Contents

The Financial Statements
and Annual Report of
Oglesby & Butler Group plc
for the year ended 31 March 2007

Manufacturers and exporters of
the Portasol gas-powered
soldering iron product range

www.portasol.com

Financial Highlights

	2007 € 000's	2006 € 000's
Revenue	**5,413**	5,130
Profit/(loss) before taxation	**216**	(202)
Tax credit on profit/(loss)	**6**	21
Profit/(loss) for the financial year	**222**	(181)
Profit/(loss) per share	**1.81c**	(1.47)c
Net assets per share	**46.49c**	44.68c

Directors and Other information

Directors
N.O. Dowling *(Chairman)*
A.P. Oglesby *(Chief Executive)*
J.P. Oglesby *(Research and Development)*
T.P. Byrne *(Non-Executive)*

Secretary
M.N. Boran

Auditor
KPMG
Chartered Accountants
Registered Auditor
1 Stokes Place
St. Stephen's Green
Dublin 2

Bankers
Allied Irish Banks, plc
Bankcentre
Ballsbridge
Dublin 4

Solicitors
Arthur Cox
Solicitors
Earlsfort Centre
Earlsfort Terrace
Dublin 2

Registrar and Transfer Office
Computershare Services (Ireland) Limited
Heron House
Corrig Road
Sandyford
Dublin 18

Stockbrokers
Bloxham Stockbrokers
2/3 Exchange Place
I.F.S.C.
Dublin 1

Davy Stockbrokers
Davy House
49 Dawson Street
Dublin 2

Registered Office
Industrial Estate
O'Brien Road
Carlow

Registered Number
124871

Directors' Biographies

N.O. Dowling
Chairman (non-executive)

Chartered accountant, aged 69, is a business consultant and was formerly Chief Executive of Bord Gais Eireann, and is a director of a number of private companies. In addition to his duties as non-executive Chairman, Nevin is Chairman of the Audit Committee and a member of the Remuneration Committee.

A.P. Oglesby
Chief Executive

Design engineer, aged 61, was one of the founders of Oglesby & Butler. Peter worked previously in the General Electric Co. Group, the Thorn Electronics Group and Braun Ireland Limited. Peter is a member of the Remuneration Committee.

J.P. Oglesby
Research and Development Director

Design engineer, aged 61, was one of the founders of Oglesby & Butler. Paul has worked in engineering companies in the United Kingdom and also in Braun Ireland Limited.

T.P. Byrne
Non-Executive Director

Tom Byrne, aged 57, is the former Managing Director of Davy Corporate Finance Limited, part of Davy Stockbrokers. He joined Davy in 1987 and retired in 2001 to pursue individual interests and assignments. He currently manages his own corporate advisory company and is a director of a number of private companies. He is a Chartered Accountant by profession and is a former partner in Arthur Andersen.

Cordless Gas Powered Soldering Iron Range

SuperPro Single

Professional Iron

SuperPro Kit

Weller Kit

ProPiezo Kit

Technic Iron

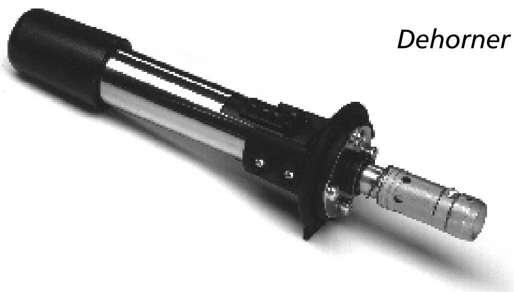
Portasol 50 - (DIY)

Pro II Kit

Blow Torch Range

Gas Torch 220

AgriVet Product Range



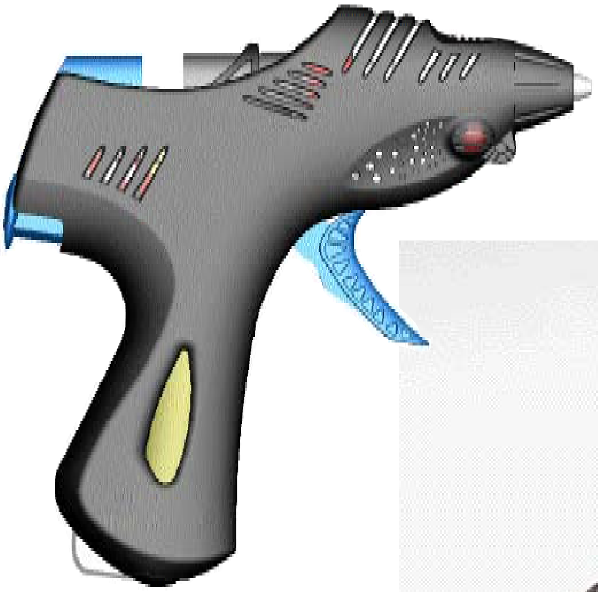
Dehorner MKII

nsai
I.S./ISO 9001/EN 29001

European Community Design Prize 1994
NOMINEE
ALSO NOMINATED IN 1989

19 SILVER MEDAL 94

Cordless Gas Powered Glue Gun Range



G125 (DIY)

G200
(Professional)

G150

Chairman's statement

I am pleased to report that the group achieved a profit before tax of €216,251 for the year to 31 March 2007 which compares to a loss in the previous year of €201,618. This turn around in profitability was achieved in very difficult trading circumstances and reflects the success of stringent efforts made to reduce staffing levels, control manufacturing costs and to increase productivity.

We continue to upgrade and enhance existing products through the work of the development team and in addition the team is working on the alternative uses for our existing and developing technology in search of new markets in which to sell our products.

Business review
The financial statements have been prepared in accordance with the Group's accounting policies under IFRS as adopted by the E.U. as set out in pages 21 to 24.

Group sales for the year were €5.4m. The profit for the year before taxation was €216,251 (€222,508 after tax credit of €6,257) compared with a loss of €201,618 last year. Earnings per share were 1.81c (2006 loss - 1.47c).

Research is on-going in the development of new products based on existing technology.

Dividends
In light of the continued adverse trading conditions it is not intended to propose a dividend for the year.

Outlook
Trading conditions continue to be difficult particularly in the U.S. largely due to market uncertainty and the weakness of the U.S. dollar. The Board believes that with the rigorous cost controls which have been put in place that the Group's products will continue to be competitive.

I thank my fellow directors and the staff for their commitment and continued support.

Nevin O. Dowling
Chairman

20 September 2007

Review of operations

Introduction
We continue to operate in difficult trading conditions which have been exacerbated by the weakness of the US dollar against the Euro. Despite these adverse circumstances, the Group has traded profitably and has returned to profit for the year. We continue to keep under review all elements of our operations and are geared to take immediate corrective action to maintain the competitiveness of our products.

Production
Staffing levels have been maintained at reduced levels to prior years, nevertheless, due largely to national awards, our wages costs continue to rise. Manufacturing processes, work practices and product design are kept under review and we continue to seek to improve productivity and reduce manufacturing costs.

Research and development
We continue to upgrade and improve design of existing products to ensure their continued competitiveness in the market. We also continue to investigate several possible areas of use based on our existing patented knowledge and developing gas technology markets.

Marketing
We continue to seek wider exposure for our products in several international markets and actively promote all our products by attending and participating in trade fairs and sales conferences of major distributors.

Finance
Details of the Group's cash flow for 2007 are set out in the consolidated cash flow statement on page 27, and show an increase in cash of €200,173 as compared to €89,342 for 2006.

The table below summarises the Group's cash flow for 2007 and 2006

	2007	2006
	€	€
Inflows		
Operating profit/(loss)	**243,850**	(152,570)
Working capital reduction and depreciation	**216,974**	547,269
	460,824	394,699
Outflows		
Interest paid	**(27,599)**	(25,308)
Purchase of patents, property, plant and equipment (net)	**(197,057)**	(182,469)
Finance lease repayments	**(86,786)**	(97,580)
Proceeds from maturity of investments	**50,791**	-
	(260,651)	(305,357)
Net cash inflow	**200,173**	89,342

Cash generation from operations and working capital management amounted to €460,824 in the year and these funds were primarily used for investment in ongoing product development and upgrading of manufacturing processes.

Operating and financial review *(continued)*

Environment
The Group endeavours at all times to comply with all applicable environmental regulations.

Future
We anticipate that difficult trading conditions and the weakness of the US dollar will continue to adversely affect sales of our products in the coming year. We consider that the controls put in place to ensure that immediate corrective action is taken to minimise costs will assist us in trading competitively in the coming year.

I thank management and staff for their commitment and continued support.

A.P. Oglesby
(Chief Executive)

20 September 2007

Directors' report

The Directors have pleasure in submitting their Annual Report to the Shareholders, together with the audited financial statements for the year ended 31 March 2007.

Principal activities, review of business and future developments
The Company is an industrial holding company.
The principal activities of the group continues to be the manufacture and export of gas powered hand tools. There have been no significant changes in these activities during the year, and the Directors have no plans to change them significantly in the foreseeable future.
Key performance indicators that are focused on by management include:

- market share
- revenue, sales orders value and volumes
- dealer network representation

A detailed review of the operations for the year, and of future developments, is set out on pages 9 and 10.

Group undertakings
A listing of the Company's group undertakings is set out in note 27 to the financial statements.

Results
Details of the results for the year are set out in the Group income statement and related notes.

Research and development
During the year, €164,841 (2006: €208,638) was invested in research and development, which has been expensed with in the income statement for the year. In addition a further €88,395 (2006: €82,853) was expended in securing patents. The main thrust of these activities is to further develop the potential of our cordless gas powered catalytic range of soldering irons, while at the same time developing the Glue Gun/Agri-Product lines with the particular application of thermostatic temperature control.

Dividends
No dividends were declared during the financial year ended 31 March 2007 (2006: Nil).

Annual General Meeting
Notice of the Annual General Meeting will be issued under separate cover.
Shareholders are being asked to renew the authority to disapply the statutory pre-emption provisions (valid until the next Annual General Meeting) up to a maximum of 1,231,508 Ordinary Shares of 12c each (being 10% of the nominal value of the Company's issued share capital at the date hereof).

Except for the issue of shares pursuant to the Company's share option schemes (should options be exercised), the Directors do not have any current intention to issue shares.

In addition, Shareholders are being asked to renew the authority of the Company or any of its group undertakings, which was originally given at the Annual General Meeting held on 10 November 2006, to purchase the Company's own shares and to re-issue treasury shares. The terms of the authority are the same as those given at the Annual General Meeting on 10 November 2006 including the terms relating to the maximum and minimum prices at which shares may be purchased, and that such purchases may not exceed 10% of the existing share capital of the Company within any period of 12 months. The Directors do not have any current intention to exercise these powers.

Directors' report *(continued)*

Interests of Directors and Secretary
The interests (all of which were beneficially owned) of the Directors and Company Secretary, and their wives and minor children, in the share capital of the Company and its Group undertakings at 31 March 2007 and 31 March 2006 were as follows:

	Oglesby & Butler Group plc Ordinary Shares of 12c each		**Oglesby & Butler Investments** Ordinary Shares 31 March 2006 and 31 March 2007		
	At beginning of year	At end of year	Class	€ per Share	Number
N. O. Dowling	210,000	210,000	A	€0.03	25,000
A. P. Oglesby	2,876,188	2,876,188	B	€0.04	20,000
J. P. Oglesby	2,344,685	2,344,685	C	€0.05	12,500
M. N. Boran	11,668	11,668	K	€0.31	2,000

Details of share options granted to the Directors and Company Secretary are as follows:

	At beginning of year	Granted in year	Lapsed in year	At end of year	Grant price cent	Date of Grant
M.N. Boran	30,000	-	30,000	-	33.00	1996

All of the above options were exercisable for a period of 10 years from the anniversary of the dates on which they were granted. All options outstanding lapsed during the year.

The market price of the shares at 31 March 2007 was 20c and the range for the year 31 March 2007 was 19c to 26c.

There were no changes in the interests of Directors and Secretary since 31 March 2007.

There has not been any contract or arrangement in relation to the business of the Company or any Group undertaking during the year in which a Director or the Secretary of the Company was materially interested and which was significant in relation to the Company's business.

Substantial share interests

In addition to the holdings indicated above, the following Shareholders held in excess of 3% of the issued ordinary share capital of the Company at 20 September 2007:

Oglesby & Butler Group plc Ordinary Shares of 12c each

	Number	% Holding
Vidacos Nominees Limited	652,500	5.29%
Mr. K. Anderson	3,167,958	25.72%

As far as the Directors are aware, no other person or company held 3% or more of the issued ordinary share capital of the Company at 20 September 2007.

Share Option Schemes

At 31 March 2007, under the terms of the Oglesby & Butler Group plc share option schemes, there were no outstanding options as the outstanding options of 30,000 ordinary shares had lapsed during the year (31 March 2006: 30,000 options over ordinary shares).

Corporate governance

The Directors are committed to achieve compliance with the 2003 Combined Code on Corporate Governance which sets out principles of good governance and a code of best practice and which was appended to the listing rules of the Irish Stock Exchange.
The Directors have developed a code of practice which deals with among other matters, issues of corporate governance. This code of practice is designed to ensure that the main principles and supporting principles of governance set out in Section 1 of the 2003 Combined Code are applied in the Group.

The Board and Directors
The Board is comprised of two executive and two Non-executive Directors. The Board has nominated N.O. Dowling as the senior independent Non-executive Director. Both Non-executive Directors are considered independent. The Board meets regularly, in accordance with a pre-determined schedule of meetings and also meets on other occasions as necessary.

Directors, other than the Chairman and Chief Executive, are subject to retirement by rotation every three years at the Company's Annual General Meeting. Procedures are in place for Directors in furtherance of their duties to receive appropriate training and to take independent professional advice if necessary, at the company's expense. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed. Non-executive Directors are appointed for specific terms through a formal selection process.

The Board has a formal schedule of matters specifically reserved to it for decision. Matters reserved for decision by the Board include all significant commercial, trading and strategic matters, approval of capital and revenue budgets, approval of the financial statements, membership of the Board and Board Committees, acquisitions and disposals, capital expenditure, risk management and treasury policies.

All Directors receive full board papers in sufficient time in advance of board meetings and any further back up papers and information are available to Directors on request. The Chairman of each Committee of the Board is available to give a report on the Committees' proceedings at board meetings if required. All Directors receive the Group's monthly financial statements and comparisons to budgets. Management accounts are presented to the Board on a regular basis.

Board Committees
The Board has established a number of Committees which operate within defined terms of reference. The terms of reference of the Board Committees are available on request from the Company Secretary.

Meetings
There were 7 meetings of the Board during the year. The Chairman in conjunction with the Company Secretary sets the agenda for each meeting. Meetings are held on site at our premises in Carlow and at other designated venues during the year.

Details of Directors' attendance at board and committee meetings are set out on page 17.

Performance appraisal
The Non-executive Directors annually conduct a review of the performance of the Board and its Committees.
The Chairman appraises the performance of Directors and Secretary through individual discussions.

Terms of appointment of Non-executive Directors
The standard terms of letter for appointment of Non-executive Directors is available on request from the Company Secretary.

Election and appointment of Directors
Election of Directors is in accordance with the Company's Articles of Association and is carried out at the Annual General Meeting.

Chairman
Mr. N.O. Dowling has been Chairman of the Group since 1991, and is responsible for the efficient and effective working of the Board. In this he ensures that all Board agendas cover major strategic issues concerning the Group and also that the Board evaluates and approves management plans for the Group. Mr. Dowling holds a number of other directorships external to the Group. The Board considers that this does not interfere with his duties as Chairman.

The Board has delegated authority to the following Committees on a number of specific matters as detailed below:

Audit Committee
The Audit Committee consists of the Chairman, the Non-executive Director and the Company Secretary. The Audit Committee met 4 times during the year. The Chairman and Company Secretary attend at the regular audit meetings while the external auditor attends as required.

The Audit Committee reviews the services provided by the external auditor, in respect of audit, audit related and non audit services. Audit related services are services carried out by the external auditor by virtue of their role as external auditor and include assurance related work and accounting advice. The non-audit services provided principally related to tax advice and assistance with company secretarial matters. In line with best practice the external auditor does not provide services such as financial information system design and valuation work which could be considered to be inconsistent with the audit role.

Main functions of the Committee are:
· Reviewing the Group's financial statements and monitoring financial reporting issues.
· Reviewing the Group's internal control systems.
· Advising as to the appointment of external auditor.

Remuneration Committee
This Committee is comprised of the Chairman and the Chief Executive, however periodically the Research and Development Director may be asked to attend. The Committee met 3 times during the year.

The Committee's main functions are :
· Determines the Group's policy on executive and Non-executive Directors pay.
· Determines the remuneration of executive and Non-executive Directors.
· Monitors the level and structure of remuneration for senior management.
· Reviews and approves the design of all incentive share plans.
· The Committee also reviews and approves the report on Directors' remuneration as set out in note 5, on page 32 of this report.

Remuneration Committee *cont'd.*

The Group has in place procedures which are consistent with Section A of the Irish Stock Exchange's Best Practice Provisions on Directors' Remuneration, save that the Chief Executive is a member of the Remuneration Committee, and these procedures have operated throughout the year. In preparing its Remuneration Committee report, the Board has followed the provisions of the Combined Code.

The executive Directors do not hold any external directorships.

No share options were granted during the year ended 31 March 2007. Performance related bonuses have not been paid in the past. Consideration will be given to these at the appropriate time.

Finance Committee

The Finance Committee consists of the Chairman, Chief Executive and the Company Secretary. This Committee met 3 times during the year.

The Finance Committee has been appointed by the Board to advise it on matters relating to the following:
· Financial requirements of the Group.
· Funding arrangements with banks and lending institutions.

Nomination Committee

This Committee sits as part of the full Board and assists with advice that ensures that the structures of both the Board itself and the various Committees are appropriate to the needs of the Group.

Main functions are:
· Assessment of Board requirements in terms of skills, experience, and diversity needed.
· Process of identification for suitable candidates.

Relations with shareholders

The Company has regular dialogue with institutional shareholders, and encourages communication with private shareholders, welcoming their participation at general meetings. All Directors are made aware of shareholder views through the Chairman, as they arise.

All Board members attend the Annual General Meeting and are available to answer questions. Separate resolutions are proposed on substantially different issues and the agenda of business to be conducted at the Annual General Meeting includes a resolution to receive and consider the annual report and financial statements.

The Directors comply with the Combined Code as it relates to the disclosure of proxy votes, the separation of resolutions and the attendance of Directors at the Annual General Meeting. The Directors intend to comply with the Provisions of the Code concerning the giving of twenty one days notice of the Annual General Meeting.

Internal control

The Board of Directors has overall responsibility for the Group's system of internal financial control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable, but not absolute, assurance against material mis-statement or loss.

The 2003 Combined Code has a requirement that Directors annually review the effectiveness of the Group's system of internal controls. This requires a review of the system of internal financial controls to cover all controls including financial, operational, compliance and risk management.

Formal guidance for the implementation of the requirement entitled "Internal Control: Guidance for Directors on the Combined Code" (the Turnbull Guidance) was published in September 1999.

The Group achieved full compliance with the Turnbull Guidance throughout the year ended 31 March 2007.

The Directors have reviewed the effectiveness of the Group's system of internal control. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group that has been in place for the year under review and up to the date of these financial statements. This process is regularly reviewed by the Board in

accordance with the Turnbull Guidance.
The key internal control procedures in the Group include the following:

- an organisational structure with formally defined lines of responsibility and delegation of authority. The Board has a schedule of matters referred to it for decision.
- a comprehensive budgeting system, with annual financial budgets which are approved by the Board.
- actual performances are measured against budget on a quarterly basis.
- the Board conducts regular assessments of key business risks, including research and development and the production of new products.
- the Board oversees marketing initiatives and sets and monitors sales targets.
- there is ongoing review of production capabilities.
- an extensive system of quality control is in place to ensure continued high product standards.
- there are clearly defined guidelines for investment in plant and equipment and appropriate levels of authorisation for all transactions.
- the Audit Committee reviews the interim and annual financial statements and the nature and extent of external audit.
- the Audit Committee also reviews, on behalf of the Board, reports from management and the external auditor, dealing with internal financial control matters.

Given the size of the Group, an internal audit function has not been set up.

Service contracts
The Company and Group have entered into service contracts with the executive Directors. Each of these service contracts, which exist for three years to 31 December 2008, may be terminated by the Group by giving six months' written notice. Provisions include predetermined compensation payments on termination of one year's salary.

The Remuneration Committee is satisfied that the terms of those service contracts continue to be appropriate and necessary to retain the services of the executive Directors.

Directors' emoluments and interests
Details of Directors' emoluments, including pension contributions to the defined contribution scheme, are set out on page 32, and details of the interests of Directors in the share capital of the Group and of their holdings of share options and interests in contracts are set out on page 12.

Going concern
After making enquiries, the Directors have a reasonable expectation that the Group 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.

Principal risks and uncertainties
The Directors consider that the principal risks and uncertainties faced by the Company and its subsidiaries are in the following categories:

Economic risk

- The risk of increased interest rates and or inflation having an adverse impact on served markets.
- The risk of unrealistic increases in wages or infrastructural cost impacting adversely on competitiveness of the Group and its principal customers.
- The risk of adverse exchange movements.

These risks are managed by innovative product sourcing and strict control on costs.

Competition risk
The Directors of the Company and its subsidiaries manage competition risk through close attention to customer service levels and product innovation.

Financial risk
Each of the companies within the Group has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk. A financial risk management objective of the Company is to protect the Group from significant currency fluctuations. The Company policy is to negotiate settlement terms with significant suppliers in local currency where possible. In the event that

the Group is exposed to currency transactions the Group tends to enter into forward contracts.

Statement of compliance

The Directors fully adopted the provisions of the Combined Code, and have complied with the Code throughout the year ended 31 March 2007 other than in relation to the following matters:

- given the constraints imposed by the stage of development of the Group, and the limited number of Non-executive Directors, the Audit, Remuneration, Nomination and Finance Committees are not comprised exclusively of non executive Directors.
- The Board considers the Non-executive Chairman to be independent, however he participates in the Group pension scheme and until 1991 he was Chief Executive of the Group.

Attendance at Board and Committee meetings during the financial year ended 31 March 2007

	Board		Audit		Finance		Remuneration	
Director:	A	B	A	B	A	B	A	B
N.O. Dowling	7	7	4	4	3	3	3	3
A.P. Oglesby	7	7	-	-	3	3	3	3
J.P. Oglesby	7	-	-	-	3	-	3	-
T.P. Byrne	7	7	4	3	-	-	-	-
M.N. Boran (Secretary)	7	7	4	4	3	3	-	-

Column A - indicates the number of meetings held during the period the Director was a member of the Board and/or Committee
Column B - indicates the number of meetings attended during the period the Director was a member of the Board and/or Committee

Accounting records

The Directors believe that they have complied with Section 202 of the Companies Act, 1990 with regard to books of account by employing financial personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at the registered office of the Company at Industrial Estate, O'Brien Road, Carlow.

Auditor

In accordance with Section 160(2) of the Companies Act, 1963, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board

N.O. Dowling
Director

A.P. Oglesby
Director

20 September 2007

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and have elected to prepare the Company financial statements in accordance with IFRS as adopted by the EU and as applied in accordance with the Companies Acts 1963 to 2006.

The Group financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Group, and the Company financial statements are required by IFRS's as adopted by the EU and as applied by the Companies Acts 1963 to 2006 to fairly present the financial position of the Company. The Companies Acts 1963 to 2006 provide in relation to such financial statements that references in the relevant part of those Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and Company financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

Under Irish company law and the requirements of the Listing Rules issued by the Irish Stock Exchange, the directors are also responsible for preparing a Directors' Report and reports relating to Directors' remuneration and corporate governance that comply with that law and those Rules.

On behalf of the Board

N.O. Dowling
Director

A.P. Oglesby
Director

20 September 2007

Independent Auditor’s report to the Members of Oglesby & Butler Group plc

We have audited the Group and Company financial statements (the “financial statements”) of Oglesby & Butler Group plc for the year ended 31 March 2007 which comprise of the Group Income Statement, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements, the Group and Company Statements of Changes in Equity and the related notes on page 31 to 41. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company’s members, as a body, in accordance with section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
The directors’ responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors’ Responsibilities on Page 18.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with IFRSs as adopted by the EU and, in the case of the Company as applied in accordance with the provisions of the Companies Acts 1963 to 2006, and have been properly prepared in accordance with the Companies Acts 1963 to 2006, and Article 4 of the IAS Regulation. We also report to you our opinion as to; whether proper books of account have been kept by the Company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors’ Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law, or the Listing Rules of the Irish Stock Exchange regarding Directors’ remuneration and Directors’ transactions is not disclosed and, where practicable, include such information in our report.

We review whether the Corporate Governance Statement reflects the Company’s compliance with the nine provisions of the 2003 Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange, 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 Group’s corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman’s Statement and the Review of Operations. 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. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group’s and 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 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.

Independent Auditor's report to the Members of Oglesby & Butler Group plc

(cont'd.)

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 March 2007 and of its profit for the year then ended;

- The Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU as applied in accordance with the provisions of the Companies Acts 1963 to 2006, of the state of the Company's affairs as at 31 March 2007.

- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2006 and Article 4 of the IAS Regulation.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company balance sheet is in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The net assets of the company, as stated in the Company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 March 2007 a financial situation which under Section 40 (1) of the Companies (Amendment) Act 1983 would require the convening of an extraordinary general meeting of the Company.

KPMG

Chartered Accountants
Registered Auditor
1 Stokes Place
St. Stephen's Green
Dublin 2

20 September 2007

Statement of accounting policies

Oglesby & Butler Group is a Company domiciled in Ireland. The address of the Company's registered office is Industrial Estate, O'Brien Road, Carlow. The Group financial statements for the year ended 31 March 2007 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as "the Group").

The Company and Group financial statements of the Company were authorised for issue by the Directors on 20 September 2007.

The accounting policies applied in the preparation of the financial statements for the year ended 31 March 2007 are set out below. These have been applied consistently.

Statement of Compliance

As required by European Union (EU) law from 1 January 2005, the Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU. The individual financial statements of the Company ('Company financial statements') have been prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts 1963 to 2006 which permits a company, that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 148(8) of the Companies Act 1963 from presenting to its members its company income statement and related notes that form part of the approved company financial statements.

The IFRSs adopted by the EU applied by the Company and the Group in the preparation of these financial statements are those that were effective at 31 March 2007.

Basis of preparation

(a) Basis of measurement

The financial statements have been prepared under the historical cost convention, except in the case of derivatives which are carried at fair value.

(b) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Currency

The financial statements are prepared in euro.

Basis of Consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Group financial statements include the financial statements of the holding company and all its Group undertakings made up to the end of the financial year. The Group to date has not entered into any business combinations.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Revenue

Revenue comprises the fair value from the sale of goods (excluding value added tax) and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. This generally occurs on delivery/ shipment of goods to the buyer.

Government grants

A government grant relating to a non-current asset is recognised in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the Group will comply with the conditions attaching to it. Grants that compensate the Group for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Group for the cost of the asset are recognised in the income statement as other operating income on a systematic basis over the useful life of the asset.

Statement of accounting policies *(cont'd.)*

Leases

Finance lease payments
Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease payments
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives paid are recognised in the income statement as an integral part of the total lease expense over the term of the lease.

Property, plant and equipment
Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. On transition to IFRS as adopted by the EU, freehold land and buildings previously carried at a revalued amount, continued to be carried at that amount as their deemed cost at that date. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Depreciation is calculated to write-off the cost less estimated residual value of property, plant and equipment on the straight-line basis over their expected useful lives. The remaining useful lives of the assets are reviewed on a regular basis.

Depreciation is provided on additions with effect from the first day of the month following commissioning and on disposals up to the end of the month prior to retirement, at the following annual rates:

Land	Not depreciated
Buildings	2%
Plant and machinery	7-20%
Fixtures and fittings	10-15%
Motor vehicles	20%

Inventories
Inventories are valued, on the first-in, first-out basis, at the lower of cost and estimated net realisable value. Cost includes all expenditure which has been incurred in the normal course of business in bringing the products to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business (net of trade discounts) of inventories on hand, less all further costs to completion and selling expenses.

Impairment
The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment provision is recorded in the income statement.

Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group financial statements are presented in euro, which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Statement of accounting policies *(cont'd.)*

Segment 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 those of other business segments. 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. Stemming from the Group's internal organisation and management structure and its system of internal financial reporting, segmentation by geographic area is regarded as being the predominant source and nature of the risks and returns facing the group and is thus the primary segment. Segmentation by business is therefore the secondary segment.

Share capital
Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a reduction from equity.

Earnings per share
The Group presents basic and diluted earnings per share data for its ordinary shares, details of which can be found in note 8.

Trade and other receivables and payables
Trade and other receivables and payables are initially recorded at fair value, and thereafter at amortised cost, which approximates their fair value given the short-term nature of these assets and liabilities. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of the receivables.

Finance income and expense
Finance income includes interest income which is recognised in the income statement as it accrues, using the effective interest rate method. Finance expenses include interest expense on borrowings and unwinding of discount on provisions, and are recognised in the income statement using the effective interest rate method.

Investments in subsidiaries
Investments in subsidiaries are stated at cost less provisions for impairment.

Advertising and promotional expenditure
Advertising and promotional expenditure is written-off to the income statement in full in the financial year in which the costs are incurred.

Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.
Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products or processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Patents
Direct costs associated with taking out patents are capitalised and are amortised, on the straight-line basis, over their expected useful lives from the date the costs are incurred. Provisions for impairment are made as required.

Pensions
The pension obligations of the Group are met by payments to a defined contribution pension plan, the annual contributions to which are dealt with in the income statement in the financial year to which they relate.

Income tax
Income tax expenses on the profit or loss for the year comprises current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws that have been enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Statement of accounting policies *(cont'd.)*

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. If the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting nor taxable profit or loss, it is not recognised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the forseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividends
Dividends are recognised as a liability in the period in which they are declared.

Cash and cash equivalents
Cash and cash equivalents, comprise cash balances and call deposits, including bank deposits of less than three months maturity. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Derivative financial instruments
Derivatives are entered into to economically hedge recognised foreign currency monetary assets or liabilities and are not accounted for under hedge accounting but rather any gains or losses arising are recognised in the income statement.

New standards and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2007, and have not been applied in preparing these consolidated financial statements. The following standards and interpretations have been endorsed by the EU:

- IFRS 7, Financial Instruments: Disclosures and the Amendment to IAS 1 Presentation of Financial Staements: Capital Disclosures require extensive disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS 1, which become mandatory for the Group and Company's 2008 financial statements, will require additional disclosures with respect to financial instruments and share capital.
- IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies addresses the application of IAS 29 when an economy first becomes hyperinflationary and in particular the accounting for deferred tax. IFRIC 7, which becomes mandatory for the Group and Company's 2008 financial statements, is not expected to have any impact on the financial statements.
- IFRIC 8, Scope of IFRS 2 Share-based Payments addresses the accounting for share-based payment transactions in which some or all of goods or services received cannot be specifically identified. IFRIC 8 will become mandatory for the Group's and Company's 2008 financial statements but is not expected to have any impact on the financial statements.
- IFRIC 9, Reassessment of Embedded Derivatives, requires that a reassessment of whether embedded derivative should be separated from the underlying host contract should be made only when there are changes to the contract. IFRIC 9, which becomes mandatory for the Group's and Company's 2008 financial statements, is not expected to have any impact on the financial statements.
- IFRIC 10, Interim Financial Reporting and Impairment, prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. IFRIC 10 will become mandatory for the Group's and Company's 2008 financial statements, and will apply prospectively from the date that the Group first applied the measurement criteria of IAS 36 and IAS 39 respectively (i.e., 1 April 2005). It is not expected to have any impact on the financial statements.
- IFRIC 11, IFRS 2 - Group and Treasury Share Tansactions, which is effective for annual periods beginning on or after 1 March 2007, addresses how share-based payment arrangements that affect more than one company in a group are accounted for in each Company's financial statements and is not expected to have an impact on the financial statements.

Group income statement for the year ended 31 March 2007

	Notes	2007 €	2006 €
Revenue	1	**5,413,096**	5,130,051
Operating costs		**(5,169,246)**	(5,282,621)
Operating profit/(loss) before finance costs		**243,850**	(152,570)
Finance expenses	3	**(27,599)**	(49,048)
Profit/(loss) before income tax		**216,251**	(201,618)
Income tax credit	6	**6,257**	21,005
Profit/(loss) after tax for the year	22	**222,508**	(180,613)
Profit/(loss) attributable to equity holders of the group		**222,508**	(180,613)
Basic earnings/(loss) per share	8	**1.81c**	(1.47c)
Diluted earnings/(loss) per share	8	**1.81c**	(1.47c)

On behalf of the Board

N.O. Dowling
Director

A.P. Oglesby
Director

20 September 2007

Group balance sheet at 31 March 2007

	Notes	2007	2006
		€	**€**
ASSETS			
Non-current assets			
Property, plant and equipment	11	**3,576,735**	3,870,130
Intangible assets	9	**672,034**	607,961
Total non-current		**4,248,769**	4,478,091
Current assets			
Inventories	12	**975,805**	1,104,525
Trade and other receivables	13	**1,378,963**	1,029,904
Derivatives and other financial instruments	24	**711**	23,698
Other investments		**-**	50,791
Cash and cash equivalents	23	**321,286**	121,113
Total current assets		**2,676,765**	2,330,031
Total assets		**6,925,534**	6,808,122
Equity			
Capital and reserves attributable to the company's equity holders			
Called up share capital	18	**1,477,808**	1,477,808
Share premium	19	**1,066,503**	1,066,503
Other reserves	20	**891,032**	902,235
Retained earnings	22	**2,289,680**	2,055,969
Total equity		**5,725,023**	5,502,515
LIABILITIES			
Non-current liabilities			
Finance lease obligations	15	**86,848**	166,398
Deferred government grants	16	**136,707**	140,821
Deferred tax liabilities	17	**100,000**	106,257
Total non-current liabilities		**323,555**	413,476
Current liabilities			
Finance lease obligations	15	**81,550**	88,786
Trade and other payables	14	**795,406**	803,345
Total current liabilities		**876,956**	892,131
Total liabilities		**1,200,511**	1,305,607
Total equity and liabilities		**6,295,534**	6,808,122

On behalf of the Board

N.O. Dowling
Director

A.P. Oglesby
Director

Group cash flow statement for the year ended 31 March 2007

	Note	2007 €	2006 €
Cash flows from operating activities			
Profit/(loss) before taxation		**216,251**	(201,618)
Adjusting items:			
Amortisation of intangible assets		**24,322**	19,224
Depreciation of property, plant and equipment		**402,057**	418,763
Amortisation of government grants		**(4,114)**	(4,114)
Finance expenses		**27,599**	49,048
(Increase)/decrease in trade and other receivables		**(349,059)**	16,446
Decrease in inventories		**128,720**	26,668
Decrease in other current assets		**22,987**	741
(Decrease)/increase in trade and other payables		**(7,939)**	69,541
Total cash flow from operating activities		**460,824**	394,699
Interest paid		**(27,599)**	(25,308)
Net cash provided by operating activities		**433,225**	369,391
Cash flows from investing activities			
Purchase of property, plant and equipment		**(108,662)**	(99,616)
Purchase of intangible assets		**(88,395)**	(82,853)
Proceeds from maturity of investments		**50,791**	-
Net cash used in investing activities		**(146,266)**	(182,469)
Cash flows from financing activities			
Payment of finance lease liabilities		**(86,786)**	(97,580)
Net cash used in financing activities		**(86,786)**	(97,580)
Net increase in cash and cash equivalents	23	**200,173**	89,342
Cash and cash equivalents at beginning of year	23	**121,113**	31,771
Cash and cash equivalents at end of year	23	**321,286**	121,113

Group statement of changes in equity for the year ended 31 March 2007

	Share capital €	Capital reserves €	Share premium €	Retained earnings €	Capital redemption reserve €	Revaluation reserve €	Total equity €
Balance at 1 April 2005	1,477,808	170,415	1,066,503	2,225,379	50,903	692,120	5,683,128
Loss for the financial year	-	-		(180,613)	-	-	(180,613)
Transfers	-	-	-	11,203	-	(11,203)	-
Balance at 31 March 2006	1,477,808	170,415	1,066,503	2,055,969	50,903	680,917	5,502,515
Profit for the financial year	-	-		222,508	-	-	222,508
Transfers	-	-	-	11,203	-	(11,203)	-
Balance at 31 March 2007	**1,477,808**	**170,415**	**1,066,503**	**2,289,680**	**50,903**	**669,714**	**5,725,023**

Company balance sheet at 31 March 2007

	Note	2007 €	2006 €
Assets			
Non-current			
Investment in subsidiary	10	**1,327,261**	1,327,261
Total non-current assets		**1,327,261**	1,327,261
Current			
Trade and other receivables	13	**3,145,416**	3,145,416
Other investments		**-**	50,791
Cash and cash equivalents		**50,791**	-
Total current assets		**3,196,207**	3,196,207
Total assets		**4,523,468**	4,523,468
Equity			
Called-up share capital	18	**1,477,808**	1,477,808
Share premium	19	**1,066,503**	1,066,503
Other reserves	21	**136,788**	136,788
Retained earnings		**186,309**	186,309
Total equity attributable to equity shareholders of parent		**2,867,408**	2,867,408
Liabilities			
Current			
Trade and other payables	14	**1,656,060**	1,656,060
Total liabilities		**1,656,060**	1,656,060
Total equity and liabilities		**4,523,468**	4,523,468

On behalf of the Board

N.O. Dowling
Director

A.P. Oglesby
Director

Company cash flow statement for the year ended 31 March 2007

	2007 €	2006 €
Cash flows from investing activities		
Proceeds from the maturing of investments	**50,791**	-
Net cash from investing activities	**50,791**	-
Net increase in cash and cash equivalents	**50,791**	-
Cash and cash equivalents at beginning of year	**-**	-
Cash and cash equivalents at end of year	**50,791**	-

Company statement of changes in equity for the year ended 31 March 2007

	Share capital €	Capital reserves €	Share premium €	Retained earnings €	Capital redemption reserve €	Total equity €
Balance at 1 April 2005, 31 March 2006 and 31 March 2007	1,477,808	85,885	1,066,503	186,309	50,903	2,867,408

Notes forming part of the financial statements

1 Revenue

	2007	2006
	€	€
The entire revenue of the Group consists of manufacture and sale of hand held tools and accessories	**5,413,096**	5,130,051

2 Segment information

Analysis of revenue, all of which is sourced in the Republic of Ireland, by geographical area of destination is as follows:

	2007	2006
	€	€
Ireland	**98,078**	79,991
United Kingdom	**993,760**	819,936
Rest of Europe	**1,838,931**	1,614,323
North America	**1,939,911**	2,018,653
Rest of World	**542,416**	597,148
	5,413,096	5,130,051

All of the Group's profits are earned, and all of its assets are maintained, and all cash is generated in the Republic of Ireland.

3 Finance expenses

	2007	2006
	€	€
On bank overdrafts	**18,455**	16,435
On finance leases	**9,144**	8,873
Fair value of derivative movements	**-**	23,740
	27,599	49,048

All interest is dealt with in the income statement. No interest was capitalised during the year.

Notes *(continued)*

4 Employees and remuneration

The average number of persons employed by the Group (including executive directors) during the year, analysed by category, was as follows:

	2007 Numbers	2006 Numbers
Administration and management	**9**	9
Selling and distribution	**2**	4
Production	**60**	63
Research and development	**2**	2
	73	78

The aggregate payroll costs of these employees were as follows:

	2007	2006
	€	€
Wages and salaries	**1,871,062**	1,786,007
Social welfare costs	**179,593**	175,476
Other pension costs	**72,312**	76,384
	2,122,967	2,037,867

5 Statutory and other information

Report on Directors' remuneration:

Executive directors	**Total**		**Salaries**		**Benefits in Kind**		**Pension Contributions**		**Fees**	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	€	€	**€**	€	**€**	€	**€**	€	**€**	€
A.P. Oglesby	**175,963**	168,798	**162,560**	155,289	**13,403**	13,509	**-**	-	**-**	-
J.P. Oglesby	**190,792**	174,243	**144,306**	123,943	**9,566**	13,380	**36,920**	36,920	**-**	-
	366,755	343,041	**306,866**	279,232	**22,969**	26,889	**36,920**	36,920	**-**	-
Number of executive directors	**2**	2								
Non-executive directors										
N.O. Dowling	**27,211**	28,835	**20,950**	20,950	**-**	1,265	**-**	-	**6,261**	6,620
T.P. Byrne	**24,000**	24,000	**-**	-	**-**	-	**-**	-	**24,000**	24,000
	51,211	52,835	**20,950**	20,950	**-**	1,265	**-**	-	**30,261**	30,620
Number of non-executive directors	**2**	2								

Notes *(continued)*

5 Statutory and other information *(cont'd)*

Other charges/(credits):	**2007**	2006
	€	€
Raw materials recognised as an expense	**1,219,081**	1,113,247
Auditor's remuneration:	**52,605**	51,600
Operating lease rentals - equipment	**8,826**	12,627
Amortisation of intangible assets	**24,322**	19,224
Depreciation of property, plant and equipment	**402,057**	418,763
Research and development expenditure	**164,841**	208,638
Amortisation of government capital grants	**(4,114)**	(4,114)
Restructuring of continuing operations	**-**	259,261

6 Income tax credit

Analysis of credit in period	**2007**	2006
	€	€
Current tax		
Corporation tax on profits/(losses) for the year	**-**	-
Total current tax:	**-**	-
Deferred tax:		
Origination and reversal of temporary differences (note 17)	**6,257**	21,005
Tax credit on profit/(loss)	**6,257**	21,005

Factors affecting tax charge for period

The tax assessed for the year is different than the standard rate of corporation tax in the Republic of Ireland. The differences are explained below:

	2007	2006
	€	€
Profit/(loss) before tax	**216,251**	(201,618)
Profit/(loss) multiplied by the standard rate of tax of 12.5%	**27,031**	(25,202)
Effects of:		
Income taxable at lower/higher rates	**(5,406)**	5,040
Adjustment to standard rates	**(5,264)**	5,674
Income not taxable	**(22,618)**	(6,517)
Total tax credit for year	**(6,257)**	(21,005)

The effective rate of corporation tax has been reduced due to the provisions of Section 234 CTA 1997, relating to tax exempt royalty income and because the Group avails of manufacturing relief which is due to expire in 2010.

7 Dividends

	2007	2006
	€	€
Dividends paid in year	**Nil**	Nil

8 Earnings/(loss) per share

	2007 €	2006 €
Profit/(loss) attributable to ordinary shareholders	**222,508**	(180,613)
Weighted average number of ordinary shares in issue during the year	**12,315,082**	12,315,082
Basic earnings/(loss) per share	**1.81c**	(1.47c)
Fully diluted earnings/(loss) per share	**1.81c**	(1.47c)

The calculation of fully diluted earnings/(loss) per share is based on the profit attributable to ordinary shareholders of €222,508 (2006 loss: €180,613) and the weighted average number of ordinary shares outstanding, after adjusting for share options outstanding of nil (2006: 30,000). The dilutive effect of such options amounted to nil (2006: 16,957) shares, giving a notional number of 12,315,082 ordinary shares in issue.

9 Intangible assets

Group	Patents €
Cost	
At beginning of year	1,001,085
Additions	88,395
At end of year	**1,089,480**
Amortisation	
At beginning of year	393,124
Charged during year	24,322
At end of year	**417,446**
Net book value	
At 31 March 2007	**672,034**
At 31 March 2006	607,961

10 Investment in subsidiaries

Company	2007 €	2006 €
Shares at cost	**1,327,515**	1,327,515
Less: provisions for impairment in value	**(254)**	(254)
	1,327,261	1,327,261

In the opinion of the Directors, the value of the investments is at least equal to their carrying amount. Details of Group undertakings are set out in note 27.

11 Property, plant and equipment

2007 Group	Freehold land & buildings €	Plant equipment & motor vehicles €	Total €
Cost			
At beginning of year	2,460,989	6,266,199	8,727,188
Additions	-	108,662	108,662
At end of year	**2,460,989**	**6,374,861**	**8,835,850**
Depreciation			
At beginning of year	259,028	4,598,030	4,857,058
Charged during year	46,057	356,000	402,057
At end of year	**305,085**	**4,954,030**	**5,259,115**
Net book value			
At 31 March 2007	**2,155,904**	**1,420,831**	**3,576,735**
At 31 March 2006	2,201,961	1,688,169	3,870,130

2006 Group	Freehold land & buildings €	Plant equipment & motor vehicles €	Total €
Cost			
At beginning of year	2,460,989	6,019,916	8,480,905
Additions	-	246,283	246,283
At end of year	**2,460,989**	**6,266,199**	**8,727,188**
Depreciation			
At beginning of year	222,641	4,215,654	4,438,295
Charged during year	36,387	382,376	418,763
At end of year	**259,028**	**4,598,030**	**4,857,058**
Net book value			
At 31 March 2006	**2,201,961**	**1,668,169**	**3,870,130**
At 31 March 2005	2,238,348	1,804,262	4,042,610

Security
At 31 March 2007 a charge was registered over the Group's interest in land based in Carlow.

Other
The depreciable element of freehold land and buildings, namely buildings, amounted to €1,728,075 (2006: €1,728,075).

Assets held under finance leases, at cost less accumulated depreciation, included in property, plant and equipment, amounted to €643,466 (2006: €761,249). The depreciation charge during the year on such assets amounted to €117,783 (2006: €120,595).

Notes *(continued)*

12 Inventories

Group	2007 €	2006 €
Finished goods	**7,160**	13,831
Work in progress	**587,106**	700,126
Raw materials	**381,539**	390,568
	975,805	1,104,525

13 Trade and other receivables

	2007 €	2006 €
Group		
Trade debtors	**1,018,448**	727,184
Prepayments and accrued income	**360,515**	302,720
	1,378,963	1,029,904

Impairment provisions are not material

Company		
Amounts owed by Group undertakings	**3,145,416**	3,145,416

Amounts owed by Group undertakings are interest free and repayable upon demand

14 Trade and other payables

Group	2007 €	2006 €
Trade creditors	**398,716**	456,171
Accruals and deferred income	**322,805**	320,671
Other creditors including tax and social welfare	**73,885**	26,503
	795,406	803,345
Company		
Amounts owed to Group undertakings	**1,656,060**	1,656,060

Amounts owed by Group undertakings are interest free and repayable upon demand

15 Finance lease obligations

Finance lease liabilities are payable as follows:

	Minimum lease payments 2007 €	Interest 2007 €	Principal 2007 €	Minimum lease payments 2006 €	Interest 2006 €	Principal 2006 €
Less than one year	**93,272**	**11,722**	**81,550**	97,999	9,213	88,786
Between one and five years	**94,641**	**7,793**	**86,848**	185,849	19,451	166,398
	187,913	**19,515**	**168,398**	283,848	28,664	255,184

16 Deferred government grants

Group	2007 €	2006 €
Received and receivable	**524,484**	524,484
Amortisation		
At beginning of year	**383,663**	379,549
Released during year	**4,114**	4,114
At end of year	**387,777**	383,663
Net book value	**136,707**	140,821

17 Deferred taxation

Recognised deferred tax assets and liabilities

	Group			Group		
	Assets 2007 €	**Liabilities 2007 €**	**Net (assets)/ liabilities 2007 €**	Assets 2006 €	Liabilities 2006 €	Net (assets)/ liabilities 2006 €
Property, plant and equipment	**-**	**279,514**	**279,514**	-	298,597	298,597
Deferred government grants	**(17,088)**	**-**	**(17,088)**	(17,603)	-	(17,603)
Other payables	**(3,867)**	**-**	**(3,867)**	(3,867)	-	(3,867)
Other items	**(21,053)**	**-**	**(21,053)**	(7,338)	-	(7,338)
Tax value of losses	**(137,506)**	**-**	**(137,506)**	(163,532)	-	(163,532)
Tax (asset)/liability	**(179,514)**	**279,514**	**100,000**	(192,340)	298,597	106,257

Analysis of deferred tax liability - Group

	Balance at 1 April 2006 €	**Recognised in income €**	**Balance at 31 March 2007 €**	Balance at 1 April 2005 €	Recognised in income €	Balance at 31 March 2006 €
Property, plant & equip.	**298,597**	**(19,083)**	**279,514**	295,514	3,083	298,597
Deferred govt. grants	**(17,603)**	**515**	**(17,088)**	(18,140)	537	(17,603)
Other payables	**(3,867)**	**-**	**(3,867)**	(19,586)	15,719	(3,867)
Other items	**(7,338)**	**(13,715)**	**(21,053)**	(2,249)	(5,089)	(7,338)
Tax value of losses	**(163,532)**	**26,026**	**(137,506)**	(128,277	(35,255)	(163,532)
Tax (asset)/liability	**(106,257)**	**(6,257)**	**100,000**	127,262	(21,005)	106,257

Company

There is no potential liability for deferred taxation in the Company.

Notes *(continued)*

18 Issued capital

Group and Company

	€
Authorised	
50,000,000 ordinary shares of 12c each	
At beginning and end of year	6,000,000
Allotted, called up and fully paid	
Ordinary shares of 12c each - 12,315,082 ordinary shares	
At beginning and end of year	1,477,808

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

19 Share premium account

	2007	2006
	€	€
Group and Company		
At beginning and end of year	**1,066,503**	1,066,503

20 Reserves

Capital reserve

The capital reserve includes €84,530 of a non-distributable reserve set up by a Group undertaking, under the terms of a government grant agreement.

Capital redemption reserve fund

This reserve arose on the redemption of shares in the Company in prior years.

Revaluation reserve fund

The revaluation reserve relates to the revaluation surplus arising on a revaluation of property, plant and equipment which took place on 31 March 1999. The freehold and long leasehold land and buildings were valued by independent valuers, Sothern Auctioneers Ltd. M.I.A.V.I. of 37 Dublin Street, Carlow, using an existing use open market basis. The valuation resulted in a surplus over book amount of €1,383,763 which was then credited to other reserves.

21 Other reserves - Company

	Capital redemption reserve	Capital reserve	Total
	€	€	€
At beginning and end of year	50,903	85,885	136,788

Notes *(continued)*

22 Retained earnings

Movement on Group retained earnings	**2007**	2006
	€	€
Balance at beginning of year	**2,055,969**	2,225,379
Profit/(loss) for the year	**222,508**	(180,613)
Transfer from revaluation reserve	**11,203**	11,203
Balance at end of year	**2,289,680**	2,055,969

Company

The Company returned a Nil profit for the year (2006: Nil)

23 Analysis of debt

	At beginning of year	Non-cash movements	Cash flow	At end of year
	€	€	€	€
Cash at bank and in hand	121,113	-	200,173	321,286
Obligations under finance leases:				
due within one year	(88,786)	(79,550)	86,786	(81,550)
due after one year	(166,398)	79,550		(86,848)
	(255,184)	-	86,786	(168,398)
	(134,071)	**-**	**286,959**	**(152,888)**

24 Financial commitments

Group

Capital commitments
Capital expenditure commitments existing at the balance sheet date which were not provided for in the financial statements amounted to €9,217 (2006: €46,989).

Currency commitments
Forward rate currency commitments to hedge sales at the balance sheet date were as follows:

	2007		2006	
Currency	**Amount**	**Weighted Average Rates**	Amount	Weighted Average Rates
US dollars	**Nil**	**Nil**	970,000	1.2128
Pounds sterling	**238,000**	**0.6769**	11,750	0.7224

These contracts fall due between 1 April 2007 and 30 September 2007.

Finance leases
There were no commitments existing at the balance sheet date in respect of finance leases which had been entered into but which commenced after the year end (2006: €Nil).

24 Financial commitments *(cont'd.)*

Operating leases

Commitments under non-cancellable operating leases in respect of plant, fixtures and motor vehicles were as follows:

	2007	2006
Expiring:	**€**	€
Within one year	**11,892**	11,710
Between two and five years	**21,776**	32,644
	33,668	44,354

25 Financial instruments

Foreign currency risk

The majority of group sales are denominated in foreign currencies while the Group sources raw materials from Ireland and the UK. The Group's policy is to eliminate any net currency exposure on its purchases and sales through forward currency contracts. The Group had no net currency exposure on its financial assets or liabilities at 31 March 2007. The Group has taken out forward contracts in excess of the value of foreign currency debtors and creditors to hedge against post year end purchases and sales in order to protect profit margins in the next accounting period.

The fair value of total unrecognised gains on foreign currency forward contracts translated at the spot rate prevailing at the balance sheet date was €711, (2006: €23,698). These are expected to materialise in the next accounting period.

Interest rate risk

The Group has no financial assets other than short-term debtors and cash deposits.
Cash deposits of €321,286 (2006: €121,113) are at floating rates.

The Group's financial liabilities are comprised of finance lease obligations amounting to €168,398 as set out in Note 15. Other creditors and accruals all have short-term maturity dates.

The interest rate profile of financial liabilities at the balance sheet date was as follows:

	2007		2006	
	Floating rate financial liabilities	**Fixed rate financial liabilities**	Floating rate financial liabilities	Fixed rate financial liabilities
Weighted average interest rate	**n/a**	**10.80%**	n/a	11.23%
Weighted average period for which rate is fixed	**n/a**	**2.86 years**	n/a	3.37 years

Fair values

The fair values of financial assets and liabilities as shown on the balance sheet approximate their carrying values.

26 Pensions

Pensions for employees arise from a defined contribution scheme. These pensions are funded through an external pension scheme for the sole benefit of qualifying employees or their dependants. The pension fund charge for the period was €72,312 (2006: €76,384) and outstanding contributions at the balance sheet date amounted to €16,051 (2006: €8,662).

27 Group undertakings

The following are the Group undertakings of Oglesby & Butler Group plc, all of which are included in the consolidated financial statements, and which are incorporated and operating in the Republic of Ireland unless otherwise stated.

Name and registered office	Principal activity	Percentage held by: Company	Group undertaking
Oglesby & Butler Limited Industrial Estate, O'Brien Road, Carlow	Manufacture and distribution of power tools	100%	-
Oglesby & Butler Technology Limited Industrial Estate, O'Brien Road, Carlow	Patent licensing	100%	-
Oglesby & Butler Ireland Industrial Estate, O'Brien Road, Carlow	Investment holding	100%	-
Oglesby & Butler Investments Industrial Estate, O'Brien Road, Carlow	Investment holding	100%	-
Portagas Limited Industrial Estate, O'Brien Road, Carlow	Non-trading	-	100%
Portasol Inc. (United States of America) Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle, Delaware, U.S.A.	Non-trading	100%	-
Oglesby & Butler Research & Development Limited Industrial Estate, O'Brien Road, Carlow	Non-trading	100%	

All shareholdings in Group undertakings consist of ordinary shares.

28 Related party transactions

Under IAS 24 *Related party disclosures*, the Group has a related party relationship with its key management. The Group and Company has defined its key management as its directors and senior managers. Details of the compensation of key management is set out below.

Key management remuneration including non-executives

	2007	2006
	Number	Number
Number of individuals	**6**	6
	€	€
Salaries and other short-term employee benefits charged to the income statement	**584,492**	525,532
Comprising the following		
Directors	**417,966**	395,876
Other key management personnel	**166,526**	129,656
	584,492	525,532

The Company did not trade during the year and details of balances with related parties are set out in notes 13 and 14.

29 Board approval

The board of directors approved these financial statements on 20 September 2007.

Five year summary

	2007 **€'000**	2006 €'000	2005 €'000	2004 €'000	2003 €'000
Revenue	**5,413**	5,130	5,121	4,907	5,549
Operating profit/(loss)	**244**	(153)	(146)	(85)	287
Finance expenses	**(28)**	(49)	(83)	(31)	(49)
Profit/(loss) before income tax	**216**	(202)	(229)	(116)	238
Tax credit	**6**	21	31	21	26
Profit/(loss) for the financial year	**222**	(181)	(198)	(95)	264
Dividends per share (cent)	**Nil**	Nil	Nil	0.25	0.57
Dividend cover (times)	**n/a**	n/a	n/a	n/a	3.75
Basic earnings/(loss)	**1.81**	(1.47)	(1.60)	(0.76)	2.14
Depreciation (euro)	**402.1**	418.8	425.9	412.6	432.9
Net assets per share (cent)	**46.48**	44.68	46.14	49.47	50.49

Note: Figures for 2003 and 2004 are stated under Irish GAAP Accounting Principles, 2005, 2006, 2007 are stated and prepared in accordance with International Financial Reporting Standards (IFRS's) as adopted by the EU.

Notes

Notes

Notice of meeting

Annual General Meeting

The Annual General Meeting of the Group will be held at Hilton Dublin Hotel, Charlemont Place, Dublin 2, at 12.00 noon on 21 November 2007 for the following purposes:

1. To receive and consider the Financial Statements and Reports of the Directors and Auditor for the year ended 31 March 2007.

2.

3. To authorise the Directors to approve the Auditor's remuneration.

4. To consider and, if thought fit, to pass the following as a Special Resolution:

   "That in accordance with the powers, provisions and limitations of Article 8(e) of the Company's Articles of Association, the Directors be and are hereby authorised to allot equity securities for cash and in respect of sub-paragraph (ii) thereof up to an aggregate nominal value of €147,780."

Special Business

To consider, and if thought fit, to pass the following as Special Resolutions:

5. "That the authority to make market purchases (within the meaning of Section 212 of the Companies Act, 1990 ("the Act")) granted by Resolution 5 passed at the Annual General Meeting of the Company held on 10 November 2006 be and is hereby renewed and shall expire at the close of business on the earlier date of the next Annual General Meeting of the Company and 10 March 2008 unless previously revoked, varied or renewed in accordance with the provisions of Section 215 of the Act, but the Company, or any subsidiary, may enter into a contract or contracts to purchase shares of any class in the capital of the Company ("Shares") under the authority hereby renewed prior to the expiry of such authority which would be or might be executed wholly or partly after the expiry of such authority and may make a purchase of Shares in pursuance of such contract or contracts, notwithstanding that this authority has otherwise expired."

6. "That subject to the passing of Resolution 5 above and to the provisions of the Companies Act, 1990, ("the Act"), for the purposes of Section 209 of the Act the re-issue price range at which any treasury shares (as defined by the said Section 209) for the time being held by the Company may be re-issued off-market shall be in accordance with the terms set forth in Resolution 6 passed at the Annual General Meeting of the Company held on 10 November 2006 and that the authority hereby conferred shall expire at the close of business on the earlier of the date of the next Annual General Meeting of the Company and 10 March 2008 unless previously varied, revoked or renewed in accordance with the provisions of Section 209 of the Act".

7. To transact any other ordinary business of the board.

By order of the Board:

Michael Boran
Secretary

Registered Office:
Industrial Estate,
O'Brien Road,
Carlow.

20 September 2007

NOTES

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member of the Company.

2. The share register and register of Directors' and Secretary's interests, together with copies of contracts of service between Directors and the Company or any of its group undertakings, will be available for inspection at the registered office of the Company during normal business hours from the date of this notice until the date of the meeting and on that date at the place of the meeting from 11.15 a.m. until its conclusion.

Form of proxy

Annual General Meeting

I/We the undersigned, being a Shareholder(s) of the Company

Signature ....

Name in Full ....

Address..

.... Date ....

HEREBY APPOINT the duly appointed Chairman of the Meeting*

.... of ....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Hilton Dublin Hotel, Charlemont Place, Dublin 2, at 12.00 noon on 21 November 2007 and at any adjournment thereof.

Ordinary Business

		For	Against
1.	Consideration of Financial Statements	❑	❑
2.	Election of	❑	❑
3.	Authorise the Directors to fix the Auditor's remuneration	❑	❑
4.	Waiver of statutory pre-emption rights	❑	❑

Special Business

5.	Authority to purchase own shares	❑	❑
6.	Authority to re-issue treasury shares	❑	❑

NOTES

1. *If you wish to appoint a proxy other than the Chairman of the Meeting please insert that person's name and address and delete (initialling the deletion) "the Chairman of the Meeting". The completion of the form of proxy will not preclude shareholders from attending and voting at the AGM.
2. Please indicate, by inserting X in the appropriate box, the way in which your proxy is to vote on the specified Resolutions. If you do not do so, your proxy will vote or abstain as he/she thinks fit. On any other business which may properly come before the Meeting (including any motion to amend a Resolution or adjourn the Meeting), the proxy will act at his/her discretion.
3. This form of proxy must be signed by the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, it must be under its common seal or be signed by some officer or attorney duly authorised in that behalf.
4. To be valid, this Form of Proxy and the Power of Attorney or other authority (if any) under which it is signed must be lodged at the office of the Registrar of the Company, Computershare Services (Ireland) Limited, at Heron House, Corrig Road, Sandyford, Dublin 18 at least 48 hours before the time appointed for the holding of the Meeting.
5. In the case of joint shareholders, seniority shall be determined by the order in which the names stand in the Register of Members; thus the vote of the senior joint shareholder, who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s).

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