CASDON

TOYS AND NURSERY RANGE

CASSIDY BROTHERS plc

Report and Accounts

for the year ended 30 April 2009

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The Company *(Registered Number 565383)*

DIRECTORS
P.M. Cassidy (Chairman)
P.C. Cassidy (Joint Managing Director)
P.T. Cassidy (Appointed 2 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
Napthens,
41 Springfield Road,
Blackpool FY1 1PZ

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

More good news the results for the year to 30th April 2009 have produced a profit before tax of £324,407 (2008 - £241,098), after sales increased by 17.4% to £3,896,854 (2008 – £3,319,759).

Current Trading

The Company's performance is underpinned by strong net assets of £3,565,190 (2008 - £3,437,891), giving a net asset value per share of 64.54 pence.
These good results have been based on strong FOB sales especially in Australia, licensor promotions (Kenwood and Dyson) and the purchase of US Dollar currency in September 2008 when it was still at a low value against Sterling. This currency was then used to buy sound stock as a buffer against Far Eastern price increases which came in November / December 2008.

As expected our UK sales were down approximately 8-9% in the last quarter of the calendar year 2008, not helped by the terminal throes of Woolworths and their destocking sales. Although the Company escaped any losses from Woolworths, we did not escape the loss of £37,000 from the receivership of a large northern wholesaler in November 2008.

Future Prospects

As I write this report, one of our two new TV advertised products, the George Foreman Grill has commenced its summer campaign. The Postman Pat steering wheel will follow. Both products have good listings from the trade.

As the Company's products are seen in Europe and Asia, we are receiving increasing numbers of enquiries, not only from the toy trade, but from domestic appliance manufacturers wanting to work with us.
Five new products are being developed for 2010, one of which has been in progress for over twelve months with patents applied for worldwide. We expect the patents to be granted before production commences early in 2010.
Two other products are toy Dysons, one of which is for the US market, and the other for both UK and US markets.

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 2.00 pence per share (2008 – 1.50 pence) payable on 26th October 2009 to shareholders on the register on 2nd October 2009.

Paul Cassidy
Chairman

Notice of Meeting

Notice is given that the Annual General Meeting of the Company will be held on 15 October 2009 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 2009.

2 To declare a final dividend for the year ended 30 April 2009, which the directors recommend should be 2.00p 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 Philip Cassidy as a director of the Company.

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

5 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.

6 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.

7 To transact any other ordinary business of the Company.
By order of the board
Stanley Wilkinson
Secretary
17 September 2009

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 2009.

Results and Dividend
The profit before taxation amounted to £324,407 (2008 – £241,098). The profit for the year, after deduction of dividends, amounts to £127,299 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 5.

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 5 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 6 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 Interests
Stanley Wilkinson & Co. act as Registrars and as Taxation Consultants to the Company.
No Director had a material interest in any contract of significance to which the Company was party.

Substantial Shareholdings
As at 31 July 2009 Mr P.M. Cassidy holds 2,537,750 shares (45.94%), Mrs B. Cassidy holds 462,500 shares (8.37%), Mrs E.G. Cassidy who holds 177,650 shares (3.22%), 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 261,000 shares (4.72%). The Directors are not aware of any other 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:-

	2009	2008
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 £310 (2008: £3,460). There were no political contributions.

Statement of Directors' Responsibilities in Relation to the Financial Statements
The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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 may differ from legislation in other jurisdictions.

In so far as the directors, individually, are aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is 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 2009

	2009	2008
	£	£
1) TURNOVER	**3,896,854**	3,319,759

The increase in sales turnover is largely due to an increase in our F.O.B. business.

2) GROSS PROFIT	**1,491,069**	1,448,674

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	**324,407**	241,098

The turnaround in our Profit before taxation is due to the impact of our F.O.B. business and stable overheads together with the advantageous purchase of US Dollars.

4) OTHER KPI'S		
CASH AT BANK	**542,648**	961,340
BANK OVERDRAFT	**101,906**	-
EARNINGS PER SHARE	**4.80p**	4.82p
DIVIDENDS PER SHARE	**2.50p**	2.00p
NET ASSETS PER SHARE	**64.54p**	62.23p

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 17 September 2009.

Stanley Wilkinson
Secretary

Independent Auditors' Report to the Shareholders of Cassidy Brothers plc

We have audited the financial statements of Cassidy Brothers plc for the year ended 30 April 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2009 and of the profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Julie Flintoff (Senior Statutory Auditor)
For and on behalf of

Tenon Audit Limited
Statutory Auditor
88-96 Market Street West,
Preston. PR1 2EU
17 September 2009

Profit and Loss Account

For the year ended 30 April 2009

	Notes	**2009** **£**	2008 £
Turnover	2	**3,896,854**	3,319,759
Cost of Sales		**(2,405,785)**	(1,871,085)
GROSS PROFIT		**1,491,069**	1,448,674
Warehouse & Distribution costs		**(968,333)**	(925,862)
Administrative expenses		**(336,080)**	(407,066)
Other operating income		**146,718**	128,605
OPERATING PROFIT	3	**333,374**	244,351
Interest receivable and similar income	5	**6,866**	12,198
Interest payable and similar charges	6	**(15,833)**	(15,451)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**324,407**	241,098
Tax on profit on ordinary activities	10	**(59,000)**	25,000
PROFIT FOR THE FINANCIAL YEAR		**265.407**	266,098
EARNINGS PER SHARE – BASIC AND DILUTED	11	**4.80p**	4.82p

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	**2009** **£**	2008 £
Reported profit on ordinary activities before taxation	**324,407**	241,098
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	**13,756**	3,843
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**338,163**	244,941
HISTORICAL COST PROFIT RETAINED FOR THE YEAR	**279,163**	269,941

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

Balance Sheet

At 30 April 2009

	Notes	2009 £	2009 £	2008 £	2008 £
FIXED ASSETS					
Tangible assets	12		**2,208,865**		2,131,784
			2,208,865		2,131,784
CURRENT ASSETS					
Stocks	13	**853,358**		379,950	
Debtors	14	**510,154**		279,997	
Cash at bank and in hand		**542,648**		961,340	
		1,906,160		1,621,287	
CREDITORS (amounts falling due within one year)	15	**(506,357)**		(285,932)	
NET CURRENT ASSETS			**1,399,803**		1,335,355
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,608,668**		3,467,139
CREDITORS					
(amounts falling due after more than one year)	16		**(14,478)**		(8,248)
PROVISIONS FOR LIABILITIES	17		**(29,000)**		(21,000)
NET ASSETS			**3,565,190**		3,437,891
CAPITAL AND RESERVES					
Called up share capital	18		**552,435**		552,435
Share premium account	19		**43,522**		43,522
Revaluation reserve	19		**639,201**		652,957
Profit and loss account	19		**2,330,032**		2,188,977
EQUITY SHAREHOLDERS' FUNDS	21		**3,565,190**		3,437,891

The financial statements on pages 12 to 26 were
approved by the Board of Directors and authorised for issue on 17 September 2009

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 2009

	Notes	2009 £	2009 £	2008 £	2008 £
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	22		**(177,609)**		268,280
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		**6,866**		12,198	
Interest paid		**(14,216)**		(14,470)	
Interest element of finance lease rental payments		**(1,617)**		(981)	
			(8,967)		(3,253)
TAXATION					
Corporation tax			**(14,406)**		-
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		**(175,255)**		(208,697)	
Receipts from sales of tangible fixed assets		**-**		11,531	
			(175,255)		(197,166)
EQUITY DIVIDENDS PAID			**(138,108)**		(110,487)
NET CASH OUTFLOW BEFORE FINANCING			**(514,345)**		(42,626)
FINANCING					
Unsecured loan repayments	22	**-**		(46,612)	
Capital element of finance lease rental payments	22	**(6,253)**		(2,632)	
NET CASH OUTFLOW FROM FINANCING			**(6,253)**		(49,244)
DECREASE IN CASH	22		**(520,598)**		(91,870)

The notes on pages 15 to 26 form part of these 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 and the customer has accepted the goods.

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.

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.

Finished goods and cost of goods for resale – purchase cost plus applicable charges and duties, on a first in, first out basis.

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 scheme 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.

Financial Instruments

Financial instruments are recognized 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 write-down is assessed by comparison of the underlying value of the asset against the higher of realisable value and value in use.

Employee services settled in share options

The fair value of employee services received in exchange for the grant of options is recognised as an expense, except for those options granted before November 2002.

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.

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:

	2009	2008
	£	£
United Kingdom	**3,253,713**	3,080,289
Europe	**129,175**	100,931
Australia	**436,464**	-
U.S.A.	**77,502**	138,539
	3,896,854	3,319,759

3 OPERATING PROFIT

	2009	2008
	£	£
Is arrived at after charging:		
Research and development	**139,632**	142,962
Depreciation - owned fixed assets	**108,645**	83,465
- fixed assets held under finance leases	**6,329**	2,968
Profit on sale of fixed assets	**-**	(11,531)

4 AUDITORS REMUNERATION

	2009	2008
	£	£
Fees payable to the company auditors for the audit of the company's annual accounts	**11,695**	11,800
Fees in respect of the company's pension schemes: Audit	**550**	550

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2009	2008
	£	£
Bank deposits	**6,866**	12,198

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

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Bank loans, overdrafts, and other loans repayable within five years	**14,216**	14,470
Finance leases terminating within five years	**1,617**	981
	15,833	15,451

Included in other loan interest is an amount of £0 (2008: £1,251) relating to interest paid to T.D.Cassidy on his loan to the company, which was repaid in 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:

	2009 Number	2008 Number
Production / Warehousing	**8**	8
Sales	**4**	4
Administration	**3**	4
	15	16

Employment costs	**2009 £**	**2008** £
Wages and salaries	**377,315**	343,361
Social security costs	**42,812**	38,974
Other pension costs	**50,120**	45,068
	470,247	427,403

8 DIRECTORS

Emoluments

The remuneration of the directors of the Company were:	**2009 £**	2008 £
Emoluments	**162,474**	107,553
Money purchase pension scheme contributions	**26,214**	20,777
	188,688	128,330

Three directors accrued benefits under the Company's money purchase pension scheme (2008:two). The emoluments of executive directors are determined by the Remuneration Committee, and do not include any performance related elements.

Additionally, £14,020 (2008: £15,020) was paid to Stanley Wilkinson & Co. for registrar and taxation consultancy services. Stanley Wilkinson & Co. is a firm controlled by Stanley Wilkinson, a director of the Company

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 2008 Number	Granted Number	Exercised Number	30 April 2009 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.

Directors' Dividends
During the year the directors received dividends as follows:

	2009 £	2008 £
P.M. Cassidy	64,970	53,160
P.C. Cassidy	748	7
P.T. Cassidy	748	-
S. Wilkinson	658	526

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 £50,120 (2008: £45,068). Contributions of £4,256 were outstanding at 30 April 2009 (2008: £4,002).

10 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009	2008
Current tax:	**£**	£
UK Corporation tax	**51,000**	14,000
Deferred tax (Note 17)	**8,000**	(39,000)
	59,000	(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:-

	2009	2008
	£	£
Profit on ordinary activities before tax	**324,407**	241,098
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2008:20%)	**68,125**	48,220
Effect of:		
Expenses not deductible for tax purposes	**849**	1,367
Capital allowances for year in excess of depreciation	**(2,231)**	(12,433)
Utilisation of tax losses	**-**	(9,794)
Research and Development claim	**(15,743)**	(13,360)
Current tax charge for the year	**51,000**	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 (2008 £122,500).
At present, it is not envisaged that any tax will become payable in the foreseeable future. The deferred tax liability 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 £265,407 (2008: £266,098) and on the weighted average number of shares in issue during the year of 5,524,350 (2008: 5,524,350).

As the share options are anti-dilutive, the basic and diluted earnings per share are the same.

12 TANGIBLE FIXED ASSETS

	Freehold land and Buildings	Plant and Machinery	Motor Vehicles	Total
Cost or valuation	£	£	£	£
At 1 May 2008	2,106,014	1,170,603	50,588	3,327,205
Additions	55,273	119,982	16,800	192,055
At 30 April 2009	2,161,287	1,290,585	67,388	3,519,260
Depreciation	£	£	£	£
At 1 May 2008	143,757	1,011,714	39,950	1,195,421
Charge for the year	27,655	80,990	6,329	114,974
At 30 April 2009	171,412	1,092,704	46,279	1,310,395
Net book value				
At 1 May 2008	1,962,257	158,889	10,638	2,131,784
At 30 April 2009	1,989,875	197,881	21,109	2,208,865
Leased assets included in the above:-				
At 1 May 2008	-	-	10,638	10,638
At 30 April 2009	-	-	21,109	21,109

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:	**2009 Land and Buildings £**	2008 Land and Buildings £
Valuation made in 1998	**1,600,000**	1,600,000
Cost	**561,287**	506,014
	2,161,287	2,106,014

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 2009.

	Freehold Land and Buildings £
Cost	1,539,872
Depreciation	(189,198)
Net book value	1,350,674

In the directors' opinion, the estimated value of freehold land included in the valuation of freehold land and buildings amount to £750,000 (2008: £750,000).
The directors consider that the book value of the revalued assets does not exceed the net realisable value.

13 STOCKS

	2009	2008
	£	£
Raw materials	**21,294**	21,810
Finished goods and goods for resale	**832,064**	358,140
	853,358	379,950

14 DEBTORS

	2009	2008
	£	£
Trade debtors	**396,192**	242,975
Other debtors	**4,162**	8,258
Prepayments and accrued income	**109,800**	28,764
	510,154	279,997

All amounts shown under Debtors fall due within 1 year.

15 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2009	2008
	£	£
Bank Overdraft	**101,906**	-
Obligations under finance leases and hire purchase contracts	**7,191**	2,874
Trade creditors	**141,454**	118,510
Other taxes and social security	**46,508**	28,454
Other creditors	**22**	22
Accruals and deferred income	**158,276**	122,072
Corporation tax	**51,000**	14,000
	506,357	285,932

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.

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

	2009	2008
	£	£
Obligations under finance leases and hire purchase contracts	**14,478**	8,248

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

Financial liabilities are due:

	Finance Leases (Other)	
	2009	2008
	£	£
– in one year or less	**7,191**	2,874
– in more than one year but not more than two years	**7,701**	3,117
– in more than two years but not more than five years	**6,776**	5,131
	21,668	11,122

17 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
	£
At 1 May 2008	21,000
Profit and loss charge	8,000
At 30 April 2009	29,000

Deferred Taxation

The balance at 30 April 2009 is made up as follows:

	Provided	
	2009	2008
	£	£
Timing differences:		
Accelerated capital allowances	**29,000**	21,000
	29,000	21,000

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 28%.

18 CALLED UP SHARE CAPITAL

	Number	£
Authorised		
10p ordinary shares:		
At 1 May 2008 and 30 April 2009	7,500,000	750,000
Allotted, called up and fully paid		
10p ordinary shares:		
At 1 May 2008 and 30 April 2009	5,524,350	552,435

Controlling interest

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

Share Options

Options have been granted under the Approved 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
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 2009 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 2008	43,522	652,957	2,188,977
Profit for the year	-	-	265,407
Equity dividends paid	-	-	(138,108)
Transfer for depreciation	-	(13,756)	13,756
At 30 April 2009	43,522	639,201	2,330,032

20 DIVIDENDS

	2009 £	2008 £
Equity dividends paid	**138,108**	110,487
	138,108	110,487

Since the year end a Final dividend of 2.00p per share is proposed.

21 MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	**265,407**	266,098
Dividends	**(138,108)**	(110,487)
	127,299	155,611
Opening shareholders' funds	**3,437,891**	3,282,280
Closing shareholders' funds	**3,565,190**	3,437,891

22 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating profit to net cash inflow from operating activities

	2009 £	2008 £
Operating profit	**333,374**	244,351
Depreciation charges	**114,974**	86,433
Profit on sale of tangible fixed assets	**-**	(11,531)
Increase in stocks	**(473,408)**	(182,556)
(Increase) / Decrease in debtors	**(230,157)**	25,470
Increase in creditors	**77,608**	106,113
Net cash (outflow) / inflow from operating activities	**(177,609)**	268,280

Analysis of net debt

	2008 £	Cash flows £	Other non-cash changes £	2009 £
Cash	961,340	(418,692)	-	**542,648**
Overdraft	-	(101,906)	-	**(101,906)**
	961,340	(520,598)	-	**440,742**
Debt due within 1 year:				
Finance leases	(2,874)	2,874	(7,191)	**(7,191)**
Debt due after 1 year:				
Finance leases	(8,248)	3,379	(9,609)	**(14,478)**
	950,218	(514,345)	(16,800)	**419,073**

Reconciliation of net cash outflow to movement in net funds	**2009**	2008
	£	£
Decrease in cash	**(520,598)**	(91,870)
Cash outflow from decrease in debt and lease financing	**6,253**	49,244
Change in net debt resulting from cash flows	**(514,345)**	(42,626)
New finance leases	**(16,800)**	-
Movement in net funds in the year	**(531,145)**	(42,626)
Net funds at beginning of year	**950,218**	992,844
Net funds at end of year	**419,073**	950,218

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.

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 £52,645 (2008: £39,205) a bank account denominated in United States Dollars amounting to £335,574 (2008: £433,189) and also a bank account denominated in Euro amounting to £135,454 (2008: Nil).

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 it's customers in their local currency, and typically pays its local expenses in local currency as a means to mitigate risk.

The company uses a credit reference agency and applies strict credit limits to minimalise credit risk.

The company does not utilise bank loans, therefore, it is not exposed to interest rate risk.

The company's creditors are generally lower than its available cash balances, therefore, liquidity risk is low.

Financial Summary

	Year ended 30 April				
	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
RESULTS					
Turnover	3,897	3,320	2,944	3,246	3,430
Profit/(Loss) before taxation	324	241	143	50	(467)
BALANCE SHEETS					
Fixed assets	2,209	2,132	2,009	1,873	1,961
Net current assets	1,400	1,335	1,344	1,392	1,258
Deferred liabilities and provisions	(44)	(29)	(71)	(60)	(70)
Net assets employed	3,565	3,438	3,282	3,205	3,149
Share capital	552	552	552	552	552
Reserves	3,013	2,886	2,730	2,653	2,597
Shareholders' funds	3,565	3,438	3,282	3,205	3,149
STATISTICS					
Earnings per share	4.80p	4.82p	2.60p	1.02p	(7.07)p
Dividends per ordinary 10p share	2.50p	2.00p	1.30p	0.05p	0.25p
Borrowing ratio	3.5%	0.3%	0.7%	0.0%	0.7%

Financial Calendar

September 2009	Full year results announced
September 2009	Report and Accounts posted to shareholders
15 October 2009	Annual General Meeting
26 October 2009	Final Dividend paid to shareholders registered at 2 October 2009
January 2010	Interim results announced

TOYS AND NURSERY RANGE

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