



CORAL
P R O D U C T S P L C

ANNUAL REPORT AND ACCOUNTS 2008

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Financial Highlights

	2008	2007
Revenue	£14.4m	£14.3m
Operating loss	£(0.78)m	£(2.09)m
Loss on ordinary activities before taxation	£(1.0)m	£(2.22)m
Basic loss per ordinary share (EPS)	(2.50)p	(7.43)p
Net assets per ordinary share	42p	44p



Chairman's Statement

Turnover for the year ended 30 April 2008 amounted to £14.4 million compared to £14.3 million last year. Operating loss for the year was £781,000 compared with a loss of £2,090,000 last year. After interest charges of £222,000 (2007: £126,000) the loss before tax was £1,003,000 (2007: loss of £2,216,000). Shareholders' funds at 30 April 2008 amounted to £8.4 million (2007: £8.9 million), namely 42p per share (on an undiluted basis)- (2007: 44p).

Dividend

Your directors are not recommending any dividend for the year (2007: nil).

Trading

Trading has remained seriously affected by increased raw material and energy costs. Sales of media products have remained similar to the previous year reflecting the improved demand for DVD boxes against the decline for CD cases. In order to make progress in the challenging media packaging environment, manufacture of unassociated trade moulded products have been actively sought. As a result, we have converted some of our existing production capacity to supplement manufacture of other household and trade moulded products. Thus, whilst media packaging still remains our dominant sector, for the next few years we are developing other areas of business to reduce this dependency and to enhance margins. This strategy is expected to show improved future results.

Sale and Leaseback of Haydock property

As previously announced in September 2007 the Company sold its freehold interest in the property at Haydock, at the same time obtaining a leaseback of the production facility and main warehouse in order to continue its operations.

Under the agreement the Company sold the property for a cash consideration of £3m of which £250,000 is held in escrow as a rental deposit for the duration of the Company's occupation of the property. This resulted in a profit on sale of £718,000.

Cash Flow

During the year the Company decided to replace its existing bank facilities with Invoice Discounting facilities which would give it more ability to service its debts and finance its working capital requirements. This has given greater scope to develop the sales strategy. At the same time the decision to sell the property enabled all the Company's bank borrowings to be repaid and leave it with a cash surplus.

Current Trading and Future Prospects

The Directors issued an interim management statement to shareholders on 30 April 2008. This stated that 'The operating margins have remained tight with continued increases in raw material and transport costs. This has resulted in continued losses although the Company's EBITDA remains positive due to the large depreciation expense. The financial position remains fairly strong.' The business environment remains tough and we continue to be faced with rising raw material and overhead costs which will have to be passed on to customers.

Our efforts to diversify away from media products have started to show results and we are confident that, as we obtain further sales, prospects will improve. The media product industry has publicly reported serious falls in demand for CD products and the Directors believe it is in the Company's interests to continue exploring new markets .

Geoffrey Piper

Chairman

25 July 2008



Managing Director's Review of Operations

The year to 30th April 2008 was another difficult period for business with the media industry continuing to be affected from downloading and piracy. Raw material prices remained high throughout the period as a consequence of the increased oil price and the weakness in sterling. Costs of transport have risen and energy prices have remained at their previously increased levels.

We have sought to diversify away from media products in order to reposition the business for the future. The success to date of this strategy has enabled us to maintain our overall turnover at £14.4 million, whilst some improvement in margins and the profit from selling our freehold property resulted in a much reduced operating loss of £781,000 (2007: loss of £2,090,000).

Whilst our DVD sales remain the core business, we continue to take positive steps into new markets and have now obtained substantial work in trade moulding of household products. We will continue to focus on non-media products in order to protect the company against any continued decline in the CD market. We still expect the DVD market to continue to grow and recognise that this will continue as our main marketplace for the medium-term. However, we also realise that in order to generate success and a return to operating profits, we need to obtain more sales of alternative products with improved margins.

DVD box sales once again increased in volume terms and this market continues to grow. Turnover of our Red Tag security box, which is held under licence, continues to increase as the format gains world-wide adoption by retailers.

CD case sales during the year were at somewhat lower than expected levels as the music industry suffered from the widely reported downloading of music. However, whilst sales of boxes for singles fell, the boxes for albums and multidisks were much more resilient and this is forecast to continue. Margins again were under severe pressure from increased cost of raw materials which will need to be passed on to customers.

Whilst the media product industry remained a challenging environment over the last two years, we remain confident that trading conditions will improve slowly in the media products markets and that, with improved sales of trade moulded products, we can move forward.

I would like to express my gratitude to our staff and management for their dedication and effort throughout the year. We have now been through a tough few years but the commitment shown to move the business forward has never wavered and we continue to deliver good quality products to meet our customers demands.

Warren Ferster

Managing Director

25 July 2008

Financial Review

Income Statement

Revenue for the year ended 30th April 2008 increased by 1% to £14.4m (2007: £14.3m). This was the result of increased sales in DVD and trade moulded products which managed to overcome the deficit in CD case sales.

The operating loss for the business also improved to £0.78m (2007: loss of £2.09m) although this was assisted by the sale of the Company's freehold property which resulted in a gain of £0.72m. Finance costs increased to £222,000 (2007: £126,000) as a result of higher interest rates and exchange losses arising from Euro finance lease agreements.

The media packaging industry continued to suffer from over-capacity whilst there were significant price rises for raw materials, transport and power.

Taxation

The rate of tax applied for the year ended 30th April 2008 was 30.0%. (2007: 32.5%). There was no current tax charge for the year (2007: £nil).



Financial Review

continued

Cash Flow

The Company had a positive cash flow from operations and, together with the proceeds of the property sale, this enabled the year-end to show a positive cash balance of £0.4m (2007: bank overdraft of £1.6m). The cash flow from operating activities for the year was £0.5m (2007: £0.4m). Capital expenditure amounted to £0.3m (2007: £0.4m) in the year, and the cash used in financing activities was £0.8m (2007: £1.1m). Overall there was a net increase in the Company's cash of £1.9m (2007: decrease of £1.1m).

Current liquidity

At the year end the Company's net debt amounted to £0.7m (2007: £3.4m) and gearing was 8% (2007: 38%). During the year the Company obtained Invoice Discounting facilities from its bankers. This gives the Company a ceiling facility of £1.5m and has a discount rate of 1.25% over bank base rate. In addition, the Company has an overdraft facility of £50,000 which is at a variable rate of interest with a margin of 1.25% over the bank base rate. Hire purchase agreements are in both sterling and euros and are at both fixed and variable rates. The euro rate agreements were obtained to hedge the euro income flows from the capital asset.

Treasury

The Company's financial instruments, other than derivatives, comprise cash investments and borrowings. The Company enters into derivative transactions to manage the currency and interest rate risks arising from the Company's operations and its sources of finance. It is the Company's policy that no speculative trading in financial instruments shall be undertaken.

Finance and liquidity risk

Borrowing facilities are monitored against the Company's forecast requirements and the Company mitigates financial risk by staggering the maturity of borrowings and by maintaining undrawn committed facilities.

Currency risk

The Company conducts business in both sterling and euros. As a result, the Company is exposed to foreign exchange risks, which will affect transaction costs and the translation of debtor and creditor balances. A significant amount of the Company's raw material purchases are in euros and this helps to provide a natural match to the exposure from sales of that currency. In addition, when forecasts indicate that sales in euros will be significantly above purchases, the Company will look to hedge foreign currency transactional exposures by taking out forward foreign exchange contracts. Further hedging has been obtained by acquiring finance lease facilities in euros which offset euro capital expenditure and income flows.

Interest rate risk

The Company is exposed to movements in interest rates in currencies in which it has borrowings, namely sterling and euros, and this risk is controlled by managing the proportion of fixed to variable rates within limits. Interest rate swaps are used to achieve the desired mix if the board consider the proportion to be outside the limits. The Company uses a mixture of fixed and variable rate loan and finance lease facilities in order to mitigate its interest rate exposure. In addition, interest rate swaps are used in order to manage interest rate risk.

Credit risk

Cash deposits and financial transactions give rise to credit risk in the event that counterparties fail to perform under the contract. The Company regularly monitors the credit ratings of its counterparties and controls the amount of credit risk by adhering to limits set by the board. The Company has credit insurance in place to safeguard it from potential bad debt losses from customers. The Company maintains debtor levels within the insured limits unless it has strong grounds for allowing increases. As a consequence of these controls, the probability of material loss is considered to be at an acceptable level.

Stephen Fletcher

Finance Director

25 July 2008



Directors and Advisers

Non-executive Directors

Geoffrey Piper MA, FCA*, *Chairman*

Appointed March 1995. Geoffrey, aged 65, is Chief Executive of the North West Business Leadership Team. He is a former Council Member of the Institute of Chartered Accountants and a past President of the Liverpool Society of Chartered Accountants.

Jonathan Lever LL.B, FCA*, *Senior Non-executive*

Jonathan, aged 71 was the former senior partner of a North West firm of Chartered Accountants which he founded in 1965. He was appointed Finance Director on flotation in February 1995 and retired as Finance Director in 1997.

* *Member of the audit and remuneration committees.*

Executive Directors

Warren Ferster, *Managing Director/Chief Executive*

Warren, aged 58, has been involved in the plastics industry for over thirty five years. He is involved in all aspects of the business but has particular responsibility for raw material purchasing and strategic planning. He has been a Director since September 1990.

Stuart Ferster, *Production Director*

Stuart, aged 52, is involved in the day to day supervision of production and maintenance operations. He is responsible for the purchasing and introduction of new plant and equipment into the company's operations. He has been a Director since September 1990.

Stephen Fletcher MA, FCA, *Finance Director/Company Secretary*

Stephen, aged 51, is a Chartered Accountant and responsible for all aspects of the finance function, together with the company's IT systems and has certain purchasing responsibilities. He joined the company in September 2002 after holding a similar position with Worthington Group plc. He was also appointed Company Secretary on 26 October 2006.

Martin Watson, *Sales Director*

Martin, aged 48, is responsible for sales and marketing with emphasis on media based products. He has over 15 years experience in this field having previously been employed by Amaray. He joined the company in March 2006 and was appointed to the Board in September 2006.

Registered Office

North Florida Road
Haydock Industrial Estate
Haydock
Merseyside WA11 9TP
UK Registered Number:
2429784

Auditors

Hurst & Company
Accountants LLP
Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire SK1 1TD

Solicitors

Halliwells
St James's Court
Brown Street
Manchester M2 2JF

Bankers

Barclays Bank PLC
PO Box 4132
5th Floor
51 Mosley Street
Manchester M60 1UB

Registrars

Computershare Services PLC
PO Box 82
Caxton House
Redcliffe Way
Bristol BS99 7NH



Directors' Report

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

Results and dividends

The results for the year are set out on page 16. This shows a Company loss after taxation of £503,000 (2007: loss of £1,496,000). No dividend was paid (2007: nil) and no final dividend is proposed (2007: nil). A review of the Company's activities for the year end and its future prospects is set out in the Managing Director's Review of Operations.

Principal activity

The principal activity of the Company is the manufacture of media packaging products. The Company also operates as a trade moulder for other UK Companies. It has been in operation since 1990 and become a fully listed plc in 1995.

Directors

Full details of the Directors of the Company are given on page 5, all of whom served throughout the period. In addition Jonathan Ferster served as a Director until his resignation on 23rd October 2007.

In accordance with the Articles of Association, the Directors retiring by rotation and offering themselves for re-election are Warren Ferster, Geoffrey Piper and Jonathan Lever.

Directors' interests in the shares of the Company

The beneficial interest of the Directors in the shares of the Company were as follows:

	Ordinary shares of 1p each 30th April 2008 Number	Ordinary shares of 1p each 30th April 2007 Number
Warren Ferster	1,943,181	1,943,181
Stuart Ferster	2,098,367	2,098,367
Stephen Fletcher	32,000	32,000
Martin Watson	25,000	-
Jonathan Lever	50,000	50,000
Geoffrey Piper	9,583	9,583
	4,158,131	4,133,131

In addition to the above interests, the Coral Products Pension Scheme, of which Warren Ferster and Stuart Ferster are trustees and beneficiaries, holds 146,000 shares in the Company.

None of the above shareholdings has changed between the year end and the date of this report.

Coral Products Savings Related Share Option Scheme

During the year all employees and Directors cancelled their participation in the Coral Products Savings Related Share Option Scheme. The Scheme was closed and no participants remain.



Directors' Report

continued

Substantial interests

As at 22nd July 2008 the Company had been made aware of the following interests of over 3% (other than the holdings of Directors listed above) in the ordinary shares of the Company:

	Number of shares	% of share capital
Union Discount	5,665,120	28.1
Friends Provident Stewardship Income Fund	1,212,825	6.0
Barclayshare Nominees	717,868	3.6

Share Capital

At the 2007 Annual General Meeting the company was granted authority to purchase up to a maximum of 15% of its own shares. The authority expires at the conclusion of the forthcoming Annual General Meeting at which a special resolution will be proposed to renew the authority for a further year. Any shares purchased in accordance with this authority will be subsequently cancelled.

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the report of the auditors set out on page 15, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the Annual Report and financial statements.

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law, International Financial Reporting Standards (IFRSs) as adopted by the European Union and the rules of the London Stock Exchange, and for preparing the Report on Directors' Remuneration and related matters in accordance with applicable law.

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of affairs of the Company and the income statement of the Company for that period.

The Directors consider that in preparing the financial statements on pages 16 to 32, appropriate accounting policies have been consistently applied, supported by reasonable and prudent judgements and estimates, and that the financial statements comply with IFRSs as adopted by the European Union.

The Directors are responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable them to ensure that the Company's financial statements comply with the Companies Act 1985 and Article 4 of the IAS Regulation and the Directors' Remuneration Report and related matters comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for prevention and detection of fraud and other irregularities.

The Company has a website which contains up to date information on activities and published financial results. The maintenance and integrity of this website is the responsibility of the Directors. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Directors' Report

continued

Key Performance Indicators

The Board considers that its 'Key Performance Indicators' are those that communicate the financial performance and strength of the Company to its shareholders. These would include the level of operating margins and profit, the return achieved in invested capital, the level of free cash flow, and the extent of the Company's borrowings.

Management also use a number of 'Other Performance Indicators' in running and assessing the performance of individual departments. These include indicators such as added value, manufacturing efficiency measures, labour absenteeism, and health and safety statistics.

Principal Risks & Uncertainties

The management of business and execution of the Company's strategy is subject to a number of risks. The business risks affecting the Company are set out below. Risks are formally reviewed by the Board and a risk review programme is in place to monitor and mitigate these. It is possible that, if more than one event occurred, the adverse effects would be compounded on the Company.

Competition

The Company operates in a competitive market. It cannot predict the pricing of its competitors or their effect on its ability to market and sell its products. In order to ensure that it remains competitive, the Company may be required to consider its pricing policy.

Key Individuals

The Company's future performance depends heavily on its ability to retain and attract the services of suitable personnel. Whilst service contracts are in place for Directors and management, the loss of the services of these key individuals could have a material adverse effect on the business and prospects for the Company.

Supply Agreement

The Company has obtained a 10 year licence to produce and supply a Red Tag security box to mitigate the financial risk of losing this key product.

Financial Risk Management

The Company's activities expose it to a variety of financial risks concerning its markets, credit and liquidity. The risk management programme seeks to minimise potential adverse effects of the Company's financial performance. The Company has in place credit insurance and uses derivative financial instruments to hedge against certain financial risk exposures. The Company operates in European markets and is exposed to foreign exchange risk from commercial transactions in Euros. It is the Company's policy to ensure appropriate natural hedging is in place to limit the exposure to currency risk and remove the requirement for financial instruments.

Insurance

The Company has in place a Directors and Officers liability insurance policy that provides appropriate cover in respect of legal action brought against its Directors.

Relevant Audit Information

As at 25 July 2008, so far as each Director is aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Going concern

After making enquiries, the Directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Charitable and political contributions

Contributions made by the Company during the year for charitable purposes were £nil (2007: £250). These are principally to local charities serving the community in which the Company operates. Political contributions amounted to £Nil (2007: £Nil).

Creditor payment policy

The policy of the Company is to agree the terms of payment with suppliers when agreeing the conditions of supply of goods and services. Suppliers are made aware of the terms of payment and payments are made in accordance with terms agreed between the two parties.

The number of days purchases in trade creditors at the year end amounted to 66 days (2007: 65 days).



Directors' Report

continued

Shareholder relations

The importance of maintaining good relations with individual and institutional investors is recognised by the Board. This includes meetings on a regular basis between the executive Directors and institutional and private investors at relevant times.

The Company encourages shareholder attendance at the annual general meeting, at which the Chairman and Board of Directors are available to answer any questions on the previous year's results and on current year trading.

Health and safety

It is Company policy to protect the health and safety of its employees and any other parties involved in its business operations. Systems are in place to define and eliminate health and safety risks.

Corporate social responsibility

The Company is committed to responsible business practices, good corporate governance and sound risk management. Terms of payment are agreed with suppliers when agreeing the conditions of supply of goods and services. Payments are made in accordance with terms agreed between the two parties.

Employment and human rights

The Company is an equal opportunities employer and applies employment policies which are fair and equitable. Appointments, training and career development are determined solely by application of job criteria, personal ability and competence regardless of gender, race, disability, age, sexual orientation or religious or political beliefs.

Where suitable opportunities exist, full and fair consideration is given to the possibility of employing a disabled person. Where an employee becomes disabled whilst in employment, every effort is made to find continuing employment.

Policies are in place which aim to deter acts of harassment and discrimination and any breach of either of these policies is met with zero tolerance.

Auditors

A resolution to re-appoint Hurst & Company Accountants LLP as auditors to the company will be proposed at the Annual General Meeting.

Annual General Meeting

An ordinary resolution will be proposed at the Annual General Meeting to grant the Directors authority pursuant to Section 80 of the Companies Act 1985 ("the Act") to allot unissued share capital of the company, representing an aggregate nominal amount of £20,136, which represents approximately 10 per cent of the total share capital of the company in issue at the date of this report. The authority is due to terminate at the conclusion of the Annual General Meeting of the company to be held in 2008.

The Directors have no present intention of exercising the authority if granted, but consider it will be commercially useful to have the authority should they need to allot shares for any purpose in the future.

A special resolution will also be proposed at the Annual General Meeting to disapply the statutory pre-emption rights under Section 89 of the Act up to an aggregate nominal amount of £10,068 (representing 5 per cent of the total share capital of the company in issue at the date of this report). This authority is due to terminate at the earlier of the conclusion of the next Annual General Meeting of the company to be held in 2008 and the date 15 months following the passing of this resolution.

A further special resolution will also be proposed to give the company renewed authority to enable it to purchase up to 14.99% of its present issued ordinary share capital. The Directors consider it to be in the best interests of the company that it should be authorised to exercise this power and purchase its ordinary shares within the above limit.

By order of the Board

S G Fletcher

Company Secretary

25 July 2008



Corporate Governance Statement

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good corporate governance. This statement describes how the principles of corporate governance are applied to the Company and the Company's compliance with the best practice provisions of the Combined Code on Corporate Governance and the Guidelines on Audit Committees, together 'the Code'. The Company has been in full compliance throughout the year with the provisions set out in the Code other than as noted below.

The Board

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board reviews the Company's strategic objectives and looks to ensure that the necessary financial and human resources are in place to achieve these objectives. The Board also sets the Company's values and standards and manages the business in a manner to meet its obligations to shareholders.

The Board currently comprises the Non-executive Chairman, the Senior Non-executive Director, the Managing Director, the Finance Director, the Sales Director and the Production Director. All of these possess a range of experience and sufficient calibre to bring independent judgement on issues of strategy, performance, resources and standards of conduct which is vital for the success of the Company. The Board are satisfied that the Non-Executive Directors are independent in character and judgement. It recognises that less than half of the Board comprise of independent Non-Executive Directors but regards this as sufficient in view of its overall size and business position. The Board are also aware that the Non-Executive Directors have served for a period longer than 6 years but considers that their knowledge and leadership are of greater benefit to its shareholders.

The roles of the Non-executive Chairman and Managing Director are clearly defined. The Chairman is responsible for the leadership of the Board and the Managing Director is responsible for the strategic direction and operational management of the Company. The Chairman ensures that the Directors receive accurate, timely and clear information.

The Board meets on a regular basis and there is a formal schedule of matters specifically reserved for its consideration. This includes approval of the annual budget, approval of the interim and year-end report and accounts, review and authorisation of significant capital expenditure, and approval of financing arrangements. Operational management are responsible for the day to day running of the Company and report on a regular basis on that performance to the Board.

The Board is responsible to shareholders for the proper management of the Company and has access to the necessary information in order to discharge its duties. All Directors are subject to election by shareholders at the first opportunity after their appointment and to re-election thereafter at intervals of not more than three years.

The Non-executive Directors have on-going dialogue with executive Directors with constructive challenges of performance and the Company's strategy. The Non-executive Directors are provided with sufficient information to allow them to monitor, assess and challenge the executive management of the Company. They meet regularly as a group and maintain contact without the Executives present. Board papers are circulated to all Directors.

All Directors have access to advice and services of the Company Secretary and a procedure has been agreed for the Directors to take independent professional advice, if necessary, at the expense of the Company.

On joining the Board there is a process for Directors to receive training as to their role and requirements.

During the year the Board met ten times and all Directors attended the full complement, apart from two absences due to illness.

The Board does not undertake formal annual evaluation processes to evaluate its performance, the performance of the committees, or the performance of its individual directors. This was because the Board believed informal reviews to be more beneficial and a review of individual performances is considered as part of the annual remuneration review process.

The Board recognises the importance of developing the skills of the Directors to run an effective Board. Directors are given the opportunity to attend relevant training courses and to acquire skills and experience which may enhance their contribution to the on-going progress of the Company.



Corporate Governance Statement

continued

Remuneration Committee

The Remuneration Committee consists of the Non-executive Directors together with the Managing Director. There was full attendance at the two meetings during the year. The Committee is responsible for determining the Company's policy for the remuneration of the executive Directors. It regularly considers the compensation commitments of its Directors in the event of early termination of their service contracts.

Nominations Committee

The Nominations Committee consists of the Non-executive Directors together with the Managing Director. The Committee is chaired by Geoffrey Piper. It met only once in the year with full attendance. The responsibility of the Committee is to recommend to the Board the appointment or replacement of additional Directors. It is also responsible for succession planning for the Company.

Audit Committee

The Audit Committee consists of the two Non-executive Directors. The Committee is chaired by Geoffrey Piper. It meets on a regular basis under its terms of reference with the Finance Director and external auditors to review the financial statements and external financial announcements made by the Company. It has responsibility for reviewing and monitoring the external auditor's independence and objectivity, and reviews supplies of all non-audit services provided by the external auditors to ensure that independence and objectivity are not compromised. The Audit Committee met three times during the year and was attended by all required Directors.

Internal Control

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. In accordance with the guidance for directors in the Turnbull Report, the Board has ensured that there is an ongoing process for reviewing the effectiveness of the system of internal control including identifying, evaluating and managing the significant risks faced by the Company. This process, which is regularly reviewed by the Board, is carried out in conjunction with business planning.

Whilst acknowledging the overall responsibility for the system of internal controls, the Board is aware that the system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Company has established procedures which have been developed over a number of years which meet the requirements of the Turnbull Guidance. A key control procedure is the daily involvement of executive members of the Board in all aspects of the business and the attendance at management meetings where performance is reviewed against the business plan. The internal controls are considered appropriate for a company of this size. The Audit Committee has reviewed the effectiveness of the internal controls and does not consider that an internal audit function is necessary. To manage the risks facing the Company management have installed a risk management programme. This programme places responsibility on managers to identify risks facing the business units and for implementing procedures to mitigate these risks.

The Combined Code states that the Audit Committee should review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in financial or other matters. Procedures are in place to enable concerns to be raised without concern of victimisation or disciplinary action.

Monthly financial reporting

The Company performs an annual strategy and budgeting process, and the Board approved the annual Company budget as part of its normal responsibilities. The Company reports its results monthly with comparisons to budget. Revised forecasts for the year are produced for the Board whenever significant financial trends are identified.

Going Concern

On the basis of current financial projections and facilities available, the Board considers that the Company has adequate resources to finance its activities for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

By order of the Board

Stephen Fletcher

Company Secretary

25 July 2008



Directors' Remuneration Report

Introduction

This report has been prepared in accordance with Schedule 7a of the Companies Act 1985 and the applicable Listing Rules. As required by the Directors' Remuneration Report Regulations 2002 (the Regulations), a resolution to approve the report will be proposed at the Annual General Meeting. The Regulations require the auditors to report to the shareholders on the 'auditable part' of the Directors' remuneration report and to state whether in their opinion that part of the report has been properly prepared in accordance with Schedule 7a of the Companies Act 1985 (as amended by the Regulations). The report has therefore been divided into separate sections for audited and unaudited information.

Unaudited information

Remuneration Committee

The Company has established a Remuneration Committee which is constituted in accordance with the recommendations of the Combined Code. The members of the committee during the year were Jonathan Lever and Geoffrey Piper who are both Non-executive directors and Warren Ferster who is the Managing Director. The committee is chaired by Geoffrey Piper.

The performance measurement of the executive Directors and the determination of their annual remuneration package are undertaken by the Committee. The remuneration of the Non-executive Directors is determined by the Board. No Director plays a part in any discussions about his own remuneration.

Remuneration Policy

Executive remuneration packages are designed to attract, motivate and retain Directors of the high calibre needed to progress and develop the Company and to reward them for enhancing value to shareholders. There are four main elements of the remuneration package for executive Directors:

- Basic annual salary and benefits
- Annual bonus payments which cannot exceed £50,000
- Pension contributions
- Share Options

The Company's policy is that a substantial proportion of the remuneration of the executive Directors should be performance related.

Basic salary

An executive Director's basic salary is determined by the Committee prior to the beginning of each year and when an individual changes position or responsibility. In deciding appropriate levels, the Committee considers the Company as a whole and by reference to other companies in the media and manufacturing sectors. Basic salaries were reviewed in September 2007.

The Company has a policy of allowing contracts of service to be no more than one year in duration. Executive Directors' contracts of service which include details of remuneration will be available for inspection at the Annual General Meeting. In addition to basic salary, the executive Directors receive pension contributions and certain benefits-in-kind, principally medical insurance.

Annual bonus payments

The Committee establishes the objectives that must be met for each financial year if a cash bonus is to be paid. The Committee believes that any incentive awards should be tied to the interests of the Company's shareholders and that the principal measure of those interests is the Company's profitability together with total shareholder return relative to the FTSE Small Cap Return Index. Performance targets are set annually as part of the budgeting process and performance is reviewed against those targets at the end of the financial year. The maximum performance related bonus that can be paid is 42% of basic salary which cannot exceed £50,000 for any Director.



Directors' Remuneration Report

continued

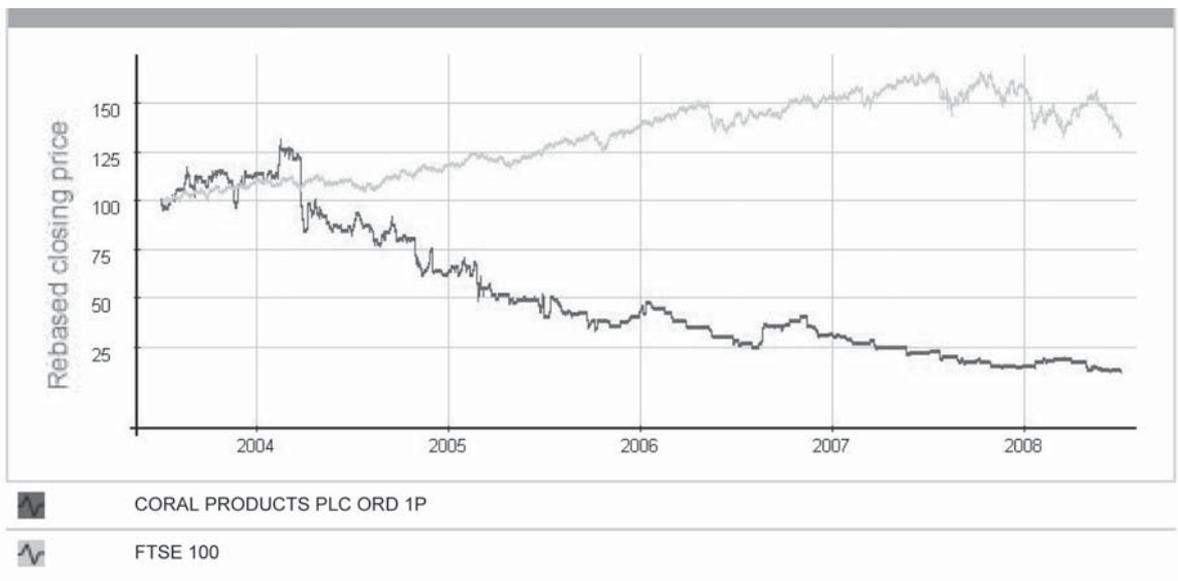
Pension contributions

The executive Directors have individual pension arrangements in the form of personal pension plans. The Company makes a contribution at a rate of 8% of basic salary towards funding each Director's pension plan.

Performance graph

As required by the Regulations, the graph below compares the Company's total shareholder return performance with the FTSE 100 Index for each of the past five years.

Coral Products plc – Performance Graph



Directors' Remuneration Report

continued

Directors' contracts

The Company's policy is that executive Directors should have contracts with an indefinite term providing for a maximum of one year's notice. The details of the executive Directors' contracts are summarised as follows:

	Date of contract	Notice period
Warren Ferster	March 1995	1 year
Stuart Ferster	March 1995	1 year
Stephen Fletcher	September 2002	6 months
Martin Watson	February 2006	5 months

Non-executive Directors

The service contracts of Non-executive Directors were originally set for an initial period of three years. They are now required to submit themselves for re-election every year and the Board believes this to be appropriate in the circumstances. The Chairman, Geoffrey Piper was appointed to the Board in March 1995. Jonathan Lever was appointed in April 1995. All Non-executive Directors have specific terms of engagement and their remuneration is determined by the Board based on a review of fees paid to Non-executive Directors of similar companies and reflects the time commitment and responsibilities of each role. The current basic annual fee payable to the Chairman is £27,000 and to the Non-executive Director is £20,000.

Audited information

Directors' remuneration

The total amounts for Directors' remuneration were as follows:

	2008 Executive £'000	2008 Non-executive £'000	2008 Total £'000	2007 Total £'000
Emoluments	475	46	521	581
Pension contributions - defined contribution scheme	45	-	45	41
Compensation for loss of office	30	-	30	-
	550	46	596	622

Emoluments – Executive Directors

	2008 Basic salary £'000	2008 Compensation for loss of office £'000	2008 Benefits-in-kind £'000	2008 Pension £'000	2008 Total £'000	2007 Total £'000
Warren Ferster	120	-	4	10	134	134
Stuart Ferster	120	-	3	10	133	133
Jonathan Ferster (resigned 23 October 2007)	50	30	3	4	87	134
Stephen Fletcher	79	-	2	16	97	85
Martin Watson	91	-	3	5	99	99
	460	30	15	45	550	585

Emoluments – Non-executive Directors

	2008 £'000	2007 £'000
Geoffrey Piper	28	22
Jonathan Lever	18	15
	46	37

Geoffrey Piper

Chairman of the Remuneration Committee
25 July 2008



Independent Auditors' Report to the Shareholders of Coral Products PLC

We have audited the financial statements of Coral Products PLC for the year ended 30 April 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Shareholders' Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the unaudited part of the Directors' Remuneration Report, the Chairman's Statement, the Managing Directors Operating Review, the Financial Review and the Corporate Governance Statement. 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 disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments 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 considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited 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 and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- 1) the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 April 2008 and of its loss and cash flows for the year then ended;
- 2) the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- 3) the information given in the Directors' Report is consistent with the financial statements.

Hurst & Company Accountants LLP

Chartered Accountants and Registered Auditors
Stockport
25 July 2008



Income Statement

for the year ended 30th April 2008

	note	2008 £'000	2007 £'000
Continuing operations			
Revenue	5	14,389	14,291
Cost of sales		(11,935)	(12,352)
Gross profit		2,454	1,939
Operating costs			
Distribution costs		(534)	(504)
Administrative expenses		(3,419)	(3,525)
Profit on sale of property		718	-
Operating loss		(781)	(2,090)
Finance costs	6	(222)	(126)
Loss before taxation	7	(1,003)	(2,216)
Taxation	9	500	720
Loss for the financial year		(503)	(1,496)
Loss per share			
Basic loss per ordinary share	10	(2.50)p	(7.43)p
Diluted loss per ordinary share	10	(2.50)p	(7.43)p

Statement of Changes in Shareholders' Equity

for the year ended 30th April 2008

	2008 £'000	2007 £'000
Opening shareholders' equity	8,924	10,435
Loss for the financial year	(503)	(1,496)
Net expense recognised directly in equity	(503)	(1,496)
Share based payment charge	(5)	(15)
Changes in equity in the year	(508)	(1,511)
Closing shareholders' equity	8,416	8,924



Cash Flow Statement

for the year ended 30th April 2008

	2008 £'000	2007 £'000
Cash inflows from operating activities	641	390
Bank and loan interest paid	(35)	(108)
Interest element of finance lease rentals	(45)	(18)
Exchange loss on finance leases	(142)	-
Tax received	35	103
Net cash from operating activities	454	367
Cash flows from investing activities		
Purchase of property, plant and equipment	(252)	(421)
Purchase of intangible assets	(2)	-
Rental deposit held in escrow	(250)	-
Proceeds from disposal of property, plant and equipment	2,802	43
Net cash generated/(used in) investing activities	2,298	(378)
Cash flows from financing activities		
Net proceeds from issue of new bank loans	-	113
Repayment of bank loans	(453)	(457)
Proceeds of new asset finance	21	-
Finance lease principal payments	(380)	(724)
Net cash used in financing activities	(812)	(1,068)
Net increase/(decrease) in cash and cash equivalents	1,940	(1,079)
Cash and cash equivalents at 1st May 2007	(1,589)	(510)
Cash and cash equivalents at 30th April 2008	351	(1,589)
Cash and cash equivalents consist of:		
Cash at bank	351	-
Bank overdraft	-	(1,589)
	351	(1,589)
Reconciliation of operating loss to net cash inflow from operating activities		
Operating loss	(781)	(2,090)
Profit on disposal of property, plant and equipment	(718)	(43)
Depreciation of property, plant and equipment	1,980	2,144
Amortisation of intangible assets	46	50
Share based payments	(5)	(15)
Decrease in inventories	185	280
(Increase)/decrease in trade and other receivables	(606)	5
Increase in trade and other payables	540	59
Cash inflows from operating activities	641	390



Notes to the Financial Statements

for the year ended 30th April 2008

1. GENERAL INFORMATION

Coral Products plc is a Company incorporated in the United Kingdom under the Companies Act 1985. The Company's ordinary shares are traded on the London Stock Exchange. The address of the registered office is given on page 5. The nature of the Company's activities and its principle activities are set out in the Financial Review on pages 3 to 4 and the Directors Report on pages 6 to 9.

As at the date of authorisation of these financial statements, the following Standards and Interpretations, issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), have not been adopted by the Company:

IAS1	Presentation of Financial Statements (revised 2007)
IAS23	Borrowing costs (revised)
IAS27	Consolidated and separate Financial Statements (revised 2008)
IFRS2	Share based payments (revised)
IFRS3	Business combinations (revised)
IFRS8	Operating segments
IFRIC12	Service concession arrangements
IFRIC13	Customer loyalty programmes
IFRIC14	Limit on a defined benefit asset, minimum funding requirements and their interaction

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Company.

New standards, amendments to published standards and interpretations to existing standards effective in 2008 adopted by the company

- IFRS 7, Financial Instruments: disclosures and a complementary amendment to IAS 1, Presentation of Financial Statements – capital disclosures (effective for accounting periods beginning on or after 1 January 2007). IFRS 7 introduces new requirements aimed at improving the disclosure of information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. Where those risks are deemed to be material to the Company it requires disclosures based on the information used by key management. It replaces the disclosure requirements in IAS 32 'Financial Instruments: disclosure and presentation'. It is applicable to all entities that report under IFRS.
- IFRIC 9, Reassessment of embedded derivatives (effective for accounting periods beginning on or after 1 June 2006). IFRIC 9 requires an assessment of whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when an entity becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. There was no impact on the Company's accounts from its adoption.
- IFRIC 10, Interim Financial Reporting and Impairment (effective for accounting periods beginning on or after 1 October 2006). IFRIC 10 prohibits impairment losses recognised in an interim period on goodwill and investments in equity instruments and on financial assets carried at cost to be reversed at a subsequent balance sheet date. There was no impact on the Company's accounts from its adoption.
- IFRIC 11, Group and Treasury Share Transitions (effective for accounting periods beginning on or after 1st March 2007). There is no impact on the Company in relation to this standard.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee (IFRIC) interpretations as adopted for use in the European Union and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based upon management's best knowledge actual results ultimately may differ from those estimates.

A summary of the Company's principal accounting policies is set out below. These policies have been applied consistently to all the years presented.

Going concern

The Directors have prepared the accounts on a going concern basis, which they believe to be appropriate due to the following factors:

- the Company has re-negotiated its funding and has obtained alternative finance to its overdraft through Invoice Discounting Facilities.
- the Directors have prepared financial forecasts for the forthcoming 12 months which show that the company can operate within its facilities.

Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from other segments. The Directors consider the Company's operations as one business segment.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. The Company considers it operates in one geographical segment.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Sales of goods are recognised when goods are shipped and title has passed.

Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on translation are included in the income statement for the period.

Pension contributions

The Company contributes to defined contribution pension schemes and the pension charge represents the amount payable for that period. The Company has no defined benefit arrangements in place.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. Deferred tax liabilities are recognised on intangible assets and other temporary differences recognised in business combinations.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses.

Depreciation is charged so as to write off the cost, on a 'first in first out' basis, less residual value of the assets over their estimated useful lives, using the straight-line method, on the following bases:

Moulds	-	10-25%
Plant and machinery	-	10%
Fixtures and fittings	-	10-33%
Buildings	-	2%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Intangible assets

Intangible assets comprise primarily licence fees paid in advance for the use of trade marks and technology. Such assets are defined as having finite useful lives and the costs are amortised on a straight-line basis over their estimated useful lives of 10 years. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods manufactured includes appropriate materials, labour and production overhead expenditure. Net realisable value is the estimated selling price less the costs of disposal. Provision is made to write down obsolete or slow-moving inventory to their net realisable value.

Financial Assets

Financial assets are recognised at fair value on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, e.g. trade receivables. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents include cash in hand deposits held at call with banks. The Company has no bank overdraft at the year end.

Financial Liabilities

Financial liabilities include the following items:

- Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding;
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Equity Instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Leased Assets

Leases for which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease. The capital element reduces the balance owed to the lessor.

All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances together with bank overdrafts that are repayable on demand.

Share based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares or options that will eventually vest. In the case of options granted, fair value is measured by a Black-Scholes pricing model.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements under IFRS requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions, which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, are outlined below.

Depreciation of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives. The selection of these estimated lives requires the exercise of management judgement.

Inventory valuation

Inventories are valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment, and inventory loss trends.

4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Company is exposed through its operations to one or more of the following financial risks:

- Market price risk
 - Fair value or cash flow interest rate risk
 - Foreign currency risk
- Liquidity risk
- Credit risk

Policy for managing these risks is set by the Board following recommendations from the Finance Director. The policy for each of the above risks is described in more detail below. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal Financial Instruments

The principal financial instruments used by the Company, from which financial risk arises, are as follows:

- Trade receivables
- Cash at bank
- Trade and other payables
- Interest rate swaps
- Forward currency contracts
- Finance leases, operating leases and hire purchase agreements.

Market Risk

Market risk arises from the Company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

The Company is exposed to movements in interest rates in currencies in which it has borrowings, namely sterling and euros, and this risk is controlled by managing the proportion of fixed to variable rates within limits. Interest rate swaps are used to achieve the desired mix if the board consider the proportion to be outside the limits. The Company uses a mixture of fixed and variable rate loan and finance lease facilities in order to mitigate its interest rate exposure. In addition, interest rate swaps are used in order to manage interest rate risk.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

Foreign currency risk

The Company conducts business in both sterling and euros. As a result, the Company is exposed to foreign exchange risks, which will affect transaction costs and the translation of debtor and creditor balances. A significant amount of the Company's raw material purchases are in euros and this helps to provide a natural match to the exposure from sales of that currency. In addition, when forecasts indicate that sales in euros will be significantly above purchases, the Company will look to hedge foreign currency transactional exposures by taking out forward foreign exchange contracts. Further hedging has been obtained by acquiring finance lease facilities in euros which offset euro capital expenditure and income flows.

Liquidity Risk

Borrowing facilities are monitored against the Company's forecast requirements and the Company mitigates financial risk by staggering the maturity of borrowings and by maintaining undrawn committed facilities.

Credit Risk

Cash deposits and financial transactions give rise to credit risk in the event that counterparties fail to perform under the contract. The Company regularly monitors the credit ratings of its counterparties and controls the amount of credit risk by adhering to limits set by the board. The Company has credit insurance in place to safeguard it from potential bad debt losses from customers. The Company maintains debtor levels within the insured limits unless it has strong grounds for allowing increases. As a consequence of these controls, the probability of material loss is considered to be at an acceptable level.

Capital Disclosures

Capital comprises share capital, share premium and other reserves.

The Company's objective when maintaining capital is to safeguard the Company's ability to continue as a going concern so that it can provide returns to shareholders and benefits for other stakeholders. In order to maintain the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Sensitivity Analysis

Whilst the Company takes steps to minimise its exposure to cash flow interest rate risk and foreign exchange risk as described above, changes in interest and foreign exchange rates will have an impact on profit.

The annualised effect of a 1% increase in the interest rate at the balance sheet date on the variable rate debt carried at that date would, all other variables being held constant, have resulted in a decrease of the Company's post-tax profit for the year of £6,000. A 1% decrease in the interest rate would, on the same basis, have increased post-tax profits by the same amount.

The Company's foreign exchange risk is dependent on the movement in the Euro to sterling exchange rate. The effect of a 5% strengthening in the Euro against sterling at the balance sheet date on the Euro denominated debt at the date and on the annualised interest on that amount would, all other variables being held constant, have resulted in a decrease in the post-tax profit for the year of £46,000. A 5% weakening in the exchange rate would, on the same basis, have increased post-tax profit by £58,000.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

5. REVENUE

All production is based in the United Kingdom. The geographical analysis of revenue is shown below:

	2008 £'000	2007 £'000
Continuing operations		
UK	10,232	11,073
Rest of Europe	4,157	3,218
	14,389	14,291

6. FINANCE COSTS

	2008 £'000	2007 £'000
Interest payable on bank borrowings	12	68
Interest payable on other loans	23	40
Interest payable on finance leases	45	34
Exchange loss on finance leases	142	(16)
	222	126

7. LOSS BEFORE TAXATION

	2008 £'000	2007 £'000
This is stated after charging the following:		
Staff costs (note 8)	2,192	2,470
Bad debt provision – expense	14	77
Cost of inventories recognised as expense	9,008	8,929
Profit on disposal of property, plant and equipment	718	43
Depreciation of property, plant and equipment:		
- owned assets	1,485	1,650
- under finance leases	495	494
Amortisation of intangibles	46	50
Rentals under operating leases		
- hire of plant and machinery	29	29
- land and buildings	209	51
Auditors' remuneration for statutory audit services	21	21
Auditors' fees for non-audit services-tax compliance	5	7
	5	7

8. STAFF COSTS

	2008 £'000	2007 £'000
Average number of employees comprised:		
Production	69	76
Selling and distribution	10	11
Administration	5	6
	84	93
	2008	2007
	£'000	£'000
Their aggregate remuneration comprised:		
Wages and salaries	1,953	2,223
Social security costs	188	202
Other pension costs	56	60
Equity settled share based payments - SAYE	(5)	(15)
	2,192	2,470

Key management are considered the executive directors whose remuneration is set out on page 14.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

9. TAXATION

The charge for taxation on the profit for the financial year is as follows:

	2008 £'000	2007 £'000
Current tax		
UK corporation tax at 30% (2007:30%)	-	-
Adjustment in respect of prior years	-	(50)
Total current tax	-	(50)
Deferred tax	(500)	(670)
Total taxation credit	<u>(500)</u>	<u>(720)</u>
Reconciliation of tax credit		
Loss on ordinary activities before tax	(1,003)	(2,216)
Tax on profit on ordinary activities at standard rate of tax (30%)	(301)	(665)
Effects of permanent differences	(199)	(5)
Effects of adjustments to tax in respect of prior periods	-	(50)
Total taxation credit	<u>(500)</u>	<u>(720)</u>

10. EARNINGS PER ORDINARY SHARE

The basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders for the financial period by the weighted average number of shares in issue. In calculating the diluted profit share, share options outstanding have been taken into account.

	2008	2007
Loss for the year (£'000)	(503)	(1,496)
Weighted average number of shares (number)	<u>20,135,609</u>	<u>20,135,609</u>
Basic loss per share	(2.50p)	(7.43p)
Diluted loss per share	(2.50p)	(7.43p)

11. DIVIDENDS PAID AND PROPOSED

No dividend has been declared and paid during the year ended 30 April 2008 (prior year: Nil).

No dividend has been proposed (2007: £nil).

12. INTANGIBLE ASSETS

	2008 £'000	2007 £'000
Cost		
At 1st May 2007	462	456
Additions	2	6
At 30th April 2008	<u>464</u>	<u>462</u>
Amortisation		
At 1st May 2007	123	73
Charge in the year	46	50
At 30th April 2008	<u>169</u>	<u>123</u>
Net book value		
At 30th April 2008	<u>295</u>	<u>339</u>
At 30th April 2007	<u>339</u>	<u>383</u>



Notes to the Financial Statements

for the year ended 30th April 2008 continued

13. PROPERTY, PLANT AND EQUIPMENT

	Property £'000	Plant and equipment £'000	Total £'000
Cost			
At 1st May 2007	2,520	24,906	27,426
Additions	-	252	252
Disposals	(2,520)	-	(2,520)
At 30th April 2008	-	25,158	25,158
Depreciation			
At 1st May 2007	423	16,172	16,595
Charge in the year	13	1,967	1,980
Disposals	(436)	-	(436)
At 30th April 2008	-	18,139	18,139
Net book value			
At 30th April 2008	-	7,019	7,019
At 30th April 2007	2,097	8,734	10,831

The net book value of plant and equipment includes £2,904,800 (2007 : £3,378,900) in respect of assets held under finance leases.

14. RENTAL DEPOSIT

	2008 £'000	2007 £'000
Amount held in escrow as rental deposit	250	-

This represents an amount held in escrow as a rental deposit over the lease of the property. This deposit is repayable to the company on the expiry of the term of the lease.

15. INVENTORIES

	2008 £'000	2007 £'000
Raw materials	422	532
Finished goods and goods for resale	800	875
	1,222	1,407

16. TRADE AND OTHER RECEIVABLES

	2008 £'000	2007 £'000
Current		
Trade receivables	3,697	3,163
Less: provision for impairment of trade receivables	(5)	(27)
	3,692	3,136
Prepayments and accrued income	217	167
	3,909	3,303

The fair value of trade and other receivables approximates to book value at 30 April 2008 and 2007.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

The Company is exposed to credit risk with respect to trade receivables due from its customers. The Company currently has around 40 customers predominantly in the manufacturing and retail sectors. The Company has obtained credit insurance to safeguard it from potential bad debt losses and minimise the credit risk of new customers. Provisions for bad debts are made based on management's assessment of the risk, taking into account the credit insurance levels, the ageing profile, experience and circumstance. Given that the major customers had credit cover the Directors consider that no further credit provision is required other than the provision for impairment of £5,000 (2007:£27,000).

As at 30th April 2008 trade receivables of £131,000 (2007: £147,000) were past due but not impaired. These relate to customers against whom no provision was considered necessary. The ageing analysis of these receivables is as follows:

	2008 £'000	2007 £'000
Up to 3 months	58	101
3 months to 6 months	73	46
	<u>131</u>	<u>147</u>

As at 30th April 2008 trade receivables of £5,000 (2007: £27,000) were past due, impaired and provided against. There are no significant receivables included within this provision. The Company takes a prudent view in assessing the risk of non-payment and considers provision for all debts more than 3 months in arrears unless there are specific circumstances to indicate that there is little or no risk of non-payment of these older debts.

The carrying amount of the Company's trade and other receivables are denominated in the following currencies:

	2008 £'000	2007 £'000
Sterling	3,094	2,702
Euros	815	601
	<u>3,909</u>	<u>3,303</u>

Movements on the Company provision for impairment of trade receivables are as follows:

	2008 £'000	2007 £'000
At beginning of year	27	27
Provided during the year	14	77
Amounts written-off in year	(36)	(77)
At end of year	<u>5</u>	<u>27</u>

The movement on the provision for impaired receivables has been included in administrative expenses in the accounts. Other classes of financial assets included within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable set out above. The Company did not hold any interest swaps or forward foreign exchange contracts at the year end.

17. CASH AND CASH EQUIVALENTS

	2008 £'000	2007 £'000
Cash at bank	351	-

18. CURRENT TAXATION

	2008 £'000	2007 £'000
Corporation tax repayable at 30%	-	35



Notes to the Financial Statements

for the year ended 30th April 2008 continued

19. TRADE AND OTHER PAYABLES

	2008 £'000	2007 £'000
Trade payables	3,130	2,685
Other taxes and social security	145	63
Accruals and deferred income	183	170
	3,458	2,918

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

The average credit period taken for trade purchases is 66 days (2007: 65 days).

The Directors consider that the carrying amount of trade payables approximates to their fair value.

The fair value of trade and other payables approximates to book value at 30 April 2008 and 2007.

Maturity analysis of the financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost, is as follows:

	2008 £'000	2007 £'000
Up to 3 months	3,458	2,918

20. BORROWINGS

	2008 £'000	2007 £'000
Current		
Bank overdraft	-	1,589
Bank loans	85	439
Finance lease liabilities	400	475
	485	2,503
Non-current		
Bank loans	-	99
Finance lease liabilities	522	806
	522	905

The effective interest rates at the balance sheet date are as follows:

	2008	2007
Bank overdraft	6.25%	6.5%
Bank loans	5.69%	5.71%
Finance leases - sterling	6.0%	6.0%
- euros	0.8% over euribor	0.8% over euribor

The bank loans and overdraft are secured by a fixed and floating charge over the Company's assets. Finance lease liabilities are secured on the assets to which the contracts relate. All borrowings are in pounds sterling apart from finance leases to the value of £907,000 (2007 : £1,149,000) which are in euros. The Directors estimate that the fair value of the Company's borrowings is the same as the above book values as at 30th April 2008 and as at 30th April 2007.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

The maturity profile of the non-current borrowings as at 30th April 2008 is set out below:

	2008 £'000	2007 £'000
In more than one year but not more than two years:		
Bank loans	-	99
Finance lease liabilities	288	342
	288	441
In more than two years but not more than five years:		
Finance lease liabilities	234	464
	234	464

Finance Leases

Future minimum lease payments under finance leases are as follows:

	2008 £'000	2007 £'000
Not later than one year	400	475
After one year but not more than five years	522	806
	922	1,281
The present value of minimum lease payments is as follows:		
Not later than one year	376	447
After one year but not more than five years	445	687
	821	1,134

21. DEFERRED TAX

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2007: 30%).

The movement on the deferred tax account is as follows:

	2008 £'000	2007 £'000
At 1st May 2007	665	1,335
Credit to profit and loss account	(500)	(670)
At 30th April 2008	165	665

22. SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised:		
22,500,000 (2007: 22,500,000) ordinary shares of 1p each	225,000	225,000
Allotted, called up and fully paid:		
20,135,609 (2007: 20,135,609) ordinary shares of 1p each	201,356	201,356

There was no movement in the year in the allotted share capital.

Options

At 30th April 2008 options under the Coral Products PLC Savings Related Share Option Scheme were as follows:

Date of grant	Balance at 1st May 2007	Forfeit	New issue	Balance at 30th April 2008	Exercise price	Period
2006	378,554	(378,554)	-	-	16.8p	2009-2012

During the year all members of the Scheme cancelled their entitlement and the Scheme closed.



Notes to the Financial Statements

for the year ended 30th April 2008 continued

23. RECONCILIATION OF MOVEMENTS IN EQUITY

	Ordinary shares £'000	Share premium account £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Retained earnings £'000
At 1st May 2007	201	4,558	7	5	4,153
Accumulated loss for the year	-	-	-	-	(503)
Share based payment charge	-	-	-	(5)	-
At 30th April 2008	201	4,558	7	-	3,650

Capital redemption reserve

The capital redemption reserve arose when the company redeemed shares out of distributable profits.

Share based payment reserve

IFRS2 requires that an expense for share based payments be recognised in the income statement based on the fair value at the date of grant. This expense is recognised over the vesting period of the options. A share based payment reserve was recognised as part of equity but this was released when the Savings Related Share Option Scheme ceased during the year.

24. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2008 £'000	2007 £'000
Net increase/(decrease) in cash and cash equivalents	1,940	(1,079)
Net proceeds from issue of new bank loans	-	(113)
Repayment of bank loans	453	457
Proceeds of new asset finance	(21)	-
Finance lease principal payments	380	724
Movement in net debt for the period	2,752	(11)
Net debt at beginning of period	(3,408)	(3,397)
Net debt at end of period	(656)	(3,408)

25. OPERATING LEASE COMMITMENTS

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings		Plant and machinery	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
- within one year	146	51	29	29
- in the second to fifth year	1,191	99	-	29
- after five years	-	-	-	-
	1,337	150	29	58



Five Year Record

	2008 IFRS £'000	2007 IFRS £'000	2006 IFRS £'000	2005 IFRS £'000	2004 UK GAAP £'000
Turnover	14,389	14,291	16,360	18,732	20,115
Profit					
(Loss)/operating profit	(781)	(2,090)	(769)	210	1,751
Net interest payable	(222)	(126)	(208)	(194)	(175)
(Loss)/profit before taxation	(1,003)	(2,216)	(977)	16	1,576
Taxation	500	720	246	33	(398)
(Loss)/profit after taxation	(503)	(1,496)	(731)	49	1,178
Interest cover (times)	(3.5)	(16.6)	(3.7)	1.1	10.0
Profit before tax to sales	(7.0)%	(15.5)%	(6.0)%	0.1%	8%
Diluted earnings per share (pence)	(2.50)	(7.43)	(3.63)	0.24	5.81
Dividend per share (pence)	nil	nil	nil	0.7	3.35
Assets employed					
Fixed assets	7,564	11,170	12,943	13,161	13,968
Other net assets/(liabilities)	852	(2,246)	(2,508)	(1,990)	(2,726)
	8,416	8,924	10,435	11,171	11,242
Financed by					
Share capital	201	201	201	201	201
Reserves	8,215	8,723	10,234	10,970	10,974
Shareholder's funds	8,416	8,924	10,435	11,171	11,242
Gearing	8%	38%	33%	28%	31%
Net assets per share	42p	44p	52p	55p	56p
Return on capital	(6)%	(17)%	(7)%	2%	16%

The amounts stated for 2004 are on the basis of UK GAAP as it is not practicable to restate this period for the transitions to IFRS.



Notice of the Annual General Meeting

Notice is hereby given that the sixteenth Annual General Meeting of the Company will be held at the Haydock Thistle Hotel, Haydock, Merseyside, on Wednesday 27 August at 12.00pm for the following purposes:

As ordinary business

- 1 To receive the Directors' report and audited accounts for the year ended 30 April 2008, together with the Auditors' report thereon.
- 2 To re-elect Warren Ferster who retires by rotation as a Director of the Company.
- 3 To re-elect Geoffrey Piper who retires by rotation as a Director of the Company.
- 4 To re-elect Jonathan Lever who retires by rotation as a Director of the Company.
- 5 To re-appoint Hurst & Company Accountants LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company and that the Directors be authorised to fix their remuneration.
- 6 To approve the Board Report on Directors' Remuneration.

As special business

To consider and, if thought fit, pass the following resolutions of which resolution 7 will be proposed as an ordinary resolution and resolutions 8 and 9 as special resolutions:-

Ordinary resolution

- 7 That, to the exclusion of and in substitution for any such authority previously conferred upon them and subsisting at the date of this resolution (save to the extent that the same may already have been exercised and save for any such authority granted by statute) the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of and pursuant to Section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal amount of £20,136 to such persons at such times and upon such terms and conditions as they may determine (subject always to the Articles of Association of the Company) provided that this authority shall, unless renewed, varied or revoked, expire at the earlier of the conclusion of the next Annual General Meeting of the Company and the date 15 months following the date of the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may then allot relevant securities in pursuance of such offer, arrangement or agreement as if the authority conferred hereby had not expired.

Special resolutions

- 8 That, subject to the passing of the Ordinary Resolution numbered 8 above and for the purposes of and pursuant to Section 95(1) of the Act, the directors of the Company be, and they are hereby, authorised and empowered to allot equity securities (within the meaning of Section 94 of the Act) pursuant to the authority conferred by the Ordinary Resolution numbered 8 above as if Section 89(1) of the Act did not apply to such allotment provided that this power shall expire unless renewed, varied or revoked, at the earlier of the conclusion of the next Annual General Meeting of the Company and the date 15 months following the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may then allot equity securities in pursuance of such offer, arrangement or agreement as if the authority and power conferred hereby had not expired and provided further that this power shall be limited to:
 - (a) the allotment of equity securities pursuant to a rights issue or similar offer to ordinary shareholders of the Company where the equity securities respectively attributable to the interests of ordinary shareholders are proportionate or as nearly as practicable to the respective numbers of ordinary shares held by them but subject to the directors having a right:
 - (i) to sell for the benefit of those shareholders who are citizens of or resident in any overseas territory, the equity securities to which they would otherwise be entitled, where in the opinion of the directors it would at the time of the offer be illegal (by relevant law) or unduly costly or burdensome for the Company to make or for those shareholders to accept an offer of such equity securities; and



Notice of the Annual General Meeting

continued

- (ii) to aggregate and sell for the benefit of the Company all fractions of shares which may arise in apportioning the equity securities for cash among the ordinary shareholders; and
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to a maximum aggregate nominal value of £10,068 representing 5 per cent of the total issued ordinary share capital of the Company at the date hereof.
- 9 That the Company be and is hereby generally and unconditionally authorised pursuant to Section 166 of the Act to make market purchases (within the meaning of Section 163(3) of the Act) of ordinary shares of 1p each in the Company provided that:
- (a) the maximum number of ordinary shares hereby authorised to be acquired is 3,020,000.
 - (b) the maximum price which may be paid for any such share is an amount equal to 105% of the average of the middle market quotation for an ordinary share as derived from the London Stock Exchange Daily Official List for the 10 business days immediately preceding the date of purchase (exclusive of any expenses payable by the Company);
 - (c) the minimum price which may be paid for any such share is 1p; and
 - (d) the authority hereby given shall expire at the close of the next Annual General Meeting of the Company to be held after the passing of this resolution save that the Company may make a purchase of ordinary shares in the capital of the Company after the expiry of such authority in execution of a contract or purchase that was made wholly or partly before the expiry of such authority.

By order of the Board
Stephen Fletcher
Company Secretary

Registered Office
North Florida Road
Haydock Industrial Estate
Haydock
Merseyside WA11 9TP

25 July 2008

Notes

A member of the company entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote on a poll on their behalf. The proxy need not be a member of the company. A form of proxy is included with the Annual Report for the use of members who are unable to attend the meeting. Completion of a form of proxy will not preclude a member from attending and voting at the meeting in person. To be effective this must be delivered to Computershare Services PLC, PO Box 1075, The Pavilions, Bridgewater Road, Bristol BS99 3FA (together with the power of attorney or other written authority, if any, under which it is signed or a notarially certified or office copy therefor) not later than 48 hours before the meeting or any adjourned meeting.

Any corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf.

Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, only those holders of ordinary shares who are registered on the Company's share register as at 12 noon on 6 August 2008 shall be entitled to attend and vote at the Annual General Meeting and vote in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 12 noon on 6 August 2008 shall be disregarded in determining the rights of any person to attend and/or vote at the Annual General Meeting.

The reasons for the Special Business are explained in the Directors' Report.

Documentation on Display

There will be available for inspection at the registered office of the company during usual business hours and on the day of the Annual General Meeting at the place of the meeting for 15 minutes prior to its commencement and until its conclusion, copies of all contracts of service between directors and the company.

The Register of Directors' Interests shall be produced at the commencement of the Annual General Meeting and shall remain open and accessible during the continuance of the meeting to any person attending the meeting.



Financial Calendar

Annual General Meeting

27 August 2008

Provisional - Interim results

December 2008



Shareholder Information

Coral Products shareholders register is maintained by Computershare Investor Services PLC who are responsible for updating the register, including details of Shareholders' addresses. If you have a query about your shareholding in Coral Products, you should contact Computershare by telephone on 0870 702 0000 or in writing to PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 7NH.

Website

The Coral Products website at www.coralproducts.com provides news and details of the Company's activities plus information for Shareholders. The investor section of the website contains real time and historical share price data as well as the results and announcements.



Coral Products PLC

North Florida Road

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WA11 9TP