

## REPORT

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**Separate Insert**  
Form of Proxy



Kingscroft Developments Ltd Showhomes: Priory Gate, Athboy & Branswood, Athy



The Company's 68th Annual General Meeting will be held on Friday, 7th October 2005 at The Berkeley Court Hotel, Dublin 4, at 10.30am.



## Results in Brief

|   | Expressed in €'000<br>(except per share data) |         | £'000 Sterling Equivalent<br>(except per share data) |         |
|---|---|---------|--|---------|
|   | 2005  | 2004    | 2005   | 2004    |
| Turnover (excluding share of joint venture) | <b>206,520</b>                                | 199,663 | <b>141,156</b>                                       | 137,967 |
| Profit before taxation                      | <b>57,262</b>                                 | 60,205  | <b>39,139</b>  | 41,602  |
| Profit after taxation                       | <b>44,214</b>                                 | 46,846  | <b>30,220</b>  | 32,371  |
| Earnings per share                          | <b>129.74c</b>                                | 137.47c | <b>88.68p</b>  | 94.99p  |
| Dividends per share                         | <b>33.00c</b>                                 | 30.00c  | <b>22.56p</b>  | 20.73p  |
| Assets per share                            | <b>690c</b>                                   | 586c    | <b>466p</b>  | 396p    |
| Gearing                                     | <b>Nil</b>                                    | Nil     | <b>Nil</b>   | Nil     |

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

2004 €100c : Stg 69.10p

2005 €100c : Stg 68.35p

The rates used for conversion of Balance Sheet items are the rates at 30 April 2004 and 30 April 2005:

2004 €100c : Stg 67.60p

2005 €100c : Stg 67.59p

### The year ended 30th April 2005 was satisfactory for the Group. Continuing good margins were the highlight of the year.

The Group reports a profit for the year of €57.26 million before tax against €60.2 million in the previous year. Shareholders' funds of €235 million represent €6.90 per share and include net cash balances of over €64 million. Earnings for the year were 129.74 cents per share and the Board is recommending an increased final dividend of 22 cents per share making a total of 33 cents per share for the year.



storey development in our sales mix is slowly increasing. This form of development is less straightforward and more capital intensive than traditional two storey housebuilding.

**Ireland:** Ireland enjoyed overall a satisfactory year. Sales conditions continue to be good with only a lack of outlets holding the business back. Our Irish business continues to be focussed on 'green field' housing and as a result we are building schemes deeper into Leinster. Rising land prices will significantly impact on our profitability this year. Gradually the supply of lower cost housing is meeting the effective demand and as a result more normal conditions than those experienced in recent years are emerging. The risk of a set-back remains quite high.

**Czech Republic:** During the year the Group completed the purchase of two more sites for about 40 flats in Prague 4 and 5 respectively. In addition a contract conditional on infrastructure work was exchanged for a substantial site just beyond the city boundary. Altogether we now own or control land for at least 200 units. We hope by this time next year to have made a start on site. We continue to seek further opportunities in the city.

The housebuilding division as a whole expects similar levels of business in the current year albeit likely to be at lower levels of profit.

#### HOUSEBUILDING

The Group's housebuilding division completed 719 sales (UK 371; Ireland 348) at an average price of €259,000 and contributed €52.9 million to our results.

**United Kingdom:** Overall trading has been relatively subdued over the last year. The very strong market experienced in early 2004 has gradually subsided. The new year is off to a fair start with an increased number of outlets mitigating the somewhat slower trading observed generally.

During the year we added 416 plots to our approved land bank. The average density of our developments and in particular the proportion of flats and other forms of 3/4

#### PLANT HIRE

The plant hire division reported operating profits of €2 million on a turnover of €20 million. Trading conditions in the current year are more difficult than in the recent past and rising costs continue to put our profits under pressure. The division will do well if it matches last year's result. Cash management remains a good feature in M&J's performance and cash flow continues to be strong. The triennial property review resulted in a significant increase in the carrying value of our depots. In addition some of our properties have been identified as being appropriate for alternative use in particular residential development and the Group is pursuing the appropriate

consents with the intention of giving ourselves options for future relocation.

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

#### **CAPITAL MARKET**

During the year the Group transferred its listing to AIM and the IEX as being the most appropriate markets for the Group. To date these arrangements have worked smoothly. In June 2005 the Company approved at a general meeting a share buyback resolution which grants the directors the authority to make share buybacks to the level agreed. The Board is grateful for the support of shareholders for this resolution.

#### **DIRECTORS, MANAGEMENT AND STAFF**

Dennis Jackson retired from the Board at the Annual General Meeting. There were no other changes to the Board of Directors during the course of the year.

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**

Trading in the new year is progressing steadily. The very strong trading conditions of recent years are now receding, however, the Group is soundly financed with a good market position and can look forward to profitable trading albeit likely to be at lower levels than recently achieved. Overall, opportunities continue to come forward and in the current circumstances a satisfactory year is in prospect.

#### **ANNUAL GENERAL MEETING**

I look forward to seeing you all at our Annual General Meeting on 7th October and wish to bring to your attention all other special business in the notice of that meeting.



A handwritten signature in black ink, appearing to read 'Charles H. Gallagher'.

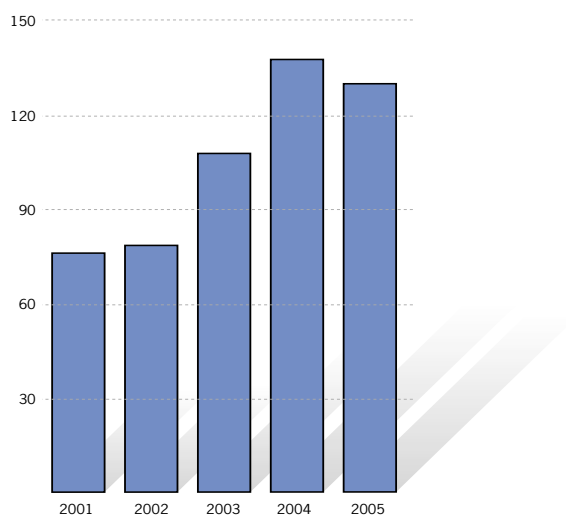
*Charles H. Gallagher, Executive Chairman*

## Five Year Financial Summary

|   | 2005<br>€'000   | 2004<br>€'000 | 2003<br>€'000 | 2002<br>€'000 | 2001<br>€'000 |
|---|-----------------|---------------|---------------|---------------|---------------|
| <b>Turnover - continuing<br/>(including share of joint venture)</b> | <b>206,854</b>  | 201,521       | 174,806       | 146,685       | 151,091       |
| <b>Less: share of joint venture</b>                                 | <b>(334)</b>    | (1,858)       | (2,831)       | –             | –             |
| <b>Group turnover</b>   | <b>206,520</b>  | 199,663       | 171,975       | 146,685       | 151,091       |
| <b>Group operating profit</b>                                       | <b>55,224</b>   | 58,237        | 45,326        | 35,207        | 34,401        |
| Share of joint venture profit                                       | <b>122</b>      | 1,023         | 1,850         | –             | –             |
| Net interest receivable   | <b>1,916</b>    | 945           | 1,287         | 1,042         | 1,856         |
| <b>Profit on ordinary activities<br/>before taxation</b>            | <b>57,262</b>   | 60,205        | 48,463        | 36,249        | 36,257        |
| Taxation  | <b>(13,048)</b> | (13,359)      | (11,787)      | (9,531)       | (10,000)      |
| <b>Profit for the financial year</b>                                | <b>44,214</b>   | 46,846        | 36,676        | 26,718        | 26,257        |
| <b>Earnings per share</b>   | <b>129.74c</b>  | 137.47c       | 107.62c       | 78.40c        | 75.97c        |
| <b>Dividends per share</b>  |                 |               |               |               |               |
| Interim   | <b>11.00c</b>   | 10.00c        | 7.50c         | 6.50c         | 33.01c        |
| Final   | <b>22.00c</b>   | 20.00c        | 14.50c        | 13.50c        | 10.16c        |
|   | <b>33.00c</b>   | 30.00c        | 22.00c        | 20.00c        | 43.17c        |
| <b>Shareholders' funds</b>  | <b>235,170</b>  | 199,592       | 159,714       | 142,873       | 120,642       |

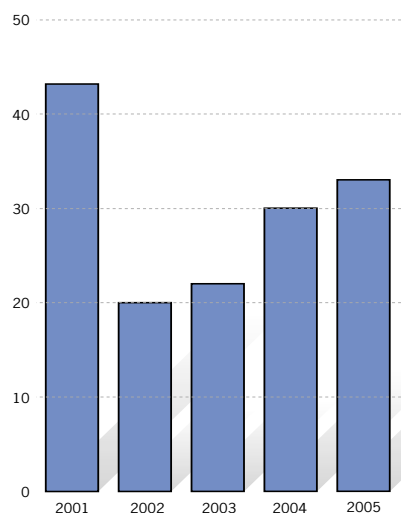
**Earnings Per Share**

(Euro Cents)  
Basic and Diluted



**Dividends Per Share**

(Euro Cents)



**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 Stockbroker

Arden Partners

**PRELIMINARY STATEMENT**

14th July 2005

**ANNUAL REPORT**

5th September 2005

**ANNUAL GENERAL MEETING**

7th October 2005

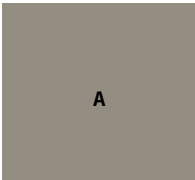
**DIVIDEND PAYMENT**

12th October 2005

**INTERIM STATEMENT**

January 2006





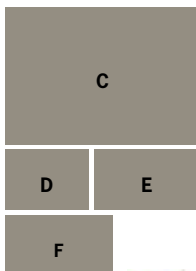
**A** 'Priory Gate', Athboy, Co Meath, a distinctive development of luxury detached houses



**B** An attractive selection of homes at 'Branswood', Athy, Co Kildare







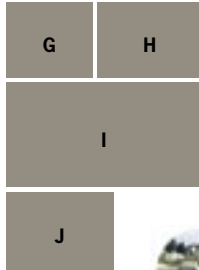
**C** View of our showhome at 'Cressgrove Place', Kesgrave, Suffolk

**D** 'Aldewood' Suffolk, 1, 2, 3, 4 & 5 bedroom homes situated in the picturesque village of Rendlesham

**E** 'Charing Green', Charing, Kent, a distinctive mix of 3, 4 & 5 bedroom houses

**F** 'The Point', Tankerton, Kent, a prestigious development of 2 bedroom apartments





**G** 45m Genie Diesel Boom

**H** 9 Tonne Dumper

**I** Kerb Lifter fitted to telehandler

**J** 7 Tonne Mini Digger





## Board of Directors

### **CHARLES H. GALLAGHER (45) 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 (60) (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 (52) (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 (57)**

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.

### **DAVID A. GALLAGHER • Δ (44) 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 Gallagher Holdings Limited, Matthew Homes Limited and Charles Wilson Engineers.

### **J. ROGER HUMBER • Δ (62) (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 (65) B.Comm, F.C.A. (NON-EXECUTIVE)**

Mr. Hogan was appointed to the Abbey plc Board in December 2001. He is a former Managing Partner of Ernst & Young in Ireland. Mr. Hogan is a director of a number of other companies including C&C Group plc, Butterfield L J Umbrella Fund plc, Skype Limited and other private companies.

(•) 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 2005 which are set out on pages 22 to 40.

#### PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENTS OF THE BUSINESS

The Group principal activities are building and property development, plant hire and property rental.

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

The profit after taxation amounted to €44,214,000. The net assets of the Group increased from €199,592,000 to €235,170,000.

The directors are recommending a final dividend of 22.00 cents per share, bringing the total for the year to 33.00 cents per share. These dividends absorb €11,246,000 of profit and are covered 3.93 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.

#### SUBSTANTIAL SHAREHOLDERS

So far as the Board is aware, the following held more than 3% of the issued ordinary shares at 13 July 2005:

|  | Number<br>of shares | % of issued<br>share capital |
|--|---------------------|------------------------------|
| Gallagher Holdings Limited   | 10,166,544          | 29.83%                       |
| Bank of Ireland Nominees Ltd.  | 5,094,094           | 14.95%                       |
| FMR Corp. and its direct<br>and indirect subsidiaries,<br>being non-beneficial holders | 3,407,000           | 9.99%                        |

#### DIRECTORS

Mr. John F. Hogan retires in accordance with Article 98 and will be offering 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 and the Group at 30 April 2005, were as follows:

|                      | Number of Shares |        |
|----------------------|------------------|--------|
|                      | 2005             | 2004   |
| Charles H. Gallagher | <b>25,500</b>    | 25,500 |
| Richard J. Shortt    | <b>9,500</b>     | 9,500  |
| David A. Gallagher   | <b>3,000</b>     | 3,000  |
| John F. Hogan        | <b>3,000</b>     | 3,000  |

None of the directors hold shares in a non-beneficial capacity and no changes occurred in the above holdings between 30 April 2005 and 13 July 2005. 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.

**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 pays particular adherence to health and safety matters. The Group has implemented appropriate safety guidelines in its Irish subsidiaries as required by the Safety, Health and Welfare Work Act, 1989.

**SPECIAL BUSINESS**

Your attention is drawn to the notice of meeting which sets out matters of ordinary and 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, 13 July 2005  
C.H. GALLAGHER, Chairman  
B.R. HAWKINS, Director



## Remuneration Report

The remuneration of the executive directors is determined by the Remuneration Committee which comprises all of the non-executive directors. 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 non-executive directors remuneration is determined by the Board.

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 recommended by the Committee in view of the importance of this role. The three remaining executive directors have a notice period of one year.

### DIRECTORS' REMUNERATION

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

|                                | Salary and<br>Fees<br>€'000 | (1) Benefits<br>In Kind<br>€'000 | 2005<br>Total<br>€'000 | 2004<br>Total<br>€'000 |
|--------------------------------|-----------------------------|----------------------------------|------------------------|------------------------|
| <b>Executive Directors</b>     |                             |                                  |                        |                        |
| C H Gallagher                  | 706                         | 39                               | 745                    | 689                    |
| B R Hawkins                    | 362                         | 22                               | 384                    | 356                    |
| R N Kennedy                    | 216                         | 10                               | 226                    | 218                    |
| R J Shortt                     | 275                         | 25                               | 300                    | 297                    |
| <b>Totals</b>                  | <b>1,559</b>                | <b>96</b>                        | <b>1,655</b>           | <b>1,560</b>           |
| <b>Non-Executive Directors</b> |                             |                                  |                        |                        |
| D A Jackson (2)                | 45                          | –                                | 45                     | 29                     |
| D A Gallagher                  | 45                          | –                                | 45                     | 29                     |
| J R Humber                     | 45                          | –                                | 45                     | 29                     |
| J F Hogan                      | 45                          | –                                | 45                     | 33                     |
| <b>Totals</b>                  | <b>180</b>                  | <b>–</b>                         | <b>180</b>             | <b>120</b>             |

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

(2) Mr D A Jackson retired from the Board on 1 October 2004

**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 (2004 : 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:

| Name          | Age | Pensionable Service Years | Defined Benefit                                      |   |  | Defined Contribution         |
|---------------|-----|---------------------------|--|---|--|------------------------------|
|               |     |                           | Increase In Accrued Pension During The Year<br>€'000 | Transfer Value Of The Increase<br>€'000 | Accumulated Accrued Pension<br>30 April<br>€'000 | Group Contributions<br>€'000 |
| C H Gallagher | 45  | 18                        | 7  | 268                                     | 91   | 104                          |
| B R Hawkins   | 60  | 14                        | 7  | 264                                     | 70   | –                            |
| R N Kennedy   | 52  | 8                         | 3  | 52                                      | 20   | –                            |
| R J Shortt    | 57  | –                         | –  | –                                       | –  | 39                           |
| 30 April 2005 |     |                           | 17   | 584                                     | 181  | 143                          |
| 30 April 2004 |     |                           | 15   | 289                                     | 160  | 128                          |

# Corporate Governance Report

## PRINCIPLES

The Board is committed to maintaining high standards of Corporate Governance to ensure that the Company is headed by an effective Board which can lead and control the business.

## THE BOARD

The Board is currently comprised of the Executive Chairman, three executive directors and three non-executive directors. The Board considers all non-executive directors capable of exercising independent judgement. They all have long experience and share equal obligations to the Company.

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.

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

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.

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

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 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.

The Board does not have a formal Nominations Committee. 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.

## AUDIT AND REMUNERATION COMMITTEES

Both 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. Shareholders are both welcome and encouraged to raise any concerns with any director at any time.

**INTERNAL CONTROL**

The directors are responsible for ensuring that the Group maintains a system of internal control. This system accords with the Turnbull guidance and 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 clearly 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 monitors the effectiveness of the Group's internal control system.

The Board 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 Board has considered the need for an internal audit function and concluded that, due to the effective levels of procedures already in place, there is currently no requirement for an internal audit function during the year under review, although this matter will be reviewed regularly.

**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 2003 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.





ABBAY PLC, ANNUAL REPORT 2005

## Independent Auditors' Report to the Members of Abbey plc

We have audited the group's financial statements for the year ended 30 April 2005 which comprise the Statement of Accounting Policies, Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Reconciliation of Movements in Shareholders' Funds, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement and the related notes 1 to 24. These 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 and Auditing Standards issued by the Auditing Practices Board for use in Ireland and the United Kingdom.

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 regarding directors' remuneration and transactions with the group is not given and, where practicable, include such information in our report.

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 Chairman's Statement, Directors' Report, Remuneration Report and the Corporate Governance Report. 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 2005 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 2003 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: 13th July 2005

### **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 2005. 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 on a non discounted basis using tax rates substantively 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 2005.

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 finances. 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.

**OPERATING LEASES**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.



## Group Profit and Loss Account

Year Ended 30 April 2005

|  | Note | 2005<br>€'000    | 2004<br>€'000 |
|--|------|------------------|---------------|
| Turnover – continuing (including share of joint venture) | 1    | <b>206,854</b>   | 201,521       |
| Less: share of joint venture                             |      | <b>(334)</b>     | (1,858)       |
| Group turnover   |      | <b>206,520</b>   | 199,663       |
| Cost of sales  |      | <b>(140,472)</b> | (131,472)     |
| Group gross profit                                       |      | <b>66,048</b>    | 68,191        |
| Administrative expenses                                  |      | <b>(10,824)</b>  | (9,954)       |
| Group operating profit – continuing                      |      | <b>55,224</b>    | 58,237        |
| Share of joint venture profit                            |      | <b>122</b>       | 1,023         |
| Trading profit including share of joint venture          |      | <b>55,346</b>    | 59,260        |
| Net interest receivable                                  | 2    | <b>1,916</b>     | 945           |
| Profit on ordinary activities before taxation            | 3    | <b>57,262</b>    | 60,205        |
| Taxation on profit on ordinary activities                | 5    | <b>(13,048)</b>  | (13,359)      |
| Profit attributable to shareholders                      |      | <b>44,214</b>    | 46,846        |
| Dividends paid   | 6    | <b>(3,749)</b>   | (3,408)       |
| Dividends proposed                                       | 6    | <b>(7,497)</b>   | (6,815)       |
| Profit retained for the financial year                   |      | <b>32,968</b>    | 36,623        |
| Profit brought forward at 1 May                          |      | <b>167,713</b>   | 131,090       |
| Profit retained at 30 April                              |      | <b>200,681</b>   | 167,713       |
| Earnings per share – basic                               | 7    | <b>129.74c</b>   | 137.47c       |
| Earnings per share – diluted                             | 7    | <b>129.74c</b>   | 137.47c       |

Approved by the Board on 13th July 2005  
C.H. GALLAGHER, Chairman  
B.R. HAWKINS, Director

## Statement of Total Recognised Gains and Losses Year Ended 30 April 2005

|  | Note | 2005<br>€'000 | 2004<br>€'000 |
|--|------|---------------|---------------|
| <b>GROUP</b>   |      |               |               |
| Profit for the financial year including share of joint venture |      | <b>44,214</b> | 46,846        |
| Unrealised revaluation surplus arising in year                 | 16   | <b>2,465</b>  | –             |
| Translation adjustment arising in year                         | 16   | <b>145</b>    | 3,795         |
| <b>Total recognised gains and losses related to the year</b>   |      | <b>46,824</b> | 50,641        |

## Reconciliation of Movements in Shareholders' Funds Year Ended 30 April 2005

|  | 2005<br>€'000   | 2004<br>€'000 |
|--|-----------------|---------------|
| <b>GROUP</b>                                   |                 |               |
| Profit for the financial year                  | <b>44,214</b>   | 46,846        |
| Dividends                                      | <b>(11,246)</b> | (10,223)      |
| Profit retained for the financial year         | <b>32,968</b>   | 36,623        |
| Unrealised revaluation surplus arising in year | <b>2,465</b>    | –             |
| Translation adjustment arising in year         | <b>145</b>      | 3,795         |
| <b>Net addition to shareholders' funds</b>     | <b>35,578</b>   | 40,418        |
| Shareholders' funds at 1 May                   | <b>199,592</b>  | 159,174       |
| <b>Shareholders' funds at 30 April</b>         | <b>235,170</b>  | 199,592       |

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

# Group Balance Sheet

At 30 April 2005

|  | Note | 2005<br>€'000   | 2004<br>€'000 |
|--|------|-----------------|---------------|
| <b>FIXED ASSETS</b>                                    |      |                 |               |
| Tangible assets  | 8    | <b>35,945</b>   | 31,680        |
| Investment in joint venture                            | 9    | <b>2,398</b>    | 2,298         |
|  |      | <b>38,343</b>   | 33,978        |
| <b>CURRENT ASSETS</b>                                  |      |                 |               |
| Stocks   | 10   | <b>196,812</b>  | 165,445       |
| Debtors  | 11   | <b>8,787</b>    | 8,705         |
| Investments  | 12   | <b>7</b>        | 7             |
| Cash at bank and in hand                               |      | <b>64,164</b>   | 66,652        |
|  |      | <b>269,770</b>  | 240,809       |
| <b>CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)</b> |      |                 |               |
| Trade and other creditors                              | 13   | <b>(71,555)</b> | (74,238)      |
|  |      | <b>198,215</b>  | 166,571       |
| <b>NET CURRENT ASSETS</b>                              |      |                 |               |
|  |      | <b>236,558</b>  | 200,549       |
| <b>PROVISION FOR LIABILITIES AND CHARGES</b>           |      |                 |               |
| Deferred taxation                                      | 14   | <b>(1,388)</b>  | (957)         |
|  |      | <b>235,170</b>  | 199,592       |
| <b>SHAREHOLDERS' FUNDS</b>                             |      |                 |               |
| Called up share capital                                | 15   | <b>10,905</b>   | 10,905        |
| Share premium account                                  | 16   | <b>13,321</b>   | 13,321        |
| Revaluation reserve                                    | 16   | <b>7,346</b>    | 4,879         |
| Other reserves   |      |                 |               |
| – Capital redemption reserve fund                      | 15   | <b>1,478</b>    | 1,478         |
| – Currency translation                                 | 16   | <b>1,439</b>    | 1,296         |
| Profit and loss account                                | 17   | <b>200,681</b>  | 167,713       |
|  |      | <b>235,170</b>  | 199,592       |

Shareholders' funds are all attributable to equity interests.

Approved by the Board on 13th July 2005  
 C.H. GALLAGHER, Chairman  
 B.R. HAWKINS, Director

# Company Balance Sheet

At 30 April 2005

|  | Note | 2005<br>€'000  | 2004<br>€'000 |
|--|------|----------------|---------------|
| <b>FIXED ASSETS</b>                                    |      |                |               |
| Tangible assets  | 8    | <b>2,293</b>   | 2,506         |
| Financial assets                                       | 9    | <b>23,530</b>  | 23,530        |
|  |      | <b>25,823</b>  | 26,036        |
| <b>CURRENT ASSETS</b>                                  |      |                |               |
| Debtors  | 11   | <b>13,421</b>  | 9,507         |
| Cash at bank and in hand                               |      | <b>541</b>     | 3,561         |
|  |      | <b>13,962</b>  | 13,068        |
| <b>CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)</b> |      |                |               |
| Trade and other creditors                              | 13   | <b>(8,100)</b> | (7,188)       |
|  |      | <b>5,862</b>   | 5,880         |
| <b>NET CURRENT ASSETS</b>                              |      |                |               |
|  |      | <b>31,685</b>  | 31,916        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>           |      |                |               |
| <b>SHAREHOLDERS' FUNDS</b>                             |      |                |               |
| Called up share capital                                | 15   | <b>10,905</b>  | 10,905        |
| Share premium account                                  | 16   | <b>13,321</b>  | 13,321        |
| Revaluation reserve                                    | 16   | <b>443</b>     | 656           |
| Other reserves   |      |                |               |
| – Capital redemption reserve fund                      | 15   | <b>1,478</b>   | 1,478         |
| – Currency translation                                 | 16   | <b>(383)</b>   | (383)         |
| Profit and loss account                                | 17   | <b>5,921</b>   | 5,939         |
|  |      | <b>31,685</b>  | 31,916        |

Shareholders' funds are all attributable to equity interests.

Approved by the Board on 13th July 2005  
 C.H. GALLAGHER, Chairman  
 B.R. HAWKINS, Director

## Group Cash Flow Statement

Year Ended 30 April 2005

|  | Note | 2005<br>€'000   | 2004<br>€'000 |
|--|------|-----------------|---------------|
| Net cash inflow from operating activities                | 18   | <b>27,352</b>   | 59,206        |
| <b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>    |      |                 |               |
| Interest paid  |      | <b>(64)</b>     | (57)          |
| Interest received  |      | <b>1,980</b>    | 1,002         |
|  |      | <b>1,916</b>    | 945           |
| <b>TAXATION</b>  |      |                 |               |
| Corporation tax paid                                     |      | <b>(14,504)</b> | (11,935)      |
| <b>CAPITAL EXPENDITURE</b>                               |      |                 |               |
| Purchase of tangible fixed assets                        |      | <b>(9,119)</b>  | (8,189)       |
| Sale of tangible fixed assets                            |      | <b>2,475</b>    | 2,444         |
| Net cash outflow from capital expenditure                |      | <b>(6,644)</b>  | (5,745)       |
| <b>EQUITY DIVIDENDS PAID</b>                             |      |                 |               |
| Net cash (outflow) inflow before use of liquid resources |      | <b>(2,444)</b>  | 34,122        |
| Management of liquid resources                           | 19   | <b>903</b>      | (36,596)      |
| Decrease in cash in the year                             | 20   | <b>(1,541)</b>  | (2,474)       |



**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.

|   | 2005<br>€'000  | 2004<br>€'000 |
|---|----------------|---------------|
| (a) Analysis by location of business                                |                |               |
| Turnover  |                |               |
| Republic of Ireland   | <b>82,615</b>  | 84,569        |
| United Kingdom  | <b>124,239</b> | 116,952       |
|   | <b>206,854</b> | 201,521       |
| Less: share of joint venture  | <b>(334)</b>   | (1,858)       |
|   | <b>206,520</b> | 199,663       |
| Net assets  |                |               |
| Republic of Ireland   | <b>54,876</b>  | 41,511        |
| United Kingdom  | <b>116,914</b> | 94,338        |
| Czech Republic  | <b>4,308</b>   | 1,601         |
|   | <b>176,098</b> | 137,450       |
| Investment in joint venture   | <b>2,398</b>   | 2,298         |
| Dividend proposed   | <b>(7,497)</b> | (6,815)       |
|   | <b>170,999</b> | 132,933       |
| Investments   | <b>7</b>       | 7             |
| Cash at bank less borrowings  | <b>64,164</b>  | 66,652        |
|   | <b>235,170</b> | 199,592       |
| All business was transacted in the country of location of business. |                |               |
| (b) Analysis by class of business                                   |                |               |
| Turnover  |                |               |
| Building and property development                                   | <b>186,429</b> | 181,859       |
| Plant hire  | <b>20,190</b>  | 19,428        |
| Property rental   | <b>235</b>     | 234           |
|   | <b>206,854</b> | 201,521       |
| Less: share of joint venture  | <b>(334)</b>   | (1,858)       |
|   | <b>206,520</b> | 199,663       |
| Net assets  |                |               |
| Building and property development                                   | <b>145,069</b> | 109,883       |
| Plant hire  | <b>29,575</b>  | 26,816        |
| Property rental   | <b>1,454</b>   | 751           |
|   | <b>176,098</b> | 137,450       |
| Investment in joint venture   | <b>2,398</b>   | 2,298         |
| Dividend proposed   | <b>(7,497)</b> | (6,815)       |
|   | <b>170,999</b> | 132,933       |
| Investments   | <b>7</b>       | 7             |
| Cash at bank less borrowings  | <b>64,164</b>  | 66,652        |
|   | <b>235,170</b> | 199,592       |

| <b>2. NET INTEREST RECEIVABLE</b> | <b>2005</b>  | 2004  |
|-----------------------------------|--------------|-------|
|                                   | <b>€'000</b> | €'000 |
| Interest receivable               | <b>1,980</b> | 1,002 |
| Interest payable                  | <b>(64)</b>  | (57)  |
|                                   | <b>1,916</b> | 945   |

### 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 | <b>(1,037)</b> | (939) |
| Auditors' remuneration                      | <b>117</b>     | 112   |
| Operating lease rentals:                    |                |       |
| Rent of building                            | <b>206</b>     | 198   |
| Hire of plant and machinery                 | <b>510</b>     | 658   |
| Depreciation                                | <b>6,514</b>   | 5,961 |

### 4. EMPLOYMENT

The average number of persons employed by the Group, including executive directors, in the financial year was 312 (2004 : 328) and is analysed by class of business as follows:

|                                   | <b>2005</b>   | 2004   |
|-----------------------------------|---------------|--------|
|                                   | <b>Number</b> | Number |
| Building and property development | <b>137</b>    | 151    |
| Plant hire and rental             | <b>175</b>    | 177    |
|                                   | <b>312</b>    | 328    |

|                            | <b>2005</b>   | 2004   |
|----------------------------|---------------|--------|
|                            | <b>€'000</b>  | €'000  |
| Employment costs comprise: |               |        |
| Wages and salaries         | <b>12,713</b> | 12,476 |
| Social welfare costs       | <b>1,233</b>  | 1,194  |
| Other pension costs        | <b>1,298</b>  | 1,345  |
|                            | <b>15,244</b> | 15,015 |

Details of the Directors' emoluments are set out in the Remuneration Report on pages 14 and 15.

### 5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

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

|  |               |        |
|--|---------------|--------|
| Irish Corporation Tax at 12.50%                              |               |        |
| Current  | <b>3,092</b>  | 3,243  |
| Share of joint ventures' tax                                 | <b>22</b>     | 205    |
| United Kingdom Corporation Tax at 30%                        |               |        |
| Current  | <b>9,508</b>  | 9,732  |
| Total current corporation tax                                | <b>12,622</b> | 13,180 |
| Deferred tax: originating and reversal of timing differences | <b>426</b>    | 179    |
|  | <b>13,048</b> | 13,359 |

**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:

|                                     | 2005<br>(% of profit before taxation) | 2004  |
|-------------------------------------|---------------------------------------|-------|
| Irish corporation tax rate          | <b>12.5</b>                           | 12.5  |
| Higher UK & Joint Venture tax rates | <b>10.0</b>                           | 10.0  |
| Other timing differences            | <b>(0.5)</b>                          | (0.6) |
|                                     | <b>22.0</b>                           | 21.9  |

The effective tax rate is dependent on taxable profits made in the related jurisdiction the Group operates.

**6. DIVIDENDS**

|  | 2005<br>€'000 | 2004<br>€'000 |
|--|---------------|---------------|
| <i>Paid ordinary</i>   |               |               |
| Dividend of 11.00 cents per share (2004 : 10.00 cents per share) | <b>3,749</b>  | 3,408         |
| <i>Proposed ordinary</i>   |               |               |
| Dividend of 22.00 cents per share (2004 : 20.00 cents per share) | <b>7,497</b>  | 6,815         |
|  | <b>11,246</b> | 10,223        |

**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 €44,214,000 (2004: €46,846,000).

**8. TANGIBLE FIXED ASSETS**

| Group                           | Land and<br>buildings<br>€'000 | Assets under<br>construction<br>€'000 | Investment<br>properties<br>€'000 | Plant and<br>machinery<br>€'000 | Transport<br>€'000 | Total<br>€'000 |
|---------------------------------|--------------------------------|---------------------------------------|-----------------------------------|---------------------------------|--------------------|----------------|
| <i>Cost or valuation</i>        |                                |                                       |                                   |                                 |                    |                |
| At 1 May 2004                   | 10,501                         | –                                     | 751                               | 41,511                          | 4,908              | 57,671         |
| Translation adjustment          | 2                              | –                                     | –                                 | 20                              | –                  | 22             |
| Additions                       | –                              | 1,731                                 | –                                 | 7,230                           | 782                | 9,743          |
| Disposals                       | –                              | –                                     | –                                 | (5,934)                         | (897)              | (6,831)        |
| Revaluation                     | 1,762                          | –                                     | 703                               | –                               | –                  | 2,465          |
| At 30 April 2005                | 12,265                         | 1,731                                 | 1,454                             | 42,827                          | 4,793              | 63,070         |
| <i>Accumulated Depreciation</i> |                                |                                       |                                   |                                 |                    |                |
| At 1 May 2004                   | –                              | –                                     | –                                 | 23,561                          | 2,430              | 25,991         |
| Translation adjustment          | –                              | –                                     | –                                 | 11                              | 2                  | 13             |
| Charge for year                 | –                              | –                                     | –                                 | 5,571                           | 943                | 6,514          |
| Disposals                       | –                              | –                                     | –                                 | (4,635)                         | (758)              | (5,393)        |
| At 30 April 2005                | –                              | –                                     | –                                 | 24,508                          | 2,617              | 27,125         |
| <i>Net book amounts</i>         |                                |                                       |                                   |                                 |                    |                |
| At 30 April 2005                | 12,265                         | 1,731                                 | 1,454                             | 18,319                          | 2,176              | 35,945         |
| At 30 April 2004                | 10,501                         | –                                     | 751                               | 17,950                          | 2,478              | 31,680         |

**8. TANGIBLE FIXED ASSETS (CONTINUED)**

Plant and machinery includes assets held for hire with a cost of €40,136,372 (2004: €38,665,644) and accumulated depreciation of €22,318,566 (2004 : €21,504,767).

Land and buildings and investment properties situated in the United Kingdom were valued by Glenny, Chartered Surveyors at 30 April 2005.

| <b>Group</b>                                   | <b>2005</b>   | 2004   |
|--|---------------|--------|
|  | <b>€'000</b>  | €'000  |
| The valuation of land and buildings comprises: |               |        |
| Freehold property                              | <b>11,644</b> | 10,028 |
| Long leasehold property                        | <b>621</b>    | 473    |
|  | <b>12,265</b> | 10,501 |

The historical cost of land and buildings amounts to:

|                    |              |       |
|--------------------|--------------|-------|
| Land and buildings | <b>6,373</b> | 6,373 |
|--------------------|--------------|-------|

**Company**

|                             |              |       |
|-----------------------------|--------------|-------|
| Freehold land and Buildings |              |       |
| Cost or valuation           | <b>2,506</b> | 2,506 |
| Revaluation                 | <b>(213)</b> | -     |
| At 30 April                 | <b>2,293</b> | 2,506 |

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.

**9. FINANCIAL FIXED ASSETS****Company**

|  |               |        |
|--|---------------|--------|
| Shares in unlisted subsidiary undertakings at cost | <b>23,530</b> | 23,530 |
|--|---------------|--------|

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 Czech Republic</i> | <i>Nature of business</i>                | <i>Registered office</i>   |
|---|--|--|
| Abbey, s.r.o.                             | Residential housing and land development | Vitezne namesti 1/576<br>Prague 6, Postal Code 16000<br>Czech Republic |

| <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<br>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<br>Cadwell Lane, Hitchin<br>Hertfordshire, SG4 0SQ, England     |

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 2005. The financial statements reflect the development and selling of sites held in Clonsilla, Co. Dublin.

|   | 2005         | 2004    |
|---|--------------|---------|
|   | €'000        | €'000   |
| <i>The movement on the investment in joint venture during the year is as follows:</i> |              |         |
| At 1 May  | <b>2,298</b> | 1,480   |
| Retained profit for the year  | <b>100</b>   | 818     |
| At 30 April   | <b>2,398</b> | 2,298   |
| <i>The Group's share of joint venture net assets is made up as follows:</i>           |              |         |
| Current assets  | <b>3,294</b> | 3,384   |
| Liabilities falling due within one year   | <b>(896)</b> | (1,086) |
|   | <b>2,398</b> | 2,298   |

## 10. STOCKS

|                                    |                |         |
|------------------------------------|----------------|---------|
| Building land and work in progress | <b>196,030</b> | 164,735 |
| Raw materials                      | <b>782</b>     | 710     |
|                                    | <b>196,812</b> | 165,445 |

## 11. DEBTORS

### Group

|  |              |       |
|--|--------------|-------|
| <i>Amounts falling due within one year</i> |              |       |
| Trade debtors                              | <b>4,952</b> | 4,943 |
| Other debtors                              | <b>410</b>   | 248   |
| Value added tax                            | <b>404</b>   | 534   |
| Prepayments and accrued income             | <b>3,021</b> | 2,980 |
|  | <b>8,787</b> | 8,705 |

| 11. DEBTORS (CONTINUED)                    | 2005<br>€'000 | 2004<br>€'000 |
|--|---------------|---------------|
| <b>Company</b>                             |               |               |
| <i>Amounts falling due within one year</i> |               |               |
| Corporation tax                            | –             | 46            |
| Amounts owed by subsidiary undertakings    | <b>5,993</b>  | 2,618         |
| Prepayments and accrued income             | <b>30</b>     | 38            |
| Dividend receivable                        | <b>7,398</b>  | 6,805         |
|  | <b>13,421</b> | 9,507         |

## 12. INVESTMENTS

|                                |          |   |
|--------------------------------|----------|---|
| <i>Ordinary shares at cost</i> |          |   |
| Non-listed company             | <b>7</b> | 7 |

## 13. TRADE AND OTHER CREDITORS

|  |               |        |
|--|---------------|--------|
| <b>Group</b>                               |               |        |
| <i>Amounts falling due within one year</i> |               |        |
| Trade creditors                            | <b>22,472</b> | 22,035 |
| Advances received from joint venture       | <b>3,270</b>  | 3,517  |
| Amounts outstanding on land                | <b>16,604</b> | 21,253 |
| United Kingdom income tax                  | <b>188</b>    | 188    |
| Social welfare                             | <b>180</b>    | 174    |
| Value added tax                            | <b>2,786</b>  | 2,764  |
| Corporation tax                            | <b>4,626</b>  | 6,543  |
| Other creditors                            | <b>4,282</b>  | 3,354  |
| Accruals and deferred income               | <b>9,650</b>  | 7,595  |
| Dividend proposed                          | <b>7,497</b>  | 6,815  |
|  | <b>71,555</b> | 74,238 |
| <b>Company</b>                             |               |        |
| <i>Amounts falling due within one year</i> |               |        |
| Value added tax                            | <b>30</b>     | –      |
| Corporation tax                            | <b>42</b>     | –      |
| Other creditors                            | <b>242</b>    | 213    |
| Accruals and deferred income               | <b>289</b>    | 160    |
| Dividend proposed                          | <b>7,497</b>  | 6,815  |
|  | <b>8,100</b>  | 7,188  |

| <b>14. DEFERRED TAXATION</b>           | <b>2005</b>  | 2004  |
|--|--------------|-------|
|  | <b>€'000</b> | €'000 |
| <b>Group</b>                           |              |       |
| At 1 May                               | <b>957</b>   | 750   |
| Translation adjustment                 | <b>5</b>     | 28    |
| Transferred to profit and loss account | <b>426</b>   | 179   |
|  | <hr/>        | <hr/> |
| At 30 April                            | <b>1,388</b> | 957   |

The provision is in respect of accelerated capital allowances and general timing differences.  
The potential deferred taxation on the revaluation of trading and investment properties is €710,000.

#### 15. CALLED UP SHARE CAPITAL

##### Group and Company

###### Authorised

|   |               |        |
|---|---------------|--------|
| At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each | <b>14,400</b> | 14,400 |
|---|---------------|--------|

##### Group and Company

###### Allotted, called up and fully paid

|   |               |        |
|---|---------------|--------|
| At 1 May and 30 April 34,077,782 ordinary shares of 32 cents each | <b>10,905</b> | 10,905 |
|---|---------------|--------|

#### CAPITAL REDEMPTION RESERVE FUND

|                       |              |       |
|-----------------------|--------------|-------|
| At 1 May and 30 April | <b>1,478</b> | 1,478 |
|-----------------------|--------------|-------|

#### 16. RESERVES

|  | Group and Company<br>Share Premium<br>account<br>€'000 | Group<br>Revaluation<br>reserve<br>€'000 | Group<br>Currency<br>translation<br>€'000 | Company<br>Revaluation<br>reserve<br>€'000 | Company<br>Currency<br>translation<br>€'000 |
|--|--|--|---|--|---|
| At 1 May 2004                                  | 13,321   | 4,879                                    | 1,296                                     | 656  | (383)                                       |
| Unrealised revaluation surplus arising in year | –  | 2,465                                    | –   | (213)                                      | –   |
| Translation adjustment arising in year         | –  | 2  | 143                                       | –  | –   |
|  | <hr/>  | <hr/>                                    | <hr/>                                     | <hr/>                                      | <hr/>                                       |
| At 30 April 2005                               | 13,321   | 7,346                                    | 1,439                                     | 443  | (383)                                       |
|  | <hr/>  | <hr/>                                    | <hr/>                                     | <hr/>                                      | <hr/>                                       |
| The revaluation reserve is in respect of:      |  | €'000                                    |   |  |   |
| Land and buildings                             |  | 5,892                                    |   |  |   |
| Investment properties                          |  | 1,454                                    |   |  |   |
|  |  | <hr/>                                    |   |  |   |
|  |  | 7,346                                    |   |  |   |

**17. PROFIT AND LOSS ACCOUNT**

|   | 2005<br>€'000  | 2004<br>€'000 |
|---|----------------|---------------|
| <b>Group</b>                                  |                |               |
| At 1 May                                      | <b>167,713</b> | 131,090       |
| Profit retained for the financial year        | <b>32,968</b>  | 36,623        |
| At 30 April                                   | <b>200,681</b> | 167,713       |
| <b>Company</b>                                |                |               |
| At 1 May                                      | <b>5,939</b>   | 5,472         |
| (Loss) profit retained for the financial year | <b>(18)</b>    | 467           |
| At 30 April                                   | <b>5,921</b>   | 5,939         |

The profit on ordinary activities after taxation in the Company is €11,228,000 (2004 : €10,690,000). 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                            | <b>55,224</b>   | 58,237   |
| Depreciation                                | <b>6,514</b>    | 5,961    |
| Profit on disposal of tangible fixed assets | <b>(1,037)</b>  | (939)    |
| Translation adjustment                      | <b>(76)</b>     | (82)     |
| Increase in stocks                          | <b>(31,650)</b> | (20,874) |
| (Increase) decrease in debtors              | <b>(84)</b>     | 1,135    |
| (Decrease) increase in creditors            | <b>(1,539)</b>  | 15,768   |
| Net cash inflow from operating activities   | <b>27,352</b>   | 59,206   |

**19. MANAGEMENT OF LIQUID RESOURCES**

|                              |            |          |
|------------------------------|------------|----------|
| Movement in liquid resources | <b>903</b> | (36,596) |
|------------------------------|------------|----------|

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**

|                                   |                |         |
|-----------------------------------|----------------|---------|
| Decrease in cash in year          | <b>(1,541)</b> | (2,474) |
| Movement in liquid resources      | <b>(903)</b>   | 36,596  |
| Translation difference            | <b>(44)</b>    | 962     |
| Movement in net funds in the year | <b>(2,488)</b> | 35,084  |
| Net funds at 1 May                | <b>66,652</b>  | 31,568  |
| Net funds at 30 April             | <b>64,164</b>  | 66,652  |



**21. ANALYSIS OF NET FUNDS**

|                          | At 1 May<br>2004<br>€'000 | Cash<br>flow<br>€'000 | Exchange<br>movements<br>€'000 | At 30 April<br>2005<br>€'000 |
|--------------------------|---------------------------|-----------------------|--------------------------------|------------------------------|
| Cash at bank and in hand | 5,407                     | (1,541)               | –                              | 3,866                        |
| Deposits                 | 61,245                    | (903)                 | (44)                           | 60,298                       |
|                          | 66,652                    | (2,444)               | (44)                           | 64,164                       |

**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:

|                | 2005<br>€'000 | 2004<br>€'000 |
|----------------|---------------|---------------|
| Contracted for | –             | 108           |

**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            | <b>58</b>  | 18  |
| After more than five years | <b>98</b>  | 134 |
|                            | <b>156</b> | 152 |

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 €1,155,000 is included at 30 April 2005 (2004 : €1,288,000) 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 €1,298,000 based on a normal cost of €1,171,000 plus €127,000 amortisation of the pension prepayment.

The actuarial valuations are not available for public inspection.

**24. PENSIONS (CONTINUED)**

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 2005, 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 2005 by a qualified independent actuary.

The major assumptions used by the actuary were:

|                               | Republic of<br>Ireland<br>2005 | Republic of<br>Ireland<br>2004 | Republic of<br>Ireland<br>2003 |
|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Pensionable salary growth     | 2.00 % pa                      | 2.50 % pa                      | 4.00 % pa                      |
| Pension escalation in payment | 5.00 % pa                      | 5.00 % pa                      | 5.00 % pa                      |
| Discount rate                 | 4.60 % pa                      | 5.00 % pa                      | 5.25 % pa                      |
| Inflation assumption          | 2.00 % pa                      | 2.50 % pa                      | 2.25 % pa                      |
|                               | United Kingdom<br>2005         | United Kingdom<br>2004         | United Kingdom<br>2003         |
| Pensionable salary growth     | 4.00 % pa                      | 4.00 % pa                      | 3.75 % pa                      |
| Pension escalation in payment | 3.00 % pa                      | 3.00 % pa                      | 3.00 % pa                      |
| Discount rate                 | 5.30 % pa                      | 5.60 % pa                      | 5.40 % pa                      |
| Inflation assumption          | 2.50 % pa                      | 2.50 % pa                      | 2.25 % pa                      |

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

|          | Republic of<br>Ireland<br>2005 | Republic of<br>Ireland<br>2004 | Republic of<br>Ireland<br>2003 |
|----------|--------------------------------|--------------------------------|--------------------------------|
| Equities | 7.20%                          | 7.40%                          | 7.75%                          |
| Bonds    | 3.70%                          | 4.40%                          | 4.75%                          |
| Property | 5.20%                          | -                              | -                              |
| Other    | 2.25%                          | 5.40%                          | 5.75%                          |
|          | United Kingdom<br>2005         | United Kingdom<br>2004         | United Kingdom<br>2003         |
| Bonds    | 4.40%                          | 4.80%                          | 5.00%                          |
| Cash     | 4.75%                          | 4.00%                          | 4.00%                          |

**The net pension assets (liabilities) are as follows:****As at 30 April 2005**

|   | Republic of<br>Ireland<br>€'000 | United<br>Kingdom<br>€'000 | Total<br>€'000 |
|---|---------------------------------|----------------------------|----------------|
| Equities  | 901                             | -                          | 901            |
| Bonds   | 177                             | 20,037                     | 20,214         |
| Property  | 79                              | -                          | 79             |
| Other   | 95                              | 451                        | 546            |
| Total value of assets   | 1,252                           | 20,488                     | 21,740         |
| Present value of scheme liabilities in respect of active and deferred members | (1,247)                         | (20,658)                   | (21,905)       |
| Surplus (deficit) in the schemes  | 5                               | (170)                      | (165)          |
| Related deferred tax (liability) asset  | (1)                             | 51                         | 50             |
| Net pension assets (liabilities)  | 4                               | (119)                      | (115)          |

**24. PENSIONS (CONTINUED)**

|   | Republic of Ireland<br>€'000 | United Kingdom<br>€'000 | Total<br>€'000 |
|---|------------------------------|-------------------------|----------------|
| <b>The net pension assets are as follows:</b>                                 |                              |                         |                |
| <b>As at 30 April 2004</b>  |                              |                         |                |
| Equities  | 849                          | –                       | 849            |
| Bonds   | 220                          | 17,501                  | 17,721         |
| Other   | 91                           | 145                     | 236            |
| Total value of assets   | 1,160                        | 17,646                  | 18,806         |
| Present value of scheme liabilities in respect of active and deferred members | (1,148)                      | (17,496)                | (18,644)       |
| Surplus in the schemes  | 12                           | 150                     | 162            |
| Related deferred tax liability  | (2)                          | (45)                    | (47)           |
| <b>Net pension assets</b>   | <b>10</b>                    | <b>105</b>              | <b>115</b>     |

**The net pension assets are as follows:****As at 30 April 2003**

|                                  |            |               |               |
|----------------------------------|------------|---------------|---------------|
| Conventional with-profits policy | –          | 16,662        | 16,662        |
| Equities                         | 598        | –             | 598           |
| Bonds                            | 204        | –             | 204           |
| Other                            | 136        | –             | 136           |
| <b>Total value of assets</b>     | <b>938</b> | <b>16,662</b> | <b>17,600</b> |

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 Sterling Bonds to generate cash flows to match as closely as possible the liabilities of the scheme.

|   | 2005<br>€'000  | 2004<br>€'000 |
|---|----------------|---------------|
| <b>Net Assets</b>   |                |               |
| Total Group net assets                                      | <b>235,170</b> | 199,592       |
| Pension prepayment  | <b>(1,155)</b> | (1,288)       |
| Total Group net assets excluding pension (liability) asset  | <b>234,015</b> | 198,304       |
| Pension (liability) asset                                   | <b>(115)</b>   | 115           |
| Total Group net assets including pension (liability) asset  | <b>233,900</b> | 198,419       |
| <b>Reserves</b>   |                |               |
| Profit and loss account                                     | <b>200,681</b> | 167,713       |
| Pension prepayment  | <b>(1,155)</b> | (1,288)       |
| Profit and loss account excluding pension (liability) asset | <b>199,526</b> | 166,425       |
| Pension (liability) asset                                   | <b>(115)</b>   | 115           |
| Profit and loss account including pension (liability) asset | <b>199,411</b> | 166,540       |

**24. PENSIONS (CONTINUED)**

|   | Republic of<br>Ireland<br>€'000 | United<br>Kingdom<br>€'000 | Total<br>2005<br>€'000 | Total<br>2004<br>€'000 |
|---|---------------------------------|----------------------------|------------------------|------------------------|
| <b>Analysis of the amount charged to operating profit:</b>  |                                 |                            |                        |                        |
| Current service cost  | (13)                            | (772)                      | <b>(785)</b>           | (736)                  |
| <b>Analysis of the amount (charged) credited to other finance income:</b>                               |                                 |                            |                        |                        |
| Expected return on pension scheme assets  | 78                              | 857                        | <b>935</b>             | 1,183                  |
| Interest on pension scheme liabilities  | (58)                            | (988)                      | <b>(1,046)</b>         | (845)                  |
| <b>Net return</b>   | <b>20</b>                       | <b>(131)</b>               | <b>(111)</b>           | <b>338</b>             |
| <b>Analysis of the amount recognised in the statement of total recognised gains and losses (STRGL):</b> |                                 |                            |                        |                        |
| Actual return less expected return on pension scheme assets   | (4)                             | 1,064                      | <b>1,060</b>           | (1,397)                |
| Experience gains and losses arising on the scheme liabilities   | 44                              | (133)                      | <b>(89)</b>            | (98)                   |
| Exchange rate adjustment  | –                               | (3)                        | <b>(3)</b>             | 25                     |
| Changes in assumptions underlying the present value of the scheme liabilities                           | (68)                            | (1,311)                    | <b>(1,379)</b>         | (1,103)                |
| <b>Actuarial loss recognised in STRGL</b>   | <b>(28)</b>                     | <b>(383)</b>               | <b>(411)</b>           | <b>(2,573)</b>         |
| <b>Movement in surplus (deficit) during the year:</b>   |                                 |                            |                        |                        |
| Asset in scheme at beginning of the year  | 12                              | 150                        | <b>162</b>             | 2,328                  |
| Movement in year:   |                                 |                            |                        |                        |
| Current service cost  | (13)                            | (772)                      | <b>(785)</b>           | (736)                  |
| Contributions paid by the employer  | 14                              | 966                        | <b>980</b>             | 978                    |
| Past service costs  | –                               | –                          | <b>–</b>               | (173)                  |
| Other finance income  | 20                              | (131)                      | <b>(111)</b>           | 338                    |
| Actuarial loss  | (28)                            | (383)                      | <b>(411)</b>           | (2,573)                |
| Surplus (deficit) at end of the year  | 5                               | (170)                      | <b>(165)</b>           | 162                    |

During the year to 30 April 2005 the UK employer contributed at 22.9% of pensionable salaries, subject to review at future actuarial valuations.

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

|   | Republic of<br>Ireland<br>€'000 | United<br>Kingdom<br>€'000 | Total<br>2005<br>€'000 | Total<br>2004<br>€'000 | Total<br>2003<br>€'000 |
|---|---------------------------------|----------------------------|------------------------|------------------------|------------------------|
| <b>History of experience gains and losses:</b>                      |                                 |                            |                        |                        |                        |
| Difference between the expected and actual return on scheme assets: |                                 |                            |                        |                        |                        |
| Amount  | (4)                             | 1,064                      | 1,060                  | (1,397)                | 3,416                  |
| % of scheme assets  | 0%                              | 5%                         | 5%                     | (7%)                   | 19%                    |
| Experience gains and losses on scheme liabilities:                  |                                 |                            |                        |                        |                        |
| Amount  | 44                              | (133)                      | (89)                   | (98)                   | (33)                   |
| % of present value of scheme liabilities                            | 4%                              | (1%)                       | 0%                     | 1%                     | 0%                     |
| Total amount recognised in STRGL:                                   |                                 |                            |                        |                        |                        |
| Amount  | (28)                            | (383)                      | (411)                  | (2,573)                | 1,663                  |
| % of present value of scheme liabilities                            | (2%)                            | (2%)                       | (2%)                   | (14%)                  | 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 €241,694 during the year to 30 April 2005 (2004: €230,265) and charged in full to the profit and loss account. There is €8,518 accrued in respect of contributions due at 30 April 2005 (2004: €8,216).

## Notice of Meeting

Notice is hereby given that the Annual General Meeting of Abbey plc will be held in the The Berkeley Court, Lansdowne Road, Dublin 4, at 10.30 a.m. on Friday, 7 October, 2005 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 2005.
- To confirm and declare a final dividend on the ordinary shares for the year ended 30 April 2005.
- To re-elect as a Director Mr. J. F. Hogan (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 2006 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 subparagraph (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."

There have been no changes to the Directors' and Secretary's Interests in the shares of Abbey plc as disclosed in the Directors' report dated 13 July 2005 at the date of this Notice of Meeting 5 September 2005.

*By order of the Board*  
5th September 2005  
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 12 October 2005 to members registered as Ordinary Shareholders at the close of business on 22 July 2005.
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 Berkeley Court, Dublin 4, 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.



