Annual Report **2009**

OGLESBY & BUTLER
GROUP PLC

Annual Report **2009**

Registered number: 124871

OGLESBY & BUTLER

GROUP PLC

Contents

Directors and other information

Directors

N.O. Dowling *(Chairman-Non-Executive)*
A.P. Oglesby *(Chief Executive)*
T.P. Byrne *(Non-Executive)*
(resigned 12 November 2008)
J. Oglesby *(Deputy Managing Director)*

Secretary

J. Oglesby *(resigned 11 July 2008)*
J. Bailey *(appointed 11 July 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

Directors' biographies

N.O. Dowling

Chairman (non-executive)

Chartered accountant, aged 71, is a business consultant and was formerly the Chief Executive Officer of Oglesby & Butler Group plc, and Chief Executive of Bord Gáis Éireann, 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 63, was one of the founders of Oglesby & Butler. Peter worked previously in the General Electric Co. Group, the Thorn Electronics Group and Braun Ireland Limited. Peter is a member of the Remuneration Committee.

J. Oglesby

Deputy Managing Director

Jacqueline Oglesby, aged 39, is the current Deputy Managing Director 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.

Chairman's statement

Revenues for the year show an increase over last year largely due to the launch in September 2008 of the new product range of herbal vaporisers. Sales of core products continue to be adversely affected by the ongoing world recession. The Group earned income of €285,483 from the second phase of a development contract for a major international company. Discussions on content and terms for additional development work are ongoing. Development of an Agri-product has been completed for a major distributor and, following design modifications, a re-launch is planned of the Groups own Agri-range of products. Further market research is being undertaken with regard to the sterilising product developed for harvesting food products prior to its launch.

Business review

The financial statements have been prepared in accordance with the Group's accounting policies under IFRS as adopted by the EU as set out in pages 18 to 24.

Group Sales for the year were €4.9m (last year €4.7m) and the net loss for the year was €751,677 (including a tax charge of €216,557) compared with a net loss of €242,150 last year (including a tax credit of €71,757).

Loss per share was 6.10c (2008 1.97c loss).

Effective from 1 May 2009 the Group has established a marketing team based in the US and reorganised the distribution system with the engagement of a Fulfilment House.

Research is ongoing on development of new products based on existing technology and upgrading of existing products. The programme carried out in conjunction with University of Limerick consisted of reengineering of existing products which is ongoing.

Given the history of recent years losses, the directors have reviewed the carrying value of the Group's intangible assets at year end to determine if an impairment charge was required. The review included future cash flow and profitability projections from products where patents were registered and capitalised. The review did not identify any impairment at year end.

Dividends

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

Board changes

Ms. Jacqueline Oglesby resigned as acting company secretary with effect from 11 July 2008 and was replaced by Mr. J. Bailey.

Outlook

The world recession is expected to continue to pose serious challenges in 2009. The Board believes that with the establishment of a new marketing team in the US and recent initiatives taken in UK and European markets, it is possible to retain markets for core products. The Board is encouraged by the success to date of the herbal vaporiser and is confident 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. I would also like to thank Peter Stewart who retires as our US representative after 20 years of service and I wish him a long and happy retirement.

N.O. Dowling
Chairman

30 July 2009

Operating and financial review

Introduction

The world recession has continued to adversely affect trading of our core products particularly in the last quarter of the year. The launch of the herbal vaporiser in September 2008 has enabled the Group to diversify production and optimise the benefits from our in house manufacturing facilities. This diversification and rigid control of costs has helped to maintain the competitiveness of our products.

Production

Staffing levels have shown a further slight increase and the high level of remuneration costs adversely affects trading in certain markets. All costs are kept under review and we continue to seek to improve productivity and to reduce manufacturing costs.

Research and development

We are currently upgrading our Agri-products and have been carrying out contract development work in this area. Work is ongoing on improved design of certain core products and reengineering of existing products.

Marketing

A major initiative has been undertaken in launching the herbal vaporiser range of products. All our products are actively promoted by attendance and participation in trade fairs and sales conferences of major distributors. Steps which will give wider representation in the US have been taken with regard to sales and marketing.

Finance

Details of the Group's cash flow for 2009 are set out in the consolidated cash flow statement on page 27 and shows an increase in cash of €116,739 as compared to a decrease of €64,887 for 2008.

Net cash provided by operating activities amounted to €496,362 in the year (2008: €202,144) 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.

Future

It is expected that the world recession will continue at least until the end of the year and that as a result, markets for our products will continue to be competitive. Our strategy will be to continue to introduce to the markets new and innovative products which we develop and manufacture in house, while at the same time improve the design, efficiency and manufacturing costs of core products.

A.P. Oglesby
Chief Executive

30 July 2009

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 2009.

Principal activities, review of business and future developments

The Company is an industrial holding company. The principal activity of the Group is the manufacture and export of gas powered hand tools and herbal vapouriser products. 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 page 7.

Group undertakings

A listing of the Company's subsidiary undertakings is set out in note 31 to the financial statements.

Results

Details of the results for the year are set out in the Group income statement on page 25.

Research and development

During the year, €167,949 *(2008: €95,825)* was invested in research and development, which has been dealt with in the income statement for the year. In addition a further €99,024 *(2008: €64,703)* was expended in securing patents. The main thrust of these activities is to further develop the potential of our new vapouriser products and 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 2009 *(2008: €Nil)*.

Directors and company secretary

On 12 November 2008, T.P. Byrne resigned as a director of the company. On 11 July 2008, J. Oglesby resigned as company secretary and was replaced by J. Bailey.

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 5 December 2008, 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 5 December 2008 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 spouses and minor children, in the share capital of the Company and its Group undertakings at 31 March 2009 and 1 April 2008 were as follows:

	Oglesby & Butler Group plc		Oglesby & Butler Investments		
	Ordinary Shares of 12c each		Ordinary Shares 1 April 2008 and 31 March 2009		
	At beginning of year	*At end of year*	*Class share*	*Nominal value 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*	9,000	9,000	–	–	–
J. Bailey	–	–	–	–	–

** The shares held by J. Oglesby are jointly held with relatives.*

There were no changes in the interests of Directors and Secretary since 31 March 2009.

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 30 July 2009:

Oglesby & Butler Group plc Ordinary Shares of 12c each

	Number	% Holding
Vidacos Nominees Limited	*652,500*	*5.30%*
Mr. K. Anderson	3,307,782	26.86%
Mr. J.P. Oglesby	2,224,685	18.06%

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 30 July 2009.

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.

The Board and Directors

The Board is comprised of two executive and one non-executive Directors. The Board has nominated N.O. Dowling as the senior independent non-executive Director. The non-executive Director is 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 non-executive Director, the Board has determined that notwithstanding that he was previous CEO and is currently Chairman, he is independent and he will discharge his duties in a proper and consistent independent manner. He consistently and appropriately challenges 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.

Meetings

There were ten 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 14.

Performance appraisal

The non-executive Director annually conducts 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.

Audit Committee

The Audit Committee consists of the Chairman and the Company Secretary. The Audit Committee met four 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. The Committee met two 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 34 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 2009.

Finance Committee

The Finance Committee consists of the Chairman and Chief Executive. This Committee met 4 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 for appointment to the Board.

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.

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 2009.

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 and reports to the Board
- the Audit Committee also reviews, on behalf of the Board, reports from management and the external auditor, dealing with internal financial control matters and reports to the Board

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.

Service contracts

The Company and Group have entered into service contracts with the executive Directors. A.P. Oglesby and J. Oglesby have service contracts, which exist for three years to 31 December 2011 and 31 July 2011 respectively and may be terminated by the Group by giving six months written notice. Provisions include predetermined compensation payments on termination of one year's salary.

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

Directors' emoluments and interests

Details of Directors' emoluments, including pension contributions to the defined contribution scheme, are set out on page 34, and details of the interests of Directors in the share capital of the Group are set out on page 9.

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 global and local economic downturn 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 page 6 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.

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 when considered appropriate.

Statement of compliance

The Directors fully adopted the provisions of the 2006 Combined Code, and have set out the compliance with the code as follows:

- the directors' and auditors' responsibility statements are included in the annual report
- the board, at least annually, has conducted a review of the effectiveness of the Group's system of internal controls and reported to shareholders that they have done so
- the board has not established an audit committee of at least three members who all are independent non-executive directors due to the limited number of non-executive directors, however at least one member of the audit committee has recent and relevant financial experience
- the main role and responsibilities of the audit committee are set out in written terms of reference
- the terms of reference of the audit committee has been made available. The responsibilities of the audit committee are detailed on pages 10 and 11
- the audit committee reviewed arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters
- the audit committee has not monitored and reviewed the effectiveness of the internal audit activities as there is no internal audit function due to the size of the company
- the audit committee has primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditors
- the annual report explains to shareholders in circumstances where the auditor provides non-audit services, auditor objectivity and independence has been safeguarded

Attendance at Board and Committee meetings during the financial year ended 31 March 2009

	Board		Audit		Finance		Remuneration	
	A	B	A	B	A	B	A	B
Director/secretary:								
N.O. Dowling	10	10	4	4	4	4	2	2
A.P. Oglesby	10	10	–	–	4	4	2	2
T.P. Byrne	6	6	4	3	–	–	–	–
J. Bailey (secretary)	6	6	4	4	–	–	–	–
J. Oglesby (secretary)	10	6	4	3	–	–	–	–

Column A – indicates the number of meetings held during the period the director/secretary was a member of the Board and/or Committee.

Column B – indicates the number of meetings attended during the period the director/secretary was a member of the Board and/or Committee.

Share options

The Company has not participated in any share option arrangements with the directors or employees of the group during the year *(2008: Nil)*.

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

30 July 2009

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 2009.

The Group and Company financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Group and Company. The Companies Acts 1963 to 2009 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;
- state that the financial statements comply with IFRSs as adopted by the EU as applied in accordance with the Companies Acts 1963 to 2009; 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.

Under applicable 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. In particular, in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (the Transparency Regulations), the directors are required to include in their report a fair review of the business and a description of the principal risks and uncertainties facing the Group and the Company and a responsibility statement relating to these and other matters, included below.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2009 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Responsibility Statement, in accordance with the Transparency Regulations

Each of the directors, whose names and functions are listed on page 5 of the Annual Report confirm that, to the best of each person's knowledge and belief:

- the Group financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the Group at 31 March 2009 and its loss for the year then ended;
- the Company financial statements, prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts 1963 to 2009, give a true and fair view of the assets, liabilities and financial position of the Company at 31 March 2009; and
- the Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

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 2009 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 25 to 51. These financial statements have been prepared under the accounting policies set out on pages 18 to 24.

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 auditors

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 15.

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 have been properly prepared in accordance with the Companies Acts 1963 to 2009 and, in the case of the Group financial statements, Article 4 of the IAS Regulation. We also report to you, in our opinion 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 FRC 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 Directors' Report, Chairman's Statement and the Operating and Financial Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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 2009 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 2009, of the state of the Company's affairs as at 31 March 2009;
- the Group financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2009 and Article 4 of the IAS Regulation; and
- the Company financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2009.

Other matters

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 2009 a financial situation which under Section 40 (1) of the Companies (Amendment) Act 1983 would require the convening of an extraordinary general meeting of the Company.

KPMG

Chartered Accountants
Registered Auditor

30 July 2009

St. Stephen's Green
Dublin 2

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 2009 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 30 July 2009.

The accounting policies applied in the preparation of the financial statements for the year ended 31 March 2009 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 2009 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 2008.

(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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 13 – measurement of the recoverable amounts of property, plant and equipment
- Note 11 – measurement of the recoverable amounts of patents
- Note 14 – measurement of the recoverable amounts of cash generating units
- Note 16 – trade receivables

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. 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 equipment acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease payments

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

Property, plant and equipment

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

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

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

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

Inventories

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

Impairment

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

Foreign currency translation

Functional and presentation currency

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

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 (20 years) from the date the costs are incurred. Provisions for impairment are made as required.

Dividends

Dividend distributions to the Company's shareholders are recognised in the financial statements as they are paid or if they have been approved by the shareholders before the end of the financial period. Dividends approved but unpaid before the end of the financial period are recognised as a liability in the Group's financial statements.

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.

Other income

Other operating income in the income statement represents development income and is recognised as it is earned.

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 27.

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.

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.

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 2009 the Group had net cash balances of €373,138 *(2008: €256,399)*.

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.

Interest rate risk

Details of the Groups exposure to interest rate risk is set out in note 27. 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

IFRIC 11 IFRS 2 – Group and Treasury Share Transactions and IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction were effective for the first time in the current financial year. Their implementation did not have a material impact on the financial statements.

Standards and interpretations not yet adopted

The following is a list of standards and interpretations (relevant to the Group) in issue and adopted by the EU, but which are not yet effective for the year ended 31 March 2009, and have not been applied in preparing these consolidated financial statements:

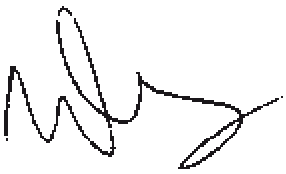
- **IFRS 8 Operating Segments** introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the Group's 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision 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
- **Revised IAS 23 Borrowing Costs** removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Group's 2010 consolidated financial statements and will constitute a change in accounting policy for the Group. In accordance with the transitional provisions, the Group will apply the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. Therefore, there will be no impact on prior periods in the Group's 2010 consolidated financial statements
- **IFRIC 13 Customer Loyalty Programmes** addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13, which becomes mandatory for the Group's 2010 consolidated financial statements, is not expected to have any impact on the consolidated financial statements
- **Revised IAS 1 Presentation of Financial Statements (2007)** introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1, which becomes mandatory for the Group's 2010 consolidated financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. The Group plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 consolidated financial statements

Group income statement

for the year ended 31 March 2009

	Notes	2009 €	2008 €
Revenue	*1*	**4,911,314**	4,723,006
Operating costs	*3*	**(5,716,291)**	(5,387,338)
		(804,977)	(664,332)
Other operating income	*4*	**285,483**	349,566
Operating loss before finance costs		**(519,494)**	(314,766)
Finance income	*5*	**397**	15,516
Financial expenses	*5*	**(16,023)**	(14,657)
Loss before income tax		**(535,120)**	(313,907)
Income tax (charge)/credit	*8*	**(216,557)**	71,757
Loss after tax for the year attributable to equity holders of the Group	*25*	**(751,677)**	(242,150)
Basic loss per share	*10*	**(6.10c)**	(1.97c)
Diluted loss per share	*10*	**(6.10c)**	(1.97c)

On behalf of the board:



N.O. Dowling
Director

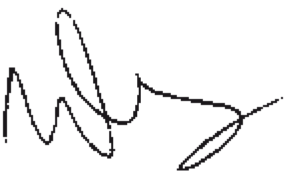
A.P. Oglesby
Director

Group balance sheet

as at 31 March 2009

	Notes	2009 €	2008 €
Assets			
Non-current assets			
Property, plant and equipment	13	**3,195,642**	3,298,731
Intangible assets	11	**738,804**	702,440
Total non-current assets		**3,934,446**	4,001,171
Current assets			
Inventories	15	**943,024**	937,173
Trade and other receivables	16	**1,041,749**	1,377,693
Corporation tax receivable		**–**	8,362
Derivatives and other financial instruments	27	**–**	13,556
Cash and cash equivalents	26	**373,138**	393,051
Total current assets		**2,357,911**	2,729,835
Total assets		**6,292,357**	6,731,006
Equity			
Capital and reserves attributable to the company's equity holders			
Called up share capital	21	**1,477,808**	1,477,808
Share premium	22	**1,066,503**	1,066,503
Other reserves	23	**868,626**	879,829
Retained earnings	25	**1,318,259**	2,058,733
Total equity		**4,731,196**	5,482,873
Liabilities			
Non-current liabilities			
Finance lease obligations	18	**124,908**	37,067
Deferred government grants	19	**128,479**	132,593
Deferred tax liabilities	20	**242,713**	26,156
Total non-current liabilities		**496,100**	195,816
Current liabilities			
Finance lease obligations	18	**88,443**	45,328
Bank overdraft	26	**–**	136,652
Trade and other payables	17	**976,618**	870,337
Total current liabilities		**1,065,061**	1,052,317
Total liabilities		**1,561,161**	1,248,133
Total equity and liabilities		**6,292,357**	6,731,006

On behalf of the board:



N.O. Dowling
Director

A.P. Oglesby
Director

Group cash flow statement

for the year ended 31 March 2009

	Note	2009 €	2008 €
Cash flows from operating activities			
Loss after taxation		**(751,677)**	(242,150)
Adjusting items:			
Income tax charge/(credit)		**216,557**	(71,757)
Amortisation of intangible assets		**62,660**	34,297
Depreciation of property, plant and equipment		**333,447**	394,329
Amortisation of government grants		**(4,114)**	(4,114)
Finance income and expenses		**16,023**	(148)
Decrease in trade and other receivables		**517,141**	1,270
(Increase)/decrease in inventories		**(5,851)**	38,632
Decrease in derivatives		**13,556**	1,960
Increase in trade and other payables		**106,281**	74,931
Total cash flow from operating activities		**504,023**	227,250
Net interest paid		**(16,023)**	(14,657)
Income tax received/(paid)		**8,362**	(10,449)
Net cash provided by operating activities		**496,362**	202,144
Cash flows from investing activities			
Purchase of property, plant and equipment		**(230,358)**	(116,325)
Purchase of intangible assets		**(99,024)**	(64,703)
Net cash used in investing activities		**(329,382)**	(181,028)
Cash flows from financing activities			
Payment of finance lease liabilities		**(50,241)**	(86,003)
Net cash used in financing activities		**(50,241)**	(86,003)
Net increase/(decrease) in cash and cash equivalents	*26*	**116,739**	(64,887)
Cash and cash equivalents at beginning of year	*26*	**256,399**	321,286
Cash and cash equivalents at end of year	*26*	**373,138**	256,399

Group statement of changes in equity

for the year ended 31 March 2009

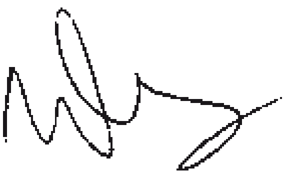
	Share Capital €	Capital reserves €	Share premium €	Retained earnings €	Capital redemption reserve €	Revaluation reserve €	Total equity €
Balance at 1 April 2007	1,477,808	170,415	1,066,503	2,289,680	50,903	669,714	5,725,023
Loss for the financial year	–	–	–	(242,150)	–	–	(242,150)
Transfers	–	–	–	11,203	–	(11,203)	–
Balance at 31 March 2008	1,477,808	170,415	1,066,503	2,058,733	50,903	658,511	5,482,873
Loss for the financial year	–	–	–	(751,677)	–	–	(751,677)
Transfers	–	–	–	11,203	–	(11,203)	–
Balance at 31 March 2009	**1,477,808**	**170,415**	**1,066,503**	**1,318,259**	**50,903**	**647,308**	**4,731,196**

Company balance sheet

at 31 March 2009

	Note	2009 €	2008 €
Assets			
Non-current			
Investment in subsidiaries	*12*	**1,327,261**	1,327,261
Total non-current assets		**1,327,261**	1,327,261
Current			
Trade and other receivables	*16*	**3,196,207**	3,145,416
Cash and cash equivalents		–	50,791
Total current assets		**3,196,207**	3,196,207
Total assets		**4,523,468**	4,523,468
Equity			
Called-up share capital	*21*	**1,477,808**	1,477,808
Share premium	*22*	**1,066,503**	1,066,503
Other reserves	*24*	**136,788**	136,788
Retained earnings	*25*	**186,309**	186,309
Total equity attributable to equity shareholders of parent		**2,867,408**	2,867,408
Liabilities			
Current liabilities			
Trade and other payables	*17*	**1,656,060**	1,656,060
Total liabilities		**1,656,060**	1,656,060
Total equity and liabilities		**4,523,468**	4,523,468

On behalf of the board:



N.O. Dowling
Director

A.P. Oglesby
Director

Company cash flow statement

for the year ended 31 March 2009

	2009 €	2008 €
Cash flows from operating activities		
Increase in trade and other receivables	**(50,791)**	–
Net cash outflow from operating activities	**(50,791)**	–
Net decrease in cash and cash equivalents	**(50,791)**	–
Cash and cash equivalents at beginning of year	**50,791**	50,791
Cash and cash equivalents at end of year	**–**	50,791

Company statement of changes in equity

for the year ended 31 March 2009

	Share Capital €	Capital reserves €	Share premium €	Retained earnings €	Capital redemption reserve €	Total equity €
Balance at 1 April 2007, 31 March 2008 and 31 March 2009	**1,477,808**	**85,885**	**1,066,503**	**186,309**	**50,903**	**2,867,408**

1 Revenue

	2009 €	2008 €
The entire revenue of the Group consists of manufacture and sale of hand held tools and accessories, including the new herbal vapouriser products	**4,911,314**	4,723,006

2 Geographical information

The Group considers that it has only one business segment. Analysis of revenue, all of which is sourced in the Republic of Ireland, by geographical area of destination is as follows:

	2009 €	2008 €
Ireland	**94,820**	57,893
United Kingdom	**830,928**	775,770
Rest of Europe	**1,715,424**	1,707,085
North America	**1,666,151**	1,519,337
Rest of World	**603,991**	662,921
	4,911,314	4,723,006

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

	2009 €	2008 €
Expenses by function		
Cost of sales	**3,056,056**	3,053,433
Distribution costs	**410,845**	344,545
Administration costs	**2,249,390**	1,989,360
	5,716,291	5,387,338

3 Operating costs (continued)

	2009 €	2008 €
Expenses by nature		
Raw materials recognised as an expense	**1,129,714**	1,023,300
Operating lease rentals – equipment	**11,892**	16,451
Auditors remuneration – audit related services	**50,500**	62,500
– other services	**22,500**	24,200
Amortisation of intangible assets	**62,660**	34,297
Depreciation of property, plant and equipment	**333,447**	394,329
Marketing costs	**18,504**	245,710
Amortisation of government capital grants	**(4,114)**	(4,114)
Foreign exchange (gain)/loss	**(32,407)**	100,768
Light and heating	**133,194**	102,079
Professional fees/consultancy	**102,434**	45,691
Repairs and renewals	**134,788**	88,135
Staff costs	**2,751,911**	2,498,418
Research and development costs	**167,949**	95,825
Other costs	**833,319**	659,749
	5,716,291	5,387,338

4 Other operating income

Other operating income represents development income and reimbursement of expenses in relation to a contract with a major international company of a heat (not burn) smoking device.

5 Finance income and expenses

	2009 €	2008 €
Finance income		
Fair value movement in derivatives	**(397)**	(15,516)
Finance expenses		
Interest on bank overdraft	**8,432**	5,914
Interest on finance lease	**7,591**	8,743
	16,023	14,657
Net finance expenses/(income)	**15,626**	(859)

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

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:

	2009 Numbers	2008 Numbers
Administration and management	**10**	11
Selling and distribution	**4**	2
Production	**65**	63
Research and development	**2**	2
	81	78

The aggregate payroll costs of these employees were as follows:

	2009 €	2008 €
Wages and salaries	**2,477,763**	2,280,902
Social welfare costs	**204,457**	155,822
Other pension costs	**69,691**	61,694
	2,751,911	2,498,418

7 Statutory and other information

Report on directors' remuneration:

Executive directors

	Total		Salaries		Benefits in kind		Pension contributions		Fees	
	2009 €	2008 €	2009 €	2008 €	2009 €	2008 €	2009 €	2008 €	2009 €	2008 €
A.P. Oglesby	**188,880**	168,677	181,964	154,511	6,916	14,166	–	–	–	–
J.P. Oglesby	**–**	136,201	–	90,679	–	8,602	–	36,920	–	–
J. Oglesby	**79,463**	34,422	78,553	33,775	910	647	–	–	–	–
	268,343	339,300	260,517	278,965	7,826	23,415	–	36,920	–	–
Number of executive directors	**2**	**3**								

Non-executive directors

	Total		Salaries		Benefits in kind		Pension contributions		Fees	
	2009 €	2008 €	2009 €	2008 €	2009 €	2008 €	2009 €	2008 €	2009 €	2008 €
N.O. Dowling	**27,571**	27,571	20,950	20,950	–	–	–	–	6,261	6,261
T.P. Byrne	**18,000**	24,000	–	–	–	–	–	–	18,000	24,000
	45,571	51,571	20,950	20,950	–	–	–	–	24,261	30,261
Number of non-executive directors	**2**	**2**								

8 Income tax credit

Analysis of credit in period

	2009 €	2008 €
Current tax:		
Corporation tax on (losses)/profits for the year	**–**	–
Under provision in prior year	**–**	(2,087)
Total current tax	**–**	(2,087)
Deferred tax:		
Origination and reversal of temporary differences (note 20)	**(216,557)**	70,308
Under provision in prior year	**–**	3,536
Total deferred tax	**(216,557)**	73,844
Tax (charge)/credit on loss on ordinary activities	**(216,557)**	71,757

Factors affecting tax (charge)/credit for year

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

	2009 €	2008 €
Loss before tax	**(535,120)**	(313,907)
Loss for year multiplied by the standard rate of tax of 12.5%	**(66,890)**	(39,238)
Effects of:		
Income not taxable for tax purposes	**(55,332)**	(45,806)
Expenses not allowable for tax purposes	**7,667**	17,799
Other differences	**57,560**	(3,063)
Under provision of current tax in prior year	**–**	2,087
Under provision of deferred tax in prior year	**–**	(3,536)
Unrecognised current year deferred tax asset	**42,099**	–
Release of prior period deferred tax asset	**231,453**	–
Total tax charge/(credit) for year	**216,557**	(71,757)

9 Dividends

The Group or Company has not paid any dividends during the year *(2008: €Nil)*.

10 Loss per share

	2009 €	2008 €
Loss attributable to ordinary shareholders	**(751,677)**	(242,150)
Weighted average number of ordinary shares in issue during the year	**12,315,082**	12,315,082
Basic loss per share	**(6.10c)**	(1.97c)
Fully diluted loss per share	**(6.10c)**	(1.97c)

The calculation of fully diluted loss per share is based on the loss attributable to ordinary shareholders of €751,677 *(2008: €242,150)* and the weighted average number of ordinary shares of 12,315,082 *(2008: 12,315,082)*.

11 Intangible assets

	2009 €	2008 €
Patents – Group		
Cost		
At beginning of year	**1,154,183**	1,089,480
Additions	**99,024**	64,703
At end of year	**1,253,207**	1,154,183
Amortisation		
At beginning of year	**451,743**	417,446
Charged during year	**62,660**	34,297
At end of year	**514,403**	451,743
Net book value		
At 31 March	**738,804**	702,440

12 Investment in subsidiaries

	2009 €	2008 €
Company		
Shares at cost	**1,327,515**	1,327,515
Less: provisions for impairment in value	**(254)**	(254)
	1,327,261	1,327,261

In the opinion of the Directors, the value of the investments is at least equal to their carrying amount. Details of Group undertakings are set out in note 31.

13 Property, plant and equipment

2009 Group	Freehold land & buildings €	Plant equipment & motor vehicles €	Total €
Cost			
At beginning of year	2,462,989	6,489,186	8,952,175
Additions	–	230,358	230,358
At end of year	**2,462,989**	**6,719,544**	**9,182,533**
Depreciation			
At beginning of year	341,472	5,311,972	5,653,444
Charged during year	40,574	292,873	333,447
At end of year	**382,046**	**5,604,845**	**5,986,891**
Net book value			
At 31 March 2009	**2,080,943**	**1,114,699**	**3,195,642**
At 31 March 2008	2,121,517	1,177,214	3,298,731

13 Property, plant and equipment (continued)

2008 **Group**	**Freehold land & buildings** **€**	**Plant equipment & motor vehicles** **€**	**Total** **€**
Cost			
At beginning of year	2,460,989	6,374,861	8,835,850
Additions	2,000	114,325	116,325
At end of year	**2,462,989**	**6,489,186**	**8,952,175**
Depreciation			
At beginning of year	305,085	4,954,030	5,259,115
Charged during year	36,387	357,942	394,329
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**
At 31 March 2007	2,155,904	1,420,831	3,576,735

Security

At 31 March 2009 and 31 March 2008 a charge was registered over the Group's interest in land based in Carlow in relation to the overdraft facility in place of which balance was €Nil *(2008: €136,652)*.

Other

The depreciable element of freehold land and buildings, namely buildings, amounted to €1,755,018 *(2008: €1,755,018)*.

Assets held under finance leases, at cost less accumulated depreciation, included in plant equipment and motor vehicles, amounted to €388,777 *(2008: €255,582)*. The depreciation charge during the year on such assets amounted to €46,532 *(2008: €45,840)*.

14 Impairment of intangible and other fixed assets

Given the current economic climate and recent years operating results, it was deemed necessary to conduct a formal review on the carrying value of intangible assets, and property, plant and equipment, in accordance with IFRS.

An impairment loss is recognised for the amount, if any, by which an assets carrying amount exceeds its recoverable amount. The recoverable amount is based on the net present values of the future cash flows expected to arise from the cash generating unit to which the asset relates or from the individual asset or asset group. A cash generating unit is based on locations of assets within the Group.

The cash flow forecasts employed are extracted from the budget for 2010 and cash flows for the subsequent four years are projected based on a current assessment of anticipated market conditions over that period.

This involves making assumptions concerning growth and cost saving assumptions and also margins. Cash flows beyond this five year period are estimated, in accordance with IFRS, into perpetuity using a terminal growth rate of 2%. The recoverable amount resulting from this exercise represents the present value of future cash flows, including terminal value, discounted at a weighted average cost of capital of 16.6 per cent.

Key assumptions used in the impairment tests are as follows:

Growth rates years 2 to 5: 1-2%
Terminal value growth rate 2%
Cost based synergies 1.5%
Discount rate (post tax) 16.6%

The impairment test described above did not result in an impairment charge in the current year.

The Group performed a sensitivity analysis review and any reasonable changes to the inputs would not give rise to material impairment losses.

15 Inventories

	2009 €	**2008 €**
Group		
Finished goods	**21,566**	8,438
Work in progress	**470,705**	443,795
Raw materials	**450,753**	484,940
	943,024	937,173

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.

16 Trade and other receivables

	Group	
	2009 €	2008 €
Amounts falling due within one year:		
Trade receivables	**671,319**	1,139,038
Less: provisions for trade receivables	**(75,358)**	(67,049)
	595,961	1,071,989
Prepayments and other receivables	**445,788**	305,704
	1,041,749	1,377,693

	Company	
	2009 €	2008 €
Amounts owed by group undertakings	**3,196,207**	3,145,416

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 27.

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

17 Trade and other payables

	Group		Company	
	2009 €	2008 €	2009 €	2008 €
Trade creditors	**472,923**	484,892	**–**	–
Accruals	**503,695**	385,445	**–**	–
Inter-group payables	**–**	–	**1,656,060**	1,656,060
	976,618	870,337	**1,656,060**	1,656,060
Total taxation and social welfare creditors included above				
PAYE/PRSI	**33,392**	26,199	**–**	–

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

18 Finance lease obligations

Finance lease liabilities are payable as follows:

	Minimum lease payments 2009 €	Interest 2009 €	Principal 2009 €	Minimum lease payments 2008 €	Interest 2008 €	Principal 2008 €
Less than one year	**100,011**	**11,568**	**88,443**	49,843	4,515	45,328
Between one and five years	**141,876**	**16,968**	**124,908**	43,324	6,257	37,067
	241,887	**28,536**	**213,351**	93,167	10,772	82,395

19 Deferred government grants

	2009 €	2008 €
Group		
Received and receivable	524,484	524,484
Amortisation		
At beginning of year	391,891	387,777
Released during year	4,114	4,114
At end of year	396,005	391,891
Net book value	128,479	132,593

20 Deferred taxation

Recognised deferred tax assets and liabilities

	Assets 2009 €	Group Liabilities 2009 €	Net (assets)/ liabilities 2009 €	Assets 2008 €	Group Liabilities 2008 €	Net (assets)/ liabilities 2008 €
Property, plant and equipment	–	**241,018**	**241,018**	–	255,914	255,914
Derivatives	–	**1,695**	**1,695**	–	1,695	1,695
Deferred government grants	–	–	–	(16,574)	–	(16,574)
Other payables	–	–	–	–	–	–
Other items	–	–	–	(10,304)	–	(10,304)
Tax value of losses	–	–	–	(204,575)	–	(204,575)
Tax (asset)/liability	–	**242,713**	**242,713**	(231,453)	257,609	26,156

Analysis of deferred tax liability – Group

	Balance at 1 April 2008 €	Recognised in income €	Balance at 31 March 2009 €	Balance at 1 April 2007 €	Recognised in income €	Balance at 31 March 2008 €
Property, plant and equipment	**255,914**	**(14,896)**	**241,018**	279,426	(23,512)	255,914
Derivative	**1,695**	–	**1,695**	88	1,607	1,695
Deferred government grants	**(16,574)**	**16,574**	–	(17,088)	514	(16,574)
Other payables	–	–	–	(3,867)	3,867	–
Other items	**(10,304)**	**10,304**	–	(21,053)	10,749	(10,304)
Tax value of losses	**(204,575)**	**204,575**	–	(137,506)	(67,069)	(204,575)
Tax (asset)/liability	**26,156**	**216,557**	**242,713**	100,000	(73,844)	26,156

At 31 March 2008, the recognition of deferred tax assets was supported by budgets, profitability and cash flow forecasts which, at that date, supported the expectation that sufficient future taxable profits would be available against which the tax losses carried forward could be utilised.

On review of trading results during the year, and in particular trading results in recent months, together with the financial outlook for the Group for the next 12 months in the current economic climate, the Directors have not recognised any deferred tax assets at 31 March 2009.

21 Issued capital

Group and Company

	2009 €	2008 €
Authorised		
50,000,000 *(2008: 50,000,000)* ordinary shares of 12c each	**6,000,000**	6,000,000
Allotted, called up and fully paid		
Ordinary shares of 12c each – 12,315,082 *(2008: 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.

22 Share premium account

Group and Company

	2009 €	2008 €
At beginning and end of year	**1,066,503**	1,066,503

23 Reserves

Capital reserve

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

Capital redemption reserve fund

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

Revaluation reserve fund

The revaluation reserve relates to the revaluation surplus arising on a revaluation of property, plant and equipment which took place on 31 March 1999. The freehold and long leasehold land and buildings were valued by independent valuers, Sothern Auctioneers Ltd. M.I.A.V.I. of 37 Dublin Street, Carlow, using an existing use open market basis. The valuation resulted in a surplus over book amount of €1,383,763 which was then credited to other reserves. An annual amount of €11,203 is transferred from revaluation reserve to retained earnings to take account of the amortisation of the revaluation surplus in line with depreciation on the revalued property.

24 Other reserves – Company

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

25 Movement in retained earnings

Group

	2009 €	2008 €
Balance at beginning of year	**2,058,733**	2,289,680
Loss for the year	**(751,677)**	(242,150)
Transfer from revaluation reserve	**11,203**	11,203
Balance at end of year	**1,318,259**	2,058,733

Company

	2009 €	2008 €
Balance at beginning and end of year	**186,309**	186,309

26 Analysis of funds/(debt)

	At beginning of year €	Non-cash movements €	Cash flow €	At end of year €
Cash at bank and in hand	393,051	–	(19,913)	**373,138**
Bank overdraft	(136,652)	–	136,652	**–**
Cash and cash equivalents	256,399	–	116,739	**373,138**
Obligations under finance leases:				
due within one year	(45,328)	(93,356)	50,241	**(88,443)**
due after one year	(37,067)	(87,841)	–	**(124,908)**
	(82,395)	(181,197)	50,241	**(213,351)**
Net funds	174,004	(181,197)	166,980	**159,787**

27 Financial instruments

31 March 2009

	Note	Derivatives at fair value €	Loans & receivables €	Liabilities at amortised cost €	Total carrying amount €	Fair value €
Trade receivables	*16*	–	671,319	–	671,319	671,319
Cash and cash equivalents	*26*	–	373,138	–	373,138	373,138
		–	**1,044,457**	**–**	**1,044,457**	**1,044,457**
Trade and other payables	*17*	–	–	(976,618)	(976,618)	(976,618)
Finance lease obligations	*18*	–	–	(213,351)	(213,351)	(209,718)
		–	**–**	**(1,189,969)**	**(1,189,969)**	**(1,186,336)**

31 March 2008

	Note	Derivatives at fair value €	Loans & receivables €	Liabilities at amortised cost €	Total carrying amount €	Fair value €
Trade receivables	*16*	–	1,139,038	–	1,139,038	1,139,038
Derivative assets	*27*	13,556	–	–	13,556	13,556
Cash and cash equivalents	*26*	–	393,051	–	393,051	393,051
		13,556	1,532,089	–	1,545,645	1,545,645
Trade and other payables	*17*	–	–	(870,337)	(870,337)	(870,337)
Finance lease obligations	*18*	–	–	(82,395)	(82,395)	(80,335)
Bank overdraft	*26*	–	–	(136,652)	(136,652)	(136,652)
		–	**–**	**(1,089,384)**	**(1,089,384)**	**(1,089,384)**

Exposure to credit risk – Group

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

	Carrying Amount	
	2009 €	**2008 €**
Trade debtors and other receivables (excluding prepayments)	**777,158**	1,071,989
Cash and cash equivalents	**373,138**	394,636
Derivative financial instruments	**–**	13,556
	1,150,296	1,480,181

27 Financial instruments (continued)

Impairment losses – Group

The ageing of trade debtors was as follows:

	Gross 2009 €	Impairment 2009 €	Gross 2008 €	Impairment 2008 €
Not past due	**348,441**	**–**	698,972	–
Past due:				
0-30 days	**154,586**	**–**	182,589	1,455
30-60 days	**41,078**	**–**	28,711	12,034
+60 days	**127,214**	**75,358**	228,766	53,560
	671,319	**75,358**	1,139,038	67,049

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

	2009 €	2008 €
At 1 April	**67,049**	–
Utilised in the year	**(12,642)**	–
Charged to the income statement	**20,951**	67,049
At 31 March	**75,358**	67,049

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.

27 Financial instruments (continued)

Liquidity risk

The following are the contractual maturities of financial liabilities:

Group

31 March 2009	Carrying amount €	Contractual cash flows €	Less than 1 year €	1-2 years €	2-5 years €
Non-derivative financial liabilities					
Finance lease liabilities	213,351	241,887	100,011	89,108	52,768
Trade and other payables	946,863	946,863	946,863	–	–
	1,160,214	**1,188,750**	**1,046,874**	**89,108**	**52,768**

31 March 2008	Carrying amount €	Contractual cash flows €	Less than 1 year €	1-2 years €	2-5 years €
Non-derivative financial liabilities					
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	–	–
Derivative financial instruments					
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**	**–**

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 2009 the Group has an agreed overdraft facility with its bankers of €300,000 and has cash reserves of €373,138 (2008: €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.

27 Financial instruments (continued)

Interest rate risk profile of interest bearing financial assets and liabilities (continued)

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

	Rate 31 March 2009 €	Carrying amount 2009 €	Fair value 2009 €	Carrying amount 2008 €	Fair value 2008
Fixed rate instruments:					
Finance lease liabilities	**10.8%**	**(213,351)**	**(209,718)**	(82,395)	(80,335)
Period for which fixed rate		**2.43 years**		2.29 years	
Variable rate instruments:					
Cash and cash equivalents	**0.025%**	**373,138**	**373,138**	393,051	393,051
Bank overdrafts	**6.125%**	**–**	**–**	(136,652)	(136,652)
		586,489	**582,856**	256,399	256,399

Group

Foreign currency risk

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

	2009		2008	
	Sterling €	U.S. Dollar €	Sterling €	U.S. Dollar €
Trade receivables	**58,232**	**224,634**	204,275	314,634
Cash and cash equivalents	**20,613**	**76,023**	24,157	50,832
Trade payables	**(36,602)**	**–**	(25,344)	(2,421)
Derivatives	**–**	**–**	–	13,556
	42,243	**300,657**	203,088	376,601

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 as appropriate. The Group has no forward currency contracts in place at year end.

Sensitivity analysis

A 10% strengthening of the Euro against the U.S. Dollar and Sterling, based on outstanding assets and liabilities at 31 March 2009 would have decreased profits and equity by €24,664 *(2008: €64,321)*. This analysis assumes that all other variables, including interest rates, remain constant. A 10% weakening is assumed to have an equal but opposite effect.

27 Financial instruments (continued)

Group (continued)

Forward currency contracts

The fair value of total recognised gains on foreign currency forward contracts calculated at the forward rate prevailing at the balance sheet date was €Nil *(2008: €13,556)*. Forward currency contracts are marked to market using quoted exchange rates at the balance sheet date.

28 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 *(2008: €Nil)*.

Currency commitments

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

Currency	2009		2008	
	Amount	Weighted average Rates	Amount	Weighted average Rates
US dollars	–	–	400,000	1.4985

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 *(2008: €Nil)*.

Operating leases

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

	2009 €	2008 €
Due:		
Within one year	**11,892**	11,892
Between two and five years	**1,374**	13,266
	13,266	25,158

29 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 €69,691 *(2008: €61,694)* and outstanding contributions at the balance sheet date amounted to €Nil *(2008: €3,204)*.

30 Contingent liabilities

The Group is, in the ordinary course of business, involved in certain litigious matters at year end. The Directors are confident that the Group has taken steps to minimise potential exposure, are vigorously defending the Groups position in such matters, and are confident that all matters are appropriately provided for at 31 March 2009.

31 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.

32 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 are set out below.

Key management remuneration including non-executives

	2009 Number	2008 Number
Number of individuals	7	6

	€	€
Salaries and other short-term employee benefits charged to the income statement:		
Short-term employee benefits	**631,908**	508,941
Post employment benefits	**1,450**	36,920
	633,358	545,861
Comprising the following		
Directors	**313,914**	390,871
Other key management personnel	**319,444**	154,990
	633,358	545,861

33 Board approval

The financial statements were approved by the board of directors on 30 July 2009.

Five year summary

	2009 €'000	2008 €'000	2007 €'000	2006 €'000	2005 €'000
Revenue	**4,911**	4,723	5,413	5,130	5,121
Operating (loss)/profit	**(519)**	(315)	244	(153)	(146)
Finance income and expenses	**(16)**	1	(28)	(49)	(83)
(Loss)/profit on ordinary activities before income tax	**(535)**	(314)	216	(202)	(229)
Tax (charge)/credit	**(217)**	72	6	2	31
(Loss)/profit for the financial year	**(752)**	(242)	222	(200)	(198)
Dividends per share (cent)	**Nil**	Nil	Nil	Nil	Nil
Dividend cover (times)	**n/a**	n/a	n/a	n/a	n/a
Basic earnings/(loss)	**(6.10c)**	(1.97c)	1.81c	(1.47c)	(1.60c)
Depreciation (Euro '000)	**333.4**	394.3	402.1	418.8	425.9
Net assets per share (cent)	**38.7**	54.7	46.48	44.68	46.14

Oglesby & Butler Group Plc

O'Brien Road
Carlow
Ireland

Telephone: (059) 9143333
Fax: (059) 9173577
Email: info@portasol.com
Web: www.portasol.com