



Inventors of Fun & Play!

CASDON plc

Formally

CASSIDY BROTHERS plc

Report and Accounts

For the year ended 30th April 2011

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The Company (Registered Number 565383)

Directors

P.M. Cassidy (Chairman)
P.C. Cassidy (Joint Managing Director)
P.T. Cassidy (Joint Managing Director)
S. Wilkinson FCA *
(* Non Executive)

Secretary

S. Wilkinson FCA

Registered Office

Cornford Road,
Marton,
Blackpool, FY4 4QW.

Stockbrokers and Nominated Advisors

Zeus Capital Ltd,
3 Ralli Courts,
West Riverside,
Manchester M3 5FT.

Auditors

RSM Tenon Audit Limited,
Sumner House,
St Thomas's Road,
Chorley,
Lancashire PR7 1HP.

Solicitors

Napthens,
Libra House, Cropper Close
Whitehill Business Park
Blackpool FY4 5PU.

Bankers

Royal Bank of Scotland Plc,
Talbot Square,
Blackpool FY1 1LE.

Registrars

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

Chairman's Statement end of year 2010 -11.

The huge cost increases in China late in the 2010 trading period, has been the main factor in creating a £198,000 loss during the year (2010 - £256,345 profit), in spite of an 11% increase in sales to £5,360,444 (2010 - £4,819,263).

These cost increases significantly reduced our margins, but raising our own prices at such a late stage in the trading year to major customers would only have had precedence during the 1970's, when the country expected it. The spiralling costs escalation in Chinese food alone effects factory gate prices, because the factory staff live in campus accommodation wings, and meals are provided. Raw materials and statutory wage increases have forced the Chinese to look at alternative countries with a more stable currency and economy, such as India , Indonesia, and Vietnam.

The domino effect of world recession overflows into transport and shipping, and when shipping lines pulled out of the Orient to European markets in 2010, Casdon had to absorb transport increases costing £100,000.

Warehouse refurbishment involved the removal of crumbling sills and lintels, the cost of which escalated as worse was found once the job commenced.

The demolition of an old low ceiling warehouse has been carried out, but the proposed resurfacing of the now exposed area, has been postponed. It was however a comfort to receive a cheque for a return of business Rates, once the premises had gone.

The graphics company that was commissioned in 2010 to restyle our boxes have completed the full range; a task that was necessary but impossible to do 'in house' in such a short time slot. The 'Wow' factor this produced at a cost of £75,000 was clearly evident at the 2011 London Toy Fair, where we received plaudits from all sectors of the trade.

Our entry into TV advertising in 2009, wasn't a success, and culminated in unsold stock and a character license to pay for. Consequently we have provided a reduction in value in the 2010-11 accounts of £25,831 for the sale of this stock to be realised in the 2011-12 trading year.

We are weathering all this because the company still maintains a strong balance sheet, with net assets of £3,245,673. (2010- £3,564,529) slightly down on 2010, owing to higher borrowing.

Current Trading, and Future Prospects.

Quoting the British Retail Consortium (BRC) once again, it is expected that there will be a further decline in the high street trade during 2011. We have already seen one of our customers go into liquidation very recently, namely TJ Hughes, but they had thankfully paid us. The BRC doesn't mention toy trade specifically, and although yes the retail trade is suffering from too few customers chasing too much product, and the online e-tailers are taking business away from them, I believe the high street will just have fewer shops.

In the 1960's the mail order houses were said to be the future, but what transpired was fewer wholesalers, fewer department stores, and more specialised shops.

The digital age has created far more opportunities to market ones product with the use of media marketing, and is something all distributors and manufacturers should embrace.

Although some of our high street customers have gone, we are pleased to advise that two new supermarkets and two new prestigious high street accounts have been opened for 2011. We have every confidence they will still be there next year.

The above is reflected in an improved first quarter performance this year, which combined with increased margins gives rise to cautious optimism.

Final Dividend.

Under the current circumstances, the directors feel they cannot recommend a final dividend (2010 2.0p) An interim dividend of 0.75p per share (2009 2.0p) has already been paid.

Notice of Meeting

Notice is given that the Annual general Meeting of the Company will be held on 9th September 2011 at 3:00pm for the following purposes:

- 1 To consider and adopt the Director's report and the financial statements for the year ended 30th April 2011.
- 2 To declare that no Final dividend will be paid for the year ended 30th April 2011
- 3 To re-appoint RSM 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.

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

- 5 Ordinary Resolution:
That the authority contained within Article 6 of the Company's Atticles 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 570 of the Companies Act 2006 the authority to allot equity securities contained in Article 6(c) of the Company's Articles 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
3rd August 2011

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 30th April 2011.

Results and Dividend

The loss before taxation amounted to £198,744 (2010 profit of £256,345).

The directors do not propose a final dividend for the year ended 30th April 2011.

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 pages 4 and 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 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 for cash but 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 the 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 its 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.

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 Financial Director and Company Secretary and the Principal of Stanley Wilkinson & Co., Chartered Accountants.

Directors Interests

Stanley Wilkinson and 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 a party.

Substantial Shareholdings

As at 30th April 2011 Mr P.M. Cassidy holds 2,436,550 shares (44.11%), Mrs B Cassidy holds 462,500 shares (8.37%), Mr D Cassidy holds 176,292 (3.19%), Mr B.M. Cassidy holds 176,291 (3.19%) and Mr & Mrs Bailey hold 267,400 shares (4.84%). 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 of 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 day's purchases represented by creditors at the end of the year was as follows:

	2011	2010
Number of day's purchases	25	20

Statement of Directors' Responsibilities in Relation to the Financial Statements

The directors are responsible for preparing the Director's 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 and 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 judgements and accounting estimates that are reasonable and prudent;

State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on a 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 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 £1,000,000 which the board monitors and considers 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 trading 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 exchange rates are favourable to enable the Company to pay foreign currency liabilities when they fall due.

Key Performance Indicators

For the year ended 30 April 2011

	2011 £	2010 £
1) TURNOVER	5,360,444	4,819,263
The increase in sales turnover is largely due to an increase in our F.O.B. business.		
2) GROSS PROFIT	1,704,088	1,672,943
The further increase in our F.O.B. business has meant that the Gross Profit has also felt the benefit		
3) (LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(198,744)	256,345
Increasing Overhead costs and the rebranding of Packaging added significantly to costs		
4) OTHER KPI'S		
CASH AT BANK	19,337	563,490
BANK OVERDRAFT	225,521	71,220
LOSS/EARNINGS PER SHARE	-3.02p	3.99p
DIVIDENDS PER SHARE	2.75p	4.0p
NET ASSETS PER SHARE	59.80p	64.52p

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.

RSM Tenon Audit Limited were re-appointed at the AGM of the Company held on 10th September 2010 and their appointment expires at the conclusion of this year's AGM. RSM Tenon Audit Limited offer themselves, and are recommended by the Board for re-appointment under the provisions of section 489 of the Companies Act 2006.

This report was approved by the Board on 1 August 2011.

Stanley Wilkinson
Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CASDON PLC (Formerly Cassidy Brothers plc)

We have audited the financial statements of Casdon plc for the year ended 30 April 2011 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 Chapter 3 of Part 16 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 pages 8 to 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 and express an opinion on 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 the 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. In addition, we read all the financial and non-financial information in the Chairman's Statement and the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of the loss 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 been 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

Date

RSM Tenon Audit Limited
Statutory Auditor
Sumner House
St Thomas's Road
Chorley
PR7 1HP

Profit and Loss Account

Company Number 565383

For the year ended 30 April 2011

	Notes	2011 £	2010 £
Turnover	2	5,360,444	4,819,263
Cost of Sales		(3,656,356)	(3,146,320)
GROSS PROFIT		1,704,088	1,672,943
Warehouse & Distribution costs		(1,580,932)	(1,131,605)
Administrative expenses		(431,773)	(415,755)
Other operating income		134,778	140,121
OPERATING (LOSS) PROFIT	3	(173,839)	265,704
Interest receivable and similar income	5	779	165
Interest payable and similar charges	6	(25,684)	(9,524)
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(198,744)	256,345
Tax on (Loss) profit on ordinary activities	10	31,806	(36,032)
(LOSS) PROFIT FOR THE FINANCIAL YEAR		(166,938)	220,313
(LOSS) EARNINGS PER SHARE - BASIC AND DILUTED	11	(3.02)	3.99

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 HISTORIC COST PROFITS AND LOSSES

Reported (loss) profit on ordinary activities before taxation
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount

HISTORICAL COST (LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

HISTORICAL COST (LOSS) PROFIT RETAINED FOR THE YEAR

	2011 £	2010 £
Reported (loss) profit on ordinary activities before taxation	(198,744)	256,345
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	15,858	14,279
HISTORICAL COST (LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(182,886)	270,624
HISTORICAL COST (LOSS) PROFIT RETAINED FOR THE YEAR	(151,080)	234,592

The notes on pages 16 to 25 form part of these Financial Statements

Balance Sheet

Company Number 565383

At 30 April 2011

	Notes	2011		2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		<u>2,421,501</u>		<u>2,267,731</u>
			2,421,501		2,267,731
CURRENT ASSETS					
Stocks	13	784,362		710,955	
Debtors	14	656,492		521,247	
Cash at bank and in hand		19,337		563,490	
			<u>1,460,191</u>		<u>1,795,692</u>
CREDITORS (amounts falling due within one year)	15		<u>(587,300)</u>		<u>(465,037)</u>
NET CURRENT ASSETS			<u>872,891</u>		<u>1,330,655</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,294,392</u>		<u>3,598,386</u>
CREDITORS					
(amounts falling due after more than one year)	16		(19,802)		(6,776)
PROVISIONS FOR LIABILITIES	17		(28,917)		(27,081)
NET ASSETS			<u>3,245,673</u>		<u>3,564,529</u>
CAPITAL AND RESERVES					
Called up share capital	18		552,435		552,435
Share premium account	19		43,522		43,522
Revaluation reserve	19		609,064		624,922
Profit and loss account	19		2,040,652		2,343,650
EQUITY SHAREHOLDERS' FUNDS	21		<u>3,245,673</u>		<u>3,564,529</u>

The financial statements on pages 13 to 25 were approved by the Board of Directors and authorised for issue on 1st August 2011

Paul Cassidy
Director

The notes on pages 16 to 25 form part of these Financial Statements

Cash Flow Statement

For the year ended 30 April 2011

	Notes	2011		2010	
		£	£	£	£
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	22		(201,371)		540,307
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		779		165	
Interest paid		(24,997)		(8,326)	
Interest element of finance lease rental payments		(687)		(1,198)	
			(24,905)		(9,359)
TAXATION					
Corporation tax			(33,642)		(55,309)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(315,254)		(198,822)	
Receipts from sales of tangible fixed assets		-		2,875	
			(315,254)		(195,947)
EQUITY DIVIDENDS PAID			(151,918)		(220,974)
NET CASH (OUTFLOW) INFLOW BEFORE FINANCING			(727,090)		58,718
FINANCING					
Short Term Loans		42,676			
Unsecured loan repayments	22	(6,338)		0	
Capital element of finance lease rental payments	22	(7,702)		(7,190)	
NET CASH (OUTFLOW) INFLOW FROM FINANCING			28,636		(7,190)
(DECREASE) INCREASE IN CASH	22		(698,454)		51,528

The notes on pages 16 to 25 form part of these Financial Statements

Notes to the Financial Statements

For the year ended 30 April 2011

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 are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards of ownership has been transferred to the customer

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation 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

For the year ended 30 April 2011

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 group occupational pension 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 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.

Notes to the Financial Statements

For the year ended 30 April 2011

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. All profits and net assets relate to this single business segment.

An analysis of turnover by Geographical destination is as follows:

	2011 £	2010 £
United Kingdom	4,123,187	4,274,980
Europe	156,327	74,789
Australia	503,111	192,493
U.S.A.	162,705	277,001
Rest Of World	415,114	-
	5,360,444	4,819,263

3 OPERATING (LOSS) PROFIT

	2011 £	2010 £
Is arrived at after charging :		
Research and development	159,221	161,197
Depreciation - owned fixed assets	155,155	133,627
- fixed assets held under finance leases	6,329	6,329
Profit on sale of fixed assets	0	(2,875)

4 AUDITORS REMUNERATION

	2011 £	2010 £
Fees payable to the company auditors for the audit of the company's annual accounts	11,800	13,050
Fees in respect of the company's pension schemes: Audit	450	450

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £	2010 £
Bank deposits	779	165

The Company earned an interest rate of 0.1% on cash balances held.

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank loans, overdrafts, and other loans repayable within five years	24,997	8,326
Hire Purchase agreements terminating within five years	687	1,198
	25,684	9,524

Notes to the Financial Statements

For the year ended 30 April 2011

7 EMPLOYEES

Number of Employees

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

	2011 Number	2010 Number
Production / Warehousing	8	8
Sales	4	4
Administration	3	3
	15	15
Employment costs	2011 £	2010 £
Wages and salaries	417,922	385,723
Social security costs	48,445	43,745
Other pension costs	59,793	54,779
	526,160	484,247

8 DIRECTORS

Emoluments

The remuneration of the directors of the Company were:

	2011 £	2010 £
Emoluments	194,150	179,618
Pension scheme contributions	19,090	28,235
	213,240	207,853

The remuneration for each director is as follows:

	Remuneration	Benefits in Kind	Pension Contributions	Total
P.M. Cassidy	80,315	5,748	8,806	94,869
P. C. Cassidy	50,791	-	5,273	56,064
P.T. Cassidy	48,600	8,696	5,011	62,307
S. Wilkinson	-	-	-	-
	179,706	14,444	19,090	213,240

Three directors accrued benefits under the Company's group occupational pension scheme. (2009: Three) The emoluments of executive directors are determined by the Remuneration Committee, and do not include any performance related elements.

Additionally, £14,535 (2010: £14,030) 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.

Highest Paid Director

The emoluments of the highest paid director (excluding pension contributions) were £86,063. (2010 £81,846)

Directors' Dividends

During the year the directors received dividends as follows:

	2011	2010
P.M. Cassidy	67,005	101,510
P.C. Cassidy	3,381	2,418
P.T. Cassidy	3,381	2,418
S. Wilkinson	723	1,052

Notes to the Financial Statements

For the year ended 30 April 2011

9 PENSION ARRANGEMENTS

The Company operates one group occupational 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 £59,753 (2010: £54,779). Contributions of £4,526 were outstanding at 30 April 2011 (2010: £4,526).

10 TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

Current Tax:

UK Corporation tax

Adjustments relating to prior years

Deferred tax (Note 17)

2011	2010
£	£
(33,642)	33,642
-	4,309
(33,642)	37,951
1,836	(1,919)
(31,806)	36,032

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:-

(Loss)/ Profit on ordinary activities before tax

(Loss) Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2010: 21%)

Effect of:

Expenses not deductible for tax purposes

Capital allowances for year in excess of depreciation

Utilisation of tax losses

Research and Development claim

Change in tax rates

Creation of Tax losses

Current tax (credit) charge for year

2011	2010
£	£
(198,744)	265,345
(39,749)	53,832
3,756	1,199
(8,347)	(446)
-	4,309
-	(20,943)
(1,601)	-
12,299	-
(33,642)	37,951

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 (2010: £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 (loss)/ profit for the financial year of (£166,938) (2010: £220,313) and on the weighted average number of shares in issue during the year of 5,524,350 (2010: 5,524,350).

Notes to the Financial Statements

For the year ended 30 April 2011

12 TANGIBLE FIXED ASSETS

	Freehold land and Buildings	Plant and Machinery	Motor Vehicles	Total
	£	£	£	£
Cost or valuation				
At 1st May 2010	2,264,585	1,316,830	116,693	3,698,108
Additions	129,861	185,393	-	315,254
Disposals	-	-	-	-
At 30th April 2011	<u>2,394,446</u>	<u>1,502,223</u>	<u>116,693</u>	<u>4,013,362</u>
Depreciation	£	£	£	£
At 1st May 2010	200,623	1,187,510	42,244	1,430,377
Charge for the year	32,060	109,239	20,185	161,484
Disposals	-	-	-	-
At 30th April 2011	<u>232,683</u>	<u>1,296,749</u>	<u>62,429</u>	<u>1,591,861</u>
Net book value				
At 30th April 2011	<u>2,161,763</u>	<u>205,474</u>	<u>54,264</u>	<u>2,421,501</u>
As at 30th April 2010	<u>2,063,962</u>	<u>129,320</u>	<u>74,449</u>	<u>2,267,731</u>
Leased assets included in the above:-				
At 30th April 2011	<u>-</u>	<u>-</u>	<u>14,781</u>	<u>14,781</u>
As at 30th April 2010	<u>-</u>	<u>-</u>	<u>6,776</u>	<u>6,776</u>

The revaluation of freehold land and buildings 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:

	2011 Land and Buildings	2010 Land and Buildings
	£	£
Valuation made in 1998	1,600,000	1,600,000
Cost	794,446	664,585
	<u>2,394,446</u>	<u>2,264,585</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 2011

	Freehold Land and Buildings
	£
Cost	1,643,170
Depreciation	(205,056)
Net book value	<u>1,438,114</u>

In the directors' opinion, the estimated value of freehold land included in the valuation of freehold land and buildings amounts to £750,000 (2010: £750,000).

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

Notes to the Financial Statements

For the year ended 30 April 2011

13	STOCKS	2011	2010
		£	£
	Raw materials	11,299	18,720
	Finished goods and goods for resale	773,063	692,235
		784,362	710,955

14	DEBTORS	2011	2010
		£	£
	Trade debtors	548,808	418,127
	Other debtors	37,010	2,763
	Prepayments and accrued income	70,674	100,357
		656,492	521,247

All amounts shown under Debtors fall due within 1 year.

15	CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)	2011	2010
		£	£
	Bank Overdraft	225,521	71,220
	Short Term Loans	16,536	-
	Obligations under hire purchase contracts	6,776	7,702
	Trade creditors	131,855	205,514
	Other taxes and social security	67,938	18,958
	Other creditors	6,094	3,225
	Accruals and deferred income	132,580	124,776
	Corporation tax	0	33,642
		587,300	465,037

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.

Notes to the Financial Statements

For the year ended 30 April 2011

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

	2011 £	2010 £
Obligations under short term loans	19,802	-
Obligations under hire purchase contracts	-	6,776
	<u> </u>	<u> </u>

All obligations hire purchase contracts fall due for payment within five years.

Financial liabilities are due:

	Finance 2011 £	Leases (Other) 2010 £
- in one year or less	23,312	7,701
- in more than one year but not more than two years	14,216	6,776
- in more than two years but not more than five years	5,586	-
	-	-
	<u>43,114</u>	<u>14,477</u>

17 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 May 2010	27,081
Charge to Profit & Loss Account	1,836
At 30 April 2011	<u>28,917</u>

Deferred Taxation

The balance at 30 April 2011 is made up as follows:

	2011 £	Provided 2010 £
Timing differences:		
Accelerated capital allowances	28,917	27,081
	<u>28,917</u>	<u>27,081</u>

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 27%.

18 CALLED UP SHARE CAPITAL

	Number	£
Authorised		
10p ordinary shares:		
At 1 May 2010 and 30 April 2011	<u>7,500,000</u>	<u>750,000</u>
Allotted, called up and fully paid		
10p ordinary shares:		
At 1 May 2010 and 30 April 2011	<u>5,524,350</u>	<u>552,435</u>

Controlling interest

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

Notes to the Financial Statements

For the year ended 30 April 2011

19 RESERVES	Share Premium account £	Revaluation reserve £	Profit and loss account £
At 1 May 2010	43,522	624,922	2,343,650
Loss for the year	-	-	(166,938)
Equity dividends paid	-	-	(151,918)
Transfer for depreciation	-	(15,858)	15,858
At 30 April 2011	<u>43,522</u>	<u>609,064</u>	<u>2,040,652</u>

20 DIVIDENDS	2011 £	2010 £
Equity dividends paid	151,918	220,974
	<u>151,918</u>	<u>220,974</u>

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

21 MOVEMENT IN SHAREHOLDERS' FUNDS	2011 £	2010 £
(Loss) Profit for the financial year	(166,938)	220,313
Dividends	(151,918)	(220,974)
	<u>(318,856)</u>	(661)
Opening shareholders' funds	3,564,529	3,565,190
Closing shareholders' funds	<u>3,245,673</u>	<u>3,564,529</u>

22 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	2011 £	2010 £
Operating (loss)/profit	(173,839)	265,704
Depreciation charges	161,484	139,956
Profit on sale of tangible fixed assets	0	(2,875)
(Increase)/Decrease in stocks	(73,407)	142,403
(Increase) in debtors	(101,604)	(11,093)
(Decrease) Increase in creditors	(14,005)	6,212
Net cash (outflow) / inflow from operating activities	<u>(201,371)</u>	<u>540,307</u>

Analysis of net debt

	2010 £	Cash flows £	Other non-cash changes £	2011 £
Cash	563,490	(544,153)	-	19,337
Overdraft	(71,220)	(154,301)	-	(225,521)
	<u>492,270</u>	<u>(698,454)</u>	-	<u>(206,184)</u>
Debt due within 1 year:				
Finance leases	(7,702)	7,702	(6,776)	(6,776)
Short Term Loans	-	(16,536)	-	(16,536)
Debt due after 1 year:				
Finance leases	(6,776)	-	6,776	-
Short Term Loans	-	(19,802)	-	(19,802)
	<u>477,792</u>	<u>(727,090)</u>	<u>0</u>	<u>(249,298)</u>

Notes to the Financial Statements

For the year ended 30 April 2011

Reconciliation of net cash outflow to movement in net funds	2011	2010
	£	£
Decrease in cash	(698,454)	51,528
Cash outflow from decrease in debt and lease financing	14,040	7,190
Change in net debt resulting from cash flows	(684,414)	58,718
New short term loans	(42,676)	0
Movement in net funds in the year	(727,090)	58,718
Net funds at beginning of year	477,792	419,074
Net funds at end of year	(249,298)	477,792

23 FINANCIAL INSTRUMENTS

An explanation of the objectives and policies for the holding or issuing financial instruments are disclosed on page 9 in the Directors 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 £27,499 (2010: £45,510), a bank account denominated in United States Dollars amounting to £283,536 (2010: £369,551) and a bank account denominated in Euro amounting to £133,331 (2010: £130,144).

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.

The company uses a credit reference agency and applies strict credit limits to minimise 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			
	2011	2010	2009	2008	2007
	£,000	£'000	£'000	£'000	£'000
RESULTS					
Turnover	5,360	4,819	3,897	3,320	2,944
(Loss)/Profit before taxation	(199)	256	324	241	143
BALANCE SHEETS					
Fixed assets	2,423	2,268	2,209	2,132	2,009
Net current assets	873	1,331	1,400	1,335	1,344
Deferred liabilities and provisions	(49)	(34)	(44)	(29)	(71)
Net assets employed	3,246	3,565	3,565	3,438	3,282
Share capital	552	552	552	552	552
Reserves	2,694	3,013	3,013	2,886	2,730
Shareholders' funds	3,246	3,565	3,565	3,438	3,282
STATISTICS					
(Loss) Earnings per share	-3.02p	3.99p	4.80p	4.82p	2.60p
Dividends per ordinary 10p share	2.75	4	2.50p	2.00p	1.30p
Borrowing ratio	7.2%	2.6%	3.5%	0.3%	0.7%

Financial Calendar

4 August 2011	Full year results announced
August 2011	Report and Accounts posted to shareholders
9 September 2011	Annual General Meeting
24 September 2011	Final Dividend paid to shareholders registered at 17 August 2010.
January 2012	Interim results announced



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