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**Kingscroft Developments Ltd
Showhomes
Summerseat Court, Clonee Village
Brindley Park, Ashbourne**

**The Company's 66th Annual General Meeting will be held on
Friday, 3rd October, 2003 at The Conrad Dublin, Dublin 2, at 10.30am.**

Results in Brief

	Expressed in €'000 (except per share data)		£'000 Sterling Equivalent (except per share data)	
	2003	2002	2003	2002
Turnover - excluding share of joint venture	171,975	146,685	112,145	90,079
Profit before taxation	48,463	36,249	31,603	22,261
Profit after taxation	36,676	26,718	23,916	16,408
Earnings per share	107.62c	78.40c	70.18p	48.15p
Dividends per share	22.00c	20.00c	14.35p	12.28p
Assets per share	467c	419c	326p	259p
Gearing	Nil	Nil	Nil	Nil

For the purpose of the above the following translation rates have been used for Profit and Loss items:

2002 €100c : Stg 61.41p

2003 €100c : Stg 65.21p

The rates used for conversion of Balance Sheet items are the rates at 30 April 2002 and 30 April 2003:

2002 €100c : Stg 61.84p

2003 €100c : Stg 69.80p

The year ended 30th April 2003 was a fruitful year for the Group. Strong markets in England and Ireland supported both volumes and margins.

The Group reports a profit for the year of €48.5 million before tax against €36.2 million in the previous year. Shareholders' funds at €159 million represent €4.67 per share and include net cash balances of over €31 million. Earnings for the year were 107.62 cents per share and the Board is recommending an increased final dividend of 14.5 cents per share making a total of 22 cents per share for the year.

HOUSEBUILDING

The Group's housebuilding division completed 730 sales (UK 454; Ireland 276) at an average price of €207,000 and contributed €43 million to our results.



United Kingdom: Trading was exceptional in the first half and slowed down as the year progressed. We have entered the new year with lower levels of forward sales than a year ago albeit at a

satisfactory level. At this stage we expect both sales and margins to be lower than in the year ended April 2003.

During the year the UK company purchased 468 plots with the benefit of planning permission / or resolution to grant planning permission. The UK land bank with the benefit

of planning permission / or resolution to grant planning permission was 1,383 plots at 30th April. In addition the company held under contract subject to the granting of planning permission a further 190 plots.



Overall, the outlook for the UK business is mixed. The gradual shift towards higher density urban forms of development is more capital and skills intensive with long lead times. The high returns on capital employed enjoyed in recent years are unlikely to be achieved on new projects going forward. High house price

inflation has to some extent disguised these trends and may do so for a while yet, however, in due course lower returns must be expected.

Ireland: Trade in Ireland grew in strength as the year progressed. At the year end the company enjoyed its highest number of forward sales for at least 20 years and is well placed for a substantial increase in completions in the coming year. During the year the company bought a further 434 plots with planning permission for development and the land bank at year end was 985 plots with planning approval. The very strong market conditions cannot persist indefinitely and there is always a significant commercial risk of a sharp and possibly prolonged correction at some point.



The division as a whole is targeting a further rise in completions for the year ending April 2004.

PLANT HIRE

The plant hire division reported operating profits of €2.1 million on a turnover of €20.4 million. Included in this result is a profit of €178,000 arising from the disposal of a surplus yard in Luton. Management continues to focus on improving the profitability of the business, however, rising costs together with generally falling plant prices are not helping.

Capital expenditure is highly controlled. Trading in the early part of the new year is at very similar levels to the year being reported.

Rental income arising primarily from the letting of surplus space at Group property was €235,000.

DIRECTORS, MANAGEMENT AND STAFF

There was no change to the Board of Directors and senior management during the course of the year. As always the progress of the Group is a result of the combined efforts of all the employees. I, on behalf of the shareholders, thank my colleagues on the Board together with all the Directors, Management and Staff for their hard work and efforts during the year.

THE FUTURE

Next year ten new countries will join the European Union. Many of the countries offer significant opportunities for



housebuilders to participate in their renewal and growth. The company is researching the possibility of extending our activities further into Europe in due course.

Trading in the new year is progressing at a reasonable level. Background conditions are less positive than for some time, however, our good forward order position (particularly in Ireland) means the prospects for this trading year remain good.

ANNUAL GENERAL MEETING

I look forward to seeing you all at our Annual General Meeting on 3rd October and wish to bring to your attention all other special business in the notice of that meeting.

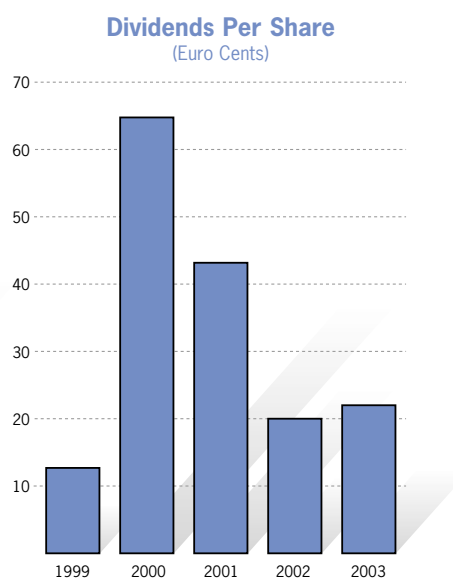
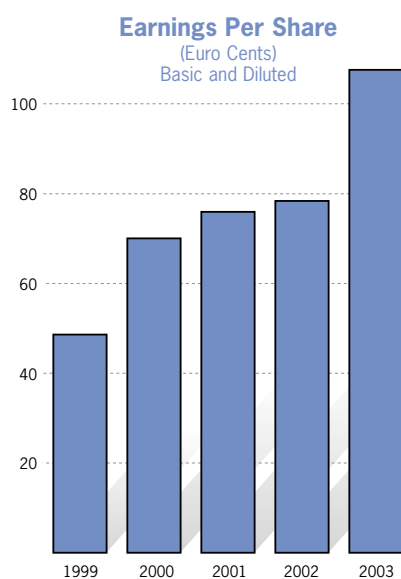
Charles H. Gallagher, Executive Chairman



Kingscroft Developments Ltd were delighted to carry out work for the Special Olympics World Summer Games Project at the A.U.L. Complex, Clonshaugh, Dublin, June 2003

Five Year Financial Summary

	2003 €'000	2002 €'000	2001 €'000	2000 €'000	1999 €'000
Turnover - continuing (including share of joint venture)	174,806	146,685	151,091	142,147	116,531
Less: share of joint venture	(2,831)	-	-	-	-
Group turnover	171,975	146,685	151,091	142,147	116,531
Group operating profit	45,326	35,207	34,401	30,279	24,602
Share of joint venture profit	1,850	-	-	-	-
Profit on disposal of investment properties	-	-	-	4,514	-
Profit on disposal of listed investment	-	-	-	2,035	767
Net interest receivable	1,287	1,042	1,856	1,097	1,184
Profit on ordinary activities before taxation	48,463	36,249	36,257	37,925	26,553
Taxation	(11,787)	(9,531)	(10,000)	(11,682)	(7,723)
Profit for the financial year	36,676	26,718	26,257	26,243	18,830
Earnings per share	107.62c	78.40c	75.97c	70.06c	48.62c
Dividends per share					
Interim	7.50c	6.50c	33.01c	5.08c	4.44c
Second interim dividend	-	-	-	50.79c	-
Final	14.50c	13.50c	10.16c	8.89c	8.25c
	22.00c	20.00c	43.17c	64.76c	12.69c
Shareholders' funds	159,174	142,873	120,642	119,123	116,249



ABBEY PLC

Reg. No. 9245 Republic of Ireland

AUDITORS

Ernst & Young, Chartered Accountants

SECRETARY & REGISTERED OFFICE

David J. Dawson CA, 25/28 North Wall Quay, Dublin 1

BANKERS

Allied Irish Banks plc

Barclays Bank plc

REGISTRAR AND TRANSFER OFFICE

Computershare Investor Services (Ireland) Limited

P.O. Box 954, Heron House, Corrig Road,

Sandyford Industrial Estate, Dublin 18

SOLICITORS

A&L Goodbody

STOCKBROKERS

Davy Stockbrokers

PRELIMINARY STATEMENT

17th July 2003

ANNUAL REPORT

8th September 2003

ANNUAL GENERAL MEETING

3rd October 2003

DIVIDEND PAYMENT

8th October 2003

INTERIM STATEMENT

January 2004



A

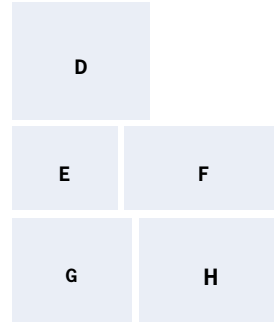
A 'Summerseat Court', Clonee Village, a new scheme of apartments, duplex units and townhouses

B

C

B Streetscene at our 'Brindley Park' development in Ashbourne

C 'Clonmagadden Fort', Navan, an attractive development of 3 & 4 bedroom homes



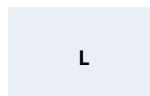
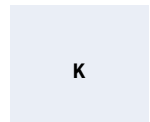
D The Framlingham housetype at 'Chestnut Walk', Kent

E/F 'Sovereign Gate', Cambridgeshire, a prestigious development of 2 bedroom apartments

G View of our showhome at 'Brindley Waters' in Northamptonshire

H 4 bed townhouses at our 'Brindley Waters' development





- I 9 Tonne Dumper
- J Hylift Dumper
- K 16m Telehandler
- L/M Depot at Milton Keynes, Buckinghamshire



Board of Directors

CHARLES H. GALLAGHER (43) M.A., MSc.

A Director of Abbey plc since 1986, Mr Charles H. Gallagher was appointed Executive Chairman in May 1993. He is a council member and past president of the H.B.F. (UK House Builders Federation). Mr. Gallagher is also a director of a number of other companies including Gallagher Holdings Limited, Matthew Homes Limited and Charles Wilson Engineers Limited.

BRIAN R. HAWKINS (58) (BRITISH) BSc (Eng)

Mr. Hawkins joined the Abbey Group in 1990 and is Managing Director of Abbey Developments Limited. He was co-opted to the Abbey plc Board in June 1997. He holds no other directorships other than those within Abbey plc and its subsidiaries.

ROBERT N. KENNEDY (50) (BRITISH) BSc (Econ)

Mr. Kennedy joined the Abbey Group in 1996 and is Managing Director of M&J Engineers Limited. He was co-opted to the Abbey plc Board in December 1997. He holds no other directorships other than those within Abbey plc and its subsidiaries.

RICHARD J. SHORTT (55)

Mr. Shortt joined the Abbey Group in 1994 and is Managing Director of Kingscroft Developments Limited. He was co-opted to the Abbey plc Board in May 2002. He holds no other directorships other than those within Abbey plc and its subsidiaries.

DENNIS A. JACKSON • Δ (73) (BRITISH) (NON-EXECUTIVE)

Mr. Jackson has been with the Group since 1963. He was appointed to the Abbey plc Board in 1976 and is a former Managing Director of M&J Engineers Limited. He holds no other directorships other than those within Abbey plc and its subsidiaries.

DAVID A. GALLAGHER • Δ (42) B.A., MSc. (NON-EXECUTIVE)

Mr. Gallagher was appointed to the Abbey plc Board in May 1993. Mr. Gallagher is a director of a number of other companies including Charles Wilson Engineers Limited and Matthew Homes Limited.

J. ROGER HUMBER • Δ (60) (BRITISH) BSc (Econ), Hon D. Tech (NON-EXECUTIVE)

Mr. Humber was appointed to the Abbey plc Board in December 1999. He was previously Chief Executive of the H.B.F. (U.K. House Builders Federation) from 1979 to 1999. Mr. Humber is a director of a number of other companies including Magnum Fine Wines plc and P.E. Jones (Contractors) Limited and its subsidiaries.

JOHN F. HOGAN • Δ (63) B.Comm, F.C.A. (NON-EXECUTIVE)

Mr. Hogan is a former Managing Partner of Ernst & Young in Ireland which he served for two terms. He was appointed to the Board of Abbey plc in December 2001. Mr. Hogan is a director of a number of other companies including Leopold Joseph Umbrella Fund plc.

(•) Member of Audit Committee

(Δ) Member of Remuneration Committee

The directors submit herewith their report and audited financial statements for the year ended 30 April 2003 which are set out on pages 22 to 40.

The profit after taxation amounted to €36,676,000.

The directors are recommending a final dividend of 14.50 cents per share, bringing the total for the year to 22.00 cents per share. These dividends absorb €7,497,000 and are covered 4.89 times by profits after taxation.

A list of principal undertakings and the nature of their business is contained in note 9 of the financial statements. Geographic and divisional analyses of turnover are given in note 1 to the financial statements.

A review of trading activities and future developments of the business is covered in the Chairman's Statement.

SUBSTANTIAL SHAREHOLDERS

So far as the Board is aware, the following held more than 3% of the issued ordinary shares at 16 July 2003:

	Number of shares	% of issued share capital
Gallagher Holdings Ltd.	10,166,544	29.83%
Bank of Ireland Nominees Ltd.	6,452,156	18.93%
FMR Corp. and its direct and indirect subsidiaries, being non-beneficial holders	3,407,000	9.99%
Nortrust Nominees	1,575,530	4.62%
Jupiter Split Trust PLC	1,100,000	3.23%

EMPLOYEES

The average number of employees during the year is set out in note 4 to the financial statements.

HEALTH AND SAFETY AT WORK

The Group has implemented appropriate safety guidelines in relevant subsidiaries as required by the Safety, Health and Welfare Work Act, 1989.

DIRECTORS

Mr. J. Roger Humber retires in accordance with Article 98 and, being eligible, offers himself for re-election.

DIRECTORS' AND SECRETARY'S INTERESTS

The interests of the directors and secretary and their families in the share capital of the Company at 30 April 2003, were as follows:

	Number of Shares	
	2003	2002
Charles H. Gallagher	25,500	25,500
Dennis A. Jackson	5,000	5,000
Richard J. Shortt	4,500	2,000
David A. Gallagher	3,000	3,000
John F. Hogan	3,000	2,000

None of the directors hold shares in a non-beneficial capacity and no changes occurred in the above holdings between 30 April 2003 and 16 July 2003. There have not been any contracts or arrangements with the Company or any subsidiary during the year in which a director of the Company was materially interested and which have been significant in relation to the Group's business.

BOOKS AND RECORDS

The directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act, 1990, are kept by the Company. To achieve this, the directors have appointed appropriate accounting personnel in order to ensure that those requirements have been complied with.

The books and accounting records of the Company are maintained at Abbey House, 2 Southgate Road, Potters Bar, Hertfordshire, EN6 5DU, England. Returns are made to the registered office in accordance with section 202(6) of the Companies Act, 1990.

SPECIAL BUSINESS

Your attention is drawn to the notice of meeting which sets out matters of special business to be considered at the Annual General Meeting.

CAPITAL GAINS TAX

The quoted price of the ordinary share on 6 April 1974 as calculated for capital gains tax in Ireland was €78.7c (IR62p).

AUDITORS

The auditors, Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Board, 16 July 2003
C.H. GALLAGHER, Chairman
B.R. HAWKINS, Director

Remuneration Report

The remuneration of the executive directors is determined by the Remuneration Committee which comprises the non-executive directors. The non-executive directors remuneration is determined by the Board. The written terms of reference have been approved by the Board and are aimed to ensure that remuneration packages are competitive and that they will attract, retain and motivate executive directors of the quality required.

The Group does not operate any share option or long-term incentive schemes.

The Executive Chairman's service contract contains a notice period of two years which was required by the Committee in view of the importance of this role. The three remaining executive directors have a notice period of one year.

The director proposed for re-election at the forthcoming Annual General Meeting, Mr J. Roger Humber, does not have a service contract.

DIRECTORS' REMUNERATION

The remuneration of the directors of the Group for the year is as follows:

	Salary and Fees €'000	(1) Benefits In Kind €'000	2003 Total €'000	2002 Total €'000
Executive Directors				
C H Gallagher	602	75	677	637
B R Hawkins	305	55	360	326
R N Kennedy	161	53	214	192
R J Shortt (2)	201	20	221	–
Totals	1,269	203	1,472	1,155
Non-Executive Directors				
D A Jackson	31	–	31	36
D A Gallagher	31	–	31	32
J R Humber	31	–	31	32
J F Hogan (3)	31	–	31	12
Totals	124	–	124	112

(1) Benefits In Kind comprise pension contributions and other benefits and emoluments

(2) Mr R J Shortt was appointed to the Board on 1 May 2002

(3) Mr J F Hogan was appointed to the Board on 14 December 2001

PENSIONS

Three executive directors are members of The Abbey Group Limited Pension and Life Assurance Scheme. Non-executive directors do not participate in the Group's pension scheme.

There are three (2002 : three) directors to whom retirement benefits are accruing under a defined benefit scheme. Two directors have contributions to a Defined Contribution Scheme.

Directors pension arrangements are as follows:

	Age	Pensionable Service Years	Defined Benefit			Defined Contribution
			Increase In Accrued Pension During The Year €'000	Transfer Value Of The Increase €'000	Accumulated Accrued Pension 30 April €'000	Group Contributions €'000
C H Gallagher	43	16	4	(107)	74	89
B R Hawkins	58	12	4	135	56	–
R N Kennedy	50	6	2	19	14	–
R J Shortt	55	–	–	–	–	24
30 April 2003			10	47	144	113
30 April 2002			28	5	146	75

PRINCIPLES

The Board is committed to the principles of Corporate Governance and has applied the principles of the Combined Code to ensure that the Company is headed by an effective Board which can lead and control the business.

This report describes how the Principles of Good Governance are applied and how the Company has complied with the provisions of the Code of Best Practice identified in Section 1 of the Combined Code.

THE BOARD

The Board is currently comprised of the Executive Chairman, three executive directors and four non-executive directors. The Board considers all non-executive directors capable of exercising independent judgement.

One third of the non-executive directors retire by rotation each year.

The Board meetings are held regularly and at least four times each year with agendas sent out in advance of each meeting. There is a schedule of formal matters reserved for Board approval. All directors have access to advice from the company secretary and independent professional advisors at the Company's expense.

The Board has established Audit and Remuneration Committees with formal terms of reference.

AUDIT AND REMUNERATION COMMITTEES

The Audit and Remuneration Committees comprise all the non-executive directors with Mr Roger Humber as the Chairman. The Audit Committee meets not less than twice each year and the Remuneration Committee when required.

Both Committees have written terms of reference.

RELATIONS WITH SHAREHOLDERS

There are regular meetings with the Company's principal investors. Announcements of results are sent promptly to all shareholders. All investors are welcome at the Annual General Meeting where they have the opportunity to ask

questions of the Board. The Executive Chairman at the Annual General Meeting also gives a statement on the current trading conditions.

INTERNAL CONTROL

The Turnbull Report on internal controls was published as a consultation draft in April 1999 and was incorporated into the Combined Code in September 1999. The directors have considered the implications of this report on its operations, and having reviewed the effectiveness of its current controls, procedures and practice, the directors believe that the Company as required by the Irish and London Stock Exchanges has, since September 2000, complied with the principles and provisions of the Combined Code on internal control.

The directors are responsible for ensuring that the Group maintains a system of internal control. This system is designed to provide reasonable but not absolute assurance against material misstatement or loss.

Key elements of this control system, including internal financial control, are:

- An organisation structure with defined lines of responsibility and delegation of authority;
- A budgeting system with actual performance being measured against budget on a regular basis;
- A review of the key business risks relevant to the Group's operations. These risks are reviewed annually to ensure that they remain appropriate to the business and the current trading environment;
- Control procedures to address the key business risks which include policies and procedures appropriate to each of the main operating subsidiaries. The Board considers the adequacy of the control procedures at the same time as it reviews the key business risks. Certain prescribed matters are reserved for Board approval;

- A management review of the operation of the system;
- At all Board and Audit Committee meetings Internal Control is a main agenda item to be considered.

The Audit Committee has reviewed the effectiveness of the Group's Internal Control System up to and including the date of approval of the annual report. This review includes a consideration of issues raised in management letters received from the external auditors.

The above elements help to provide assurance, but the Board recognises that the business it is engaged in is constantly evolving and it accepts that the Group's internal control must evolve with it. In this respect, the Board is willing to allocate the necessary resources to implement new controls to cover new areas of risk if additional controls are deemed beneficial in assisting the Group to achieve its objectives.

The provision D.2.2 of the Combined Code requires the Company to review the need for an internal audit function. The Board has considered this matter and concluded that, due to the effective levels of procedures already in place, there was no need for an internal audit during the year under review, although this matter will be reviewed regularly.

COMPLIANCE

The Company believes that it has complied with the provisions of Section 1 of the Code throughout the accounting period, with the following exceptions:-

- (i) The roles of the Executive Chairman and Chief Executive are combined in one individual. The directors believe that the Company benefits from consolidating the experience and knowledge of the present Executive Chairman whilst ensuring that there are experienced non-executive, and executive directors for each operating division, to whom concerns may also be conveyed.

- (ii) All board nominations are tabled under Formal Matters to be Referred to the Board and consideration of appointments are made by the Board as a whole. Accordingly, the Board does not have a formal nomination committee.

- (iii) Non-executive directors are not appointed for specific terms and their election is covered by Article 87 of the Company's Articles of Association. Non-executive directors are required to submit themselves for re-election by rotation and their re-election is covered by Article 98 of the Company's Articles of Association.

The directors believe that the Company benefits from the greater experience and knowledge of the business gained by directors with long service. The present non-executives do not have formal letters of appointment.

The Board is satisfied that our non-executive directors are capable of exercising independent judgement. The Board has not appointed a senior independent non-executive director as the Board does not hold any one non-executive director senior to another. They all have long experience and share equal obligations to the Company. Shareholders are both welcome and encouraged to raise any concerns with any director at any time.

- (iv) Executive directors are not required to submit themselves for re-election, apart from at their first Annual General Meeting. Their election is covered by Articles 87 and 94 of the Company's Articles of Association.

The directors believe the Company benefits from allowing executive directors to perform their duties whilst benefiting from continuity of

performance. Executive directors are subject to the same provisions as to removal as other directors of the Company.

- (v) The Executive Chairman's service contract contains a notice period of two years which was required by the Remuneration Committee in view of the importance of this role.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Company and the Group have 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.

Statement of Directors' Responsibilities In Respect of the Financial Statements

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing those 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;
- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that the financial statements comply with the above requirements.

The directors are responsible for keeping proper books of accounts which disclose with reasonable accuracy at any time the financial position of the Group and which enable them to ensure that the financial statements are prepared in accordance with the accounting standards generally accepted in Ireland and comply with the Companies Acts, 1963 to 2001 and the European Communities (Companies: Group Accounts) Regulations, 1992. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the group's financial statements for the year ended 30 April 2003 which comprises the Statement of Accounting Policies, Group Profit and Loss Account, Group Balance Sheet, Group Cash Flow Statement, Group Statement of Total Recognised Gains and Losses, Reconciliation of Shareholders' Funds, Company Balance Sheet and the related notes 1 to 24. These group financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 are responsible for preparing the Annual Report, including the financial statements which are required to be prepared in accordance with applicable Irish law and accounting standards as set out in the Statement of Directors' Responsibilities in relation to the financial statements.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, Auditing Standards issued by the Auditing Practices Board for use in Ireland and the United Kingdom and the Listing Rules of the Irish Stock Exchange.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts. We also report to you our opinion as to: whether proper books of account have been kept by the company; whether at the balance sheet date there exists a financial situation which may require 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 regarding directors' remuneration and transactions with the group is not given and, where practicable, include such information in our report.

We review whether the Corporate Governance Statement reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report and Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards 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 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 financial statements give a true and fair view of the state of affairs of the company and of the group as at 30 April 2003 and of the profit of the group for the year then ended and have been properly prepared in accordance with the provisions of the Companies Acts, 1963 to 2001 and the European Communities (Companies: Group Accounts) Regulations, 1992.

We have obtained all the information and explanations 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.

In our opinion the company balance sheet does not disclose 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.

Ernst & Young
Registered Auditors
Dublin

Date: 16th July 2003

BASIS OF ACCOUNTING AND CONSOLIDATION

The Group financial statements include the financial statements of the parent undertaking and all subsidiaries and the Group's share of the profits of the joint venture. The results of the joint venture relate to the year ended 31 March 2003. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets.

TURNOVER

Turnover represents the value of goods and services supplied to external customers and excludes inter-group sales and value added tax.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

(a) Building land

Building land is stated at the lower of cost and net realisable value less an appropriate proportion relating to plots sold in the case of estates in the course of development;

(b) Work in progress

The cost of uncompleted and unsold new properties comprises direct labour and material costs. No profits are taken until houses are conveyed on legal completion to third parties;

(c) Raw materials

The cost of raw materials comprises net invoice price on an average cost basis.

DEFERRED TAXATION

Provision for deferred taxation is recognised in full on all timing differences which exist at the balance sheet date. Deferred tax is measured using tax rates substantially enacted at the balance sheet date.

FOREIGN CURRENCIES

The balance sheets of foreign subsidiary undertakings are translated into Euro at the rates ruling on the balance sheet date.

Trading results are translated at an average rate for the year. Gains or losses arising on translation are dealt with through reserves.

Transactions in foreign currencies are translated at the rates prevailing at the date of the transactions. Resulting exchange gains or losses are dealt with in the profit and loss account.

TANGIBLE FIXED ASSETS

A full valuation of land and buildings and investment properties was carried out at 30 April 2002. The directors do not consider that there has been a material change in the value of land and buildings and investment properties since the last valuation.

All properties are revalued triennially on an open market basis. Revaluations are incorporated in the financial statements and charged to the property revaluation reserve. Any impairment loss is firstly charged to the revaluation reserve to the extent that a surplus exists and thereafter to the profit and loss account.

Depreciation is not provided on land and buildings as the amount involved is not material on a current or cumulative basis. The directors have reviewed the value of land and buildings and investment properties for impairment in accordance with Financial Reporting Standard 11, 'Impairment of Fixed Assets and Goodwill' and consider that no impairment in the value of land and buildings or investment properties has occurred.

Plant, machinery and transport are depreciated at rates calculated to write off the original cost, less estimated residual value, in equal instalments varying between three and eight years according to category.

PENSION COSTS

The Group operates defined benefit schemes for eligible employees, the assets of which are held in trust funds separate from the Group's finances. Pension benefits are funded over the employees' periods of service using the projected unit method. The Group's charge against profits is calculated with independent actuarial advice and represents a proper charge to cover the accruing liabilities of the schemes on a continuing basis. Independent actuarial valuations of the schemes are made every three years.

The Group also contributes to defined contribution and personal pension schemes for eligible employees, the assets of which are held in trust funds separate from the Group's finance. The Group's contributions are charged against profits in the period to which they relate.

FINANCIAL INSTRUMENTS

The carrying amount of cash, debtors and creditors reported in the balance sheet approximates the fair value of these financial instruments.

Group Profit and Loss Account

Year Ended 30 April 2003

	Note	2003 €'000	2002 €'000
Turnover - continuing (including share of joint venture)	1	174,806	146,685
Less: share of joint venture		(2,831)	–
Group turnover		171,975	146,685
Cost of sales		(116,520)	(101,802)
Group gross profit		55,455	44,883
Administrative expenses		(10,129)	(9,676)
Group operating profit - continuing		45,326	35,207
Share of joint venture profit		1,850	–
Trading profit including share of joint venture		47,176	35,207
Net interest receivable	2	1,287	1,042
Profit on ordinary activities before taxation	3	48,463	36,249
Taxation on profit on ordinary activities	5	(11,787)	(9,531)
Profit attributable to shareholders		36,676	26,718
Dividends paid	6	(2,556)	(2,215)
Dividends proposed	6	(4,941)	(4,601)
Profit retained for the financial year		29,179	19,902
Profit brought forward at 1 May		101,731	81,917
Realised revaluation reserve		180	–
Renominalisation of share capital		–	(88)
Profit retained at 30th April		131,090	101,731
Earnings per share - basic	7	107.62c	78.40c
Earnings per share - diluted	7	107.62c	78.40c

Approved by the Board on 16th July 2003
C.H. GALLAGHER, Chairman
B.R. HAWKINS, Director

Group Balance Sheet

At 30 April 2003

	Note	2003 €'000	2002 €'000
FIXED ASSETS			
Tangible assets	8	30,071	32,763
Investment in joint venture	9	1,480	–
		31,551	32,763
CURRENT ASSETS			
Stocks	10	141,576	113,989
Debtors	11	9,604	7,808
Investments	12	7	8
Cash at bank and in hand		31,568	38,656
		182,755	160,461
CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)			
Trade and other creditors	13	(54,382)	(49,586)
		128,373	110,875
NET CURRENT ASSETS			
		159,924	143,638
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	14	(750)	(765)
		159,174	142,873
SHAREHOLDERS' FUNDS			
Called up share capital	15	10,905	10,905
Share premium account	16	13,321	13,321
Revaluation reserve	16	4,746	5,462
Other reserves			
Capital redemption reserve fund	15	1,478	1,478
Currency translation	16	(2,366)	9,976
Profit and loss account	17	131,090	101,731
		159,174	142,873

Shareholders' funds are all attributable to equity interests.

Approved by the Board on 16th July 2003
C.H. GALLAGHER, Chairman
B.R. HAWKINS, Director

	Note	2003 €'000	2002 €'000
Net cash inflow from operating activities	18	19,279	25,698
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(2)	(4)
Interest received		1,289	1,046
		1,287	1,042
TAXATION			
Corporation tax paid		(11,365)	(10,745)
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(9,258)	(10,419)
Sale of tangible fixed assets		2,936	3,183
Net cash outflow from capital expenditure		(6,322)	(7,236)
EQUITY DIVIDENDS PAID			
Net cash (outflow) inflow before use of liquid resources		(4,278)	3,082
Management of liquid resources	19	9,264	(504)
Increase in cash in the year	20	4,986	2,578

Statement of Total Recognised Gains and Losses Year Ended 30 April 2003

	2003 €'000	2002 €'000
GROUP		
Profit for the financial year including share of joint venture	36,676	26,718
Unrealised revaluation surplus arising in year	–	2,296
Exchange translation adjustment	(12,878)	33
Total recognised gains and losses related to the year	23,798	29,047

Reconciliation of Movements in Shareholders' Funds Year Ended 30 April 2003

	2003 €'000	2002 €'000
GROUP		
Profit for the financial year	36,676	26,718
Dividends	(7,497)	(6,816)
Profit retained for the financial year	29,179	19,902
Unrealised revaluation surplus arising in year	–	2,296
Translation adjustment arising in year	(12,878)	33
Net addition to shareholders' funds	16,301	22,231
Shareholders' funds at 1st May	142,873	120,642
Shareholders' funds at 30th April	159,174	142,873

No note of Historical Cost Profits and Losses has been included as the amounts involved are not significant.

Company Balance Sheet

At 30 April 2003

	Note	2003 €'000	2002 €'000
FIXED ASSETS			
Tangible assets	8	2,506	2,506
Financial assets	9	23,530	23,530
		26,036	26,036
CURRENT ASSETS			
Debtors	11	4,978	8,273
Cash at bank and in hand		10,670	949
		15,648	9,222
CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)			
Trade and other creditors	13	(10,235)	(4,988)
		5,413	4,234
NET CURRENT ASSETS			
		31,449	30,270
SHAREHOLDERS' FUNDS			
Called up share capital	15	10,905	10,905
Share premium account	16	13,321	13,321
Revaluation reserve	16	656	656
Other reserves			
Capital redemption reserve fund	15	1,478	1,478
Currency translation	16	(383)	(383)
Profit and loss account	17	5,472	4,293
		31,449	30,270

Shareholders' funds are all attributable to equity interests.

Approved by the Board on 16th July 2003
 C.H. GALLAGHER, Chairman
 B.R. HAWKINS, Director

1. SEGMENTAL INFORMATION

Turnover, cost of sales and operating profit are derived from continuing activities. The exemption contained in Statement of Standard Accounting Practice Number 25, "Segmental Reporting", regarding analysis of operating profit by segment has been availed of.

	2003	2002
	€'000	€'000
(a) Analysis by location of business		
Turnover		
Republic of Ireland	51,531	40,341
United Kingdom	123,275	106,344
	174,806	146,685
Less: share of joint venture	(2,831)	–
	171,975	146,685
Net assets		
Republic of Ireland	49,015	23,968
United Kingdom	82,045	84,842
	131,060	108,810
Investment in joint venture	1,480	–
Dividend proposed	(4,941)	(4,601)
	127,599	104,209
Investments	7	8
Cash at bank less borrowings	31,568	38,656
	159,174	142,873
All business was transacted in the country of location of business.		
(b) Analysis by class of business		
Turnover		
Building and property development	154,209	125,245
Plant hire	20,362	21,153
Property rental	235	287
	174,806	146,685
Less: share of joint venture	(2,831)	–
	171,975	146,685
Net assets		
Building and property development	104,108	78,759
Plant hire	26,225	29,230
Property rental	727	821
	131,060	108,810
Investment in joint venture	1,480	–
Dividend proposed	(4,941)	(4,601)
	127,599	104,209
Investments	7	8
Cash at bank less borrowings	31,568	38,656
	159,174	142,873

2. NET INTEREST RECEIVABLE

	2003 €'000	2002 €'000
Interest receivable	1,289	1,046
Interest on bank overdrafts	(2)	(4)
	1,287	1,042

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is arrived at after (crediting) charging:

Profit on disposal of tangible fixed assets	(920)	(1,165)
Auditors' remuneration	108	100
Operating lease rentals:		
Rent of building	152	157
Hire of plant and machinery	552	854
Depreciation	6,511	7,294

4. EMPLOYMENT

The average number of persons employed by the Group, including executive directors, in the financial year was 312 (2002 : 298) and is analysed by class of business as follows:

	2003 Number	2002 Number
Building and property development	134	116
Plant hire and rental	178	182
	312	298

Employment costs comprise:

	2003 €'000	2002 €'000
Wages and salaries	11,731	10,918
Social welfare costs	1,044	973
Other pension costs	1,145	582
	13,920	12,473

Details of the Directors' emoluments are set out in the Remuneration Report on page 14.

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax charge based on the profit on ordinary activities comprises:

Irish Corporation Tax at 14.85% (2002 : 18.67%)		
Current	2,250	1,794
Share of joint ventures' tax	370	-
United Kingdom Corporation Tax at 30%		
Current	9,090	8,045
Total current corporation tax	11,710	9,839
Deferred tax: originating and reversal of timing differences	77	(308)
	11,787	9,531

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting current tax charge.

The following table relates the applicable Republic of Ireland statutory tax rate to the effective tax rate of the Group, obtained by computing the tax charge as a percentage of the profit on ordinary activities before taxation:

	2003 (% of profit before taxation)	2002
Irish corporation tax rate	14.8	18.7
Higher UK & Joint Venture tax rates	10.5	8.2
Other timing differences	(1.2)	0.2
	24.1	27.1

6. DIVIDENDS

	2003 €'000	2002 €'000
<i>Paid ordinary</i>		
Dividend of 7.50 cents per share (2002 : 6.50 cents per share)	2,556	2,215
<i>Proposed ordinary</i>		
Dividend of 14.50 cents per share (2002 : 13.50 cents per share)	4,941	4,601
	7,497	6,816

7. EARNINGS PER SHARE: BASIC AND DILUTED

Earnings per share has been calculated by reference to the weighted average number of shares in issue of 34,077,782 and to the profit on ordinary activities after taxation amounting to €36,676,000 (2002: €26,718,000).

8. TANGIBLE FIXED ASSETS

Group	Land and buildings €'000	Investment properties €'000	Plant and machinery €'000	Transport €'000	Total €'000
<i>Cost or valuation</i>					
At 1 May 2002	11,504	821	43,562	5,218	61,105
Translation adjustment	(1,010)	(94)	(4,913)	(554)	(6,571)
Additions	-	-	7,970	1,288	9,258
Disposals	(245)	-	(7,331)	(1,214)	(8,790)
At 30 April 2003	10,249	727	39,288	4,738	55,002
<i>Accumulated Depreciation</i>					
At 1 May 2002	-	-	25,675	2,667	28,342
Translation adjustment	-	-	(2,864)	(284)	(3,148)
Charge for year	-	-	5,511	1,000	6,511
Disposals	-	-	(5,743)	(1,031)	(6,774)
At 30 April 2003	-	-	22,579	2,352	24,931
<i>Net book amounts</i>					
At 30 April 2003	10,249	727	16,709	2,386	30,071
At 30 April 2002	11,504	821	17,887	2,551	32,763

8. TANGIBLE FIXED ASSETS (CONTINUED)

Plant and machinery includes assets held for hire with a cost of €36,583,216 (2002: €40,969,335) and accumulated depreciation of €20,784,758 (2002 : €23,955,576).

Land and buildings and investment properties situated in the United Kingdom were valued by Glenny, Chartered Surveyors at 30 April 2002. The directors do not consider that there has been a material change in the value of land and buildings and investment properties since the last valuation.

Group	2003	2002
	€'000	€'000
The valuation of land and buildings comprises:		
Freehold property	9,791	10,987
Long leasehold property	458	517
	10,249	11,504

The historical cost of land and buildings and investment properties amounts to:

Land and buildings	6,230	6,863
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No depreciation is charged on land and buildings or on investment properties as required by the Companies (Amendment) Act, 1986. The directors have followed the provisions of Financial Reporting Standard 15, 'Tangible Fixed Assets' and consider the depreciation amount to be immaterial on a current and cumulative basis. They have also followed the provisions of Financial Reporting Standard 11, "Impairment of Fixed Assets and Goodwill" and consider that no impairment in the value of land and buildings or investment properties has occurred.

Company

Freehold land and Buildings		
Cost or valuation		
At 1 May	2,506	2,154
Revaluation	-	352
At 30 April	2,506	2,506

9. FINANCIAL FIXED ASSETS**Company**

Shares in unlisted subsidiary undertakings at cost	23,530	23,530
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The shares in subsidiary undertakings represent the full amount of called up share capital in those undertakings, all of which are ordinary shares. The principal subsidiary undertakings are as follows:

<i>Incorporated in the Republic of Ireland</i>	<i>Nature of business</i>	<i>Registered office</i>
Ciarsand	Investment holding company	1 Setanta Place, Dublin 2
Abbey Holdings Limited	as above	as above
Dwale Limited	Property rental	as above
Kingscroft Developments Limited	Residential housing and land development	as above

<i>Incorporated in the United Kingdom</i>	<i>Nature of business</i>	<i>Registered office</i>
Abbey Group Limited	Investment holding company	Abbey House, 2 Southgate Road Potters Bar, Hertfordshire EN6 5DU, England
Abbey Developments Limited	Residential housing and land development	as above
Abbey Investments Limited	Property investment	as above
M & J Engineers Limited	Plant hire	Cashel House Cadwell Lane, Hitchin Hertfordshire, SG4 0SQ, England
Term Rentals Limited	Plant rental	as above

The principal place of business of all subsidiary undertakings is in the country of incorporation.

9. INVESTMENT IN JOINT VENTURE

Abbey Holdings Limited holds a 50% interest in the allotted share capital of Pontederia Limited, whose registered office is at 1 Setanta Place, Dublin 2. The investment comprises 1 ordinary share of €1.25. The financial statements of Pontederia have been prepared for the year ended 31 March 2003. The financial statements reflect the development and selling of sites held in Clonsilla, Co. Dublin.

	2003	2002
	€'000	€'000
<i>The movement on the investment in joint venture during the year is as follows:</i>		
At 1 May	–	–
Retained profit for the year	1,480	–
At 30 April	1,480	–
<i>The Group's share of joint venture net assets is made up as follows:</i>		
Current assets	2,490	534
Liabilities falling due within one year	(1,010)	(534)
	1,480	–

10. STOCKS

Building land and work in progress	141,013	113,282
Raw materials	563	707
	141,576	113,989

11. DEBTORS

Group

<i>Amounts falling due within one year</i>		
Trade debtors	5,121	4,529
Other debtors	408	1,620
Value added tax	1,583	437
Prepayments and accrued income	2,492	1,222
	9,604	7,808

11. DEBTORS (CONTINUED)	2003	2002
	€'000	€'000
Company		
<i>Amounts falling due within one year</i>		
Value added tax	5	–
Amounts owed by subsidiary undertakings	–	4,666
Prepayments and accrued income	32	29
Dividend receivable	4,941	3,578
	4,978	8,273

12. INVESTMENTS

Group		
<i>Ordinary shares at cost</i>		
Non-listed company	7	8
	7	8

13. TRADE AND OTHER CREDITORS

Group		
<i>Amounts falling due within one year</i>		
Trade creditors	19,146	19,774
Advances received from joint venture	1,603	–
Amounts outstanding on land	11,985	7,256
United Kingdom income tax	166	151
Social welfare	148	140
Value added tax	1,141	1,539
Corporation tax	5,352	5,850
Other creditors	4,212	2,887
Accruals and deferred income	5,688	7,388
Dividend proposed	4,941	4,601
	54,382	49,586
Company		
<i>Amounts falling due within one year</i>		
Value added tax	–	8
Amounts owed to subsidiary undertakings	4,904	–
Corporation tax	42	167
Other creditors	189	57
Accruals and deferred income	159	155
Dividend proposed	4,941	4,601
	10,235	4,988

14. DEFERRED TAXATION

	2003 €'000	2002 €'000
At 1 May	765	1,069
Translation adjustment	(92)	4
Transferred from (to) profit and loss account	77	(308)
	<hr/>	<hr/>
At 30 April	750	765

The provision is in respect of accelerated capital allowances.

15. CALLED UP SHARE CAPITAL**Group and Company***Authorised*

At 1 May 45,000,000 ordinary shares of 32 cents each	14,400	14,285
Renominalisation of share capital	-	115
	<hr/>	<hr/>
At 30 April 45,000,000 ordinary shares of 32 cents each	14,400	14,400

Group and Company*Allotted, called up and fully paid*

At 1 May 34,077,782 ordinary shares of 32 cents each	10,905	10,817
Renominalisation of share capital	-	88
	<hr/>	<hr/>
At 30 April 34,077,782 ordinary shares of 32 cents each	10,905	10,905

On 5 October 2001 a resolution was passed to redenominate and convert the authorised share capital of the Company of 45,000,000 ordinary shares of 1R25p each resulting in an authorised share capital of €14,284,553 divided into 45,000,000 ordinary shares of €31.7434519607295c each.

A further resolution was passed on 5 October 2001 where the nominal value of each ordinary share was adjusted by way of renominalisation to €14,400,000 divided into 45,000,000 ordinary shares of 32 cents each (of which €10,904,890 divided into 34,077,782 ordinary shares of 32 cents each is issued and fully paid).

CAPITAL REDEMPTION RESERVE FUND

At 1 May and 30 April	1,478	1,478
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16. RESERVES

	Group and Company Share Premium account €'000	Group Revaluation reserve €'000	Group Currency translation €'000	Company Revaluation reserve €'000	Company Currency translation €'000
At 1 May 2002	13,321	5,462	9,976	656	(383)
Realised revaluation adjustment arising in year	–	(180)	–	–	–
Translation adjustment arising in year	–	(536)	(12,342)	–	–
At 30 April 2003	13,321	4,746	(2,366)	656	(383)
The revaluation reserve is in respect of:		€'000			
Land and buildings		4,282			
Investment properties		464			
		4,746			

17. PROFIT AND LOSS ACCOUNT

	2003 €'000	2002 €'000
Group		
At 1 May	101,731	81,917
Profit after taxation and dividends	29,179	19,902
Realised revaluation reserve	180	–
Renominalisation of share capital	–	(88)
At 30 April	131,090	101,731
Company		
At 1 May	4,293	5,226
Profit (loss) after taxation and dividends	1,179	(845)
Renominalisation of share capital	–	(88)
At 30 April	5,472	4,293

The profit on ordinary activities after taxation in the Company is €8,676,000 (2002 : €5,971,000). The profit and loss account of the Company is not presented separately in these financial statements as the conditions laid down in Section 3(2) of the Companies (Amendment) Act, 1986 have been complied with.

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Operating profit	45,326	35,207
Depreciation	6,511	7,294
Profit on disposal of tangible fixed assets	(920)	(1,165)
Translation adjustment	91	(88)
Increase in stocks	(37,620)	(20,115)
Increase in debtors	(2,660)	(328)
Increase in creditors	8,551	4,893
Net cash inflow from operating activities	19,279	25,698

19. MANAGEMENT OF LIQUID RESOURCES

	2003 €'000	2002 €'000
Monies placed on deposit	9,264	(504)

Abbey plc includes as liquid resources fixed term deposits of less than one year.

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

Increase in cash in year	4,986	2,578
Movement in liquid resources	(9,264)	504
Translation difference	(2,810)	65
Movement in net funds in the year	(7,088)	3,147
Net funds at 1 May	38,656	35,509
Net funds at 30 April	31,568	38,656

21. ANALYSIS OF NET FUNDS

	At 1 May 2002 €'000	Cash flow €'000	Exchange movements €'000	At 30 April 2003 €'000
Cash at bank and in hand	2,889	4,986	7	7,882
Deposits	35,767	(9,264)	(2,817)	23,686
	38,656	(4,278)	(2,810)	31,568

22. CAPITAL COMMITMENTS

Future capital expenditure, none of which is attributable to the Company, approved by the directors but not provided for in these financial statements is as follows:

	2003 €'000	2002 €'000
Contracted for	-	693

23. OPERATING LEASE COMMITMENTS

Amounts payable during the next twelve months in respect of operating leases are as follows:

Leases on land and buildings expiring:

Within one year	17	19
After more than five years	122	130
	139	149

Operating leases on plant and machinery carry no future commitments.

24. PENSIONS

The most recent actuarial valuations of the pension schemes were carried out as at 1 May 2002 using the projected unit method. The assumptions which have the most significant effect on the results of the valuations are those made in respect of the rate of return on investment and the rate of increase in salaries and pensions. The assumptions made were that the rates of return on investments would exceed the rates of salary increases by 2.5% per annum and that the rates of pension increase would be 3% per annum.

As at 1 May 2002, the total value placed on the schemes' group pension plan for the purposes of the valuations amounted to €13.4 million and was sufficient to cover 89% of the scheme's liabilities. The actuarial deficit which arises in the Group's principal scheme is being spread over the average remaining service lives of current employees which is estimated at twelve years. The Group is making contributions into the scheme at a contribution rate of 22.9%. A prepayment of €1,369,000 is included at 30 April 2003 (2002 : accrual €614,000) to recognise the difference between the amount recognised as cost and the amount funded. This pension scheme was closed to new entrants on 1 January 2001.

Pension costs for the above schemes in the year were €1,062,000 based on a normal cost of €928,800 plus €133,200 amortisation of the pension prepayment.

The actuarial valuations are not available for public inspection.

A new accounting standard, Financial Reporting Standard 17 - Retirement Benefits (FRS17), was issued by the Accounting Standards Board in November 2000 and represents a change in the method of accounting for pension costs compared to SSAP24. Full adoption of FRS17 is not required and the Group has availed of the transitional provisions detailed in the standard as at 30 April 2003, which requires additional disclosure of the balance sheet effect of the adoption of FRS17.

Defined Benefit Schemes

The Group operates a defined benefit scheme in both Ireland and the United Kingdom. An actuarial valuation in accordance with FRS17 was carried out at 30 April 2003 by a qualified independent actuary.

The major assumptions used by the actuary were:

	Republic of Ireland 2003	Republic of Ireland 2002	United Kingdom 2003	United Kingdom 2002
Pensionable salary growth	4.00 % pa	4.50 % pa	3.75 % pa	4.00 % pa
Pension escalation in payment	5.00 % pa	3.00 % pa	3.00 % pa	3.00 % pa
Discount rate	5.25 % pa	6.00 % pa	5.40 % pa	5.80 % pa
Inflation assumption	2.25 % pa	2.50 % pa	2.25 % pa	2.50 % pa

The assets in the schemes and the expected long-term rate of return were:

	Republic of Ireland 2003	Republic of Ireland 2002	United Kingdom 2003	United Kingdom 2002
Conventional with-profits policy	-	-	-	6.50%
Equities	7.75%	8.50 %	-	-
Bonds	4.75%	5.50 %	5.00%	-
Cash	-	-	4.00%	-
Other	5.75%	6.50 %	-	-

24. PENSIONS (CONTINUED)**The net pension (deficit) asset are as follows:****As at 30 April 2003**

	Republic of Ireland €'000	United Kingdom €'000	Total €'000
Conventional with-profits policy	–	16,662	16,662
Equities	598	–	598
Bonds	204	–	204
Other	136	–	136
Total value of assets	938	16,662	17,600
Present value of scheme liabilities in respect of active and deferred members	(1,282)	(13,990)	(15,272)
(Deficit) surplus in the schemes	(344)	2,672	2,328
Related deferred tax asset (liability)	43	(802)	(759)
Net pension (deficit) asset	(301)	1,870	1,569

The net pension asset (deficit) are as follows:**As at 30 April 2002**

Conventional with-profits policy	–	10,818	10,818
Equities	776	–	776
Bonds	247	–	247
Other	104	–	104
Total value of assets	1,127	10,818	11,945
Present value of scheme liabilities in respect of active and deferred members	(842)	(12,888)	(13,730)
Surplus (deficit) in the schemes	285	(2,070)	(1,785)
Related deferred tax (liability) asset	(46)	621	575
Net pension asset (deficit)	239	(1,449)	(1,210)

The defined benefit scheme in the United Kingdom was closed to new entrants on 1 January 2001. As this scheme was closed to new entrants the age profile of the active members will rise significantly causing the current service cost to increase as the members of the scheme approach retirement.

From 25 June 2003 the United Kingdom pension scheme became self-administered. The assets previously held with an insurance company were transferred for cash to the Trustee Company who has subsequently invested the funds in UK Government Bonds. The Trustee Company has an investment policy to invest in UK Government Bonds to generate cash flows to match as closely as possible the liabilities of the scheme.

Net Assets

	2003 €'000	2002 €'000
Total Group net assets excluding pension (deficit)	159,174	142,873
Pension asset (deficit)	1,569	(1,210)
Total Group net assets including pension asset (deficit)	160,743	141,663

Reserves

Profit and loss account excluding pension asset (deficit)	131,090	101,731
Pension asset (deficit)	1,569	(1,210)
Profit and loss account including pension asset (deficit)	132,659	100,521

24. PENSIONS (CONTINUED)

	Republic of Ireland €'000	United Kingdom €'000	Total 2003 €'000
Analysis of the amount charged to operating profit:			
Current service cost	(14)	(686)	(700)
Analysis of the amount credited to other finance income:			
Expected return on pension scheme assets	87	767	854
Interest on pension scheme liabilities	(51)	(729)	(780)
Net return	36	38	74
Analysis of the amount recognised in the statement of total recognised gains and losses (STRGL):			
Actual return less expected return on pension scheme assets	(280)	3,696	3,416
Experience gains and losses arising on the scheme liabilities	(71)	38	(33)
Changes in assumptions underlying the present value of the scheme liabilities	(305)	(1,415)	(1,720)
Actuarial (loss) gain recognised in STRGL	(656)	2,319	1,663
Movement in asset (deficit) during the year:			
Asset (deficit) in scheme at beginning of the year	285	(2,070)	(1,785)
Movement in year:			
Current service cost	(14)	(686)	(700)
Contributions paid by the employer	5	3,071	3,076
Other finance income	36	38	74
Actuarial (loss) gain	(656)	2,319	1,663
(Deficit) asset in scheme at end of the year	(344)	2,672	2,328

During the year to 30 April 2003 the UK employer contributed at 22.9% of pensionable salaries, subject to review at future actuarial valuations. In addition, the employer paid a special contribution of €2,202,000 during the year.

The costs of providing death in service benefits, which are insured under a separate agreement with Sun Life of Canada, were paid in addition to the employer contributions.

History of experience gains and losses:

Difference between the expected and actual return on scheme assets:			
Amount	(280)	3,696	3,416
% of scheme assets	-30%	22%	19%
Experience gains and losses on scheme liabilities:			
Amount	(71)	38	(33)
% of present value of scheme liabilities	-6%	0%	0%
Total amount recognised in STRGL:			
Amount	(656)	2,319	1,663
% of present value of scheme liabilities	-51%	17%	11%

Defined Contribution Schemes

The Group contributes to defined contribution and personal pension schemes in both Ireland and the United Kingdom for which the Group has contributed €97,179 during the year to 30 April 2003 (2002: €134,173) and charged in full to the profit and loss account. There is €6,076 accrued in respect of contributions due at 30 April 2003 (2002: €46,781).

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Abbey plc will be held in the The Conrad Dublin, Dublin 2, at 10.30 a.m. on Friday, 3 October, 2003 for the following purposes:

Ordinary Business

- To consider the Company's Accounts and Reports of the Directors and the Auditors for the year ended 30 April 2003.
- To confirm and declare a final dividend on the ordinary shares for the year ended 30 April 2003.
- To re-elect as a Director Mr. J. Roger Humber (Member of Audit Committee and Remuneration Committee) who retires at the Meeting under Article 98 of the Company's Articles of Association.
- To authorise the Directors to fix the remuneration of the Auditors.
- To transact any other ordinary business of the Company.

Special Business

To consider and, if thought fit, to pass the following resolutions:

AS AN ORDINARY RESOLUTION:

"That the Directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (as defined for the purposes of Section 20 of the Companies (Amendment) Act, 1983) up to an aggregate nominal amount of €3,495,109.76 provided that this authority shall expire upon the termination of the Annual General Meeting of the Company to be held in 2004 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired."

AS A SPECIAL RESOLUTION:

"That, subject to the passing of the previous resolution, the Directors be and they are hereby empowered pursuant to Section 24 of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of Section 23 of the Companies (Amendment) Act, 1983) for cash pursuant to the authority conferred by the previous resolution as if sub-Section (1) of the said Section 23 did not apply to any such allotment provided that this power shall be limited:

- (a) to the allotment of equity securities in connection with a rights issue in favour of shareholders where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to the respective numbers of shares held by them, and
- (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of €545,245.

This authority shall expire on the date of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired."

Members should note that there has been one change in the interest in shares of Abbey plc by Mr Richard J. Shortt since the disclosure in the Directors' report dated 16 July 2003. Mr Shortt now holds 7,000 ordinary shares in the Company. There have been no other changes to the Directors and Secretary Interests in the shares of Abbey plc as disclosed in the Directors' report dated 16 July 2003 at the date of this Notice of Meeting 8 September 2003.

By order of the Board
8 September 2003
David J. Dawson, Secretary

Registered Office
25/28 North Wall Quay, Dublin 1.
(Reg. No. 9245 Republic of Ireland)

Notes:

1. Any member entitled to attend and vote at the above meeting may appoint a proxy to attend, speak and vote.
2. A proxy need not be a member of the Company.
3. Proxies should reach the Company's Registrars, Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not less than 48 hours before the time appointed for the holding of the meeting.
4. The final dividend on the ordinary shares will, if approved, be paid on 8 October 2003 to members registered as Ordinary Shareholders at the close of business on 25 July, 2003.
5. There will be available for inspection by members at 25/28 North Wall Quay, Dublin 1, during usual business hours from the date of this notice and at The Conrad Dublin, Dublin 2, for fifteen minutes prior to and until the conclusion of the Annual General Meeting, copies of contracts of service of Directors with the Company, or any of its subsidiaries.
6. The registers required to be maintained by the Company under Section 60 and 80 of the Companies Act, 1990 shall be available for inspection to any person attending the Annual General Meeting for fifteen minutes prior to and until the conclusion of the said meeting.

