of 12.8% to £3,319,759 (2007 – £2,943,527).

Current Trading

It will come as no surprise that high street trading in the U.K. remains poor, and investors would be forgiven for wondering from where our increase has come.

In my year end statement last year, I mentioned our pursuit of sales from other countries, known as F.O.B. sales, and this is increasing and reached approximately £600,000 for the year. It is largely from this business that our increase in revenue has been achieved.

I am pleased to announce that sons Philip and Peter Cassidy have both been made joint Managing Directors, with immediate effect, positions well deserved.

Future Prospects

For the first time China is experiencing such huge growth that its currency, RMB - Renminbi, has now overtaken the neighbouring Hong Kong Dollar, held historically at equal value the latter being pegged to the US Dollar movement. The RMB is now significantly higher in value than it was in 2007. As most toy factories are owned by Hong Kong Chinese and funded from Hong Kong banks this is a most unwelcome development. Raw material prices and labour rate increases imposed on the factories by the Chinese government have created spiralling factory gate price increases of 20% this year. By January 2009 a further 10% can be expected.

We have passed on some of these increases, and we have benefited from stock held at the pre-increase price, but for next year in January 2009 further increases can be expected.

The only consolation is that the world has the same problem. With inflationary situations such as this it is always good strategy to have “new to market” products whose prices cannot be easily compared with the previous year. We are currently working on two new products which will be suitable for TV promotion, and hope to further update shareholders on progress later in the year.

Final Dividend

The Directors' are of the opinion that notwithstanding the difficult trading conditions in the U.K. the Company recommends a final dividend of 1.50 pence per share (2007 – 1.30pence) payable on 25th September 2008 to shareholders on the register on 18th August 2008.

Paul Cassidy
Chairman

Notice of Meeting

Notice is given that the Annual General Meeting of the Company will be held on 19 September 2008 at 3 p.m. for the following purposes:-

- 1 To consider and adopt the Directors' report and the financial statements for the year ended 30 April 2008.
- 2 To declare a final dividend for the year ended 30 April 2008, which the directors recommend should be 1.50p per ordinary share.
- 3 To re-appoint Tenon Audit Ltd, as Auditor of the Company and to authorise the Directors to determine their remuneration.
- 4 To re-appoint Paul Cassidy as a director of the Company.
- 5 To re-appoint Peter Cassidy as a director of the Company.
- 6 To re-appoint Stanley Wilkinson as a director of the Company.

As special business to consider and, if thought fit, pass the following resolutions:

7 Ordinary resolution:

That the authority contained in Article 6 of the Company's Articles of Association be renewed save that the authority be limited to the maximum nominal amount of shares equal to the amount of unissued share capital of the Company immediately before the passing of this resolution and that in sub-paragraph (b) of Article 6 the date of the passing of this resolution shall be substituted for the date of the resolution adopting those Articles.

8 Special resolution:

That in accordance with Section 95 (3) of the Companies Act 1985 the authority to allot equity securities contained in Article 6(c) of the Company's Articles of Association be renewed for a period expiring at the next Annual General Meeting of the Company (or any adjournment thereof) or, if earlier, 15 months from the date of this resolution.

9 To transact any other ordinary business of the Company.

By order of the board

Stanley Wilkinson

Secretary

1 August 2008

The register of Directors' interests in shares will, together with Directors' service agreements, be available for inspection during usual business hours on any weekday (Saturday and public holidays excluded) at the registered office from this date until the date of the Annual General Meeting and at the place of the Meeting for fifteen minutes prior to and until the termination of the Meeting.

A holder of ordinary shares is entitled to attend and vote at the meeting and may appoint one or more proxies to attend and, on a poll, to vote instead of the shareholder. The proxy need not be a shareholder of the Company and the appointment of such proxy does not preclude the appointer from subsequently attending. A form of proxy for the use of shareholders is enclosed, and, to be effective, must be completed, signed and lodged with the Registrars, not less than 48 hours before the time appointed for the meeting.

Directors' Report

Accounts

The Directors present their report and financial statements for the year ended 30 April 2008.

Results and Dividend

The profit before taxation amounted to £241,098 (2007 – £143,412). The profit for the year, after deduction of dividends, amounts to £155,611 and has been transferred to reserves.

Principal Activities and Business Review

The principal activities of the Company remained that of toy and nursery goods manufacturers. A review of the business and an indication of future prospects is given in the Chairman's statement on page 4.

Future Developments

The Board seeks to maximise profitability from existing activities and to acquire businesses whenever suitable occasions present themselves.

Research and Development

The Company pursues a research and development programme creating and developing new toys in support of its activities.

Special Business at the Annual General Meeting

Resolution 7 in the Notice of Annual General Meeting, which will be proposed as an ordinary resolution, renews the authority contained in the Articles of Association given to the Directors to issue shares limited to the existing authorised but unissued share capital. No issue will be made which will effectively alter control of the Company without the consent of shareholders in general meeting.

Resolution 8 extends for a maximum period of 15 months the Directors' authority to issue shares for cash but limited in accordance with the Articles of Association of the Company. The Board also confirms that it is their intention to comply with the guidelines issued from time to time by the Investors Protection Committee.

Tangible Fixed Assets

Movements in the fixed assets are detailed in note 12 to the financial statements. The directors believe there may be a substantial difference between the market value and book value of land.

Directors

The names of the Directors who have served throughout the year are listed on page 3. All the Directors have service contracts with the Company which are terminable by either party giving to the other not less than 12 months written notice.

Non-executive Directors

S. Wilkinson is the non-executive Group Financial Director and Company Secretary and the Principal of Stanley Wilkinson & Co., Chartered Accountants.

Directors' Report continued

Directors Interests

Stanley Wilkinson & Co. act as Registrars and as Taxation Consultants to the Company.

A loan by T.D. Cassidy to The Company was repaid during the year (2007 - £46,612)

No Director had a material interest in any contract of significance to which the Company was party.

Substantial Shareholdings

Mr P.M. Cassidy holds 2,609,000 shares (47.23%), Mrs B. Cassidy holds 462,500 shares (8.37%), Mrs E.G. Cassidy who holds 241,150 shares (4.37%), Mr D. Cassidy who holds 176,291 (3.19%), Mr B.M. Cassidy who holds 176,291 (3.19%) and Mr and Mrs S. Bailey hold 213,500 shares (3.86%). The Directors are not aware of any person, company or group of companies who, directly or indirectly, are interested in 3% or more of the ordinary share capital of the Company.

Personnel

It is the policy of the Company to give full and fair consideration to applications made by disabled persons for job vacancies where particular job requirements are within their ability. Wherever possible, arrangements are made for continuing employment of employees who have become disabled.

Details of the number of employees and related costs can be found in note 7 to the financial statements.

Payment terms

The Company's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, ensuring that suppliers are made aware of the terms of payment, and to abide by the terms of payment.

The number of days' purchases represented by creditors at the end of the year was as follows:-

	2008	2007
Number of days' purchases	28	28

Employee Consultation

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

Political and Charitable Contributions

During the year, the Company made charitable contributions of £3,460 (2007: £70). There were no political contributions.

Directors' Report continued

Statement of Directors' Responsibilities in Relation to the Financial Statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company, and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial Instruments

The Company's trading operations are primarily financed by bank overdraft and profit retention.

At the year end, the Company had on demand bank borrowing facilities of £700,000 which the board monitors and considers are appropriate to the business. The Company has no long term bank borrowing requirement.

Due to the seasonal nature of the business the Company's liquidity is supported by the use of these funds.

The majority of the Company's purchases are now made in foreign currencies. Where transactions are undertaken in foreign currency, the directors will mitigate currency risk by the use of foreign currency bank accounts.

The Directors anticipate the level of currency required in the future and purchase currency at the spot rate when the exchange rates are favourable to enable the Company to pay in foreign currency liabilities when they fall due.

Key Performance Indicators

For the year ended 30 April 2008

	2008	2007
	£	£
1) TURNOVER	3,319,759	2,943,527
The increase in sales turnover is largely due to an increase in our F.O.B. business.		
2) GROSS PROFIT	1,448,674	1,313,804
The increased sales in our F.O.B. business has meant that the Gross Profit has also felt the benefit.		
3) PROFIT ON ORDINARY ACTIVITIES		
BEFORE TAXATION	241,098	143,412
The turnaround in our Profit before taxation is due to the impact of our F.O.B. business and stable overheads.		
4) OTHER KPI'S		
CASH AT BANK	961,340	1,074,071
BANK OVERDRAFT	0	20,861
EARNINGS PER SHARE	4.82p	2.60p
DIVIDENDS PER SHARE	2.00p	1.30p
NET ASSETS PER SHARE	62.23p	59.41p

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the company's activities. Initiatives designed to minimise the company's impact on the environment include the safe disposal of waste and reducing energy consumption.

Principle risks and uncertainties

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its customers, having fast response times not only in supplying goods but in handling customer queries, and by maintaining strong relationships with customers.

Tenon Audit Limited will be proposed for reappointment at the Annual General Meeting.

This report was approved by the Board on 1 August 2008.

Stanley Wilkinson
Secretary

Independent Auditors' Report to the Members of Cassidy Brothers plc

Independent auditor's report to the shareholders of Cassidy Brothers Plc

We have audited the financial statements of Cassidy Brothers Plc for the year ended 30 April 2008 on pages 12 to 26, which have been prepared under the accounting policies set out on pages 15 to 17.

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 auditor's 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' responsibility 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 Directors' Report.

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 are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

The information given in the Directors' Report includes that specific information presented in the Operating and Financial Review that is cross referred from the Business Review section of the Chairmans Statement.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Chairman's Statement and the Financial Summary. 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 disclosure in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider 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 company's affairs as at 30 April 2008 and of its profit for the year then ended.
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the Financial Statements.

Tenon Audit Limited

Registered Auditor

88-96 Market Street West, Preston PR1 2EU

1 August 2008

Profit and Loss Account

For the year ended 30 April 2008

	Notes	2008 £	2007 £
Turnover	2	3,319,759	2,943,527
Cost of Sales		<u>(1,871,085)</u>	<u>(1,629,723)</u>
GROSS PROFIT		1,448,674	1,313,804
Warehouse & Distribution costs		(925,862)	(899,102)
Administrative expenses		(407,066)	(404,127)
Other operating income		<u>128,605</u>	<u>122,422</u>
OPERATING PROFIT	3	244,351	132,997
Interest receivable and similar income	5	12,198	16,848
Interest payable and similar charges	6	<u>(15,451)</u>	<u>(6,433)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		241,098	143,412
Tax on profit on ordinary activities	10	<u>25,000</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		266,098	143,412
EARNINGS PER SHARE – BASIC AND DILUTED	11	<u><u>4.82p</u></u>	<u><u>2.60p</u></u>

All the above results derive from continuing activities.

There are no recognised gains or losses other than the result disclosed for the year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2008 £	2007 £
Reported profit on ordinary activities before taxation	241,098	143,412
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>3,843</u>	<u>15,873</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	244,941	159,285
HISTORICAL COST PROFIT RETAINED FOR THE YEAR	<u><u>269,941</u></u>	<u><u>159,285</u></u>

The notes on pages 15 to 26 form part of these Financial Statements

B a l a n c e S h e e t

At 30 April 2008

	Notes	2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		2,131,784		2,009,520
			2,131,784		2,009,520
CURRENT ASSETS					
Stocks	13		379,950		197,394
Debtors	14		279,997		305,467
Cash at bank and in hand			961,340		1,074,071
			1,621,287		1,576,932
CREDITORS (amounts falling due within one year)	15		(285,932)		(233,050)
NET CURRENT ASSETS			1,335,355		1,343,882
TOTAL ASSETS LESS CURRENT LIABILITIES			3,467,139		3,353,402
CREDITORS					
(amounts falling due after more than one year)	16		(8,248)		(11,122)
PROVISIONS FOR LIABILITIES AND CHARGES	17		(21,000)		(60,000)
NET ASSETS			3,437,891		3,282,280
CAPITAL AND RESERVES					
Called up share capital	18		552,435		552,435
Share premium account	19		43,522		43,522
Revaluation reserve	19		652,957		537,526
Profit and loss account	19		2,188,977		2,148,797
EQUITY SHAREHOLDERS' FUNDS	21		3,437,891		3,282,280

The financial statements on pages 12 to 26 were approved by the Board of Directors and authorised for issue on 9 July 2008

Paul Cassidy
Director

The notes on pages 15 to 26 form part of these Financial Statements

Cash Flow Statement

For the year ended 30 April 2008

	Notes	2008 £	£	2007 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	22		268,280		306,059
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		12,198		16,848	
Interest paid		(14,470)		(5,711)	
Interest element of finance lease rental payments		(981)		(722)	
			(3,253)		10,415
TAXATION					
Corporation tax			-		8,099
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(208,697)		(200,064)	
Receipts from sales of tangible fixed assets		11,531		275	
			(197,166)		(199,789)
EQUITY DIVIDENDS PAID			(110,487)		(66,290)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(42,626)		58,494
FINANCING					
Unsecured loan repayments	22	(46,612)		(35,325)	
Capital element of finance lease rental payments	22	(2,632)		(1,225)	
NET CASH OUTFLOW FROM FINANCING			(49,244)		(36,550)
(DECREASE) / INCREASE IN CASH	22		(91,870)		21,944

The notes on pages 15 to 26 form part of these Financial Statements.

Notes to the Financial Statements

1 ACCOUNTING POLICIES

Accounting Convention

The directors have elected to apply UK GAAP.

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain tangible assets. The financial statements have been prepared in accordance with applicable accounting standards.

Turnover

Turnover is in respect of continuing activities and represents amounts receivable for goods sold in the UK and overseas, net of trade discounts, VAT and other sales retail taxes.

Sales of goods are recognised when the company has delivered goods to the customer; the customer has accepted the goods; and collectability of the related debt is reasonably assured.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or value less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows.

Buildings	over 50 years
Plant and machinery	over 10 years
Moulds and tools	over 3 years
Fixtures and fittings	over 10 years
Computer equipment	over 5 years
Motor vehicles	over 5 years

The company took advantage of the arrangements under FRS15 which allow the retention of the carrying value of revalued assets acquired prior to 30th April 2000. All additions since this date are stated at cost. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss reserve.

Leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to profit and loss account over the period of the leases to provide a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on the same basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Notes to the Financial Statements

Stocks and Work in Progress

Stocks are stated at the lower of cost and net realisable value. Cost is arrived at as follows:-

Raw materials - purchase cost, on the first in, first out basis.

Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on normal levels of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred on completion and disposal.

Research and Development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

Pension Costs

Pension costs for the Company's defined contribution schemes are charged to the profit and loss account in the year in which they are payable.

Deferred Taxation

Deferred Tax is recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date except for:

- timing differences arising on revalued properties unless the company has entered into a binding sale agreement at the year end and is intending to take advantage of rollover relief; and
- deferred tax assets which are only recognised to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of underlying timing differences.

Deferred tax balances are not discounted.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

Current assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the operating profit or loss.

Notes to the Financial Statements

Financial Instruments

Financial instruments are recognised when the company becomes a party to the contractual provisions of the instrument. The principal financial assets and liabilities are as follows:

- a) Trade receivables - trade receivables are recognised at fair value
- b) Cash - cash is carried in the balance sheet at fair value. For the purposes of the cash flow statement, cash comprises cash at bank and in hand together with bank overdrafts, as these items are an integral part of the company's cash management.
- c) Trade payables - trade payables are recognised at fair value.
- d) Bank loans and other borrowings - interest bearing bank loans, overdrafts and other loans are recognised at fair value.

Impairment of Fixed Assets

The need for any fixed asset impairment writedown is assessed by comparison of the underlying value of the asset against the higher of realisable value and value in use.

Investment properties

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Employee services settled in share options

The fair value of employees services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined by the reference to the fair value of options. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. This estimate is revised at each balance sheet date and the difference is charged or credited to the income statement, with a corresponding adjustment to equity.

Notes to the Financial Statements

For the year ended 30 April 2008

2 SEGMENTAL INFORMATION

The directors regard the Company as conducting a single class of business, being the manufacture of an integrated range of toys and nursery goods.

An analysis of turnover by geographical destination is as follows:

	2008 £	2007 £
United Kingdom	3,080,289	2,846,665
Europe	100,931	83,674
U.S.A.	138,539	13,188
	3,319,759	2,943,527

3 OPERATING PROFIT

	2008 £	2007 £
Is arrived at after charging/(crediting)		
Research and development	142,962	175,697
Redundancy payments	-	8,502
Depreciation - owned fixed assets	83,465	77,297
- fixed assets held under finance leases	2,968	1,237
Profit on sale of fixed assets	(11,531)	(275)
	(11,531)	(275)

4 AUDITORS REMUNERATION

	2008 £	2007 £
Fees payable to the company's auditor for the audit of the company's annual accounts	11,800	9,000
Fees in respect of the company's pension schemes:		
Audit	550	500
	550	500

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Bank deposits	12,198	16,848
	12,198	16,848

The Company earned an interest rate of 2% on cash balances held.

INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Bank loans, overdrafts, and other loans repayable within five years	14,470	5,711
Finance leases terminating within five years	981	722
	15,451	6,433

Included in other loan interest is an amount of £1,251 (2007: £4,680) relating to interest paid to T.D.Cassidy on his loan to the company.

Notes to the Financial Statements

For the year ended 30 April 2008

7 EMPLOYEES

Number of Employees

The average number of employees employed by the Company (including directors) during the year was as follows:

	2008 Number	2007 Number
Production / Warehousing	8	8
Sales	4	3
Administration	4	4
	16	15
	2008	2007
	£	£
Wages and salaries	343,361	320,278
Social security costs	38,974	39,527
Other pension costs	45,068	44,346
	427,403	404,151

8 DIRECTORS

Emoluments

The remuneration of the directors of the Company were:

Emoluments
Money purchase pension scheme contributions

	2008	2007
	£	£
Emoluments	107,553	111,525
Money purchase pension scheme contributions	20,777	17,897
	128,330	129,422

Two directors accrued benefits under the Company's money purchase pension schemes. (2007:two)
The emoluments of executive directors are determined by the Remuneration Committee, and do not include any performance related elements.

Additionally, £15,020 (2007: £12,020) was paid to Stanley Wilkinson & Co. for registrar and taxation consultancy services.

Directors' Share Options

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Directors.

Details of the options are as follows:

	1 May 2007 Number	Granted Number	Exercised Number	30 April 2008 Number	Exercise Price	Date of Grant
P.M. Cassidy	120,000	–	–	120,000	32p	10 February 2000
S. Wilkinson	10,000	–	–	10,000	32p	10 February 2000

The options, if not exercised by 27 March 2010, will lapse.

Notes to the Financial Statements

9 PENSION ARRANGEMENTS

The Company operates one contributory defined contribution pension scheme, the assets of which are held separately from those of the Company in an independently administered fund.

Contributions payable by the Company to this scheme amounted to £45,068 (2007: £44,346).

Contributions of £4,002 were outstanding at 30 April 2008 (2007: £3,766).

10 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008	2007
	£	£
Current tax:	14,000	-
UK Corporation tax	14,000	-
Deferred tax (Note 17)	(39,000)	-
	(25,000)	-

The tax assessed for the period is lower than the standard rate of corporation tax in the UK.

The differences are explained below:-

	2008	2007
	£	£
Profit on ordinary activities before tax	241,098	143,412
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2007:19%)	48,220	27,248
Effect of:		
Expenses not deductible for tax purposes	1,367	243
Capital allowances for year in excess of depreciation	(12,433)	(3,551)
Utilisation of tax losses	(9,794)	(8,909)
Research and Development claim	(13,360)	(15,031)
Current tax charge for the year	14,000	-

The standard rate of tax represents the effective rate of corporation tax applicable to the company in the year under review.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total unprovided amount is £122,500 (2007: £122,500).

At present, it is not envisaged that any tax will become payable in the foreseeable future. The deferred tax asset would only be recognised if there was a binding commitment to sell and the expected gain on sale had been recognised in the accounts.

11 EARNINGS PER SHARE

Earnings per share are calculated on profit for the financial year of £266,098 (2007: £143,412) and on the weighted average number of shares in issue during the year of 5,524,350 (2007: 5,524,350).

Notes to the Financial Statements

12 TANGIBLE FIXED ASSETS

	Freehold land and Buildings	Plant and Machinery	Motor Vehicles	Total
Cost or valuation	£	£	£	£
At 1 May 2007	2,005,111	2,194,424	50,588	4,250,123
Additions	100,903	107,794	-	208,697
Disposals	-	(1,131,615)	-	(1,131,615)
At 30 April 2008	<u>2,106,014</u>	<u>1,170,603</u>	<u>50,588</u>	<u>3,327,205</u>
Depreciation	£	£	£	£
At 1 May 2007	126,568	2,077,054	36,981	2,240,603
Charge for the year	17,189	66,275	2,969	86,433
Disposals	-	(1,131,615)	-	(1,131,615)
At 30 April 2008	<u>143,757</u>	<u>1,011,714</u>	<u>39,950</u>	<u>1,195,421</u>
Net book value				
At 1 May 2007	<u>1,878,543</u>	<u>117,370</u>	<u>13,607</u>	<u>2,009,520</u>
At 30 April 2008	<u>1,962,257</u>	<u>158,889</u>	<u>10,638</u>	<u>2,131,784</u>
Leased assets included in the above:-				
At 1 May 2007	<u>-</u>	<u>-</u>	<u>13,607</u>	<u>13,607</u>
At 30 April 2008	<u>-</u>	<u>-</u>	<u>10,638</u>	<u>10,638</u>

The revaluation of freehold land and buildings and plant and machinery was carried out on 11 May 1998 by Messrs Henry Butcher, International Asset Consultants at existing use value. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual.

Analysis of cost
or valuation:

	2008		2007	
	Land and Buildings £	Plant and Machinery £	Land and Buildings £	Plant and Machinery £
Valuation made in 1998	1,600,000	514,350	1,600,000	514,350
Cost	<u>506,014</u>	<u>1,787,868</u>	<u>405,111</u>	<u>1,680,074</u>
	<u>2,106,014</u>	<u>2,302,218</u>	<u>2,005,111</u>	<u>2,194,424</u>

If the freehold land and buildings and plant and machinery had not been revalued, they would have been included at the following amounts at 30 April 2008.

	Freehold Land and Buildings	Plant and Machinery	Motor Vehicles	Total
	£	£	£	£
Cost	1,484,599	1,170,603	50,588	2,705,790
Depreciation	(175,299)	(1,011,714)	(39,950)	(1,226,963)
Net book value	<u>1,309,300</u>	<u>158,889</u>	<u>10,638</u>	<u>1,478,827</u>

In the directors' opinion, the estimated value of freehold land included in the valuation of freehold land and buildings amount to £750,000 (2007: £150,000).

The directors consider that the book value of the revalued assets does not exceed the net realisable value.

Notes to the Financial Statements

13 STOCKS	2008	2007
	£	£
Raw materials	21,810	4,525
Finished goods and goods for resale	358,140	192,869
	<u>379,950</u>	<u>197,394</u>

14 DEBTORS	2008	2007
	£	£
Trade debtors	242,975	192,093
Other debtors	8,258	6,408
Prepayments and accrued income	28,764	106,966
	<u>279,997</u>	<u>305,467</u>

All amounts shown under Debtors fall due within 1 year.

15 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2008	2007
	£	£
Bank Overdraft	-	20,861
Obligations under finance leases and hire purchase contracts	2,874	2,632
Trade creditors	118,510	34,206
Other taxes and social security	28,454	15,997
Other loan	-	46,612
Other creditors	22	22
Accruals and deferred income	122,072	112,720
Corporation tax	14,000	-
	<u>285,932</u>	<u>233,050</u>

The bank overdraft is secured by fixed charges over the freehold land and buildings and the book debts of the Company, and a floating charge over the plant and machinery.

Assets held on hire purchase are secured on the assets acquired.

The other loan included above is a loan made to the Company by T.D. Cassidy.

This loan was repaid during the year.

Notes to the Financial Statements

16 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

	2008	2007
	£	£
Obligations under finance leases and hire purchase contracts	<u>8,248</u>	<u>11,122</u>

All obligations under finance leases and hire purchase contracts fall due for payment within five years.

Financial liabilities are due:

	Loans		Finance Leases		Total	Total
	2008	2007	2008	2007	2008	2007
	£	£	£	£	£	£
– in one year or less	-	46,612	2,874	2,632	2,874	49,244
– in more than one year but not more than two years	-	-	3,117	2,874	3,117	2,874
– in more than two years but not more than five years	-	-	5,131	8,248	5,131	8,248
	-	46,612	11,122	13,754	11,122	60,366
	-	46,612	11,122	13,754	11,122	60,366

17 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
	£
At 1 May 2007	60,000
Transfer to profit and loss account	(39,000)
At 30 April 2008	<u>21,000</u>

Deferred Taxation

The balance at 30 April 2008 is made up as follows:

	Provided	2007
	2008	£
	£	£
Timing differences:		
Accelerated capital allowances	21,000	60,000
	21,000	60,000
	21,000	60,000

There is no intention to dispose of the property or the moulds and tools in the foreseeable future.

Deferred taxation liabilities are stated at an effective tax rate of 30%.

Notes to the Financial Statements

18 CALLED UP SHARE CAPITAL

	Number	£
Authorised		
10p ordinary shares:		
At 1 May 2007 and 30 April 2008	7,500,000	750,000
	7,500,000	750,000
Allotted, called up and fully paid		
10p ordinary shares:		
At 1 May 2007 and 30 April 2008	5,524,350	552,435
	5,524,350	552,435

Controlling interest

P.M. Cassidy is the Company's controlling party.

Options have been granted under the Approved Share Option Plan 2000 to subscribe for ordinary shares of the company as follows:

Number of share under option	Subscription price per share	Exercise period	Date of Grant
3,300	32p	10 years	10 February 2000

Options have been granted under the Unapproved Share Option Plan 2000 to subscribe for ordinary shares of the company as follows:

Number of shares under option	Subscription price per share	Exercise period	Date of Grant
130,000	32p	10 years	10 February 2000

During the year ended 30 April 2008 the company had 133,300 share option agreements, granted before November 2002, with employees which are to be equity-settled. The company has taken advantage of the transitional provisions contained in Financial Reporting Standard 20 "Share-based payment" not to apply the standard to share options granted before 7 November 2002 and had not vested at the relevant effective date of 1 January 2006.

19 RESERVES

	Share Premium account £	Revaluation reserve £	Profit and loss account £
At 1 May 2007	43,522	557,526	2,148,797
Profit for the year	-	-	266,098
Equity dividends paid	-	-	(110,487)
Transfer for depreciation	-	(3,843)	3,843
Transfer	-	119,274	(119,274)
	43,522	652,957	2,188,977
At 30 April 2008	43,522	652,957	2,188,977

Notes to the Financial Statements

20 DIVIDENDS	2008	2007
	£	£
Equity dividends paid	110,487	66,290
	<u>110,487</u>	<u>66,290</u>

Since the year end a Final dividend of 1.50p per share is proposed.

21 MOVEMENT IN SHAREHOLDERS' FUNDS	2008	2007
	£	£
Profit for the financial year	266,098	143,412
Dividends	(110,487)	(66,290)
	<u>155,611</u>	<u>77,122</u>
Opening shareholders' funds	3,282,280	3,205,158
	<u>3,437,891</u>	<u>3,282,280</u>

22 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating profit to net cash inflow from operating activities

	2008	2007
	£	£
Operating profit	244,351	132,997
Depreciation charges	86,433	78,534
Profit on sale of tangible fixed assets	(11,531)	(275)
(Increase)/Decrease in stocks	(182,556)	93,852
Decrease in debtors	25,470	108,859
Increase/(Decrease) in creditors	106,113	(107,908)
Net cash inflow from operating activities	<u>268,280</u>	<u>306,059</u>

Analysis of net debt

	2007	Cash flows	Other non-cash changes	2008
	£	£	£	£
Cash	1,074,071	(112,731)	-	961,340
Overdraft	(20,861)	20,861	-	-
	<u>1,053,210</u>	<u>(91,870)</u>	-	<u>961,340</u>
Debt due within 1 year:				
Finance leases	(2,632)	-	(242)	(2,874)
Other loan	(46,612)	46,612	-	-
Debt due after 1 year:				
Finance leases	(11,122)	2,632	242	(8,248)
	<u>992,844</u>	<u>(42,626)</u>	-	<u>950,218</u>

Notes to the Financial Statements

Reconciliation of net cash outflow to movement in net funds	2008	2007
	£	£
(Decrease) / Increase in cash	(91,870)	21,944
Cash inflow from increase in debt and lease financing	49,244	36,550
Change in net debt resulting from cash flows	(42,626)	58,494
New finance leases	-	(14,979)
Movement in net funds in the year	(42,626)	43,515
Net funds at beginning of year	992,844	949,329
Net funds at end of year	950,218	992,844

23 FINANCIAL INSTRUMENTS

An explanation of the objectives and policies for the holding or issuing financial instruments are disclosed on page 9 in the Director's Report.

Except for the purposes of currency disclosure the Company does not treat its short term debtors and creditors as financial instruments.

The Company does not enter into derivative financial instruments.

The book value of financial instruments is not materially different to their fair value.

Currency of cash balances

Included within the Company cash balances is a bank account denominated in Hong Kong Dollars amounting to £39,205 (2007: £50,109) and also a bank account denominated in United States Dollars amounting to £433,189 (2007: £547,928).

The company is exposed to translation and transaction foreign exchange risk. Several other currencies in addition to the presentational currency of Sterling are used for global trading. The company experiences currency exchange differences arising upon retranslation of monetary items, which are recognised in income statement in the period the retranslation occurs. The company endeavours to match the cash inflows and outflows in the various currencies; the company typically invoices its customers in their local currency, and typically pays its local expenses in local currency as a means to mitigate risk.

Financial Summary

	Year ended 30 April				
	2008	2007	2006	2005	2004
	£'000	£'000	£'000	£'000	£'000
RESULTS					
Turnover	3,320	2,944	3,246	3,430	3,951
Profit/(Loss) before taxation	241	143	50	(467)	(84)
BALANCE SHEETS					
Fixed assets	2,132	2,009	1,873	1,961	2,119
Net current assets	1,335	1,344	1,392	1,258	1,533
Deferred liabilities and provisions	(29)	(71)	(60)	(70)	(98)
Net assets employed	3,438	3,282	3,205	3,149	3,554
Share capital	552	552	552	552	552
Reserves	2,886	2,730	2,653	2,597	3,002
Shareholders' funds	3,438	3,282	3,205	3,149	3,554
STATISTICS					
Earnings per share	4.82p	2.60p	1.02p	(7.07)p	(0.86)p
Dividends per ordinary 10p share	2.00p	1.30p	0.05p	0.25p	1.0p
Borrowing ratio	0.1%	0.7%	0.0%	0.7%	6.6%

Financial Calendar

July 2008	Full year results announced
August 2008	Report and Accounts posted to shareholders
19 September 2008	Annual General Meeting
25 September 2008	Final Dividend paid to shareholders registered at 18 August 2008
January 2009	Interim results announced