

A horizontal decorative band with a repeating geometric pattern of interlocking triangles and lines, rendered in a light green color.

2011 ANNUAL REPORT

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Separate Insert

Form of Proxy

**The Company's 74th Annual General Meeting will be held
on Friday, 7th October, 2011
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)	
	2011	2010	2011	2010
Revenue	66,624	97,165	56,850	85,855
Profit before taxation	11,510	15,162	9,821	13,397
Profit attributable to equity shareholders of the parent	8,250	12,295	7,040	10,864
Earnings per share	34.11c	49.92c	29.11p	44.11p
Dividends paid per share	8c	–	6.83p	–
Assets per share	686c	651c	611p	565p
Gearing	Nil	Nil	Nil	Nil

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

2010 €100c: Stg 88.36p

2011 €100c: Stg 85.33p

The rates used for conversion of Balance Sheet items are the rates at 30 April 2010 and 30 April 2011:

2010 €100c: Stg 86.84p

2011 €100c: Stg 89.04p

The year ended 30th April 2011 was a further year of consolidation as the Group comes to terms with the new environment established after the financial crisis of 2008.

The Group reports a profit for the year of €11.5 million before taxation against a profit of €15.2 million in the previous year. The result includes an impairment charge of €1.9 million against property land and work in progress arising mainly from the continuing difficult Irish market. Shareholders' funds of €157.7 million represent €6.86 per share and include retained cash balances (including restricted cash) of €26.4 million. Earnings for the year were 34.11 cents and the Board is recommending a dividend of 5 cents per share for approval at the Annual General meeting in October.

HOUSEBUILDING

The Group's housebuilding division completed 303 sales (UK 224, Ireland 58, CZK 21) at an average price of €180,000 and generated an operating profit of €9.3 million.

United Kingdom: Trading in the UK was dull over the period with volumes in particular continuing to run at depressed levels. Margins were supported by some keen prices for building work achieved over the past year. Market conditions continue to soften and there is no indication of any early improvement. The fall in disposable incomes being widely experienced together with the highly restrictive mortgage market is a significant constraint on

house sales. At the year end the Company owned land with the benefit of planning permission for 786 plots. Terms have been agreed for further acquisitions and we will be seeking to increase our UK land stock this year.

Ireland: In Ireland conditions remain very difficult and our main focus continues to be clearing inventory. Prices are continuing to fall. The lack of ready access to mortgages remains the most significant barrier to a market recovery. Any significant improvement in credit conditions would likely lead to a healthy rebound in the housing market with wide benefit for the economy as a whole. The company is constantly seeking fresh development opportunities, however, viable projects are notably thin on the ground.

Czech Republic: In Prague we completed 21 sales and are able to report a second year of operating profit. Sales are still very slow in the city. The Prague market is set to be impaired by a proposed sharp increase to 14% (from 10%) in the level of VAT levied on any new house sales from 1st January 2012 and a further planned increase to 17.5% in January 2013. No additions were made to our Czech land bank during the year.

Overall economic conditions remain tough for housebuilding in all our markets, however, we are now budgeting increasing turnover in this division as our restocking in England takes shape.

At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 1,879 plots.

PLANT HIRE

The plant hire division reported operating profits of €284,000 on a turnover of €11.8 million. In addition a gain of €410,000 arising from a property disposal was recognised during the year. Overall this was a good improvement from last year. Trading conditions remain difficult with debt collection a particular focus and concern. Turnover, however, is improving on a year on year basis and we are cautiously hopeful of further progress in the months ahead.

RENTAL INCOME

Rental income during the year was €449,000.

FINANCIAL ASSETS

At the year end financial assets of €52.6 million were held in UK government bonds.

SHARE BUYBACK

Further to the authority granted at the Extraordinary General Meeting on 17th November 2010, the Company has purchased, under the resolution granted, 1,649,500 ordinary shares at a total cost of €8,515,000.

DIRECTORS, MANAGEMENT AND STAFF

There were no changes to the Board of Directors and senior management during the course of the year.

John Hogan will retire at the Annual General Meeting. John Hogan has served as a Director since 2001 and has been an advisor to the Group with only a short break since our flotation in 1973. His wise counsel over four decades has been greatly appreciated by all his colleagues and has been of real value to the Group. In these volatile times it has been a great support to have the benefit of John's long experience of successive cycles in our industry. On a personal level John has always been a source of constant encouragement. I and my colleagues wish John and Bernadette every happiness in the future.

The progress of the Group is a result of the combined effort 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 more hard won progress. The restocking of our UK land bank, now underway, will be the key to our results in the foreseeable future. Increasing turnover will not necessarily be accompanied by increasing profits – at least in the short term as margins may be undermined by cost inflation and the fierce competition for immediately developable building land. However, in the absence of further bad news in the general economy a gradual steady return to normal trading in England is clearly in prospect.

ANNUAL GENERAL MEETING

I look forward to seeing you all at our Annual General Meeting on 7th October 2011 and wish to bring to your attention all other special business in the notice of that meeting.

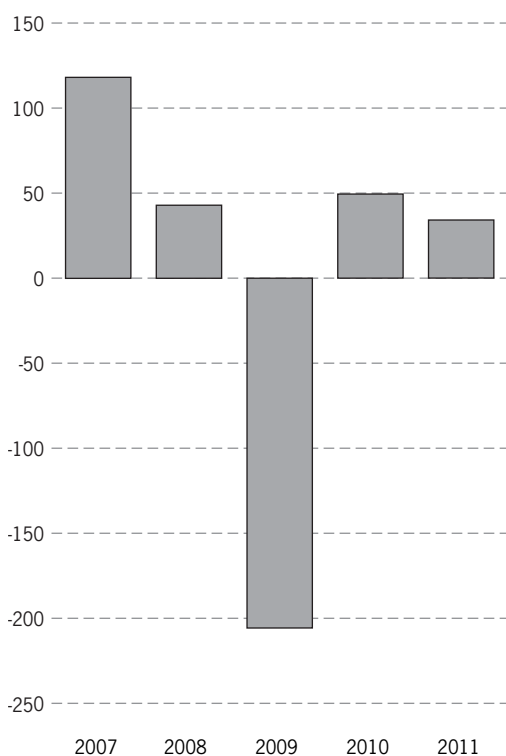


Charles H. Gallagher, Executive Chairman

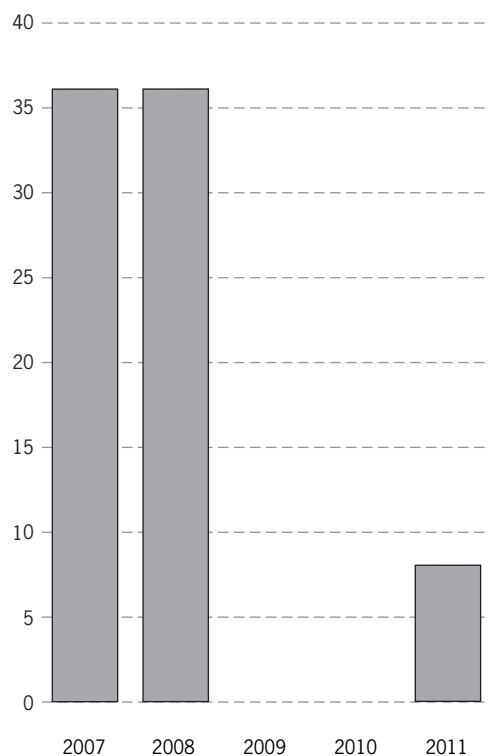
Five Year Financial Summary

	2011 €'000	2010 €'000	2009 €'000	2008 €'000	2007 €'000
Revenue	66,624	97,165	99,852	180,334	192,201
Operating profit / (loss)	9,364	12,832	(55,740)	15,076	43,675
Net interest receivable	2,312	2,406	1,465	1,818	1,609
Other finance charges	(166)	(76)	(119)	(100)	(12)
Profit / (loss) before taxation	11,510	15,162	(54,394)	16,794	45,272
Income tax (expense) / credit	(3,260)	(2,867)	3,769	(4,713)	(10,883)
Profit / (loss) attributable to equity shareholders of the parent	8,250	12,295	(50,625)	12,081	34,389
Earnings / (losses) per share basic and diluted	34.11c	49.92c	(205.57)c	42.93c	118.13c
Dividends paid per share	8.00c	–	–	36.00c	36.00c
Shareholders' funds	157,690	160,420	150,737	207,940	245,053

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

14th July 2011

ANNUAL REPORT

26th August 2011

ANNUAL GENERAL MEETING

7th October 2011

INTERIM STATEMENT

December 2011

Board of Directors

CHARLES H. GALLAGHER (51) 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 (66) (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 (58) (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 (52) (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 (50) 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 (68) (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.

JOHN F. HOGAN • Δ (71) 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, 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 2011 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 €8,250,000 (2010: €12,295,000). Dividends of 8.00 cents per share, absorbing €1,926,000 of profit have been paid during the year, leaving retained profit of €6,324,000 which has been transferred to reserves. After the share repurchase of €8,515,000 and other movements as detailed in the "Group Statement of Comprehensive Income" and "Group Statement of Changes in Equity" the net assets of the Group have reduced from €160,420,000 to €157,690,000.

The directors are recommending a dividend of 5.00 cents per share to be considered for approval at the Annual General Meeting in October 2011.

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 303 sales (UK 224; Ireland 58, CZK 21) with turnover of €54.4 million generating an operating profit of €9.3 million. The comparative figures for the previous year were 535 sales (UK 395; Ireland 112, CZK 28) with turnover of €86.6 million generating an operating profit of €12.9 million

The result has been impacted by an impairment charge of €815,000 (2010: Nil) against inventories arising from the continued difficult Irish market.

Trading in UK housing was dull over the period with volumes in particular continuing to run at depressed levels. In Prague we completed 21 sales and are able to report a second year of operating profit. In Ireland conditions remain very difficult.

At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 1,879 plots.

Our plant hire division reported operating profit of €284,000 (2010: losses €780,000) on turnover of €11.8 million (2010: €10.1 million). In addition a gain of €410,000 from further proceeds from the disposal of an M&J property was recognised. Overall this was a good improvement from last year.

Rental Income during the year was €449,000 (2010: €474,000).

During the financial year our properties suffered an impairment of €1,084,000 (2010: Nil).

At the year end total equity stood at €157.7 million (2010: €160.4 million), whilst net cash balances and restricted cash stood at €26.4 million (2010: €56.3 million). Further financial assets of €52.6 million were held in UK government bonds (2010: €52.1 million).

FUTURE DEVELOPMENTS

The UK housing market conditions continue to soften and there is no indication of any early improvement. The fall in disposable incomes being widely experienced, together with the highly restrictive mortgage market, is a significant constraint on house sales. In Ireland our focus continues to be clearing inventory. The Prague sales market is still very slow in the city.

Plant hire trading conditions remain difficult with debt collection a particular focus and concern. Turnover, however, is improving on a year on year basis and we are cautiously hopeful of further progress in the months ahead.

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 on the Group will impact.

SUBSTANTIAL SHAREHOLDERS

Having received the required notifications, the following held more than 3% of the issued ordinary shares at 13 July 2011:

	Number of shares	% of issued share capital
Gallagher Holdings Limited	10,166,544	44.24%
FMR LLC	3,400,000	14.79%
I.G. Investment Management Ltd	934,965	4.06%
Polar Capital European Forager Fund Ltd	930,000	4.04%

DIRECTORS

Mr. John F. Hogan retires in accordance with Article 98 of the Company's Articles of Association.

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 2011, were as follows:

	Number of Shares 2011	Number of Shares 2010
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 2011 and 13 July 2011. 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, 1969.

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, 13 July 2011

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 and Mr Fraquelli have a notice period of one year. Mr Hawkins' contract comes to an end on 31 October 2011.

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	2011 Total €'000	2010 Total €'000
C H Gallagher	662	22	684	660
B R Hawkins	53	–	53	192
R N Kennedy	178	67	245	229
L G Fraquelli ⁽²⁾	222	19	241	120
Totals	1,115	108	1,223	1,201

Non-Executive Directors	Salary and Fees €'000	(1) Benefits In Kind €'000	2011 Total €'000	2010 Total €'000
D A Gallagher	47	–	47	45
J R Humber	47	–	47	45
J F Hogan	60	–	60	60
Totals	154	–	154	150

(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.

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 B R Hawkins is a pensioner member of the defined benefit pension scheme. There is one (2010: one) director to whom retirement benefits are accruing under a defined benefit scheme at 30 April 2011. One director had contributions to a defined contribution scheme during the year (2010: 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	–	–	–	–	131	–
R N Kennedy	14	2	44	29	–	–
L G Fraquelli	–	–	–	–	–	19
30 April 2011		2	44	29	131	19
30 April 2010		2	48	27	127	14

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 pages 9 to 11. The financial position of the Group, its cash flows and liquidity position are detailed 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 2011 which comprise the Group Income Statement, 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, the Directors' Report and the Corporate Governance Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with 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 2011 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 2011 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
13 July 2011

Group Income Statement

Year Ended 30 April 2011

	Note	2011 €'000	2010 €'000
Revenue	7	66,624	97,165
Cost of sales			
- operating		(49,511)	(79,050)
- impairment charge on inventories	8	(815)	–
Gross profit		16,298	18,115
Administrative expenses		(6,260)	(5,556)
Gain on property disposal	8	410	273
Net loss from fair value adjustments in investment properties	8	(206)	–
Revaluation decreases in land and buildings	8	(878)	–
Operating profit		9,364	12,832
Finance income	9	2,312	2,406
Finance costs	9	(166)	(76)
Profit before taxation	10	11,510	15,162
Income tax expense	12	(3,260)	(2,867)
Profit attributable to equity shareholders of the parent	28	8,250	12,295
Earnings per share - basic	14	34.11c	49.92c
Earnings per share - diluted	14	34.11c	49.92c

Approved by the Board on 13 July 2011
 C.H. GALLAGHER, Chairman
 L.G. FRAQUELLI, Director

Group Statement of Comprehensive Income

Year Ended 30 April 2011

Profit for the year	8,250	12,295
Foreign currency translation	(2,125)	1,988
Unrealised gain / (loss) on fair value of available-for-sale financial assets	1,882	(473)
Tax movement relating to unrealised gain / (loss) on fair value of available-for-sale financial assets	(454)	–
Revaluation reserve decrease - land and buildings	(547)	–
Actuarial gain / (loss) on Group defined benefit pension obligations	953	(5,731)
Deferred tax movement relating to actuarial gain / (loss) on Group defined benefit pension obligations	(248)	1,604
Other comprehensive loss for the year, net of tax	(539)	(2,612)
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the parent	7,711	9,683

Group Statement of Changes in Equity

Year Ended 30 April 2011

	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 2010	7,881	13,321	4,548	4,502	(20,044)	150,212	160,420
Profit for the year	-	-	-	-	-	8,250	8,250
Other comprehensive (loss)/ income, net of tax	-	-	(639)	-	(2,033)	2,133	(539)
Total comprehensive (loss) / income, net of tax, attributable to equity shareholders of the parent	-	-	(639)	-	(2,033)	10,383	7,711
Equity dividends paid	-	-	-	-	-	(1,926)	(1,926)
Purchase of own shares	(528)	-	-	528	-	(8,515)	(8,515)
Movement in revaluation surplus	-	-	(191)	-	-	191	-
At 30 April 2011	7,353	13,321	3,718	5,030	(22,077)	150,345	157,690

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

ASSETS	Note	2011 €'000	2010 €'000
Non-current assets			
Property, plant and equipment	15	20,052	20,795
Investment property	16	2,209	2,128
Investment in joint venture	17	–	2,512
Investments	18	6	6
Defined benefit pension scheme surplus	33	2,957	1,743
		25,224	27,184
Current assets			
Trade and other receivables	19	6,297	6,492
Inventories	20	83,128	64,162
Financial investments	18	52,592	52,085
Restricted cash	21	1,544	4,444
Cash and cash equivalents	21	24,808	51,828
		168,369	179,011
TOTAL ASSETS		193,593	206,195
LIABILITIES			
Current liabilities			
Trade and other payables	22	(30,748)	(40,670)
Income tax payable	23	(1,947)	(1,752)
Provisions	24	(2,103)	(2,233)
		(34,798)	(44,655)
NET CURRENT ASSETS		133,571	134,356
Non-current liabilities			
Deterred taxation	25	(1,041)	(1,055)
Provisions	24	(64)	(65)
		(1,105)	(1,120)
TOTAL LIABILITIES		(35,903)	(45,775)
NET ASSETS		157,690	160,420
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	26	7,353	7,881
Share premium	27	13,321	13,321
Revaluation reserve	27	3,718	4,548
Other reserves			
– Capital redemption reserve fund	26	5,030	4,502
– Currency translation	27	(22,077)	(20,044)
Retained earnings	28	150,345	150,212
TOTAL EQUITY		157,690	160,420
TOTAL EQUITY AND LIABILITIES		193,593	206,195

Approved by the Board on 13 July 2011
C.H. GALLAGHER, Chairman
L.G. FRAQUELLI, Director

Group Cash Flow Statement

Year Ended 30 April 2011

Cash flows from operating activities	Note	2011 €'000	2010 €'000
Profit before tax		11,510	15,162
Adjustment to reconcile profit before tax to net cash flows			
Non cash:			
Depreciation	15	4,415	4,339
Other non cash items		1,688	(1,085)
Movement in pension benefit asset		(360)	(468)
Impairment charge on inventories	8	815	–
Net loss from fair value adjustment in investment properties	8	206	–
Revaluation decrease in land and buildings	8	878	–
Profit on disposal of property, plant and equipment		(647)	(645)
Profit on disposal of financial asset		(2)	(237)
Finance income		(2,336)	(1,879)
Finance costs	9	166	76
Working capital adjustments:			
(Increase) / decrease in inventories		(21,423)	12,572
Decrease / (increase) in trade and other receivables		3,352	(801)
(Decrease) / increase in trade and other payables		(11,500)	1,618
Income taxes paid		(3,703)	2,228
Net cash (outflow) / inflow from operating activities		(16,941)	30,880
Cash flows from investing activities			
Purchase of property, plant and equipment		(6,246)	(1,721)
Sale of property, plant and equipment		1,334	2,217
Investment in financial assets		(4,864)	(31,547)
Disposal of financial assets		4,866	10,102
Disposal of investment in Joint Venture		200	–
Finance income		2,336	1,879
Net cash outflow from investing activities		(2,374)	(19,070)
Cash flows from financing activities			
Cost of share buy-backs		(8,515)	–
Equity dividends paid		(1,926)	–
Movement in restricted cash	21	2,900	1,861
Finance costs	9	(166)	(76)
Net cash (outflow) / inflow from financing activities		(7,707)	1,785
Net (decrease) / increase in cash and cash equivalents		(27 022)	13,595
Cash and cash equivalents at start of year	21	51,828	37,529
Net foreign exchange differences		2	704
Cash and cash equivalents at end of year	21	24,808	51,828

1. AUTHORISATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of Abbey plc for the year ended 30 April 2011 were authorised for issue in accordance with a resolution of directors on 13 July 2011. 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 IFRS Interpretations Committee 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.

- IFRS 2 Group Cash-settled Share-Based Payment Arrangements
- IAS 32 Financial Instruments Presentation - Classification of Rights Issues (Amendment)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- IFRS 5 Non-Current Assets Held for Sales and Discontinued Operations
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows
- IAS 17 Leases
- IAS 36 Impairment of Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements

The principal effects of these changes are as follows:

IFRS 8 Operating Segments

This improvement notes that segment assets and liabilities need only be reported when those assets and liabilities are included in measures used by the chief operating decision maker. This improvement has no impact on this disclosure of information.

IAS 1 Presentation of Financial Statements

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

IAS 7 Statement of Cash Flows

This improvement states that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities. This improvement has no impact on this disclosure of information.

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, as they apply to the financial statements of the Group for the year ended 30 April 2011.

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 2011.

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 2011.

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. Revenue is recognised on a straight line basis over the period of the hire.

Property rental

Revenue is recognised on a straight line basis over the period of the lease term, 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.

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 enforcement 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 and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from 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 recognised in the income statement unless the asset is carried at the revalued amount in which case the reversal is treated as a revaluation decrease. 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 properties

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 within retained earnings until the investment is either determined to be impaired or derecognised, 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 income 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 the IFRS Interpretations Committee 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 1 First-time Adoption of International Financial Reporting Standards (Amendment) - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
IFRS 7 Financial Instruments: Disclosures (Amendment)	1 July 2011
IAS 24 Related Party Disclosures (Revised)	1 January 2011
IAS 12 Income Taxes (Amendment) - Deferred Taxes: Recovery of Underlying Assets	1 January 2012
IAS 1 Presentation of Financial Statements	1 July 2012
IFRS 9 Financial Instruments - Classification and Measurement	1 January 2013
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurements	1 January 2013
IFRS 19 Employee Benefits	1 January 2013
IFRS Interpretations Committee (Interpretations Committee)	
IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendments)	1 January 2011

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 early adopt 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 2011	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Income Statement Information							
Revenue	10,274	39,058	5,059	11,784	449	–	66,624
Cost of Sales							
- operating	(7,950)	(27,712)	(3,913)	(9,936)	–	–	(49,511)
- impairment charge on inventories	(815)	–	–	–	–	–	(815)
Administrative expenses	(1,234)	(2,826)	(636)	(1,564)	–	–	(6,260)
Gain on property disposal	–	–	–	410	–	–	410
Net loss from fair value adjustments	–	–	–	–	(206)	–	(206)
Revaluation decreases	(813)	–	–	(65)	–	–	(878)
Operating (loss) / profit	(538)	8,520	510	629	243	–	9,364
Finance income net	817	1,158	100	71	–	–	2,146
Income tax expense	(236)	(2,373)	(454)	(197)	–	–	(3,260)
Profit after taxation	43	7,305	156	503	243	–	8,250

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	
	€'000	€'000	€'000	€'000	€'000	€'000
30 April 2011						
Balance Sheet Information						
Segment Assets	11,585	63,311	18,006	20,741	1,000	114,643
Segment Liabilities	(6,979)	(23,791)	(1,713)	(3,420)	—	(35,903)
Segment Net Assets	4,606	39,520	16,293	17,321	1,000	78,740
Investments	—	6	—	—	—	6
Financial investments	9,828	42,764	—	—	—	52,592
Cash and cash equivalents	11,644	11,416	2,776	248	—	26,352
TOTAL NET ASSETS	26,078	93,706	19,069	17,569	1,000	157,690
Other Segmental Information						
Depreciation	91	107	—	4,217	—	4,415
Profit on disposal of fixed assets	(55)	(1)	—	(591)	—	(647)
Capital expenditure	48	138	—	5,946	—	6,132
30 April 2010						
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 net	733	1,347	192	58	—	2,330
Income tax expense	(188)	(2,679)	—	—	—	(2,867)
Profit / (loss) after taxation	4,922	6,610	738	(449)	474	12,295
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
	9,467	11,999	12,691	16,654	1,246	52,057
Investments	—	6	—	—	—	6
Financial investments	18,776	33,309	—	—	—	52,085
Cash and cash equivalents	20,632	28,944	6,452	197	—	56,272
TOTAL NET ASSETS	48,875	74,258	19,143	16,851	1,246	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

8. EXCEPTIONAL ITEMS

	2011	2010
	€'000	€'000
Cost of sales		
The cost of sales charge for the year is arrived at after charging:		
Write down of inventories to net realisable value	815	–

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 amount of €815,000 (2010 Nil). 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	410	273
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During the year an additional gain resulted from the disposal of a property in the previous year following the result of an appeal against the compulsory purchase order value of the property.

Net loss from fair value adjustments in investment properties	206	–
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At the year end, a review of the fair value of investment properties was undertaken and this resulted in a net loss recorded in the income statement.

Revaluation decreases in land and buildings	878	–
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At the year end, a review of the fair value of and buildings was undertaken and this resulted in a revaluation decrease to the income statement.

	2011	2010
	€'000	€'000
9. FINANCE INCOME		
Bank interest receivable	199	278
Government bond interest receivable	2,111	1,744
Other interest receivable	–	147
Realised gains on available-for-sale financial assets	2	237
	2,312	2,406
FINANCE COSTS		
Interest payable on bank overdraft	–	(6)
Other finance on defined benefit pension scheme (note 33)	(166)	(71)
	(166)	(76)

	2011	2010
	€'000	€'000

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

Profit on disposal of tangible fixed assets	(647)	(645)
Write down of inventories to net realisable value	815	–
Net loss from fair value adjustments in investment properties	206	–
Revaluation decreases in land and buildings	878	–
Foreign currency losses / (gains)	260	(1,903)
Operating lease rentals:		
Rent of building	89	71
Hire of plant and machinery	309	283
Depreciation	4,415	4,339
Amortisation of Government bonds	87	89
Auditors' remuneration:		
- statutory audit of the Group and subsidiaries	105	110
- taxation services	19	42

11. EMPLOYMENT

The average number of persons employed by the Group, including executive directors, in the financial year was 170 (2010: 179) and is analysed by class of business as follows:

	2011	2010
	Number	Number
<i>Building and property development</i>		
Ireland	13	19
United Kingdom	44	48
<i>Plant hire and rental</i>		
United Kingdom	113	112
	170	179

Employment costs comprise:

	2011	2010
	€'000	€'000
Wages and salaries	6,801	7,428
Social welfare costs	758	797
Other pension costs	526	478
	8,085	8,703

Included in other pension costs are €263,000 (2010: €212,000) in respect of defined benefit schemes and €262,000 (2010: €266,000) in respect of defined contribution schemes. Details of the Directors' emoluments are set out in the Remuneration Report on page 12.

12. TAXATION

	2011	2010
	€'000	€'000
<i>(a) Tax charged to the income statement:</i>		
Irish Corporation Tax at 12.5%		
Current	238	174
United Kingdom Corporation Tax at 27.84% (2010: 28.00%)		
Current	2,894	2,494
Czech Republic Corporation Tax at 20.00% (2010: 20.00%)		
Current	217	–
Amounts underprovided in previous years	239	–
Total current corporation tax	3,588	2,668
Deferred tax: originating and reversal of temporary differences	(328)	199
Tax charge to the income statement	3,260	2,867
Tax relating to items charged or credited to equity		
Deferred tax on defined benefit pension scheme obligations	(248)	1,604

Factors affecting current tax charge

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

	2011	2010
	(% of profit before taxation)	(% of profit before taxation)
Irish corporation tax rate	12.5	12.5
Higher tax rates on UK profits and passive income	13.3	10.8
Tax losses utilised	–	(3.6)
Prior years adjustment	1.7	–
Other	0.8	(0.8)
	28.3	18.9

The effective tax rate is dependent on taxable profits made in the related jurisdiction the Group operates. The Chancellor announced in the Budget on 23 March 2011 that the standard rate of UK Corporation tax would be reduced from 28% to 26% from 1 April 2011. This reduction was substantively enacted on 29 March 2011 and therefore has been reflected in the deferred tax and corporation tax calculations. Future reductions are planned to take the rate down by 1% per annum to 23% from 1 April 2014. 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".

12. TAXATION (CONTINUED)

(b) Tax relating to items charged or credited to other comprehensive income

The tax expense in the statement of other comprehensive income of €454,000 which relates to a current tax charge of €360,000 and a deferred tax charge of €94,000 in respect of the unrealised gains on fair value available-for-sale financial assets.

13. DIVIDENDS

	2011	2010
	€'000	€'000
On Ordinary Equity Shares		
Paid ordinary		
Dividend of 5 cents per issued ordinary share (2010: Nil cents per share)	1,231	–
Paid ordinary		
Dividend of 3 cents per issued ordinary share (2010: Nil cents per share)	695	–
	<hr/> 1,926	<hr/> –
Ordinary dividends proposed (memorandum disclosure)		
Proposed 5.00 cents per share (2010: 5.00 cents per share)	1,149	1,231
	<hr/> 1,149	<hr/> 1,231

14. EARNINGS PER SHARE: Basic and Diluted

Earnings per share has been calculated by reference to the weighted average number of shares in issue of 24,187,385 (2010: 24,626,992) and to the profit on ordinary activities after taxation amounting to €8,250,000 (2010: €12,295,000).

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 2009	744	10,395	28,833	3,188	43,160
Translation adjustment	9	201	806	79	1,095
Additions	–	–	2,957	203	3,160
Disposals	(753)	–	(4,215)	(556)	(5,524)
	<hr/> –	<hr/> 10,596	<hr/> 28,381	<hr/> 2,914	<hr/> 41,891
At 30 April 2010	–	10,596	28,381	2,914	41,891
Translation adjustment	–	(174)	(753)	(68)	(995)
Additions	–	–	5,547	585	6,132
Disposals	–	–	(4,061)	(606)	(4,667)
Revaluations	–	(1,298)	–	–	(1,298)
	<hr/> –	<hr/> 9,124	<hr/> 29,114	<hr/> 2,825	<hr/> 41,063
At 30 April 2011	–	9,124	29,114	2,825	41,063

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings for sale €'000	Land and buildings €'000	Plant and machinery €'000	Transport €'000	Total €'000
Accumulated depreciation					
At 1 May 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
Translation adjustment	–	(10)	(468)	(42)	(520)
Charge for year	–	122	3,930	363	4,415
Disposals	–	–	(3,451)	(529)	(3,980)
At 30 April 2011	–	572	18,529	1,910	21,011
Net book amounts					
At 30 April 2011	–	8,552	10,585	915	20,052
At 30 April 2010	–	10,136	9,863	796	20,795

Plant and machinery includes assets held for hire with a cost of €27,569,000 (2010: €26,584,000) and accumulated depreciation of €17,221,000 (2010: €16,952,000).

	2011 €'000	2010 €'000
Land and building comprises:		
Freehold property	8,157	9,675
Long leasehold property	395	461
	8,552	10,136
The historical cost of land and buildings amounts to:		
Land and buildings	6,565	6,701

Land and buildings situated in Ireland were independently valued by Allen & Townsend, Chartered Surveyors on an open market basis at 30 April 2011. Land and buildings situated in the United Kingdom were independently valued by Glenny, Chartered Surveyors on an open market basis at 30 April 2011.

16. INVESTMENT PROPERTY

	2011 €'000	2010 €'000
Fair value		
At 1 May	2,128	2,101
Translation adjustment	(37)	27
Transfer from work in progress	452	–
Fair value adjustment	(334)	–
	2,209	2,128

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 at 30 April 2011. Investment properties situated in the United Kingdom were independently valued by Glenny, Chartered Surveyors on an open market basis at 30 April 2011.

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 2011. Pontederia had no active trading activities during 2011 or the prior year. The company assets were distributed to the shareholders and the company liquidation commenced during the year.

The share of the assets, liabilities, income and expenses of the jointly controlled entity at 31 March 2011 and for the years there ended are as follows:

	2011 €'000	2010 €'000
<i>Share of the joint venture's balance sheet:</i>		
Current assets	–	3,404
Current liabilities	–	(892)
Share of the net assets	<u>–</u>	<u>2,512</u>

18. INVESTMENTS

	2011 €'000	2010 €'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>52,592</u>	<u>52,085</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 €2,111,000 (2010: €1,744,000).

19. TRADE AND OTHER RECEIVABLES

	2011 €'000	2010 €'000
<i>Amounts falling due within one year</i>		
Trade receivables	3,453	3,368
Other receivables	349	242
Value added tax	1,739	744
Prepayments and accrued income	756	2,138
	<u>6,297</u>	<u>6,492</u>

Trade receivables are generally on 30-90 day terms and are shown net of a provision for impairment. At 30 April 2011 trade receivables amounting to €511,000 (2010: €332,000) were older than the Group's standard credit terms but not deemed to be impaired. At 30 April 2011 trade receivables with a value of €269,000 (2010: €248,000) 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

	2011 €'000	2010 €'000
Building land and roads	56,197	41,030
Work in progress	26,783	22,952
Raw materials	148	180
	<u>83,128</u>	<u>64,162</u>

21. RESTRICTED CASH

	2011 €'000	2010 €'000
Cash held in escrow accounts	1,544	4,444

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	16,806	4,010
Short-term deposits	8,002	47,818
	24,808	51,828

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 €24,808,000 (2010: €51,828,000). The Group had undrawn borrowing facilities amounting to €4,177,000 at the year end (2010: €4,177,000).

22. TRADE AND OTHER PAYABLES

	2011 €'000	2010 €'000
<i>Amounts falling due within one year</i>		
Trade creditors	17,487	21,738
Advances received from joint venture	–	3,297
Amounts outstanding on land	5,484	8,578
United Kingdom income tax	124	136
Social welfare tax	108	121
Value added tax	207	733
Other creditors	745	582
Accruals and deferred income	6,593	5,485
	30,748	40,670

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

	2011 €'000	2010 €'000
Income tax payable	1,947	1,752

24. PROVISIONS

	2011 €'000	2010 €'000
<i>Maintenance provisions</i>		
At 1 May	2,298	1,877
Arising during the year	451	812
Utilised	(169)	(88)
Released during year	(413)	(303)
At 30 April	2,167	2,298
<i>Analysed as:</i>		
Current liabilities	2,103	2,233
Non-current liabilities	64	65
	2,167	2,298

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	2011 €'000	2011 €'000	2011 €'000	2011 €'000	2010 €'000
	Pension Obligation	Accelerated Capital Allowances	Other	Total	Total
At 1 May	488	233	334	1,055	2,419
Translation adjustment	(25)	2	(5)	(28)	41
Recognised in income statement	58	(213)	(173)	(328)	199
Equity movement	248	–	94	342	(1,604)
At 30 April	769	22	250	1,041	1,055

Unrecognised Deferred Tax Asset

A potential deferred tax asset of €4,242,707 (2010: €4,334,846) 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

Authorised	2011 €'000	2010 €'000
At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each	14,400	14,400

Allotted, called up and fully paid	2011 Number '000	2010 Number '000	2011 €'000	2010 €'000
At 1 May and 30 April ordinary shares of 32 cents each	24,627	24,627	7,881	7,881
Purchase of own shares, cancelled	(1,650)	–	(528)	–
At 30 April ordinary shares of 32 cents each	22,977	24,627	7,353	7,881

Capital Redemption Reserve Fund	2011 €'000	2010 €'000
At 1 May	4,502	4,502
Purchase of own shares	528	–
At 30 April	5,030	4,502

27. RESERVES

	Share Premium account €'000	Revaluation reserve €'000	Currency translation €'000
At 1 May 2009	13,321	4,807	(21,912)
Translation adjustment arising in year	–	120	1,868
Reduction in revaluation surplus	–	(379)	–
At 1 May 2010	13,321	4,548	(20,044)
Translation adjustment arising in year	–	(92)	(2,033)
Reduction in revaluation surplus	–	(738)	–
At 30 April 2011	13,321	3,718	(22,077)
The revaluation reserve is in respect of:		€'000	
Land and buildings		3,718	

28. RETAINED EARNINGS	Note	2011 €'000	2010 €'000
Equity at beginning of year		150,212	142,138
Profit retained for the financial year		8,250	12,295
Equity dividends paid	13	(1,926)	–
Reduction in revaluation surplus		191	379
Unrealised gain / (loss) on fair value of financial assets		1,882	(473)
Tax movement relating to unrealised gain / (loss) on fair value of available-for-sale financial assets		(454)	–
Actuarial gain / (loss) on Group defined benefit pension obligations		953	(5,731)
Deferred tax movement relating to actuarial gain / (loss) on Group defined benefit pension obligations		(248)	1,604
Purchase of own shares		(8,515)	–
At 30 April		150,345	150,212

The balance on the available-for-sale reserve contained above at year end is €2,144,000 (2010: €147,000) and the tax recognised on this is €530,000 (2010: €80,000).

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;

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)		2011 €'000	2010 €'000
UK Government Sterling Bonds	Level 1	52,592	52,085

There were no instruments measured at Level 2 or Level 3.

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 I (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
2010	+5%	(407)	(3,385)
	-5%	450	3,741
2011	+5%	(474)	(3,634)
	-5%	524	4,016

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:

	2011	2010
	€'000	€'000
Leases on land and buildings expiring:		
Within one year	36	–
Between two and five years	–	37
	36	37

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 investments 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 2011. The employer expects to make contributions of €637,000 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 Scheme

Actuarial valuations in accordance with IAS 19 were carried out at 30 April 2011 by a qualified independent actuary. The actuarial reports are available to the pension scheme members only.

The major assumptions used by the actuary were:

	2011	2010
Pensionable salary growth	Nil % pa	Nil % pa
Pension escalation in payment	3.50 % pa	3.70 % pa
Discount rate	5.30 % pa	5.50 % pa
Inflation assumption - retail price index	3.50 % pa	3.70 % pa
Inflation assumption - consumer price index	3.00 % pa	N/A
Post-retirement mortality (in years)		
Current pensioners at 65 - males	22.0	21.9
Current pensioners at 65 - female	24.1	24.1
Future pensioners at 65 - males	24.0	23.9
Future pensioners at 65 - female	25.4	25.3

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

Bonds	4.19%	4.44%
Cash and short term deposits	2.00%	2.00%

33. PENSIONS (CONTINUED)

Fair value of defined benefit assets are as follows: As at 30 April	2011 €'000	2010 €'000
Bonds	23,482	21,809
Cash and short term deposits	526	582
Fair value of assets	24,008	22,391
Present value of scheme liabilities in respect active and deferred members	(21,051)	(20,648)
Defined benefit pension scheme surplus	2,957	1,743

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:	2011 €'000	2010 €'000
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Recognised in income statement

Current service cost	(264)	(212)
Recognised in administrative expenses in the income statement, in arriving at operating profit	(264)	(212)

Actual return on scheme assets	989	903
Interest cost on scheme liabilities	(1,155)	(974)
Other finance cost	(166)	(71)

Taken to the statement of comprehensive income

Actual return on scheme assets less expected return on scheme assets	932	(232)
Other actuarial losses and gains	(166)	(71)
Changes in assumptions underlying the present value of the scheme liabilities	187	(5,428)
Actuarial gains / (losses) recognised in statement of changes in comprehensive income	953	(5,731)

Changes in the fair value of defined benefit pension obligations:

As at 1 May	20,648	14,156
Current service cost	264	212
Member contributions	61	62
Interest costs	1,155	974
Benefits paid	(506)	(779)
Exchange translation	(550)	524
Actuarial (gains) / loss	(21)	5,499
As at 30 April	21,051	20,648

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 9.5%
Rate of inflation	Increase by 0.5%	Increase by 4.2%
Rate of mortality	Increase by 1 year	Increase by 2.0%

33. PENSIONS (CONTINUED)

	2011	2010
	€'000	€'000
Changes in the fair value of defined benefit scheme assets		
As at 1 May	22,391	21,049
Expected return on scheme assets	989	903
Member contributions	790	751
Contributions by employees	61	62
Benefits paid	(506)	(779)
Exchange translation	(649)	637
Actuarial gains / (loss)	932	(232)
As at 30 April	24,008	22,391

Amounts for the current and previous periods

	2011	2010	2009	2008	2007
	€'000	€'000	€'000	€'000	€'000
Fair value of scheme assets	24,008	22,391	21,049	21,402	23,142
Present value of defined benefit obligation	(21,051)	(20,648)	(14,156)	(17,414)	(20,709)
Surplus in scheme	<u>2,957</u>	<u>1,743</u>	<u>6,893</u>	<u>3,988</u>	<u>2,433</u>
Experience adjustments arising on scheme liabilities	(166)	(71)	31	(305)	(393)
Experience adjustments arising on scheme assets	932	(232)	933	48	(728)

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 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 2011

	Note	2011 €'000	2010 €'000
FIXED ASSETS			
Tangible assets	C3	1,348	1,541
Financial assets	C4	23,530	23,530
		24,878	25,071
CURRENT ASSETS			
Debtors	C5	319	303
Financial assets	C4	42,764	33,309
Cash at bank and in hand		754	6,732
		43,837	40,344
CREDITORS (amounts falling due within one year)			
Trade and other creditors	C6	(9,499)	(13,759)
NET CURRENT ASSETS		34,338	26,585
TOTAL ASSETS LESS CURRENT LIABILITIES		59,216	51,656
SHAREHOLDERS' FUNDS			
Called up share capital	C7	7,353	7,881
Share premium account	C8	13,321	13,321
Other reserves			
- Capital redemption reserve fund	C7	5,030	4,502
- Currency translation	C8	(383)	(383)
Profit and loss account	C9	33,895	26,335
		59,216	51,656

Approved by the Board on 13 July 2011

C.H. GALLAGHER, Chairman

L.G. FRAQUELLI, Director

C1. ACCOUNTING POLICIES*Basis of preparation*

The financial statements which have been prepared on a going concern basis under the historical cost convention 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 rate 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:

	2011	2010
	€'000	€'000
Directors' remuneration	170	178
Depreciation	26	25
Auditors' remuneration – audit fees	20	20
– taxation services	4	3
	4	3

C3. TANGIBLE ASSETS

Freehold land and buildings

	2011	2010
	€'000	€'000
<i>Cost or valuation</i>		
At 1 May	1,566	1,566
Revaluation loss	(167)	–
At 30 April	1,399	1,566
<i>Depreciation</i>		
At 1 May	25	–
Provided during the year	26	25
At 30 April	51	25
<i>Net book value</i>		
At 30 April	1,348	1,541

C4. FINANCIAL FIXED ASSETS

2011	2010
€'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>
Ciarsand	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.

2011	2010
€'000	€'000

UK Government Sterling Bonds

42,764	33,309
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These relate to UK Treasury Bonds available-for-sale.

C5. DEBTORS	2011	2010
	€'000	€'000
<i>Amounts falling due within one year</i>		
Prepayments and accrued income	315	303
Value Added Tax	4	–
	319	303

C6. TRADE AND OTHER CREDITORS	2011	2010
	€'000	€'000
<i>Amounts falling due within one year</i>		
Amounts owed to subsidiary undertakings	8,573	13,001
Corporation tax	239	248
Other creditors	518	328
Accruals and deferred income	169	182
	9,499	13,759

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	Currency translation
	€'000	€'000
At 1 May 2010 and 30 April 2011	13,321	(383)

C9. PROFIT AND LOSS ACCOUNT	2011	2010
	€'000	€'000
Profit brought forward at beginning of year	26,335	1,248
Profit retained for the financial year	16,969	25,454
Dividends paid	(1,926)	–
Purchase of own shares	(8,515)	–
Unrealised gain / (loss) on fair value of financial assets	1,392	(367)
Tax on unrealised gain on fair value of financial assets	(360)	–
At 30 April	33,895	26,335

C10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 13 July 2011.

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Abbey p.l.c. (the Company) will be held in The Conrad Dublin, Earlsfort Terrace, Dublin 2, at 10.30 a.m. on Friday, 7th October, 2011 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 2011.
- To confirm and declare a dividend on the ordinary shares for the year ended 30th April 2011.
- 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 €7,113,442.56. The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company (to be held in 2012) 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 €364,327 representing 5% of the issued ordinary share capital of the Company as at 4 August 2011.

The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company (to be held in 2012) 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
26th August 2011
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 Annual General Meeting may appoint a proxy to attend, speak, and vote on his/her behalf in accordance with the procedures set out in this Notice of Meeting and the form of proxy.
2. A proxy need not be a member of the Company but must attend the Annual General Meeting or any adjournment thereof in person to represent the member.
3. A form of proxy is enclosed with this Notice of Meeting. To be valid, the form of proxy must be duly completed and executed, and deposited at, or returned to, the Company's Registrars, Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, together with any authorisation under which it is signed or a copy of such authorisation either certified notarially or an office copy, to reach them not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof or in the case of a poll taken otherwise than at or on the same day as appointed for the Annual General Meeting (or any adjournment thereof) at least 24 hours before the taking of the poll at which it is to be used. Any alteration to the form of proxy must be initialled by the person who signs it.
4. If the appointer is an individual, this form of proxy must be signed by the member or his/her attorney. If the appointer is a corporation, this form of proxy must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
5. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated. The vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority will be determined by the order in which the name stands in the register of members in respect of the joint holding.
6. The completion and return of the form of proxy will not preclude a member from attending the Annual General Meeting (or any adjournment thereof) and voting in person.
7. On any other business which may properly come before the Annual General Meeting or any adjournment thereof and whether procedural and/or substantive in nature (including any motion to amend a resolution or adjourn the meeting) not specified in this Notice of Meeting or the form of proxy, the proxy will act at his/her discretion.
8. 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 of Meeting 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.
9. 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.
10. There have been no changes to the Directors and Secretary Interests in the shares of Abbey p.l.c. as disclosed in the Directors' report dated 13th July 2011 at the date of this Notice of Meeting 26th August 2011.

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