

Oglesby & Butler Group plc

Annual report 2008

Registered number: 124871

Oglesby & Butler Group plc

Directors' report and consolidated financial statements

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Oglesby & Butler Group plc

Directors and other information

Directors	N.O. Dowling (Chairman) A.P. Oglesby (Chief Executive) J.P. Oglesby (Research and Development – resigned 31 March 2008) T.P. Byrne (Non-Executive) J. Oglesby (Deputy Managing Director – appointed 12 October 2007)
Secretary	M.N. Boran (resigned 31 March 2008) J. Oglesby (appointed 31 March 2008)
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Solicitors	Arthur Cox Solicitors Earlsfort Centre, Earlsfort Terrace Dublin 2
Stockbrokers	Bloxham Stockbrokers 2/3 Exchange Place IFSC Dublin 1 Davy Stockbrokers Davy House 49 Dawson Street Dublin 2
Bankers	Allied Irish Banks, plc Bankcentre Ballsbridge Dublin 4
Registrar and Transfer Office	Computershare Services (Ireland) Limited Heron House Corrig Road Sandyford Dublin 18
Registered Office	Industrial Estate O'Brien Road Carlow

Oglesby & Butler Group plc

Directors' biographies

N.O. Dowling

Chairman (non-executive)

Chartered accountant, aged 70, 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 62, 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.

T.P. Byrne

Non-executive

Tom Byrne, aged 58, 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.

J. Oglesby

Deputy Managing Director

Jacqueline Oglesby, aged 38, is the current Deputy Managing Director and Secretary of the Group. She has previously worked in the production, accounts, sales and marketing departments for the Group. She also previously worked for Gilbeys of Ireland and Diageo Ireland as a business and financial analyst for wines and spirits. Jacqueline holds an MBA and an MSc in Industrial Mathematics.

Oglesby & Butler Group plc

Chairman's statement

Trading conditions for the year ended 31 March 2008 were considerably worse than expected particularly in the second half of the year. In line with other Irish export driven companies, our revenues were adversely affected by the world wide down turn in consumer demand and further weakening of both the U.S. Dollar and the Pound Sterling.

Gross sales for the year amounted to €4.7m (2007: €5.4m) and in addition the Group earned income of €349,566 from the first phase of a development contract for a major international company. Discussions are in progress in relation to a further phase in this project. At this stage it is too early to determine the likely impact of this project.

Based on certain new developments and using our existing technology the Group has plans for an August 2008 launch of a herbal vaporiser. Other uses based on modification of existing products have been identified and their feasibility is being researched. Work in conjunction with University of Limerick is ongoing on reengineering existing products to reduce manufacturing costs.

The Group returned to full time operation in November 2007 following a period when the factory operated for 3 days a week.

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 29.

Group sales for the year were €4.7m and the net loss for the year was €242,150 (including a tax credit of €71,757) compared with a net profit of €222,508 last year (including a tax credit of €6,257) Loss per share was 1.97c (2007: profit 1.81c).

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.

Board changes

On the 31 March 2008 Mr. Paul Oglesby resigned as Deputy Managing Director but will be continuing in the post of Head of Research and Development. Ms. Jacqueline Oglesby was co-opted to the Board and appointed Deputy Managing Director. Mr. Michael Boran resigned as Secretary and Financial Controller with effect from 31 March 2008. Ms. Jacqueline Oglesby was appointed acting secretary to the Board.

Oglesby & Butler Group plc

Chairman's statement

Outlook

Trading conditions for our core products continue to be difficult particularly in the U.S. largely due to the world wide recession and the continued weakness of both the U.S. Dollar and the Pound Sterling. The Board believes that with vigorous marketing of core products, the introduction of several new products which have been developed but not yet launched, and rigorous cost controls, that the Group will continue to be competitive and return to profitability.

I thank my fellow directors and the staff for their commitment and continued support and would like to thank Michael Boran for his services over the past 19 years.

N.O. Dowling
Chairman

22 July 2008

Oglesby & Butler Group plc

Review of operations

Introduction

We continue to operate in difficult trading conditions which have been exacerbated by the increased weakness of the U.S. Dollar against the Euro and Pound Sterling. We are keeping 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 show a slight increase on prior year and national pay awards have increased costs. Manufacturing processes, work practices and product design are kept under review and we constantly seek to improve productivity and reduce manufacturing costs.

Research and development

We have been upgrading and improving the design of existing products to ensure their continued competitiveness in the market. We have investigated several new 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 2008 are set out in the consolidated cash flow statement on page 32, and show a decrease in cash of €64,887 as compared to an increase of €200,173 for 2007.

Net cash provided by operating activities amounted to €202,144 in the year (2007: €433,225) and these funds were primarily used for investment in ongoing product development and upgrading of manufacturing processes.

Environment

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

Oglesby & Butler Group plc

Review of operations *(continued)*

Future

It is anticipated that difficult trading conditions and the weakness of the U.S. Dollar and the Pound Sterling will continue to adversely affect sales of our products in the coming year.

Additional resources have been allocated to strengthen our sales and marketing departments. The new products developed which will be launched this year are expected to contribute to sales and profits. It is considered that these initiatives, together with 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

22 July 2008

Oglesby & Butler Group plc

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 2008.

Principal activities, review of business and future developments

The Company is an industrial holding company. The principal activity 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 profitability levels and revenue levels to various parts of the world. These are discussed against budget at regular management and board meetings throughout the year.

A review of the operations for the year, and of future developments, is set out on pages 5 and 6.

Group undertakings

A listing of the Company's subsidiary undertakings is set out in note 29 to the financial statements.

Results

Details of the results for the year are set out in the Group income statement on page 30.

Research and development

During the year, €95,825 (2007: €164,841) was invested in research and development, which has been dealt with in the income statement for the year. In addition a further €64,703 (2007: €88,395) 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 ending 31 March 2008 (2007: Nil).

Oglesby & Butler Group plc

Directors' report *(continued)*

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 21 November 2007, 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 21 November 2007 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.

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 2008 and 31 March 2007 were as follows:

	Oglesby & Butler Group plc Ordinary Shares of 12c each		Oglesby & Butler Investments Ordinary Shares 31 March 2007 and 31 March 2008		
	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. Oglesby (secretary)	-	-	-	-	-
	=====	=====	=====	=====	=====

There were no changes in the interests of Directors and Secretary since 31 March 2008.

Oglesby & Butler Group plc

Directors' report *(continued)*

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 22 July 2008:

Oglesby & Butler Group plc Ordinary Shares of 12c each

	Number	% Holding
Vidacos Nominees Limited	652,500	5.29%
Mr. K. Anderson	3,271,988	26.57%
Mr. J. P. Oglesby	2,344,685	19.04%

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 22 July 2008.

Corporate governance

The Directors are committed to achieve compliance with the 2006 Combined Code on Corporate Governance ("the 2006 Combined Code"), 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 2006 Combined Code are applied in the Group.

Oglesby & Butler Group plc

Directors' report (*continued*)

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 by the Board. In arriving at its conclusion, the Board considered many factors including, *inter alia*, whether any of the non-executive Directors:

- has been an employee of the Group;
- receives remuneration from the Group other than a director's fee; or
- represents a significant shareholder.

With regard to the two non-executive Directors, the Board has determined that both are independent and that they discharge their duties in a proper and consistent independent manner. They consistently and appropriately challenge the executive Directors and the Board.

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.

Oglesby & Butler Group plc

Directors' report (*continued*)

Meetings

There were 8 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 16.

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. N.O. 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 on the following pages.

Oglesby & Butler Group plc

Directors' report *(continued)*

Audit Committee

The Audit Committee consists of the Chairman, the non-executive Director and the Company Secretary. The Audit Committee met 3 times during the year. 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 was asked to attend. The Committee met 4 times during the year.

Main functions of the Committee 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 7, on page 39 of this report.

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 2006 Combined Code.

The executive Directors do not hold any external directorships. No share options were granted during the year ended 31 March 2008.

Oglesby & Butler Group plc

Directors' report (*continued*)

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 2006 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 2006 Combined Code concerning the giving of twenty one days notice of the Annual General Meeting.

Oglesby & Butler Group plc

Directors' report (*continued*)

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 misstatement or loss.

The 2006 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 2008.

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 policies and 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.

The directors confirm that they have reviewed the effectiveness of the system of internal financial control which operated during the period covered by the financial statements and up to the date on which the financial statements were signed. In particular, they have considered the significant risks affecting the business and the way in which these risks are managed, collected and monitored.

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

Oglesby & Butler Group plc

Directors' report (*continued*)

Service contracts

Mr. A.P. Oglesby has a three year service contract which expires on 31st. December 2008. This may be terminated by the Group by giving six months' written notice. Provisions include predetermined compensation payments on termination of one year's salary.

M/s J. Oglesby has a letter of engagement pending the finalization of contract.

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 39, and details of the interests of Directors in the share capital of the Group are set out on page 8.

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. They are also discussed at management and Board meetings. A detailed review of the current economic position of the group is described in the Chairman's statement on pages 3 and 4 of the Annual Report.

Competition risk

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

Oglesby & Butler Group plc

Directors' report *(continued)*

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 2006 Combined Code, and have complied with the Code throughout the year ended 31 March 2008 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 2008

	Board		Audit		Finance		Remuneration	
	A	B	A	B	A	B	A	B
<i>Director/secretary:</i>								
N.O. Dowling	8	8	3	3	3	3	4	4
A.P. Oglesby	8	8	-	-	3	3	4	4
J.P. Oglesby	8	6	-	-	-	-	4	-
T.P. Byrne	8	8	3	3	-	-	-	-
M.N. Boran (secretary)	8	2	3	2	3	3	-	-
J. Oglesby (secretary)	7	6	-	-	-	-	-	-

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

Oglesby & Butler Group plc

Directors' report (*continued*)

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

22 July 2008

Oglesby & Butler Group plc

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 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 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 that 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

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 2008 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 30 to 59. 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 2006 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.

Independent auditor's report to the members of Oglesby & Butler Group plc *(continued)*

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.

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 2008 and of its loss 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 2008.
- 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 2008 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.



*Chartered Accountants
Registered Auditor*

22 July 2008

Dublin

Oglesby & Butler Group plc

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements. 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 2008 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 22 July 2008.

The accounting policies applied in the preparation of the financial statements for the year ended 31 March 2008 are set out below. These have been applied consistently.

Basis of preparation

(a) 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 for accounting periods beginning on or before 1 April 2007.

(b) 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.

(c) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, 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.

Oglesby & Butler Group plc

Statement of accounting policies (*continued*)

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. Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Revenue

Revenue represents the fair value of goods and services supplied to external customers and is recognised to the extent that it is subject to reliable measurement, that it is probable economic benefits will flow to the Group and that the significant risks and rewards of ownership have passed to the buyer. It excludes sales related taxes and intra-group transactions. No revenue is recognised if there is uncertainty regarding recovery of the consideration due at the outset of the transaction, associated costs or the possible return of goods. Development income represents the fair value of development services supplied and is recognised to the extent that it is subject to reliable measurement, that it is probable economic benefits will flow to the Group and that the significant risks and rewards have passed 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.

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.

Oglesby & Butler Group plc

Statement of accounting policies *(continued)*

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 functional and presentation currency of the Company and all its subsidiaries.

Oglesby & Butler Group plc

Statement of accounting policies *(continued)*

Foreign currency translation *(continued)*

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.

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 10.

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, and changes in fair value of financial assets at fair value through the profit or loss. 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.

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.

Oglesby & Butler Group plc

Statement of accounting policies *(continued)*

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.

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.

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 foreseeable 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.

Oglesby & Butler Group plc

Statement of accounting policies *(continued)*

Dividends

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

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 in financial income.

The fair value of trade and other receivables is considered to equal the carrying value. The Group's exposure to credit risk, currency risk and impairment losses related to trade and other receivables are disclosed in note 26.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

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.

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.

Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Oglesby & Butler Group plc

Statement of accounting policies (*continued*)

Determination of fair values

Certain of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. To the extent that they are receivable within 6 months, the carrying value is assumed to approximate fair value.

Derivatives

The fair value of forward contracts is based on their listed market price, if available.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Financial risk management

The Group has exposure to the various risks from its use of financial instruments, mainly being:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The financial risks with which the Group is faced are managed by the Finance Manager, within parameters defined formally and regularly reviewed by the Board of Directors. Consistent with Group policy, the Group does not engage in speculative activity. Financial instruments, if required, are used to raise finance and to manage the financial risks resulting from the Group's operations. The main financial risks that the Group is exposed to from time to time include credit risk, liquidity risk and market risk. The Board reviews and agrees policies for managing these risks and these are summarised below.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Oglesby & Butler Group plc

Statement of accounting policies *(continued)*

Financial risk management *(continued)*

Management oversees compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

Credit risk arises due to the Group's policy to extend credit terms to its customers. Group policy is that all customers are assigned credit limits, with all accounts also reviewed on a regular basis by the Group credit control function. Where credit defaults arise in relation to individual accounts, it is Group policy to provide in full for all impaired debts. In addition, credit risk results from the placement of Group funds with its banking counterparties. Group policy is to place excess funds on deposits with major banking groups only.

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. It is Group policy to maintain, at all times, access to sufficient liquid resources capable of meeting all foreseeable short-term financial obligations. At 31 March 2008 the Group had net cash balances of €256,399 (2007: €321,286)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

In relation to transactional exposures, Group policy is to assess the use of forward foreign exchange contracts where appropriate to hedge cash flows denominated in foreign currencies, where these cash flows are deemed to be of sufficient magnitude to give rise to significant foreign currency risk.

Oglesby & Butler Group plc

Statement of accounting policies (*continued*)

Financial risk management (*continued*)

Interest rate risk

Details of the Groups exposure to interest rate risk is set out in note 26. The Group has minimal borrowings therefore is not exposed to significant interest rate risk.

Capital management

The Group considered that its capital comprises of share capital, share premium and other reserves.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business as a going concern. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Adoption of new standards and interpretations

The following is a list of standards and interpretations adopted by the EU which were effective for the year ended 31 March 2008 for the first time, and which have been applied in preparing these consolidated financial statements:

- Amendment to IAS 1 *Capital Disclosures*
- IFRS 7 *Financial Instruments: Disclosures*
- IFRIC Interpretation 8 *Scope of IFRS 2*
- IFRIC Interpretation 9 *Reassessment of Embedded Derivatives*
- IFRIC Interpretation 10 *Interim Financial Reporting and Impairment*
- IFRIC Interpretation 11 *Group and Treasury Share Transactions*

None of the above standards or interpretations has had, or is expected to have, a material impact on the consolidated financial statements except for the additional disclosure requirements for financial instruments introduced by IFRS 7.

Standards and interpretations not yet adopted

The following is a list of standards and interpretations in issue and adopted by the EU, but which are not yet effective for the year ended 31 March 2008, and have not been applied in preparing these consolidated financial statements:

- IFRS 8 Operating Segments introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the Group's 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Group presents segment information in respect of its geographical segments (see note 2). Management have not yet fully assessed the implications for the Group of this change.

Oglesby & Butler Group plc

Group income statement for the year ended 31 March 2008

	<i>Notes</i>	2008 €	2007 €
Revenue	<i>1</i>	4,723,006	5,413,096
Operating costs	<i>3</i>	(5,387,338)	(5,169,246)
		<hr/>	<hr/>
Other operating income	<i>4</i>	(664,332) 349,566	243,850 -
		<hr/>	<hr/>
Operating (loss)/profit before finance costs		(314,766)	243,850
Finance income	<i>5</i>	15,516	-
Financial expenses	<i>5</i>	(14,657)	(27,599)
		<hr/>	<hr/>
(Loss)/profit before income tax		(313,907)	216,251
Income tax credit	<i>8</i>	71,757	6,257
		<hr/>	<hr/>
(Loss)/profit after tax for the year	<i>24</i>	(242,150)	222,508
		<hr/> <hr/>	<hr/> <hr/>
(Loss)/profit attributable to equity holders of the group		(242,150)	222,508
		<hr/> <hr/>	<hr/> <hr/>
Basic (loss)/earnings per share	<i>10</i>	(1.97c)	1.81c
		<hr/> <hr/>	<hr/> <hr/>
Diluted (loss)/earnings per share	<i>10</i>	(1.97c)	1.81c
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the board:

N.O. Dowling
Director

A.P. Oglesby
Director

Oglesby & Butler Group plc

Group balance sheet

as at 31 March 2008

	<i>Notes</i>	2008	2007
Assets		€	€
Non-current assets			
Property, plant and equipment	13	3,298,731	3,576,735
Intangible assets	11	702,440	672,034
Total non-current		4,001,171	4,248,769
Current assets			
Inventories	14	937,173	975,805
Trade and other receivables	15	1,377,693	1,378,963
Corporation tax receivable		8,362	-
Derivatives and other financial instruments	26	13,556	711
Cash and cash equivalents	25	393,051	321,286
Total current assets		2,729,835	2,676,765
Total assets		6,731,006	6,925,534
Equity			
Capital and reserves attributable to the company's equity holders			
Called up share capital	20	1,477,808	1,477,808
Share premium	21	1,066,503	1,066,503
Other reserves	22	879,829	891,032
Retained earnings	24	2,058,733	2,289,680
Total equity		5,482,873	5,725,023
Liabilities			
Non-current liabilities			
Finance lease obligations	17	37,067	86,848
Deferred government grants	18	132,593	136,707
Deferred tax liabilities	19	26,156	100,000
Total non-current liabilities		195,816	323,555
Current liabilities			
Finance lease obligations	17	45,328	81,550
Bank overdraft	23	136,652	-
Trade and other payables	16	870,337	795,406
Total current liabilities		1,052,317	876,956
Total liabilities		1,248,133	1,200,511
Total equity and liabilities		6,731,006	6,925,534

On behalf of the board:

N.O. Dowling
Director

A.P. Oglesby
Director

Oglesby & Butler Group plc

Group cash flow statement for the year ended 31 March 2008

	<i>Note</i>	2008	2007
		€	€
Cash flows from operating activities			
(Loss)/profit after taxation		(242,150)	222,508
<i>Adjusting items:</i>			
Income tax credit		(71,757)	(6,257)
Amortisation of intangible assets		34,297	24,322
Depreciation of property, plant and equipment		394,329	402,057
Amortisation of government grants		(4,114)	(4,114)
Finance income and expenses		(148)	27,599
Decrease/(increase) in trade and other receivables		1,270	(349,059)
Decrease in inventories		38,632	128,720
Decrease in derivatives		1,960	22,987
Increase/(decrease) in trade and other payables		74,931	(7,939)
		<hr/>	<hr/>
Total cash flow from operating activities		227,250	460,824
Net interest paid		(14,657)	(27,599)
Income tax paid		(10,449)	-
		<hr/>	<hr/>
Net cash provided by operating activities		202,144	433,225
Cash flows from investing activities			
Purchase of property, plant and equipment		(116,325)	(108,662)
Purchase of intangible assets		(64,703)	(88,395)
Proceeds from maturity of investments		-	50,791
		<hr/>	<hr/>
Net cash used in investing activities		(181,028)	(146,266)
Cash flows from financing activities			
Payment of finance lease liabilities		(86,003)	(86,786)
		<hr/>	<hr/>
Net cash used in financing activities		(86,003)	(86,786)
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	25	(64,887)	200,173
Cash and cash equivalents at beginning of year	25	321,286	121,113
Cash and cash equivalents at end of year	25	256,399	321,286
		<hr/> <hr/>	<hr/> <hr/>

Oglesby & Butler Group plc

Group statement of changes in equity for the year ended 31 March 2008

	Share Capital €	Capital reserves €	Share premium €	Retained earnings €	Capital redemption reserve €	Revaluation reserve €	Total equity €
Balance at 1 April 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)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2007	1,477,808	170,415	1,066,503	2,289,680	50,903	669,714	5,725,023
Loss for the financial year	-	-	-	(242,150)	-	-	(242,150)
Transfers	-	-	-	11,203	-	(11,203)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2008	1,477,808	170,415	1,066,503	2,058,733	50,903	658,511	5,482,873
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Oglesby & Butler Group plc

Company balance sheet at 31 March 2008

	<i>Note</i>	2008 €	2007 €
Assets			
Non-current			
Investment in subsidiary	<i>12</i>	1,327,261	1,327,261
		<hr/>	<hr/>
Total non-current assets		1,327,261	1,327,261
		<hr/>	<hr/>
Current			
Trade and other receivables	<i>15</i>	3,145,416	3,145,416
Cash and cash equivalents		50,791	50,791
		<hr/>	<hr/>
Total current assets		3,196,207	3,196,207
		<hr/>	<hr/>
Total assets		4,523,468	4,523,468
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Called-up share capital	<i>20</i>	1,477,808	1,477,808
Share premium	<i>21</i>	1,066,503	1,066,503
Other reserves	<i>23</i>	136,788	136,788
Retained earnings	<i>24</i>	186,309	186,309
		<hr/>	<hr/>
Total equity attributable to equity shareholders of parent		2,867,408	2,867,408
		<hr/>	<hr/>
Liabilities			
Current			
Trade and other payables	<i>16</i>	1,656,060	1,656,060
		<hr/>	<hr/>
Total liabilities		1,656,060	1,656,060
		<hr/>	<hr/>
Total equity and liabilities		4,523,468	4,523,468
		<hr/> <hr/>	<hr/> <hr/>
On behalf of the board:			
N.O. Dowling <i>Director</i>		A.P Oglesby <i>Director</i>	

Oglesby & Butler Group plc

Company cash flow statement for the year ended 31 March 2008

	2008	2007
	€	€
Cash flows from investing activities		
Proceeds from the maturing of investments	-	50,791
	<hr/>	<hr/>
Net cash from investing activities	-	50,791
	<hr/>	<hr/>
Net increase in cash and cash equivalents	-	50,791
Cash and cash equivalents at beginning of year	50,791	-
	<hr/>	<hr/>
Cash and cash equivalents at end of year	50,791	50,791
	<hr/> <hr/>	<hr/> <hr/>

Company statement of changes in equity for the year ended 31 March 2008

	Share Capital	Capital reserves	Share premium	Retained earnings	Capital redemption reserve	Total equity
	€	€	€	€	€	€
Balance at 1 April 2006						
31 March 2007, and 31 March 2008	1,477,808	85,885	1,066,503	186,309	50,903	2,867,408
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Oglesby & Butler Group plc

Notes

forming part of the financial statements

1 Revenue	2008	2007
	€	€
The entire revenue of the Group consists of manufacture and sale of hand held tools and accessories	4,723,006	5,413,096

2 Geographical information

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

	2008	2007
	€	€
Ireland	57,893	98,078
United Kingdom	775,770	993,760
Rest of Europe	1,707,085	1,838,931
North America	1,519,337	1,939,911
Rest of World	662,921	542,416
	4,723,006	5,413,096

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 Operating costs	2008	2007
	€	€
<i>Expenses by function</i>		
Cost of sales	3,053,433	3,257,580
Distribution costs	344,545	327,711
Administration costs	1,989,360	1,582,955
	5,387,338	5,169,246

Oglesby & Butler Group plc

Notes (continued)

3 Operating costs (continued)

	2008	2007
	€	€
<i>Expenses by nature</i>		
Raw materials recognised as an expense	1,023,300	1,219,081
Operating lease rentals - equipment	16,451	8,826
Auditors remuneration - audit related services	62,500	31,200
- other services	24,200	21,405
Amortisation of intangible assets	34,297	24,324
Depreciation of property, plant and equipment	394,329	402,057
Marketing costs	245,710	327,711
Amortisation of government capital grants	(4,114)	(4,114)
Foreign exchange loss	100,768	47,344
Staff costs	2,498,418	2,547,324
Other costs	991,479	544,979
	5,387,338	5,169,246
	5,387,338	5,169,246

4 Other operating income

Other operating income represents development income and reimbursement of expenses in relation to a contract with a major international company.

5 Finance income and expenses

	2008	2007
	€	€
<i>Finance income</i>		
Fair value movement in derivatives	(15,516)	-
<i>Finance expenses</i>		
Interest on bank overdraft	5,914	18,455
Interest on finance lease	8,743	9,144
	14,657	27,599
	14,657	27,599
Net finance (income)/expenses	(859)	27,599

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

Oglesby & Butler Group plc

Notes *(continued)*

6 Employees and remuneration

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

	2008	2007
	Numbers	Numbers
Administration and management	11	9
Selling and distribution	2	2
Production	63	60
Research and development	2	2
	<hr/>	<hr/>
	78	73
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs of these employees were as follows:

	2008	2007
	€	€
Wages and salaries	2,280,902	2,295,417
Social welfare costs	155,821	179,593
Other pension costs	61,694	72,312
	<hr/>	<hr/>
	2,498,418	2,547,324
	<hr/> <hr/>	<hr/> <hr/>

Oglesby & Butler Group plc

Notes (continued)

7 Statutory and other information

Report on directors' remuneration:

Executive directors

	Total		Salaries		Benefits in kind		Pension contributions		Fees	
	2008 €	2007 €	2008 €	2007 €	2008 €	2007 €	2008 €	2007 €	2008 €	2007 €
A.P. Oglesby	168,677	175,963	154,511	162,560	14,166	13,403	-	-	-	-
J.P. Oglesby	136,201	190,792	90,679	144,306	8,602	9,566	36,920	36,920	-	-
J. Oglesby	34,422	-	33,775	-	647	-	-	-	-	-
	339,300	366,755	278,965	306,866	23,415	22,969	36,920	36,920	-	-

Number of executive directors **3**

Non-executive directors

N.O. Dowling	27,571	27,211	20,950	20,950	-	-	-	-	6,621	6,261
T.P. Byrne	24,000	24,000	-	-	-	-	-	-	24,000	24,000
	51,571	51,211	20,950	20,950	-	-	-	-	30,621	30,261

Number of non-executive directors **2**

Oglesby & Butler Group plc

Notes (continued)

8 Income tax credit

Analysis of credit in period	2008	2007
	€	€
<i>Current tax:</i>		
Corporation tax on (losses)/profits for the year	-	-
Under provision in prior year	(2,087)	-
	<hr/>	<hr/>
<i>Total current tax</i>	(2,087)	-
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	70,308	6,257
Under provision in prior year	3,536	-
	<hr/>	<hr/>
<i>Total deferred tax</i>	73,844	6,257
	<hr/> <hr/>	<hr/> <hr/>
Tax credit on (loss)/profit on ordinary activities	71,757	6,257
	<hr/> <hr/>	<hr/> <hr/>

Oglesby & Butler Group plc

Notes (continued)

8 Income tax credit (continued)

Factors affecting tax credit for year

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

	2008 €	2007 €
(Loss)/profit before tax	(313,907)	216,251
(Loss)/profit for year multiplied by the standard rate of tax of 12.5%	(39,238)	27,031
<i>Effects of:</i>		
Adjustment to standard rates	-	(5,406)
Income not taxable for tax purposes	(45,806)	(5,264)
Expenses not allowable for tax purposes	17,799	-
Other differences	(3,063)	(22,618)
Under provision of current tax in prior year	2,087	-
Under provision of deferred tax in prior year	(3,536)	-
Total tax credit for year	(71,757)	(6,257)
9 Dividends	2008 €	2007 €
Dividends paid in year	-	-

Oglesby & Butler Group plc

Notes *(continued)*

10 (Loss)/earnings per share

	2008	2007
	€	€
(Loss)/profit attributable to ordinary shareholders	(242,150)	222,508
Weighted average number of ordinary shares in issue during the year	12,315,082	12,315,082
Basic (loss)/earnings per share	(1.97c)	1.81c
Fully diluted (loss)/earnings per share	(1.97c)	1.81c

The calculation of fully diluted (loss)/earnings per share is based on the loss attributable to ordinary shareholders of €242,150 (2007: profit €222,508) and the weighted average number of ordinary shares outstanding.

11 Intangible assets

	2008	2007
	€	€
Patents - Group		
<i>Cost</i>		
At beginning of year	1,089,480	1,001,085
Additions	64,703	88,395
At end of year	1,154,183	1,089,480
<i>Amortisation</i>		
At beginning of year	417,446	393,124
Charged during year	34,297	24,322
At end of year	451,743	417,446
Net book value		
At 31 March	702,440	672,034

Oglesby & Butler Group plc

Notes *(continued)*

12 Investment in subsidiaries

	2008 €	2007 €
Company		
Shares at cost	1,327,515	1,327,515
Less: provisions for impairment in value	(254)	(254)
	<u>1,327,261</u>	<u>1,327,261</u>
	<u><u>1,327,261</u></u>	<u><u>1,327,261</u></u>

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 29.

13 Property, plant and equipment

2008 Group	Freehold land & buildings €	Plant equipment & motor vehicles €	Total €
<i>Cost</i>			
At beginning of year	2,460,989	6,374,861	8,835,850
Additions	2,000	114,325	116,325
	<u>2,462,989</u>	<u>6,489,186</u>	<u>8,952,175</u>
At end of year	2,462,989	6,489,186	8,952,175
<i>Depreciation</i>			
At beginning of year	305,085	4,954,030	5,259,115
Charged during year	36,387	357,942	394,329
	<u>341,472</u>	<u>5,311,972</u>	<u>5,653,444</u>
At end of year	341,472	5,311,972	5,653,444
Net book value			
At 31 March 2008	2,121,517	1,177,214	3,298,731
	<u><u>2,121,517</u></u>	<u><u>1,177,214</u></u>	<u><u>3,298,731</u></u>
At 31 March 2007	2,155,904	1,420,831	3,576,735
	<u><u>2,155,904</u></u>	<u><u>1,420,831</u></u>	<u><u>3,576,735</u></u>

Oglesby & Butler Group plc

Notes (continued)

13 Property, plant and equipment

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

Security

At 31 March 2008 and 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 €1,896,553 (2007: €1,942,610).

Assets held under finance leases, at cost less accumulated depreciation, included in plant equipment and motor vehicles, amounted to €255,582 (2007: €302,422). The depreciation charge during the year on such assets amounted to €45,840 (2007: €45,840).

Oglesby & Butler Group plc

Notes (continued)

14 Inventories	2008	2007
	€	€
Group		
Finished goods	8,438	7,160
Work in progress	443,795	587,106
Raw materials	484,940	381,539
	<hr/>	<hr/>
	937,173	975,805
	<hr/> <hr/>	<hr/> <hr/>

The replacement cost of inventories is not considered to be materially different from the stated value. The total movement on inventories has been recognised in Operating Costs.

15 Trade and other receivables	2008	Group	2007
	€		€
<i>Amounts falling due within one year:</i>			
Trade receivables	1,139,038		1,018,448
Less: provisions for trade receivables	(67,049)		-
	<hr/>		<hr/>
	1,071,989		1,018,448
Prepayments	305,704		360,515
	<hr/>		<hr/>
	1,377,693		1,378,963
	<hr/> <hr/>		<hr/> <hr/>
		Company	
	2008		2007
	€		€
Amounts owed by group undertakings	3,145,416		3,145,416
	<hr/> <hr/>		<hr/> <hr/>

The fair value of trade and other receivables is considered to equal the carrying value above. The Group's exposure to credit risk, currency risk and impairment losses related to trade and other receivables are disclosed in note 26.

Amount owed by group undertakings are interest free and repayable upon demand.

Oglesby & Butler Group plc

Notes (continued)

16 Trade and other payables	Group		Company	
	2008 €	2007 €	2008 €	2007 €
Trade creditors	484,892	398,716	-	-
Accruals	385,445	396,690	-	-
Inter-group payables	-	-	1,656,060	1,656,060
	<u>870,337</u>	<u>795,406</u>	<u>1,656,060</u>	<u>1,656,060</u>
	2008 €	2007 €	2008 €	2007 €
<i>Total taxation and social welfare creditors included above</i>				
PAYE/PRSI/Social welfare	26,199	37,629	-	-
	<u>26,199</u>	<u>37,629</u>	<u>-</u>	<u>-</u>

The carrying value of trade and other payables above approximate to their fair values. Inter-group payables are interest free and repayable upon demand.

17 Finance lease obligations

Finance lease liabilities are payable as follows:

	Minimum lease payments 2008 €'000	Interest 2008 €'000	Principal 2008 €'000	Minimum lease payments 2007 €'000	Interest 2007 €'000	Principal 2007 €'000
Less than one year	49,843	4,515	45,328	93,272	11,722	81,550
Between one and five years	43,324	6,257	37,067	94,641	7,793	86,848
	<u>93,167</u>	<u>10,772</u>	<u>82,395</u>	<u>187,913</u>	<u>19,515</u>	<u>168,389</u>

Oglesby & Butler Group plc

Notes *(continued)*

18 Deferred government grants	2008	2007
Group	€	€
<i>Received and receivable</i>	524,484	524,484
	<hr/>	<hr/>
<i>Amortisation</i>		
At beginning of year	387,777	383,663
Released during year	4,114	4,114
	<hr/>	<hr/>
At end of year	391,891	387,777
	<hr/>	<hr/>
Net book value	132,593	136,707
	<hr/> <hr/>	<hr/> <hr/>

Oglesby & Butler Group plc

Notes (continued)

19 Deferred taxation

Recognised deferred tax assets and liabilities

	Group			Group		
	Assets 2008 €	Liabilities 2008 €	Net (assets)/ liabilities 2008 €	Assets 2007 €	Liabilities 2007 €	Net (assets)/ liabilities 2007 €
Property, plant and equipment	-	255,914	255,914	-	279,426	279,426
Derivatives	-	1,695	1,695	-	88	88
Deferred government grants	(16,574)	-	(16,574)	(17,088)	-	(17,088)
Other payables	-	-	-	(3,867)	-	(3,867)
Other items	(10,304)	-	(10,304)	(21,053)	-	(21,053)
Tax value of losses	(204,575)	-	(204,575)	(137,506)	-	(137,506)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Tax (asset)/liability	(231,453)	257,609	26,156	(179,514)	279,514	100,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Analysis of deferred tax liability – Group

	Balance at 1 April 2007 €	Recognised in income €	Balance at 31 March 2008 €	Balance at 1 April 2006 €	Recognised in income €	Balance at 31 March 2007 €
Property, plant and equipment	279,426	(23,512)	255,914	295,635	(16,209)	279,426
Derivative	88	1,607	1,695	2,962	(2,874)	88
Deferred government grants	(17,088)	514	(16,574)	(17,603)	515	(17,088)
Other payables	(3,867)	3,867	-	(3,867)	-	(3,867)
Other items	(21,053)	10,749	(10,304)	(7,338)	(21,053)	(21,053)
Tax value of losses	(137,506)	(67,069)	(204,575)	(163,532)	26,026	(137,506)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Tax (asset)/liability	100,000	(73,844)	26,156	(106,257)	(6,257)	100,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There is no potential liability for deferred taxation in the Company. Deferred tax assets and liabilities have been offset where the entity has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority. Deferred tax assets have been recognised by management based on budgets, profitability and cash flow projections as it is considered probable that future taxable profits will be available against which they can be utilised. These projections expect the Group to be a position to utilise tax losses within a period of 2 years.

Oglesby & Butler Group plc

Notes (continued)

20 Issued capital

Group and Company	2008	2007
	€	€
<i>Authorised</i>		
50,000,000 ordinary shares of 12c each	6,000,000	6,000,000
	=====	=====
<i>Allotted, called up and fully paid</i>		
Ordinary shares of 12c each - 12,315,082 ordinary shares	1,477,808	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.

21 Share premium account	2008	2007
	€	€
Group and Company		
At beginning and end of year	1,066,503	1,066,503
	=====	=====

22 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, Sothorn 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. An annual amount of €11,203 is transferred from revaluation reserve to retained earnings to take account for the amortisation of the revaluation surplus in line with notional depreciation on the revalued property.

Oglesby & Butler Group plc

Notes *(continued)*

23 Other reserves - Company	Capital redemption reserve €	Capital reserve €	Total €
At beginning and end of year	50,903	85,885	136,788
	<u> </u>	<u> </u>	<u> </u>
 24 Movement in retained earnings			
Group		2008 €	2007 €
Balance at beginning of year		2,289,680	2,055,969
(Loss)/profit for the year		(242,150)	222,508
Transfer from revaluation reserve		11,203	11,203
		<u> </u>	<u> </u>
Balance at end of year		2,058,733	2,289,680
		<u> </u>	<u> </u>
Company		2008 €	2007 €
Balance at beginning of year		186,309	186,309
Profit for the year		-	-
		<u> </u>	<u> </u>
Balance at end of year		186,309	186,309
		<u> </u>	<u> </u>

Oglesby & Butler Group plc

Notes (continued)

25 Analysis of funds/(debt)

	At beginning of year €	Non-cash movements €	Cash flow €	At end of year €
Cash at bank and in hand	321,286	-	71,765	393,051
Bank overdraft	-	-	(136,652)	(136,652)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents	321,286	-	(64,887)	256,399
<i>Obligations under finance leases:</i>				
due within one year	(81,550)	(49,781)	86,003	(45,328)
due after one year	(86,848)	49,781	-	(37,067)
	<hr/>	<hr/>	<hr/>	<hr/>
	(168,398)	-	86,003	(82,395)
	<hr/>	<hr/>	<hr/>	<hr/>
Net funds	152,888	-	(21,116)	174,004
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

26 Financial instruments

31 March 2008	Note	Derivatives at fair value €	Loans & receivables €	Liabilities at amortised cost €	Total carrying amount €	Fair value €
Trade and other receivables	15	-	1,139,038	-	1,139,038	1,139,038
Derivative assets	26	13,556	-	-	13,556	13,556
Cash and cash equivalents	25	-	393,051	-	393,051	393,051
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		13,556	1,532,089	-	1,545,645	1,545,645
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Trade and other payables	16	-	-	(484,892)	(484,892)	(484,892)
Finance lease obligations	17	-	-	(82,395)	(82,395)	(80,335)
Bank overdraft	23	-	-	(136,652)	(136,652)	(136,652)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		-	-	(703,939)	(703,939)	(701,879)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Oglesby & Butler Group plc

Notes (continued)

26 Financial instruments (continued)

31 March 2007	Note	Derivatives at fair value €	Loans & receivables €	Liabilities at amortised cost €	Total carrying amount €	Fair value €
Trade and other receivables	15	-	1,018,448	-	1,018,448	1,018,448
Derivative assets	26	711	-	-	711	711
Cash and cash equivalents	25	-	321,286	-	321,286	321,286
		<u>711</u>	<u>1,339,734</u>	<u>-</u>	<u>1,340,445</u>	<u>1,340,445</u>
Trade and other payables	16	-	-	(398,716)	(398,716)	(398,716)
Finance lease obligations	17	-	-	(168,398)	(168,398)	(168,398)
		<u>-</u>	<u>-</u>	<u>(567,114)</u>	<u>(567,114)</u>	<u>(567,114)</u>

Exposure to credit risk – Group

The carrying amount of financial assets, net of impairment provisions represents the Groups maximum exposure, as follows:

	Carrying Amount	
	2008 €	2007 €
Trade debtors and other receivables (excluding prepayments)	1,076,794	1,018,448
Cash and cash equivalents	394,636	321,286
Derivative financial instruments	13,556	711
	<u>1,484,986</u>	<u>1,340,445</u>

Oglesby & Butler Group plc

Notes *(continued)*

26 Financial instruments *(continued)*

Impairment losses – Group

The ageing of trade debtors was as follows:

	Gross	Impairment	Gross	Impairment
	2008	2008	2007	2007
	€	€	€	€
Not past due	698,972	-	584,359	-
<i>Past due:</i>				
0-30 days	182,589	1,455	329,599	-
30-60 days	28,711	12,034	65,497	-
+60 days	228,766	53,560	38,993	-
	<u>1,139,038</u>	<u>67,049</u>	<u>1,018,448</u>	<u>-</u>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2008	2007
	€	€
At 1 April	-	-
Charged to the income statement	67,049	-
	<u>67,049</u>	<u>-</u>
At 31 March	<u>67,049</u>	<u>-</u>

A provision for impairment of trade receivables is established when there is evidence that the group will not be able to collect all assets due according to the original term of the receivables.

Oglesby & Butler Group plc

Notes (continued)

26 Financial instruments (continued)

Liquidity risk

The following are the contractual maturities of financial liabilities:

Group

31 March 2008	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years
	€	€	€	€	€
<i>Non-derivative financial liabilities</i>					
Finance lease liabilities	82,395	93,167	49,843	43,324	-
Trade and other payables	870,337	870,337	870,337	-	-
Bank overdraft	136,652	136,652	136,652	-	-
<i>Derivative financial instruments</i>					
Forward contracts:					
- inflow	(13,556)	(267,154)	(267,154)	-	-
- outflow	-	253,598	253,598	-	-
	1,075,828	1,086,600	1,043,276	43,324	-
31 March 2007	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years
	€	€	€	€	€
<i>Non-derivative financial liabilities</i>					
Finance lease liabilities	168,389	187,913	93,272	94,641	-
Trade and other payables	795,406	795,406	795,406	-	-
Bank overdraft	-	-	-	-	-
<i>Derivative financial instruments</i>					
Forward contracts:					
- inflow	(711)	(351,588)	(351,588)	-	-
- outflow	-	350,877	350,877	-	-
	963,084	982,608	887,967	94,641	-

Oglesby & Butler Group plc

Notes (continued)

26 Financial instruments (continued)

Liquidity risk (continued)

Liquidity risk is reviewed and managed by the Directors at Board meetings where expected cash inflows are reviewed in comparison to expected cash outflows. At 31 March 2008 the Group has an agreed overdraft facility with its bankers of €500,000 and has net cash reserves of €256,399.

Interest rate risk profile of interest bearing financial assets and liabilities

The Group holds both interest bearing assets and interest bearing liabilities. In general, the approach employed by the Group to manage its interest exposure is to maintain the majority of its cash, short term bank deposits and interest bearing borrowings on floating rates. Rates are generally fixed for relatively short periods in order to match funding requirements while being able to benefit from opportunities due to movement in longer term rates.

At year-end, the interest rate profile of the Group's interest-bearing financial instruments was:

	Rate	Carrying amount 2008 €	Fair value 2008 €	Carrying amount 2007 €	Fair value 2007 €
Fixed rate instruments:					
Finance lease liabilities	10.8%	(82,395)	(82,395)	(168,389)	(168,389)
Period for which fixed rate		2.29 years		3.29 years	
		=====	=====	=====	=====
Variable rate instruments:					
Cash and cash equivalents	0.025%	393,051	393,051	321,286	321,286
Bank overdrafts	6.125%	(136,652)	(136,652)	-	-
		=====	=====	=====	=====
		256,399	256,399	321,286	321,286
		=====	=====	=====	=====

Oglesby & Butler Group plc

Notes (continued)

26 Financial instruments (continued)

Group

Foreign currency risk

The following table sets out the Group's exposure to foreign currency risk at the balance sheet date:

	2008		2007	
	Sterling €	U.S. Dollar €	Sterling €	U.S. Dollar €
Trade receivables	204,275	314,634	149,288	466,168
Cash and cash equivalents	24,157	50,832	43,981	2,002
Trade payables	(25,344)	(2,421)	(27,561)	(866)
Derivatives	-	13,556	-	711
	<u>203,088</u>	<u>376,601</u>	<u>165,708</u>	<u>468,015</u>

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 has taken out forward contracts to hedge against post year end debtor receipts and sales in order to protect profit margins in the next accounting period.

Sensitivity analysis

A 10% strengthening of the Euro against the U.S. Dollar and Sterling, based on outstanding assets and liabilities at 31 March 2008 would have decreased profits and equity by €64,321 (2007: €58,258). This analysis assumes that all other variables, including interest rates, remain constant. A 10% weakening is assumed to have an equal but opposite effect.

Forward currency contracts

The fair value of total recognised gains on foreign contract forward contracts calculated at the forward rate prevailing at the balance sheet date was €13,556 (2007: €711). Forward currency contracts are marked to market using quoted exchange rates at the balance sheet date.

Oglesby & Butler Group plc

Notes (continued)

27 Financial commitments

Capital commitments

Capital expenditure commitments existing at the balance sheet date which was not provided for in the financial statements amounted to €nil (2007: €9,217)

Currency commitments

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

Currency	2008		2007	
	Amount	Weighted average Rates	Amount	Weighted average Rates
US dollars	400,000	1.4985	-	-
Pounds sterling	-	-	238,000	0.6769
	=====	=====	=====	=====

These contracts fall between 1 April 2008 and 30 April 2008.

Finance leases

There were no commitments at the balance sheet date in respect of finance leases which had been entered into but which commenced after the year ended (2007: €Nil).

Operating leases

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

	2008	2007
	€	€
<i>Due:</i>		
Within one year	11,892	11,892
Between two and five years	13,266	25,158
	=====	=====
	25,158	33,668
	=====	=====

28 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 €61,694 (2007: €72,312) and outstanding contributions at the balance sheet date amounted to €3,204 (2007: €16,051).

Oglesby & Butler Group plc

Notes (continued)

29 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.

Oglesby & Butler Group plc

Notes (continued)

30 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 as set out below.

Key management remuneration including non-executives

	2008	2007
	Number	Number
Number of individuals	6	6
	€	€
<i>Salaries and other short-term employee benefits charged to the income statement:</i>		
Short-term employee benefits	508,941	547,572
Post employment benefits	36,920	36,920
	545,861	584,492
Comprising the following		
Directors	390,871	417,966
Other key management personnel	154,990	166,526
	545,861	584,492

31 Board approval

The financial statements were approved by the board of directors on 22 July 2008.

Oglesby & Butler Group plc

Five year summary

	2008 €'000	2007 €'000	2006 €'000	2005 €'000	2004 €'000
Revenue	4,723	5,413	5,130	5,121	4,907
Operating (loss)/profit	(315)	244	(153)	(146)	(85)
Finance income and expenses	1	(28)	(49)	(83)	(31)
(Loss)/profit on ordinary activities before income tax	(314)	216	(202)	(229)	(116)
Tax credit	72	6	2	31	21
(Loss)/profit for the financial year	(242)	222	(200)	(198)	(95)
Dividends per share (cent)	Nil	Nil	Nil	Nil	0.25
Dividend cover (times)	n/a	n/a	n/a	n/a	n/a
Basic earnings/(loss)	(1.97c)	1.81c	(1.47c)	(1.60c)	(0.76c)
Depreciation (Euro)	394.3	402.1	418.8	425.9	412.6
Net assets per share (cent)	54.7	46.48	44.68	46.14	49.47

Note:

Figures for 2004 are stated under Irish GAAP Accounting Principles, 2005, 2006, 2007, 2008 are stated and prepared in accordance with International Financial Accounting Standards as adopted by the EU (IFRS).