



2010 ANNUAL REPORT

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Separate Insert

Form of Proxy

**The Company's 73rd Annual General Meeting will be held
on Friday, 1st October, 2010
at The Conrad Dublin, Dublin 2
at 10:30a.m.**

Results in Brief

	Expressed in €'000 (except per share data)		£'000 Sterling Equivalent (except per share data)	
	2010	2009	2010	2009
Revenue	97,165	99,852	85,855	84,375
Profit / (loss) before taxation	15,162	(54,394)	13,397	(45,963)
Profit / (loss) attributable to equity shareholders of the parent	12,295	(50,625)	10,864	(42,778)
Earnings / (losses) per share	49.92c	(205.57)c	44.11p	(173.70)p
Dividends paid per share	-	-	-	-
Assets per share	651c	612c	565p	547p
Gearing	Nil	Nil	Nil	Nil

For the purpose of the above the following translation rates have been used for the Income Statement:

2009 €100c: Stg 84.50p

2010 €100c: Stg 88.36p

The rates used for conversion of Balance Sheet items are the rates at 30 April 2009 and 30 April 2010:

2009 €100c: Stg 89.41p

2010 €100c: Stg 86.84p

The year ended 30th April 2010 proved to be a year of consolidation after the heavy losses incurred during the previous year. Deflationary pressure driven by debt reduction across all our markets ensures that another tough year lies ahead.

The Group reports a profit for the year of €15.2 million before taxation against a loss of €54.4 million in the previous year. Shareholders' funds of €160.4 million represent €6.51 per share and include net cash balances (including restricted cash) of €56.3 million. Earnings for the year were 49.92 cents per share and in these circumstances the Board is recommending a dividend of 5.0 cents per share for approval at the Annual General Meeting in October.

HOUSEBUILDING

The Group's housebuilding division completed 535 sales (UK 395; Ireland 112; CZK 28) at an average price of €162,000 and generated an operating profit of €12.9 million.

United Kingdom: House sales during the year were in the circumstances quite good and in particular a strong second half underpinned our results. Market conditions improved during 2009 and sustained this improvement into the spring of 2010. In recent weeks the market has noticeably softened and further weakness cannot be ruled out. The impact of the UK government's aggressive support measures of 2009 show clear signs of

waning and with an increased supply of property for sale the immediate outlook is at best dull. The recently announced reduction in planned public expenditure will directly reduce demand for housing in the coming years.

At the year end the company owned land with the benefit of planning permission for 441 plots. Since the year end a further 207 plots across four sites have been acquired. Terms have been agreed for further acquisitions and we expect to increase our UK land stocks this year.

Ireland: In Ireland the market continued to be difficult throughout the year. Prices fell almost continuously and have now in many instances halved from their peak levels. In these conditions we have sought to sell aggressively to clear inventory and have achieved some success. Except in a few select locations a substantial oversupply of stock continues to be a feature of the market. Further tough months lie ahead before a more natural balance between buyers and sellers is restored. We are constantly seeking further development opportunities and are hopeful we may find some new projects this year.

Czech Republic: In Prague we completed 28 sales and are able to report an operating profit for the year. Sales are very slow in the city and we are continuing to struggle to achieve a satisfactory pace of construction. No additions were made to our land bank during the year.

At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 1,613 plots. Of these 1,060 were located in Ireland.

PLANT HIRE

The plant hire division reported operating losses of €780,000 on a turnover of €10.1 million. In addition a gain of €273,000 was recorded in the income statement as a result of the disposal of some M&J property during the year.

The trading environment remains difficult however year on year turnover numbers are now marginally improving. The business has continued to generate cash and we are hopeful of some improvement this year. The plant hire business is closely linked to the general construction market and the UK government's austerity measures may directly impact our business in the periods ahead.

RENTAL INCOME

Rental income during the year was €474,000.

FINANCIAL ASSETS

At the year end financial assets of €52.1 million were held in UK government bonds.

DIRECTORS, MANAGEMENT AND STAFF

Mr. Lorenzo Fraquelli was co-opted to the Board on 2nd November 2009 and will go forward for election at the Annual General Meeting.

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

The outlook for the year ahead is for lower levels of housebuilding activity in both Ireland and England as we operate with slow moving stock (Ireland) and depleted stock levels (England). Looking further ahead the acquisition of fresh building land in England is now underway and with a fair wind the current year may mark the low point for our UK turnover in this cycle.

ANNUAL GENERAL MEETING

I look forward to seeing you all at our Annual General Meeting on 1st October 2010 and wish to bring to your attention all other special business in the notice of that meeting.

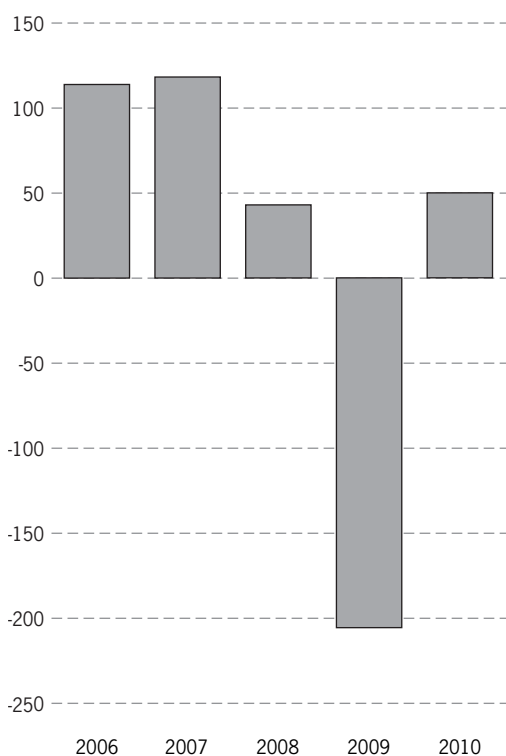


Charles H. Gallagher, Executive Chairman

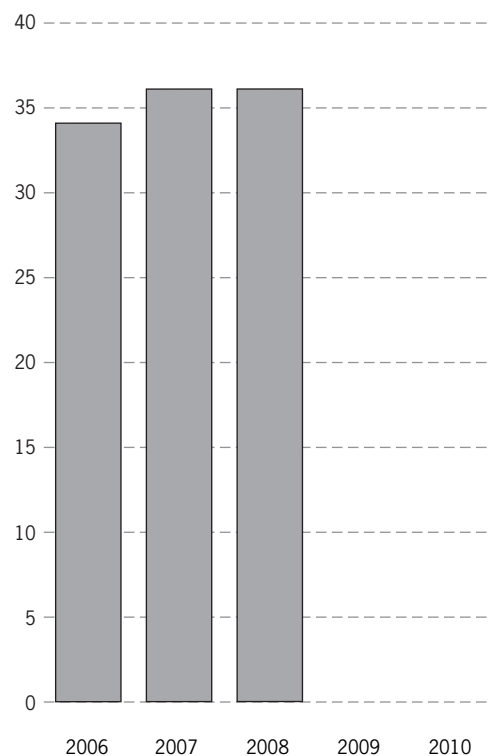
Five Year Financial Summary

	IFRS 2010 €'000	IFRS 2009 €'000	IFRS 2008 €'000	IFRS 2007 €'000	Irish GAAP 2006 €'000
Revenue	97,165	99,852	180,334	192,201	204,544
Operating profit / (loss)	12,832	(55,740)	15,076	43,675	45,421
Net interest receivable	2,406	1,465	1,818	1,609	1,800
Other finance charges	(76)	(119)	(100)	(12)	(159)
Profit / (loss) before taxation	15,162	(54,394)	16,794	45,272	47,062
Income tax (expense) / credit	(2,867)	3,769	(4,713)	(10,883)	(11,103)
Profit / (loss) attributable to equity shareholders of the parent	12,295	(50,625)	12,081	34,389	35,959
Earnings / (losses) per share basic and diluted	49.92c	(205.57)c	42.93c	118.13c	113.78c
Dividends paid per share	-	-	36.00c	36.00c	34.00c
Shareholders' funds	160,420	150,737	207,940	245,053	225,200

Earnings / (Losses) Per Share
(Euro Cents)
Basic and Diluted



Dividends Paid Per Share
(Euro Cents)



ABBEY PLC

Reg. No. 9245 Republic of Ireland

AUDITORS

Ernst & Young, Chartered Accountants
and Registered Auditors

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

NOMINATED ADVISOR

J&E Davy, trading as Davy

TRADING PLATFORMS

Enterprise Securities Market
Alternative Investment Market

PRELIMINARY STATEMENT

15th July 2010

ANNUAL REPORT

27th August 2010

ANNUAL GENERAL MEETING

1st October 2010

INTERIM STATEMENT

December 2010

Board of Directors

CHARLES H. GALLAGHER (50) M.A., MSc.

A Director of Abbey plc since 1986, Mr. Charles Gallagher was appointed Executive Chairman in May 1993. He is a 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 (65) (BRITISH) BSc (Eng)

Mr. Hawkins joined the Abbey Group in 1990. He was previously Managing Director of Abbey Developments Limited from May 1993 to December 2006 and Managing Director of Abbey Group Limited from January 2007 to September 2009. Since October 2009 he fulfils a part-time executive role for Abbey plc. 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 (57) (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.

LORENZO G. FRAQUELLI (51) (BRITISH)

BSc (Civil Eng) MICE

Mr. Fraquelli joined the Abbey Group in January 2007 and is Managing Director of Abbey Developments Limited. He was co-opted to the Abbey plc Board in November 2009. He holds no other directorships other than those within Abbey plc and its subsidiaries.

DAVID A. GALLAGHER • Δ (49) 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 (67) (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. (UK House Builders Federation) from 1979 to 1999. Mr. Humber is a director of a number of other companies including P.E. Jones (Contractors) Limited and its subsidiaries, and was Chair of Circle Anglia Housing Group, a registered social landlord, until December 2009.

JOHN F. HOGAN • Δ (70) B.Comm, F.C.A.

(NON-EXECUTIVE)

Mr. Hogan was appointed a non-executive director of the Group in December 2001. He is a former Managing Partner of Ernst & Young in Ireland and was a member of its global board. He is currently a non-executive director of C & C Group plc, Butterfield Umbrella Fund plc, Prudential International Assurance plc 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 2010 which are set out on pages 17 to 42.

PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENTS OF THE BUSINESS

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

In the year under review the profit after taxation amounted to €12,295,000 (2009: €50,625,000 loss) which has been transferred to (2009: deducted from) reserves. The net assets of the Group have increased from €150,737,000 to €160,420,000 as at 30 April 2010.

The directors are recommending a dividend of 5.00 cents per share to be considered for approval at the Annual General Meeting in October 2010.

A list of principal undertakings and the nature of their business is contained in note C4 to the Company balance sheet. Geographic and divisional analyses of revenue are given in note 7 to the financial statements.

KEY PERFORMANCE INDICATORS

Measurement of the Group's performance is consistently applied and control is exercised by Group and divisional management. The Group uses the following key performance indicators to evaluate its performance:

1. *Financial Performance Compared to Budget*

The Group has a budgeting system in place whereby actual performance is measured against budget, both financial and non-financial, on a monthly reporting timetable.

2. *Unit Reservations*

The Group reviews the weekly net house sales reservations and weekend site visitor numbers.

3. *Development Site Profit Margin*

The Group evaluates the gross profit margin of each development site on a monthly basis.

4. *Machine Count*

The Group reviews the machine count for each plant hire depot on a weekly basis.

BUSINESS REVIEW

Our housebuilding operations completed 535 sales (UK 395; Ireland 112; CZK 28) with turnover of €86.6 million generating an operating profit of €12.9 million. The comparative figures for the previous year were 467 sales (UK 338; Ireland 129) with turnover of €85.7 million generating an operating loss of €53.9 million.

Last year's result was impacted by an impairment charge of €58.1 million against inventories arising from the continued difficult market environment. Also included in last year's result was an impairment charge of €1.2 million reflecting the fall in value of land and buildings.

House sales in the UK were underpinned by a strong second half performance, although the market has softened in recent weeks. In Ireland aggressive selling continues to clear our inventory. In Prague we completed 28 sales and are able to report an operating profit for the year.

At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 1,613 plots.

M&J reported operating losses of €780,000 (2009: losses €1,084,000) on turnover of €10.1 million (2009: €13.6 million). In addition a gain of €273,000 was recorded in the income statement as a result of the disposal of M&J property during the year. Included in last year's result was an impairment charge of €652,000 reflecting the fall in value of our depots together with €189,000 of redundancy expenses.

Rental income during the year was €474,000 (2009: €496,000).

At the previous financial year end of 30 April 2009 our investment properties suffered an impairment charge of €1.1 million.

At the year end total equity stood at €160.4 million (2009: €150.7 million), whilst net cash balances and restricted cash stood at €56.3 million (2009: €43.8 million). Further financial assets of €52.1 million were held in UK government bonds (2009: €29.9 million).

FUTURE DEVELOPMENTS

The outlook for the year ahead is for lower levels of housebuilding activity in both England and Ireland as we operate with slow moving stock (Ireland) and depleted stock levels (England). Looking further ahead the acquisition of fresh building land in England is now underway and with a fair wind the current year may mark the low point in our UK turnover in this cycle.

Conditions continue to be difficult for the plant hire division and turnover levels are likely to remain low.

IMPORTANT EVENTS SINCE THE YEAR END

There have been no important events since the year end.

PRINCIPAL RISKS AND UNCERTAINTIES

Irish Company law requires the Group to give a description of the principal risks and uncertainties which it faces. Abbey plc's business, in which it is engaged, is constantly evolving and the list below of the principal risks for the Group are constantly changing:

- The Group is engaged in speculative development, which is by its nature highly risky. Occasional substantial losses are a cyclical feature of its business.
- The Group operates in a very competitive market and therefore it is essential that the Group continues to compete successfully.
- Any reduction in economic growth in the countries in which the Group operates may adversely affect the Group's revenue and margins.
- The Group's performance will be affected by fuel and raw material prices and the cyclical changes of the producers of these raw materials.
- The Group is subject to substantial laws, regulations and standards such as environmental, health and safety and building regulations, which could result in additional costs related to compliance with these laws and regulations.
- At present the Group operates in three currencies and adverse changes in foreign exchange rates relative to the euro could adversely affect the Group's financial performance.

- Any adverse economic interest rate changes will impact on the Group.

SUBSTANTIAL SHAREHOLDERS

Having received the required notifications, the following held more than 3% of the issued ordinary shares at 14 July 2010:

	Number of shares	% of issued share capital
Gallagher Holdings Limited	10,166,544	41.28%
FMR LLC	3,400,000	13.81%
Securities Trust Limited	1,272,305	5.17%
I.G. Investment Management Ltd	973,960	3.95%
Polar Capital European Forager Fund Ltd	760,000	3.08%
Axa Investment Managers UK Ltd	737,995	3.00%

DIRECTORS

Mr. David A. Gallagher retires in accordance with Article 98 of the Company's Articles of Association and will be offering himself for re-election.

Mr. Lorenzo G. Fraquelli was appointed to the Board on 2 November 2009 and retires in accordance with Article 87 and, being eligible offers himself for 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 2010, were as follows:

	Number of Shares 2010	Number of Shares 2009
Charles H. Gallagher	25,500	25,500
David A. Gallagher	3,000	3,000
John F. Hogan	3,000	3,000

None of the directors hold shares in a non-beneficial capacity and no changes occurred in the above holdings between 30 April 2010 and 14 July 2010. 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.

CORPORATE SOCIAL RESPONSIBILITY

We are fully committed to operating ethically and responsibly in relation to employees, customers, neighbours and all other stakeholders.

Employees

The Board together with the directors, thanks the management and staff for their hard work and efforts during the year.

The average number of employees during the year is set out in note 11 to the financial statements.

Disabled Employees

The Group gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Employee Involvement

The continuing Group policy with regard to employee consultation and involvement is that there should be effective communication with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current jobs and

future prospects. The achievement of this policy has to be treated flexibly in accordance with the varying circumstances and needs of companies in the Group but, in all cases, the emphasis is on communication at the local level. Details of the Group's financial results are circulated each half and full year and periodic staff meetings are also held to discuss various aspects of the Group's business.

Health and Safety

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.

Environment

The Group pays particular adherence to applicable environmental legislation and requests that our employees and subcontractors are aware of their responsibilities in this regard. The Group supports various charities and local events.

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, 14 July 2010

C.H. GALLAGHER Chairman

L.G. FRAQUELLI 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. Mr. Kennedy has a notice period of one year and Mr. Fraquelli has a notice period of six months. Mr. Hawkins' contract comes to an end on 31 October 2010.

DIRECTORS' REMUNERATION

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

Executive Directors	Salary and Fees €'000	(1) Benefits In Kind €'000	2010 Total €'000	2009 Total €'000
C H Gallagher	639	21	660	699
B R Hawkins	164	28	192	402
R N Kennedy	172	57	229	269
L G Fraquelli ⁽²⁾	107	13	120	–
R J Shortt ⁽³⁾	–	–	–	361
Totals	1,082	119	1,201	1,731

Non-Executive Directors	Salary and Fees €'000	(1) Benefits In Kind €'000	2010 Total €'000	2009 Total €'000
D A Gallagher	45	–	45	50
J R Humber	45	–	45	50
J F Hogan	60	–	60	60
Totals	150	–	150	160

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

(2) Mr L.G. Fraquelli was appointed to the Board on 2 November 2009.

(3) Mr R.J. Shortt retired on 30 April 2009 and was paid one year's salary and pension on leaving office.

PENSIONS

Three executive directors were members of The Abbey Group Limited Pension and Life Assurance Scheme during the year. Non-executive directors do not participate in the Group's pension scheme. The Chairman became a deferred member of the Group's defined benefit scheme on 5 April 2006 and is paid a taxable allowance, with effect from that date in lieu of future pension benefits as set out below. Mr. Hawkins became a pensioner member of the defined benefit pension scheme during the year. There is one (2009: two) director to whom retirement benefits are accruing under a defined benefit scheme at 30 April 2010. One director had contributions to a defined contribution scheme during the year (2009: one).

Name	Pensionable Service Years	Increase In Accrued Pension During The Year €'000	Defined Benefit		Retirement Benefit Expense 30 April €'000	Defined Contribution Group Contributions 30 April €'000
			Transfer Value Of The Increase €'000	Accumulated Accrued Pension 30 April €'000		
C H Gallagher	–	–	–	–	127	–
R N Kennedy	13	2	48	27	–	–
L G Fraquelli	–	–	–	–	–	14
30 April 2010		2	48	27	127	14
30 April 2009		6	375	107	133	99

Corporate Governance Report

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, 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 their 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 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

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 9 to 11. The financial position of the Group, its cash flows and liquidity position are described on pages 19 and 20. The Group has adequate financial resources together with long term relationships with a number of customers and suppliers and the directors believe that the Group is well placed to manage its business risks successfully, despite the current uncertain economic outlook. 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

Company law in Ireland 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 Parent Company and of the Group and of the profit or loss of the Group for that period.

In preparing those Group financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable International Financial Reporting Standards as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The considerations set out above for the Group are also required to be addressed by the Directors in preparing the financial statements of the Parent Company, which are set out on pages 39 to 42, in respect of which the applicable accounting standards are those which are generally accepted in the Republic of Ireland.

The Directors have elected to prepare the Parent Company's financial statements in accordance with generally accepted accounting practice in Ireland (Irish GAAP) comprising the financial reporting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland, together with the Companies Acts, 1963 to 2009.

The Directors are responsible for keeping proper books of accounts, which disclose, with reasonable accuracy at any time, the financial position of the Parent Company and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable International Financial Reporting Standards, as adopted by the European Union, and comply with the provisions of the Companies Acts, 1963 to 2009. 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.

Independent Auditors' Report to the Members of Abbey plc

We have audited the group and parent company financial statements (the "financial statements") of Abbey plc for the year ended 30 April 2010 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 35 (group) and C1 to C10 (company). These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 the preparation of the group financial statements in accordance with applicable Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for the preparation of the parent company financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2009. 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 other transactions is not disclosed 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. The other information comprises only the Chairman's Statement, Directors' Report, and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of affairs of the group as at 30 April 2010 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2009; and the parent company financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the company as at 30 April 2010 and have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

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
Chartered Accountants and Registered Auditors
Dublin
14 July 2010

Group Income Statement

Year Ended 30 April 2010

	Note	2010 €'000	2009 €'000
Revenue	7	97,165	99,852
Cost of sales			
- operating		(79,050)	(82,334)
- impairment charge on inventories	8	-	(58,054)
Gross profit / (loss)		18,115	(40,536)
Administrative expenses		(5,556)	(12,252)
Gain on property disposal	8	273	-
Impairment of properties	8	-	(2,952)
Operating profit / (loss)		12,832	(55,740)
Finance income	9	2,406	1,465
Finance costs	9	(76)	(119)
Profit / (loss) before taxation	10	15,162	(54,394)
Income tax (expense) / credit	12	(2,867)	3,769
Profit / (loss) attributable to equity shareholders of the parent	28	12,295	(50,625)
Earnings / (loss) per share - basic	14	49.92c	(205.57)c
Earnings / (loss) per share - diluted	14	49.92c	(205.57)c

Approved by the Board on 14 July 2010

C.H. GALLAGHER, Chairman

L.G. FRAQUELLI, Director

Group Statement of Comprehensive Income

Year Ended 30 April 2010

Profit / (loss) for the year	12,295	(50,625)
Foreign currency translation	1,988	(9,665)
Unrealised (loss) / gain on fair value of available-for-sale financial assets	(473)	620
Actuarial (loss) / gain on Group defined benefit pension obligations	(5,731)	3,101
Deferred tax movement relating to actuarial (loss) / gain on Group defined benefit pension obligations	1,604	(869)
Other comprehensive loss for the year, net of tax	(2,612)	(6,813)
Total comprehensive income / (loss) for the year, net of tax, attributable to equity shareholders of the parent	9,683	(57,438)

Group Statement of Changes in Equity

Year Ended 30 April 2010

	Issued Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders of the parent at 1 May 2009	7,881	13,321	4,807	4,502	(21,912)	142,138	150,737
Profit for the year	-	-	-	-	-	12,295	12,295
Other comprehensive income / (loss), net of tax	-	-	120	-	1,868	(4,600)	(2,612)
Total comprehensive income, net of tax, attributable to equity shareholders of the parent	-	-	120	-	1,868	7,695	9,683
Movement in revaluation surplus	-	-	(379)	-	-	379	-
At 30 April 2010	7,881	13,321	4,548	4,502	(20,044)	150,212	160,420

Group Statement of Changes in Equity

Year Ended 30 April 2009

	Issued Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders of the parent at 1 May 2008	7,881	13,321	7,729	4,502	(12,839)	187,346	207,940
Loss for the year	-	-	-	-	-	(50,625)	(50,625)
Other comprehensive (loss) / income, net of tax	-	-	(592)	-	(9,073)	2,852	(6,813)
Total comprehensive loss, net of tax, attributable to equity shareholders of the parent	-	-	(592)	-	(9,073)	(47,773)	(57,438)
Movement in revaluation surplus	-	-	(2,330)	-	-	2,565	235
At 30 April 2009	7,881	13,321	4,807	4,502	(21,912)	142,138	150,737

Group Balance Sheet

At 30 April 2010

ASSETS	Note	2010 €'000	2009 €'000
Non-current assets			
Property, plant and equipment	15	20,795	23,016
Investment property	16	2,128	2,101
Investment in joint venture	17	2,512	2,512
Investments	18	6	6
Defined benefit pension scheme surplus	33	1,743	6,893
		27,184	34,528
Current assets			
Trade and other receivables	19	6,492	5,587
Inventories	20	64,162	75,251
Income tax receivable	23	–	3,127
Financial investments	18	52,085	29,904
Restricted cash	21	4,444	6,305
Cash and cash equivalents	21	51,828	37,529
		179,011	157,703
TOTAL ASSETS		206,195	192,231
LIABILITIES			
Current liabilities			
Trade and other payables	22	(40,670)	(37,198)
Income tax payable	23	(1,752)	–
Provisions	24	(2,233)	(1,814)
		(44,655)	(39,012)
NET CURRENT ASSETS		134,356	118,691
Non-current liabilities			
Deferred taxation	25	(1,055)	(2,419)
Provisions	24	(65)	(63)
		(1,120)	(2,482)
TOTAL LIABILITIES		(45,775)	(41,494)
NET ASSETS		160,420	150,737
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	26	7,881	7,881
Share premium	27	13,321	13,321
Revaluation reserve	27	4,548	4,807
Other reserves			
– Capital redemption reserve fund	26	4,502	4,502
– Currency translation	27	(20,044)	(21,912)
Retained earnings	28	150,212	142,138
TOTAL EQUITY		160,420	150,737
TOTAL EQUITY AND LIABILITIES		206,195	192,231

Approved by the Board on 14 July 2010
C.H. GALLAGHER, Chairman
L.G. FRAQUELLI, Director

Group Cash Flow Statement

Year Ended 30 April 2010

Cash flows from operating activities	Note	2010 €'000	2009 €'000
Profit / (loss) before tax		15,162	(54,394)
Adjustment to reconcile profit / (loss) before tax to net cash flows			
Non cash:			
Depreciation	15	4,339	5,675
Other non cash items		(1,085)	948
Movement in pension benefit asset		(468)	(482)
Impairment charge on inventories	8	–	58,054
Impairment of properties	8	–	2,952
Profit on disposal of property, plant and equipment		(645)	(850)
Profit on disposal of financial asset		(237)	(107)
Finance income	9	(1,879)	(1,465)
Finance costs	9	76	119
Working capital adjustments:			
Decrease in inventories		12,572	25,429
(Increase) / decrease in trade and other receivables		(801)	3,845
Increase / (decrease) in creditors and provisions		1,618	(4,982)
Income taxes refunded / (paid)		2,228	(611)
Net cash inflow from operating activities		30,880	34,131
Cash flows from investing activities			
Purchase of plant, property and equipment	15	(1,721)	(3,662)
Sale of plant, property and equipment		2,217	2,131
Investment in Government bonds		(31,547)	(29,266)
Disposal of Government bonds		10,102	–
Finance income	9	1,879	1,465
Net cash outflow from investing activities		(19,070)	(29,332)
Cash flows from financing activities			
Movement in restricted cash	21	1,861	(3,848)
Finance costs	9	(76)	(119)
Net cash inflow / (outflow) from financing activities		1,785	(3,967)
Net increase in cash and cash equivalents		13,595	832
Cash and cash equivalents at start of year	21	37,529	37,350
Net foreign exchange differences		704	(653)
Cash and cash equivalents at end of year	21	51,828	37,529

1. AUTHORISATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of Abbey plc for the year ended 30 April 2010 were authorised for issue in accordance with a resolution of directors on 14 July 2010. Abbey plc is a limited company incorporated in Ireland. The company's shares are listed on the ESM and AIM Stock Exchanges. The principal activities of the Group are described in Note 7.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In the current year, the Group has adopted all of the revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations.

The Group has adopted the following new and amended IFRS and IFRIC interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial performance or financial position of the Group in the current or prior periods. In certain cases, they did however give rise to additional disclosures.

- * IFRS 2 Share-based Payment - Vesting Conditions and Cancellations (amendments)
- * IFRS 7 Financial Instruments Disclosures (amended)
- * IFRS 8 Operating Segments
- * IAS 23 Borrowing Costs (Revised)
- * IAS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary Jointly Controlled Entity or Associate (amendments)
- * IAS 1 Presentation of Financial Statements (revised)
- * IAS 32 Financial Instruments Presentation
 - IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation (amendments)
- * IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments
- * IFRIC 13 Customer Loyalty
- * IFRIC 15 Agreement for Construction of Real Estate
- * IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- * IFRIC 18 Transfers of Assets from Customers

The principal effects of these changes are as follows:

IFRS 7 Financial Instruments Disclosures (amended)

The standard has been amended to enhance disclosure about fair value measurement and liquidity risk. Instruments measured at fair value are to be disclosed by the source of inputs in determining fair value, using a three-level hierarchy. This amendment will have no impact on the measurement of the Group's result or net assets.

IFRS 8 Operating Segments

This standard adopts a full management approach to identifying, measuring and disclosing the results of operating segments. IFRS 8 has no impact on this disclosure of information.

IAS 1 Presentation of Financial Statements (revised)

This amendment will have no impact on the measurement of the Group's result or net assets.

3. STATEMENT OF COMPLIANCE

The consolidated financial statements of Abbey plc and all its subsidiaries (the Group) have been prepared in accordance with International Financial Standards (IFRS), as adopted for use in the European Union, which comprise standards and interpretations approved by the International Accounting Standards Board (IASB).

IFRS as adopted by the European Union differ in certain respects from IFRS as issued by the IASB. However, consolidated financial statements for the financial years presented would be no different had IFRS as issued by the IASB been applied. References to IFRS hereafter should be construed as references to IFRS as adopted by the European Union.

4. BASIS OF PREPARATION

The Group financial statements have been prepared on the historical cost basis except for land and buildings and investment property which has been measured at fair value. The accounting policies which follow set out these policies which apply in preparing the financial statements for the year ended 30 April 2010.

The Group financial statements are presented in Euro and all values are rounded to the nearest thousand euro (€'000) except where otherwise indicated.

5. BASIS OF 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. Inter-company balances, transactions and profits thereon have been eliminated in preparing the Group financial statements. The financial year end of the Group's subsidiaries are co-terminus. The results of the joint venture relate to the year ended 31 March 2010.

6. ACCOUNTING POLICIES

Interests in joint venture

The Group has a contractual arrangement with a third party which represents a joint venture. This takes the form of an agreement to share control over another entity.

The joint venture is established through an interest in a company and the Group recognises its interest in the entity's assets and liabilities using the equity method of accounting. Under the equity method, the interest in the joint venture is carried in the balance sheet at cost plus post acquisition changes in the group's share of its net assets, less distributions received. The Group income statement reflects the share of the jointly controlled entity's results after tax.

There has been no goodwill arising from the joint venture.

Financial statements of the jointly controlled entity are prepared within the time period around the Group's balance sheet date permitted by IAS 31 'Interests in Joint Ventures'. The Group ceases to use the equity method on the date from which it no longer has joint control over, or significant influence in, the joint venture.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. Revenue represents the value of goods and services supplied to external customers and excludes inter-group sales and value added tax. The following criteria must also be met before revenue is recognised:

Housing

Revenue on housing developments and the respective profits are recognised when the property is structurally complete and legally transferred to the purchaser.

Plant hire

Revenue comprises charges to third parties, net of value added tax, for the hire, rental, sales and maintenance of construction plant, vehicles, tools and portable buildings, all intra group transactions having been eliminated.

Property rental

Revenue is recognised in the period the rent is due from third parties, net of value added tax. All intra group transactions having been eliminated.

Interest income

Revenue is recognised as interest accrues in the period.

Inventories

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

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.

The Group assesses at each balance sheet date whether building land is impaired in accordance with IAS 2 Inventories. If any impairment has occurred then the write down is recognised as an expense in the Income Statement.

6. ACCOUNTING POLICIES (CONTINUED)*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.

Raw materials

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

Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the Group cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other payables

Trade payables are stated at their fair value. Trade payables on extended terms are recorded at their fair value at the period end, with any discount to fair value amortised over the period of the credit term and charged to finance costs.

Taxes*Current income tax*

Current income tax assets and liabilities for the year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted for the financial year.

Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income tax relates to the same taxation authority and that authority permits the Group to make a single net payment.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

Foreign Currency

The consolidated financial statements are presented in euro, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date with all differences taken to the income statement. Differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement. Non monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

6. ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment

Property, plant and equipment is stated at cost except for land and buildings which have been measured at fair value, less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, other than land, on a straight line basis over the expected useful life as follows:

- Buildings 50 years
- Plant, machinery and transport 3 to 8 years

The carrying amount of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

Leases

Group as a lessor

Assets leased out under operating leases are included in property and are depreciated over their estimated useful lives. Rental income is recognised on a straight line basis over the lease term.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Investment Property

Certain of the Group's surplus properties are classified as investment properties, being held for long-term investment and to earn rental income.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in fair value of investment properties are included in the income statement in the period in which they arise.

Investment properties are derecognised when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Financial assets

Recognition and derecognition of financial assets and liabilities

Financial assets are recognised when the Group becomes party to the contractual provisions of the instrument. The derecognition of financial assets takes place when the Group no longer has the right to cash flows, the risks and rewards of ownership, or control of the asset.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as such. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

6. ACCOUNTING POLICIES (CONTINUED)

The Group's only available-for-sale-financial assets are UK Government Sterling bonds as detailed in note 18.

The fair value of financial asset investments is determined by reference to the quoted price, which excludes accrued interest, at the close of business on the balance sheet date.

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Pensions and other post retirement benefits

The Group operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. The UK scheme was closed to new entrants on 1 January 2001 from which time membership of a defined contribution plan is available.

The cost of providing benefits under the defined benefit plan is determined using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of the defined benefit obligation) and is based on actuarial advice. Past service costs are recognised in the income statement.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time. The expected return on scheme assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect of fair value of the plan assets of contributions received and benefits paid during the year. The difference between the expected return on scheme assets and the interest cost is recognised in the income statement as other finance revenue or cost.

The Group has applied IAS 19 to recognise actuarial gains and losses in full in the Statement of Comprehensive Income.

The defined benefit pension scheme in the balance sheet comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not directly recognised and less the fair value of the scheme assets out of which obligations are to be settled directly. Fair value is based on the market price information and in the case of bonds the published bid price.

Contributions to defined contribution and personal employee plans are recognised in the income statement in the period in which they become payable.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are measured at the expected expenditure required to settle the obligation and are discounted to present value where the effect is material.

Where the Group expects some or all of the provisions to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Accounting Judgements and Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Inventory valuation

The Group measures inventories at the lower of cost and net realisable value. Inventories include development land, work in progress and completed units for sale.

The Group assesses at each reporting date whether there is an indication that inventories may be impaired. If any such indication exists, or when annual impairment testing for inventories are required, the Group makes an estimate of the inventories recoverable amount. Where the carrying amount of inventory exceeds its recoverable amount, the inventory is considered impaired and is written down to its recoverable amount. In determining net realisable value, an appropriate assessment is made based on external valuations and the expected overall return on development sites.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or have decreased. If such indication exists, the previously recognised impairment loss is reversed.

In determining the value of work in progress the Group applies a standard costing process for cost of sales. The Group estimates the development cost for sites and the length of time for the construction process with variances recognised in the income statement.

Employee benefits

The cost of the defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, expected rates of return on scheme assets, mortality rates and future pension increases. Due to the long term nature of this plan, such estimates are subject to significant uncertainty.

6. ACCOUNTING POLICIES (CONTINUED)**New Standards and Interpretations Not Applied**

IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements:

International Accounting Standards (IAS / IFRSs)	Effective Date*
IFRS 2 Group Cash-settled Share-based Payment Arrangements	1 January 2010
IFRS 3 Business Combinations (revised)	1 July 2009
IAS 27 Consolidated and Separate Financial Statements (amendment)	1 July 2009
IAS 39 Financial Instruments: Recognition and Measurement-Eligible hedged items (amendment)	1 July 2009
IFRIC 17 Distributions on Non-cash Assets to Owners	1 July 2009

International Financial Reporting Interpretations Committee (IFRIC)

The Directors do not anticipate that the adoption of the remaining standards and interpretations will have a material impact on the Group's financial statements in the period of initial application.

* The effective dates stated here are those given in the original IASB/IFRIC standards and interpretations. As the Group has elected to prepare their financial statements in accordance with IFRS as adopted by the European Union, the application of new standards and interpretations will be subject to their having been endorsed by the EU via the EU Endorsement mechanism. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the Group's discretion to adopt early standards.

7. SEGMENTAL INFORMATION

Turnover, cost of sales and operating profit / (loss) are derived from continuing activities. The Group operates in three markets being Ireland, the United Kingdom and the Czech Republic. The principal activities of the Group are building and property development, plant hire and property rental. These divisions are the basis on which the Group reports its primary segment information.

	– Building and Property Development –			Property Rental		Unallocated	GROUP
	Ireland	United Kingdom	Czech Republic	Plant Hire United Kingdom	Ireland and United Kingdom		
30 April 2010	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Income Statement Information							
Revenue	22,129	57,979	6,485	10,098	474	–	97,165
Cost of Sales – operating	(18,203)	(46,253)	(5,321)	(9,273)	–	–	(79,050)
Administrative expenses	451	(3,784)	(618)	(1,605)	–	–	(5,556)
Gain on property disposal	–	–	–	273	–	–	273
Operating profit / (loss)	4,377	7,942	546	(507)	474	–	12,832
Finance income / (costs)	2,034	46	192	58	–	–	2,330
Income tax expense	(574)	(2,293)	–	–	–	–	(2,867)
Profit / (loss) after taxation	5,837	5,695	738	(449)	474	–	12,295

7. SEGMENTAL INFORMATION (CONTINUED)

	— Building and Property Development —			Plant Hire	Property Rental	Unallocated	GROUP
	Ireland	United Kingdom	Czech Republic	United Kingdom	Ireland and United Kingdom		
30 April 2010	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance Sheet Information							
Segment Assets	19,385	37,540	16,947	20,202	1,246	—	95,320
Segment Liabilities	(12,430)	(25,541)	(4,256)	(3,548)	—	—	(45,775)
Segment Net Assets	6,955	11,999	12,691	16,654	1,246	—	49,545
Investment in Joint Venture	2,512	—	—	—	—	—	2,512
Investments	9,467	11,999	12,691	16,654	1,246	—	52,057
Financial investments	—	6	—	—	—	—	6
Cash and cash equivalents	18,776	33,309	—	—	—	—	52,085
TOTAL NET ASSETS	48,875	74,258	19,143	16,851	1,246	47	160,420
Other Segmental Information							
Depreciation	131	128	—	4,080	—	—	4,339
Profit on disposal of fixed assets	(16)	(3)	—	(626)	—	—	(645)
Capital expenditure	—	52	—	3,108	—	—	3,160
30 April 2009							
Income Statement Information							
Revenue	31,954	53,760	—	13,642	496	—	99,852
Cost of Sales							
- operating	(28,050)	(42,743)	(86)	(11,455)	—	—	(82,334)
- impairment charge on inventories	(41,618)	(16,436)	—	—	—	—	(58,054)
Administrative expenses	(3,702)	(5,522)	(409)	(2,619)	—	—	(12,252)
Impairment of property	(1,154)	—	—	(652)	(1,146)	—	(2,952)
Operating loss	(42,570)	(10,941)	(495)	(1,084)	(650)	—	(55,740)
Finance income / (costs)	1,160	192	3	(9)	—	—	1,346
Income tax credit	477	2,883	—	409	—	—	3,769
Loss after taxation	(40,933)	(7,866)	(492)	(684)	(650)	—	(50,625)
Balance Sheet Information							
Segment Assets	29,676	46,066	17,168	21,819	1,246	—	115,975
Segment Liabilities	(13,663)	(19,235)	(6,664)	(1,932)	—	—	(41,494)
Segment Net Assets	16,013	26,831	10,504	19,887	1,246	—	74,481
Investment in Joint Venture	2,512	—	—	—	—	—	2,512
Investments	18,525	26,831	10,504	19,887	1,246	—	76,993
Financial investments	—	6	—	—	—	—	6
Cash and cash equivalents	9,015	20,889	—	—	—	—	29,904
TOTAL NET ASSETS	63,572	49,158	16,876	19,831	1,246	54	150,737
Other Segmental Information							
Depreciation	241	170	—	5,264	—	—	5,675
Loss / (profit) on disposal of fixed assets	49	8	—	(907)	—	—	(850)
Capital expenditure	—	691	—	2,971	—	—	3,662

8. EXCEPTIONAL ITEMS

	2010	2009
	€'000	€'000

The cost of sales charge for the year is arrived at after charging:

Write down of inventories to net realisable value	-	58,054
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Over the financial year the Group has continued to monitor the carrying value of our inventories in Ireland and the United Kingdom as a result of the continuing difficult market environment. Arising from these considerations we estimated that the original cost of certain development sites suffered impairment in the previous year in the amount of €58,054,000. As such, in accordance with IAS 2 Inventories the Group have recorded an impairment write down to bring the carrying value of inventories recorded in the balance sheet to the lower of cost and net realisable value.

Gain on disposal of property	273	-
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During the year a gain resulted from the disposal of a property.

Impairment of investment properties and land and buildings

Impairment charge	-	2,952
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At the previous year end, a review of the fair value of investment properties and land and buildings was undertaken and this resulted in an impairment charge to the income statement.

9. FINANCE INCOME

Bank interest receivable	278	887
Government bond interest receivable	1,744	471
Other interest receivable	147	-
Realised gains on available-for-sale financial assets	237	107
	2,406	1,465

FINANCE COSTS

Interest payable on bank overdraft	(5)	(6)
Other finance on defined benefit pension scheme (note 33)	(71)	(113)
	(76)	(119)

10. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

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

Profit on disposal of tangible fixed assets	(645)	(850)
Write down of inventories to net realisable value	-	58,054
Impairment of properties	-	2,952
Foreign currency (gains) / losses	(1,903)	2,382
Operating lease rentals:		
Rent of building	71	99
Hire of plant and machinery	283	333
Depreciation	4,339	5,675
Amortisation of Government bonds	89	-
Auditors' remuneration:		
- statutory audit of the Group and subsidiaries	110	115
- taxation services	42	52

11. EMPLOYMENT

The average number of persons employed by the Group, including executive directors, in the financial year was 179 (2009: 220) and is analysed by class of business as follows:

	2010 Number	2009 Number
<i>Building and property development</i>		
Ireland	19	28
United Kingdom	48	51
<i>Plant hire and rental</i>		
United Kingdom	112	141
	179	220

Employment costs comprise:

	2010 €'000	2009 €'000
Wages and salaries	7,428	9,785
Social welfare costs	797	1,011
Other pension costs	478	764
	8,703	11,560

Included in other pension costs are €212,000 (2009: €241,000) in respect of defined benefit schemes and €266,000 (2009: €523,000) in respect of defined contribution schemes.

Details of the Directors' emoluments are set out in the Remuneration Report on page 12.

12. TAXATION ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2010 €'000	2009 €'000
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The tax charge / (credit) based on the profit / (loss) on ordinary activities comprises:

Irish Corporation Tax at 12.5%

Current	174	(189)
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United Kingdom Corporation Tax at 28.00% (2009: 28.00%)

Current	2,494	775
Prior year loss carry back	–	(3,464)
Total current corporation tax	2,668	(2,878)

Deferred tax: originating and reversal of temporary differences

	199	(891)
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Tax charge / (credit) to the income statement

	2,867	(3,769)
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Tax relating to items charged or credited to equity

Deferred tax on defined benefit pension obligations

	1,604	(869)
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12. TAXATION ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES (CONTINUED)**Factors affecting current tax charge / (credit)**

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:

	2010 <small>(% of profit/(loss) before taxation)</small>	2009
Irish corporation tax rate	12.5	(12.5)
Higher tax rates on UK profits / (losses) and passive income	10.8	(3.4)
Tax losses carried forward	–	8.5
Tax losses utilised	(3.6)	0.3
Other	(0.8)	0.2
	18.9	(6.9)

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

The movement on deferred tax relates primarily to the origination and reversal of temporary differences as detailed in note 25 and includes temporary differences on accounting for IAS 19 "Employee Benefits".

13. DIVIDENDS

	2010 €'000	2009 €'000
Ordinary dividends proposed (memorandum disclosure)		
Proposed 5.00 cents per share (2009: Nil cents per share)	1,231	–

14. EARNINGS / (LOSSES) PER SHARE: Basic and Diluted

Earnings / (losses) per share has been calculated by reference to the weighted average number of shares in issue of 24,626,992 (2009: 24,626,992) and to the profit on ordinary activities after taxation amounting to €12,295,000 (2009: loss €50,625,000).

15. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings for sale €'000	Land and buildings €'000	Plant and machinery €'000	Transport €'000	Total €'000
Cost or fair value					
At 1 May 2008	–	12,730	38,447	4,189	55,366
Translation adjustment	–	(1,000)	(4,228)	(423)	(5,651)
Additions	–	1,215	1,513	261	2,989
Disposals	–	–	(6,899)	(839)	(7,738)
Transfer to property for sale	744	(744)	–	–	–
Revaluation	–	(1,806)	–	–	(1,806)
At 30 April 2009	744	10,395	28,833	3,188	43,160

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings for sale €'000	Land and buildings €'000	Plant and machinery €'000	Transport €'000	Total €'000
Translation adjustment	9	201	806	79	1,095
Additions	–	–	2,957	203	3,160
Disposals	(753)	–	(4,215)	(556)	(5,524)
At 30 April 2010	–	10,596	28,381	2,914	41,891
Accumulated depreciation					
At 1 May 2008	21	249	20,894	2,417	23,581
Translation adjustment	–	(26)	(2,374)	(256)	(2,656)
Charge for year	10	111	4,943	611	5,675
Disposals	–	–	(5,762)	(694)	(6,456)
At 30 April 2009	31	334	17,701	2,078	20,144
Translation adjustment	–	7	504	54	565
Charge for year	–	119	3,744	476	4,339
Disposals	(31)	–	(3,431)	(490)	(3,952)
At 30 April 2010	–	460	18,518	2,118	21,096
Net book amounts					
At 30 April 2010	–	10,136	9,863	796	20,795
At 30 April 2009	713	10,061	11,132	1,110	23,016

Plant and machinery includes assets held for hire with a cost of €26,584,000 (2009: €27,057,000) and accumulated depreciation of €16,952,000 (2009: €16,189,000).

	2010 €'000	2009 €'000
Land and building comprises:		
Freehold property	9,675	9,614
Long leasehold property	461	447
	10,136	10,061
The historical cost of land and buildings amounts to:		
Land and buildings	6,701	6,731

Land and buildings situated in Ireland were independently valued by Allen & Townsend, Chartered Surveyors on an open market basis. Land and buildings situated in the United Kingdom were independently valued by Glenny, Chartered Surveyors on an open market basis.

16. INVESTMENT PROPERTY

	2010 €'000	2009 €'000
Fair value		
At 1 May	2,101	2,392
Translation adjustment	27	(53)
Additions	–	673
Impairment	–	(911)
	2,128	2,101

The above investment properties represent retail units which are let to third parties under operating leases.

Investment properties situated in Ireland were independently valued by Allen & Townsend, Chartered Surveyors on an open market basis. Investment properties situated in the United Kingdom were independently valued by Glenny, Chartered Surveyors on an open market basis.

17. INVESTMENT IN JOINT VENTURE

Abbey Holdings Limited holds a 50% interest in the allotted share capital of Pontederia Limited, whose registered office is at 9 Abbey House, Main Street, Clonee, Co. Meath. The investment comprises 1 ordinary share of €1.25. The financial statements of Pontederia have been prepared for the year ended 31 March 2010. Pontederia had no active trading activities during 2010 or the prior year.

The share of the assets, liabilities, income and expenses of the jointly controlled entity at 31 March 2010 and for the years there ended are as follows:

	2010 €'000	2009 €'000
<i>Share of the joint venture's balance sheet:</i>		
Current assets	3,404	3,404
Current liabilities	(892)	(892)
Share of the net assets	<u>2,512</u>	<u>2,512</u>

18. INVESTMENTS

	2010 €'000	2009 €'000
<i>Ordinary shares at cost</i>		
Non-listed company	<u>6</u>	<u>6</u>
<i>Financial assets</i>		
UK Government Sterling Bonds	<u>52,085</u>	<u>29,904</u>

These relate to UK Treasury Stock being available-for-sale. These financial assets are recorded at fair value at the balance sheet date. The interest income on these financial assets during the year was €1,744,000 (2009: €471,000).

19. TRADE AND OTHER RECEIVABLES

	2010 €'000	2009 €'000
<i>Amounts falling due within one year</i>		
Trade receivables	3,368	3,353
Other receivables	242	272
Value added tax	744	193
Prepayments and accrued income	<u>2,138</u>	<u>1,769</u>
	<u>6,492</u>	<u>5,587</u>

Trade receivables are generally on 30-90 day terms and are shown net of a provision for impairment. At 30 April 2010 trade receivables amounting to €332,000 (2009: €445,000) were older than the Group's standard credit terms but not deemed to be impaired. At 30 April 2010 trade receivables with a value of €248,000 (2009: €310,000) were impaired and fully provided for. The movement in the bad debt provision is not considered material, nor does it relate to significant individual receivables.

20. INVENTORIES

	2010 €'000	2009 €'000
Building land and roads	41,030	42,806
Work in progress	22,952	32,195
Raw materials	<u>180</u>	<u>250</u>
	<u>64,162</u>	<u>75,251</u>

21. RESTRICTED CASH

	2010 €'000	2009 €'000
Cash held in escrow accounts	4,444	6,305

Restricted cash is held in escrow accounts in respect of house unit sales in the Czech Republic. These funds, together with any interest earned, will be released to the Group when title to the units are transferred to the purchasers.

CASH AND CASH EQUIVALENTS

Cash at bank and in hand	4,010	11,202
Short-term deposits	47,818	26,327
	51,828	37,529

Short term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group. The fair value of cash and cash equivalents is €51,828,000 (2009: €37,529,000). The Group had undrawn borrowing facilities amounting to €4,177,000 at the year end (2009: €4,177,000).

22. TRADE AND OTHER PAYABLES

	2010 €'000	2009 €'000
<i>Amounts falling due within one year</i>		
Trade creditors	20,355	23,796
Advances received from joint venture	3,297	3,301
Amounts outstanding on land	8,578	1,748
United Kingdom income tax	136	78
Social welfare tax	121	105
Value added tax	733	786
Other creditors	1,965	3,150
Accruals and deferred income	5,485	4,234
	40,670	37,198

Terms and conditions of the above financial liabilities:

- Trade creditors are non-interest bearing and are normally settled between 30-90 day terms.
- Amounts outstanding on land are non-interest bearing and settlement is dependent on terms of the contract.
- United Kingdom income tax, social welfare and value added tax are normally settled on 30 day terms.
- Other payables are non-interest bearing and settlement is dependent on the terms of the payable.

23. INCOME TAX (PAYABLE) / RECEIVABLE

	2010 €'000	2009 €'000
Income tax (payable) / receivable	(1,752)	3,127

24. PROVISIONS

	2010 €'000	2009 €'000
Maintenance provisions		
At 1 May	1,877	2,192
Arising during the year	812	758
Utilised	(88)	(9)
Recovered	-	(525)
Released during year	(303)	(539)
At 30 April	2,298	1,877
Analysed as:		
Current liabilities	2,233	1,814
Non-current liabilities	65	63
	2,298	1,877

The maintenance provision represents the best estimate of the Group's liability under warranties given to purchasers for repair and maintenance work on houses sold based on past experience of required repairs. The warranties given to purchasers are provided at the point of legal completion and are released over the warranty period. It is anticipated that the majority of these costs will be incurred in the next financial year, or released as the liability for the warranty is discharged.

25. DEFERRED TAXATION	2010 €'000	2010 €'000	2010 €'000	2010 €'000	2009 €'000
	Pension Obligation	Accelerated Capital Allowances	Other	Total	Total
At 1 May	1,930	309	180	2,419	2,751
Translation adjustment	31	8	2	41	(310)
Transferred to income statement	131	(84)	152	199	(891)
Equity movement	(1,604)	–	–	(1,604)	869
At 30 April	488	233	334	1,055	2,419

Unrecognised Deferred Tax Asset

A potential deferred tax asset of €4,334,846 (2009: €4,613,511) has not been recognised as there is uncertainty regarding the availability of future Irish taxable profits against which the tax losses may be utilised.

26. ISSUED CAPITAL

<i>Authorised</i>			2010 €'000	2009 €'000
At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each			14,400	14,400
<i>Allotted, called up and fully paid</i>	2010 Number '000	2009 Number '000	2010 €'000	2009 €'000
At 1 May and 30 April ordinary shares of 32 cents each	24,627	24,627	7,881	7,881
<i>Capital Redemption Reserve Fund</i>			2010 €'000	2009 €'000
At 1 May and 30 April			4,502	4,502

27. RESERVES

	Share Premium account €'000	Revaluation reserve €'000	Currency translation €'000
At 1 May 2008	13,321	7,729	(12,839)
Translation adjustment arising in year	–	(592)	(9,073)
Reduction in revaluation surplus	–	(2,330)	–
At 1 May 2009	13,321	4,807	(21,912)
Translation adjustment arising in year	–	120	1,868
Reduction in revaluation surplus	–	(379)	–
At 30 April 2010	13,321	4,548	(20,044)
The revaluation reserve is in respect of:		€'000	
Land and buildings		4,281	
Investment properties		267	
		4,548	

28. RETAINED EARNINGS	2010 €'000	2009 €'000
Equity at beginning of year	142,138	187,346
Profit / (loss) retained for the financial year	12,295	(50,625)
Reduction in revaluation surplus	379	2,565
Unrealised (loss) / gain on fair value of financial assets	(473)	620
Actuarial (loss) / gain on Group defined benefit pension obligations	(5,731)	3,101
Deferred tax movement relating to actuarial (loss) / gain on Group defined benefit pension obligations	1,604	(869)
At 30 April	150,212	142,138

The balance on the available-for-sale reserve contained above at year end is €147,000 (2009: €620,000) and tax impact on this is €80,000 (2009: €182,000).

29. FINANCIAL INSTRUMENTS

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques other than quoted prices included in level 1; and

Level 3: techniques that use cost as fair value measurement due to the materiality of the investments held.

Available-for-sale financial assets (refer note 18)		2010 €'000	2009 €'000
Non-listed company shares at cost	Level 3	6	6
UK Government Sterling Bonds	Level 1	52,085	29,904

There were no transfers between Level 1 and Level 3 fair value measurements. There were no investments measured at Level 2 fair value measurement.

30. FINANCIAL RISK MANAGEMENT

The Group's principal financial assets and liabilities comprise cash, short term deposits and various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate and foreign currency risks.

Interest rate risk

The Group's exposure to the risk on interest rate changes in the market relates primarily to the Group's customers ability to raise finance to purchase development sites.

Foreign Currency Risk

As a result of significant operations in the United Kingdom and to a lesser extent the Czech Republic, the Group's balance sheet can be significantly affected by movements in the UK£/euro and CZK/euro exchange rates. The following table demonstrates the sensitivity to a reasonable possible change in the UK sterling exchange rate, with all other variables held constant, of the Groups profit / (loss) before tax and the Group's equity.

	Increase / decrease in UK sterling rate	Effect on profit / (loss) before tax €'000	Effect on equity €'000
2009	+5%	575	(3,175)
	-5%	(634)	3,509
2010	+5%	(407)	(3,385)
	-5%	450	3,741

31. CAPITAL COMMITMENTS

There are no contracted for capital commitments at the balance sheet date.

32. OPERATING LEASE COMMITMENTS

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

	2010 €'000	2009 €'000
Leases on land and buildings expiring:		
Within one year	–	39
Between two and five years	37	36
	37	75

Operating leases on plant and machinery carry no future commitments.

33. PENSIONS

The Group operates one defined benefit scheme in the United Kingdom.

The most recent annual actuarial valuation of the Abbey Group Limited Pension and Life Assurance Scheme was carried out as at 1 May 2009 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 4.25% per annum and that the rates of pension increase would be 3.00% per annum.

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

As at 1 May 2009, the total value placed on the assets of the Group's pension plan for the purposes of the valuations amounted to €21.7 million and was sufficient to cover 91% of the scheme's liabilities. The Group is making contributions into the scheme at a contribution rate of 14.50% plus €36,000 per month to eliminate the deficit over the four years from 1 May 2010. The employer expects to make contributions of €665,000 in the coming financial year.

With effect from 1 May 2006 pensionable salaries have been frozen and the scheme has contracted back into the State Earnings Related Pension Scheme. The Irish Scheme was wound up in April 2007.

The actuarial valuations are not available for public inspection.

Defined Benefit Schemes

Actuarial valuations in accordance with IAS 19 were carried out at 30 April 2010 by a qualified independent actuary. The actuarial reports are available to the pension scheme members only.

The major assumptions used by the actuary were:

	2010	2009
Pensionable salary growth	Nil % pa	Nil % pa
Pension escalation in payment	3.70 % pa	3.00 % pa
Discount rate	5.50 % pa	6.90 % pa
Inflation assumption	3.70 % pa	2.90 % pa
Post-retirement mortality (in years)		
Current pensioners at 65 - males	21.9	21.7
Current pensioners at 65 - female	24.1	24.0
Future pensioners at 65 - males	23.9	23.8
Future pensioners at 65 - female	25.3	25.3

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

Bonds	4.44%	4.24%
Cash and short term deposits	2.00%	2.00%

33. PENSIONS (CONTINUED)

Fair value of defined benefit assets are as follows:	2010	2009
As at 30 April	€'000	€'000
Bonds	21,809	20,207
Cash and short term deposits	582	842
Fair value of assets	22,391	21,049
Present value of scheme liabilities in respect active and deferred members	(20,648)	(14,156)
Defined benefit pension scheme surplus	1,743	6,893

The defined benefit scheme in the United Kingdom was closed to new entrants on 1 January 2001. As this scheme is 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 look to maximise return, based on an acceptable level of risk and therefore investment in other forms, such as the stock exchange may be potentially viable.

The amounts recognised in the Group Income Statement and in the Group Statement of Comprehensive Income are as follows:	2010	2009
	€'000	€'000

Recognised in income statement

Current service cost	(212)	(241)
Recognised in arriving at operating profit	(212)	(241)

Actual return on scheme assets	903	923
Interest cost on scheme liabilities	(974)	(1,036)
Other finance cost	(71)	(113)

Taken to the statement of changes in comprehensive income

Actual return on scheme assets less expected return on scheme assets	(232)	933
Other actuarial losses and gains	(71)	31
Changes in assumptions underlying the present value of the scheme liabilities	(5,428)	2,137
Actuarial (losses) / gains recognised in statement of changes in comprehensive income	(5,731)	3,101

Changes in the fair value of defined benefit pension obligations:

As at 1 May	14,156	17,414
Current service cost	212	241
Member contributions	62	72
Interest costs	974	1,036
Benefits paid	(779)	(406)
Exchange translation	524	(2,033)
Actuarial loss / (gains)	5,499	(2,168)
As at 30 April	20,648	14,156

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<i>Assumption</i>	<i>Change in assumption</i>	<i>Impact on scheme liabilities</i>
Discount rate	Decrease by 0.5%	Increase by 9.8%
Rate of inflation	Increase by 0.5%	Increase by 4.7%
Rate of mortality	Increase by 1 year	Increase by 2.5%

33. PENSIONS (CONTINUED)

	2010	2009
	€'000	€'000
Changes in the fair value of defined benefit scheme assets		
As at 1 May	21,049	21,402
Expected return on scheme assets	903	923
Employer contributions	751	836
Member contributions	62	72
Benefits paid	(779)	(406)
Exchange translation	637	(2,711)
Actuarial (loss) / gains	(232)	933
As at 30 April	22,391	21,049

Amounts for the current and previous periods

	2010	2009	2008	2007	2006
	€'000	€'000	€'000	€'000	€'000
Fair value of scheme assets	22,391	21,049	21,402	23,142	22,403
Present value of defined benefit obligation	(20,648)	(14,156)	(17,414)	(20,709)	(19,791)
Surplus in scheme	1,743	6,893	3,988	2,433	2,612
Experience adjustments arising on scheme liabilities	(71)	31	(305)	(393)	799
Experience adjustments arising on scheme assets	(232)	933	48	(728)	(501)

34. RELATED PARTY TRANSACTIONS

During the year the Group entered into transactions, in the ordinary course of business, with other related parties. These transactions were inter segment as described in note 7 and investment in a joint venture as described in note 17.

There were no related party transactions with Directors, other than in the normal course of business.

35. SUBSEQUENT EVENTS

There have been no subsequent events since the balance sheet date other than in the normal course of business.

Company Balance Sheet

At 30 April 2010

	Note	2010 €'000	2009 €'000
FIXED ASSETS			
Tangible assets	C3	1,541	1,566
Financial assets	C4	23,530	23,530
		25,071	25,096
CURRENT ASSETS			
Debtors	C5	303	439
Financial assets	C4	33,309	20,889
Cash at bank and in hand		6,732	510
		40,344	21,838
CREDITORS (amounts falling due within one year)			
Trade and other creditors	C6	(13,759)	(20,365)
NET CURRENT ASSETS		26,585	1,473
TOTAL ASSETS LESS CURRENT LIABILITIES		51,656	26,569
SHAREHOLDERS' FUNDS			
Called up share capital	C7	7,881	7,881
Share premium account	C8	13,321	13,321
Other reserves			
- Capital redemption reserve fund	C7	4,502	4,502
- Currency translation	C8	(383)	(383)
Profit and loss account	C9	26,335	1,248
		51,656	26,569

Approved by the Board on 14 July 2010

C.H. GALLAGHER, Chairman

L.G. FRAQUELLI, Director

C1. ACCOUNTING POLICIES*Basis of preparation*

The financial statements which have been prepared under the historical cost convention modified to include the revaluation of investment properties and are prepared in accordance with applicable standards and are stated in Euro. A summary of the more important Company accounting policies is set out below.

The parent company has availed of the exemptions in Section 148(8) of the Companies Act, 1963 from laying its individual profit and loss account before the annual general meeting and the exemption in Section 7(1A) of the Companies (Amendment) Act, 1986 from filing its individual profit and loss account with the Registrar of Companies.

The principal activity of the Company is to act as a holding company.

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its consolidated financial statements, which include the Company are publicly available.

(a) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling on the balance sheet date. Exchange gains or losses are dealt with in the profit and loss account. Investments in subsidiary undertaking, including unsecured loan stock denominated in foreign currencies, are translated and recorded at the rate of exchange ruling at the date of the transaction.

(b) Investment in subsidiary undertakings

Investment in subsidiary undertakings are included in the financial statements at the lower of original cost and the directors' estimate of the value to the company of the investment.

(c) Fixed assets

Properties occupied by the company are classified as trading properties and are revalued triennially by external valuers on an open market value basis. The directors review the valuations of all properties annually. Revaluation gains, if material, are incorporated in the financial statements and are charged to the property revaluation reserve accordingly. 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.

(d) Depreciation

Depreciation is provided on all property, other than land, on a straight line basis over the expected useful life as follows: Buildings – 50 years.

(e) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as such. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

(f) Fair values

The fair value of financial asset investments is determined by reference to bid prices at the close of business on the balance sheet date.

(g) Impairment of financial assets

The company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

C2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is arrived at after charging:

	2010 €'000	2009 €'000
Directors' remuneration	178	165
Depreciation	25	–
Auditors' remuneration	20	20
– audit fees		
– taxation services	3	3
	<hr/>	<hr/>

C3. TANGIBLE ASSETS

Freehold land and buildings

	2010 €'000	2009 €'000
<i>Cost or valuation</i>		
At 1 May	1,566	2,054
Revaluation	–	(488)
At 30 April	<hr/>	<hr/>
	1,566	1,566
<i>Depreciation</i>		
At 1 May	–	–
Provided during the year	25	–
At 30 April	<hr/>	<hr/>
	25	–
<i>Net book value</i>		
At 30 April	<hr/>	<hr/>
	1,541	1,566

C4. FINANCIAL FIXED ASSETS

2010	2009
€'000	€'000

Shares in unlisted subsidiary undertakings at cost

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

<i>Incorporated in the Republic of Ireland</i>	<i>Nature of business</i>	<i>Registered office</i>
Clarsand	Investment holding company	9 Abbey House Main Street Clonee, Co Meath
Abbey Holdings Limited	as above	as above
Dwale Limited	Non-trading	as above
Kingscroft Developments Limited	Residential housing and land development	as above
<i>Incorporated in the United Kingdom</i>	<i>Nature of business</i>	<i>Registered office</i>
Abbey Group Limited	Investment holding company	Abbey House 2 Southgate Road Potters Bar Hertfordshire EN6 5DU England
Abbey Developments Limited	Residential housing and land development	as above
Abbey Investments Limited	Property investment	as above
M & J Engineers Limited	Plant hire	Cashel House Cadwell Lane Hitchin Hertfordshire SG4 0SQ England
<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	Terronska 7 160 00 Prague 6 Czech Republic

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

2010	2009
€'000	€'000

UK Government Sterling Bonds

33,309	20,889
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These relate to UK Treasury Bonds available-for-sale.

C5. DEBTORS	2010	2009
	€'000	€'000
<i>Amounts falling due within one year</i>		
Amounts owed by subsidiary undertakings	-	152
Prepayments and accrued income	303	287
	303	439

C6. TRADE AND OTHER CREDITORS	2010	2009
	€'000	€'000
<i>Amounts falling due within one year</i>		
Amounts owed to subsidiary undertakings	13,001	19,480
Corporation tax	248	410
Other creditors	328	304
Accruals and deferred income	182	171
	13,759	20,365

C7. ISSUED CAPITAL

The authorised allotted, called up and fully paid capital is shown in note 26 of the Group Report and Accounts.

The capital redemption reserve fund is shown in note 26 of the Group Report and Accounts.

C8. RESERVES

	Share Premium account €'000	Currency translation €'000
At 1 May 2009 and 30 April 2010	13,321	(383)

C9. PROFIT AND LOSS ACCOUNT

	2010	2009
	€'000	€'000
Profit brought forward at beginning of year	1,248	533
Profit retained for the financial year	25,454	64
Unrealised (loss) / gain on fair value of financial assets	(367)	651
At 30 April	26,335	1,248

C10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 14 July 2010.

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Abbey plc will be held in The Conrad Dublin, Earlsfort Terrace, Dublin 2, at 10.30 a.m. on Friday, 1st October, 2010 for the purpose of considering and, if thought fit, passing the following resolutions:

Ordinary Business

- To consider the Company's Accounts and the Reports of the Directors and the Auditors for the year ended 30th April 2010.
- To confirm and declare a dividend on the ordinary shares for the year ended 30th April 2010.
- To re-elect as a Director Mr. David A. Gallagher (Member of Audit Committee and Remuneration Committee) who retires at the Meeting under Article 98 of the Company's Articles of Association.
- To elect as Director Mr Lorenzo G. Fraquelli who retires at the Meeting under Article 87 of the Company's Articles of Association.
- To authorise the Directors to fix the remuneration of the Auditors.

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 €6,519,362.56. The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company (to be held in 2011) unless previously renewed, varied or revoked by the Company in general meeting save that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired 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 the Directors be empowered pursuant to Section 24 of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of Section 23 and Section 24(1) of the Companies (Amendment) Act, 1983) for cash pursuant to the authority conferred on the Directors under Section 20 of the Companies Amendment Act 1983 by the resolution above as if sub-Section (1) of the said Section 23 did not apply to any such allotment provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue in favour of shareholders where in so far as is reasonably practicable the equity securities allotted to each shareholder is proportionate to the respective numbers of shares held by them, and
- (b) the allotment (otherwise than pursuant to subparagraph (a) of this resolution) of equity securities up to an aggregate nominal value of €394,031.

The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company (to be held in 2011) unless previously renewed, varied or revoked by the Company in general meeting save that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired."

By order of the Board
27th August 2010
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 on his/her behalf.
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. There will be available for inspection by members at 25/28 North Wall Quay, Dublin 1, during usual business hours from the date of this notice and at The Conrad Dublin, Earlsfort Terrace, Dublin 2, for fifteen minutes prior to and until the conclusion of the Annual General Meeting, copies of contracts of service of Directors with the Company, or any of its subsidiaries
5. 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.
6. There have been no changes to the Directors and Secretary Interests in the shares of Abbey plc as disclosed in the Directors' report dated 14th July 2010 at the date of this Notice of Meeting 27th August 2010.

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