

**Abbey**  
plc



**2014 ANNUAL REPORT**

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### **Separate Insert**

Form of Proxy

**The Company's 77th Annual General Meeting will be held  
on Friday, 3rd October, 2014  
at The Grand Hotel, Malahide, Co. Dublin  
at 10:30a.m.**

## Results in Brief

	Expressed in €'000 (except per share data)		£'000 Sterling Equivalent (except per share data)	
	2014	As Restated 2013	2014	As Restated 2013
Revenue	<b>114,188</b>	98,537	<b>96,078</b>	80,544
Profit before taxation	<b>24,068</b>	11,257	<b>20,251</b>	9,201
Profit attributable to equity shareholders of the parent	<b>18,736</b>	7,702	<b>15,764</b>	6,296
Earnings per share	<b>87.04c</b>	35.78c	<b>73.24p</b>	29.25p
Dividends paid per share	<b>9.00c</b>	8.00c	<b>7.57p</b>	6.53p
Assets per share	<b>882c</b>	803c	<b>724p</b>	680p
Gearing	<b>Nil</b>	Nil	<b>Nil</b>	Nil

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

2013 €100c: STG 81.74p  
2013 €100c: CZK 2,534.05h

2014 €100c: STG 84.14p  
2014 €100c: CZK 2,657.49h

The rates used for conversion of Balance Sheet items are the rates at 30 April 2013 and 30 April 2014:

2013 €100c: STG 84.72p  
2013 €100c: CZK 2,579.60h

2014 €100c: STG 82.11p  
2014 €100c: CZK 2,746.70h

**The year ended 30 April 2014 saw strong progress across the Group as the economic recovery took hold. Business improved in all areas and these positive trends have continued into the current year.**

The Group reports a profit of €24.1 million before taxation against a profit of €11.3 million in the previous year. Shareholders' funds of €189.9 million represent €8.82 per share and include cash balances (including restricted cash) of €30.8 million. Earnings for the year were 87.04 cents and the Board is recommending a dividend of 6 cents per share for approval at the Annual General Meeting in October.

### HOUSEBUILDING

Our housebuilding operations completed 390 sales (UK 353; Ireland 22, CZK 15) with a turnover of €99.3 million generating an operating profit of €18.2 million.

**United Kingdom:** Trading in the UK was good during the period. Sales, supported by the government's 'Help to Buy' Scheme, were buoyant. Price increases moderated by increasing building costs supported our margins. The current year has continued in the same vein and our forward sales position is underpinning our planned growth this year. At the year end the UK division owned and controlled land with the benefit of planning permission for 1,320 plots. Terms have been agreed for further land acquisitions.

**Ireland:** In Ireland the re-launch of our business has gone well. Our project in Shankill is sold out. The first phase on our project in Stocking Wood is fully reserved. Further projects are planned, in particular a very attractive site in Delgany, Co. Wicklow for

upwards of 30 houses was acquired at the turn of the year. Improving confidence is evident across the market. A further impairment charge of €0.2m was recognised to take account of the withering of planning permission and subsequent de-zoning for development of land held at Mountmellick.

**Czech Republic:** In Prague we completed 15 sales and we are able to report a modest contribution. Some progress is being made and a new project in Stodulky will be launched this year. Sales at a gradual, but steady rate are continuing at our well regarded Slivenec project.

At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 1,858 plots.

### PLANT HIRE

M&J reported operating profits of €1,355,000 on a turnover of €14.0 million. Improvement in the second half of the financial year has continued into the first weeks of the new year with like for like turnover now significantly ahead of last year. This increase in turnover is being supported by expanded investment in new equipment.

### RENTAL INCOME

Rental income during the year was €844,000.

### CASH AND FINANCIAL INVESTMENTS

The Group held €30.5m in cash together with €22.4 million in UK government bonds at the end of the financial year.

### DIRECTORS, MANAGEMENT AND STAFF

Mr Robert Kennedy retired as an executive director at the end of the year. I am pleased Mr Kennedy will remain on the Board as a non-executive Director.

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 current year is encouraging. The Group is budgeting for a significant increase in activity. The UK housing market has been active over the last 12 months and we together with the industry as a whole are working hard to increase production. It is a cause of concern that supply chain bottle necks both in labour and materials have emerged so quickly. Recent reports of declining mortgage approvals are a warning that sufficient credit may not be available to support a more normal level of output. Rising interest rates in the new year are likely. In short considerable uncertainty clouds the medium term outlook but the recent welcome improvement in trading conditions will hopefully be maintained for some months ahead.

**ANNUAL GENERAL MEETING**

I look forward to seeing you all at our Annual General Meeting on 3 October 2014.

On behalf of the Board

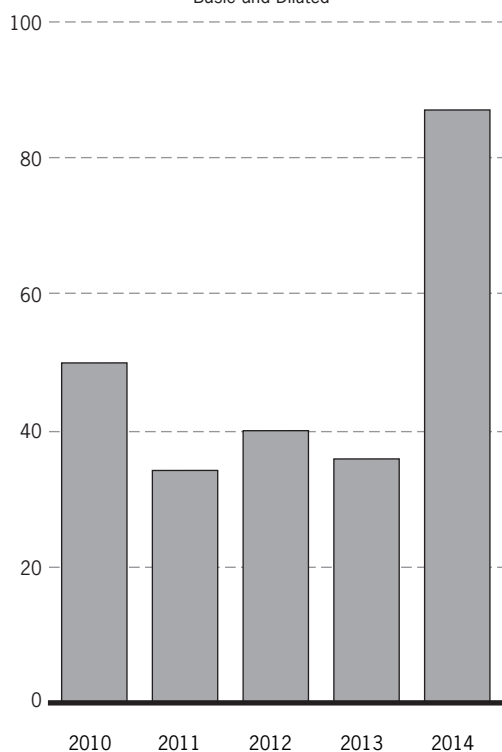


*Charles H. Gallagher*  
Executive Chairman

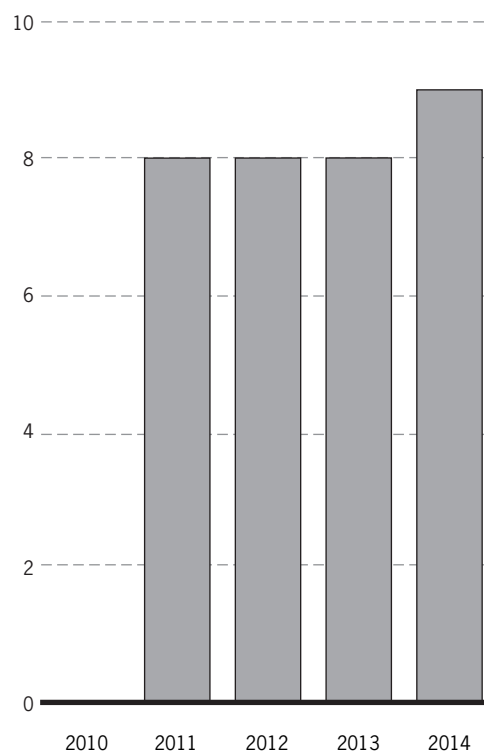
## Five Year Financial Summary

	2014 €'000	As Restated 2013 €'000	2012 €'000	2011 €'000	2010 €'000
<b>Revenue</b>	<b>114,188</b>	98,537	70,375	66,624	97,165
<b>Operating profit</b>	<b>20,433</b>	8,277	9,114	9,364	12,832
Net interest receivable	<b>3,637</b>	2,980	3,046	2,312	2,406
Other finance charges	<b>(2)</b>	–	(108)	(166)	(76)
<b>Profit before taxation</b>	<b>24,068</b>	11,257	12,052	11,510	15,162
Income tax expense	<b>(5,332)</b>	(3,555)	(3,184)	(3,260)	(2,867)
<b>Profit attributable to equity shareholders of the parent</b>	<b>18,736</b>	7,702	8,868	8,250	12,295
<b>Earnings per share basic and diluted</b>	<b>87.04c</b>	35.78c	39.94c	34.11c	49.92c
<b>Dividends paid per share</b>	<b>9.00c</b>	8.00c	8.00c	8.00c	–
<b>Shareholders' funds</b>	<b>189,856</b>	172,955	173,911	157,690	160,420

**Earnings 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**

10th July 2014

**ANNUAL REPORT**

22nd August 2014

**ANNUAL GENERAL MEETING**

3rd October 2014

**INTERIM STATEMENT**

December 2014



## Board of Directors

### **CHARLES H. GALLAGHER (54) 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 (69) (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.

### **LORENZO G. FRAQUELLI (56) (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 (53) 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 Limited.

### **ROBERT N. KENNEDY • Δ (61) (BRITISH) BSc (Econ)**

Mr. Kennedy joined the Abbey Group in 1996 and was Managing Director of M&J Engineers Limited until April 2014. 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.

### **J. ROGER HUMBER • Δ (71) (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.

### **MICHAEL A. MCNULTY • Δ (68) FCA, F INST D, AITI (NON-EXECUTIVE)**

Mr. McNulty was appointed a non-executive director of the Group in December 2011. He is a former Senior Audit Partner of Ernst & Young in Ireland, together with being the previous head of their Corporate Finance Division. Mr McNulty is a director of a number of other companies including University College Dublin Foundation Limited, Irish Payments Services Organisation Limited and served previously as a non-executive director on such companies as An Post Limited, Temple Bar Properties Limited, StayinFront Limited and he is a former Chairman of The Pensions Board of Ireland.

(•) 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 2014 for Abbey plc 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 €18,736,000 (2013 restated: €7,702,000). Dividends of 9.00 cents per share, absorbing €1,937,000 of profit have been paid during the year, leaving retained profit of €16,799,000 which has been transferred to reserves. After the other movements as detailed in the "Group Statement of Comprehensive Income" and "Group Statement of Changes in Equity" the net assets of the Group increased from €172,955,000 to €189,856,000. The restatement to the 2013 numbers is as a result of the technical application of IAS19r "Employee Benefits", details of which is given in note 2 to the financial statements.

The directors are recommending a dividend of 6.00 cents per share to be considered for approval at the Annual General Meeting in October 2014.

A list of principal undertakings and the nature of their business is contained in note C4 to the Company balance sheet. Geographic and divisional analysis and segmental information as 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 390 sales (UK 353; Ireland 22; CZK 15) with revenue of €99.3 million generating an operating profit of €18.2 million. The comparative figures for the previous year were 368 sales (UK 322; Ireland 35; CZK 11) with revenue of €84.4 million generating an operating profit of €6.5 million.

The result was impacted by an impairment charge of €162,000 (2013: €3,539,000) against inventories.

Trading in the UK was good during the period. Sales, supported by the government's 'Help to Buy' Scheme, were buoyant. Price increases moderated by increasing building costs supported our margins. In Ireland the re-launch of our business has gone well. Our project in Shankill is sold out. The first phase on our project in Stocking Wood is fully reserved. Further projects are planned, in particular a very attractive site in Delgany, Co. Wicklow with upwards of 30 houses was agreed at the turn of the year. Improving confidence is evident across the market. In Prague we completed 15 sales and we are able to report a modest contribution. At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 1,858 plots.

Our plant hire division reported operating profit of €1,355,000 (2013: profit €979,000) on revenue of €14.0 million (2013: €13.4 million). This was a significant improvement on last year.

Rental income during the year was €844,000 (2013: €768,000).

During the financial year our properties recognised a net valuation gain of €30,000 through the income statement.

At the year end total equity stood at €189.9 million (2013: €173.0 million), whilst net cash balances and restricted cash stood at €30.8 million (2013: €34.0 million). Further financial investments of €22.4 million were held in UK government bonds (2013: €40.9 million).

#### FUTURE DEVELOPMENTS

The outlook for the current year is encouraging. The Group is budgeting for a significant increase in activity.

#### 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 and uncertainties for the Group are constantly changing:

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

#### SUBSTANTIAL SHAREHOLDERS

Having received the required notifications, the following held more than 3% of the issued ordinary shares as at 9 July 2014:

	Number of shares	% of issued share capital
Gallagher Holdings Limited	15,773,141	73.27%
FMR LLC	2,150,000	9.98%
Polar Capital European Forager Fund Ltd	930,000	4.32%

#### DIRECTORS

Mr J. Roger Humber retires in accordance with Article 98 of the Company's Articles of Association and will be offering himself for re-election. Mr Robert N. Kennedy who retired as an executive director on 30 April 2014, was appointed as a non-executive director on 1 May 2014 and will offer himself up for election in accordance with Article 87 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 as at 30 April 2014 were as follows:

	Number of Shares 2014	Number of Shares 2013
Charles H. Gallagher	25,500	25,500
David A. Gallagher	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 2014 and 9 July 2014, There have not been any contracts or arrangements with the Company or any subsidiary during the year to which a director of the Company had a material interest 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, thank 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 year and full year and periodic staff meetings are also held to discuss various aspects of the Groups' 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 at Work Act, 2005.

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

On behalf of the Board, 9 July 2014

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 Fraquelli has a notice period of one year. Mr Hawkins' contract comes to an end on 31 October 2014.

### DIRECTORS' REMUNERATION

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

	Salary and Fees €'000	(1) Benefits In Kind €'000	2014 Total €'000	2013 Total €'000
<b>Executive Directors</b>				
C H Gallagher	712	29	<b>741</b>	741
B R Hawkins	53	–	<b>53</b>	55
R N Kennedy (2)	199	38	<b>237</b>	232
L G Fraquelli	287	22	<b>309</b>	271
<b>Totals</b>	<b>1,251</b>	<b>89</b>	<b>1,340</b>	<b>1,299</b>
<b>Non-Executive Directors</b>				
D A Gallagher	48	–	<b>48</b>	49
J R Humber	48	–	<b>48</b>	49
M A McNulty	48	–	<b>48</b>	49
<b>Totals</b>	<b>144</b>	<b>–</b>	<b>144</b>	<b>147</b>

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

(2) Mr R N Kennedy retired as an executive director on 30 April 2014 and was appointed a non-executive director on 1 May 2014

### 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 and Mr R N Kennedy became a deferred member on 1 May 2014. There is one (2013: one) director to whom retirement benefits were accruing under a defined benefit scheme at 30 April 2014. One director had contributions to a defined contribution scheme during the year to 31 March 2014 (2013: one) and is now paid a taxable allowance, with effect from 1 April 2014 in lieu of future pension benefits as set out below.

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	–	–	–	–	141	–
R N Kennedy	17	2	(6)	37	–	–
L G Fraquelli	–	–	–	–	2	27
<b>30 April 2014</b>		<b>2</b>	<b>(6)</b>	<b>37</b>	<b>143</b>	<b>27</b>
30 April 2013		2	100	34	140	29

## Corporate Governance Report

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

### THE BOARD

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

The roles of the Executive Chairman and Chief Executive are combined in one individual. The directors believe that the Group 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 Group 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 Group 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 an agenda 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 Group'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. The group's website [www.abbeyplc.ie](http://www.abbeyplc.ie), provides the full text of the Annual and Interim Reports, Interim Trading Statements and results.

**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 10 and 11. The 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.

## Directors' Responsibilities Statement

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 Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, together with the Companies Acts, 1963 to 2013.

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 2013. 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.

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



# 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 2014 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Accounting Policies, the related notes 1 to 35 (Group) and the related notes C1 to C13 (Company). The financial reporting framework that has been applied in their preparation of the Group financial statements is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in their preparation of the Parent Company financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement as set out on page 15, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement, the Directors' Report, the Remuneration Report, the Corporate Governance Report and the Directors' Responsibilities Statement to identify material inconsistencies with the audited

financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## OPINION ON FINANCIAL STATEMENTS

In our opinion:

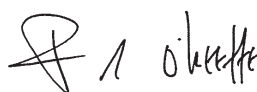
- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 April 2014 and of its profit for the year then ended;
- the Parent Company Balance Sheet gives a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland of the state of the Parent Company's affairs as at 30 April 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACTS 1963 TO 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the Parent Company.
- The Parent Company Balance Sheet is in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.
- The net assets of the Parent Company, as stated in the Parent Company Balance Sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 30 April 2014 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 Parent Company.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Frank O'Keeffe

For and on behalf of Ernst & Young

Dublin, 9 July 2014

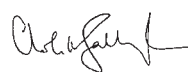
## Group Income Statement

Year Ended 30 April 2014

	Note	2014 €'000	As Restated 2013 €'000
Revenue - continuing operations	7	<b>114,188</b>	98,537
Cost of sales			
- operating		<b>(84,563)</b>	(77,904)
- Impairment charge on inventories	8	<b>(162)</b>	(3,539)
Gross profit		<b>29,463</b>	17,094
Administrative expenses		<b>(9,060)</b>	(8,817)
Revaluation increase in land and buildings	8	<b>30</b>	-
Operating profit - continuing operations		<b>20,433</b>	8,277
Finance income	9	<b>3,637</b>	2,980
Finance costs	9	<b>(2)</b>	-
Profit before taxation	10	<b>24,068</b>	11,257
Income tax expense	12	<b>(5,332)</b>	(3,555)
Profit attributable to equity shareholders of the parent	27	<b>18,736</b>	7,702
Earnings per share - basic	14	<b>87.04c</b>	35.78c
Earnings per share - diluted	14	<b>87.04c</b>	35.78c

Approved by the Board on 9 July 2014

C.H. GALLAGHER, Chairman



L.G. FRAQUELLI, Director



## Group Statement of Comprehensive Income

Year Ended 30 April 2014

	2014 €'000	As Restated 2013 €'000
Profit attributable to equity shareholders of the parent	<b>18,736</b>	7,702
<i>Items that may be reclassified subsequently to profit and loss</i>		
Foreign currency translation	<b>4,686</b>	(5,052)
Unrealised (loss) / gain on fair value of available-for-sale financial investments	<b>(1,818)</b>	1,401
Tax movement relating to unrealised (loss) / gain on fair value of available-for-sale financial investments	<b>431</b>	(432)
Reclassification of adjustment for disposal of available-for-sale investments	<b>(3,308)</b>	(1,116)
Tax movement relating to reclassification of adjustment for disposal of available-for-sale investments	<b>839</b>	253
<i>Items that will not be reclassified to profit and loss</i>		
Revaluation reserve increase – land and buildings	<b>734</b>	-
Actuarial loss on Group defined benefit pension obligations	<b>(1,827)</b>	(2,072)
Deferred tax movement relating to actuarial loss on Group defined benefit obligations	<b>365</b>	477
Other comprehensive income / (loss) for the year, net of tax	<b>102</b>	(6,541)
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the parent	<b>18,838</b>	1,161

## Group Statement of Changes in Equity

Year Ended 30 April 2014

	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 At 1 May 2013 (as restated)	6,888	13,321	3,908	5,495	(16,737)	160,080	172,955
Profit for the year	–	–	–	–	–	18,736	18,736
Other comprehensive income / (loss), net of tax	–	–	903	–	4,562	(5,363)	102
Total comprehensive income, net of tax, attributable to equity shareholders	–	–	903	–	4,562	13,373	18,838
Equity dividends paid	–	–	–	–	–	(1,937)	(1,937)
At 30 April 2014	6,888	13,321	4,811	5,495	(12,175)	171,516	189,856

## Group Statement of Changes in Equity

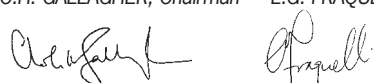
Year Ended 30 April 2013

	Issued Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Restated Retained Earnings €'000	As Restated Total €'000
Attributable to equity holders At 1 May 2012	6,909	13,321	4,062	5,474	(11,839)	155,984	173,911
Profit for the year (as restated)	–	–	–	–	–	7,702	7,702
Other comprehensive loss, net of tax (as restated)	–	–	(154)	–	(4,898)	(1,489)	(6,541)
Total comprehensive income / (loss), net of tax, attributable to equity shareholders	–	–	(154)	–	(4,898)	6,213	1,161
Equity dividends paid	–	–	–	–	–	(1,722)	(1,722)
Purchase of own shares	(21)	–	–	21	–	(395)	(395)
At 30 April 2013 (as restated)	6,888	13,321	3,908	5,495	(16,737)	160,080	172,955

<b>ASSETS</b>	Note	2014 €'000	2013 €'000
<b>Non-current assets</b>			
Property, plant and equipment	15	28,939	24,722
Investment properties	16	2,796	2,748
Investments	17	6	6
Defined benefit pension scheme surplus	32	3,621	5,135
		<b>35,362</b>	<b>32,611</b>
<b>Current assets</b>			
Trade and other receivables	18	18,532	5,449
Inventories	19	120,641	90,408
Financial investments	17	22,418	40,949
Restricted cash	20	279	589
Cash and cash equivalents	20	30,478	33,457
		<b>192,348</b>	<b>170,852</b>
<b>TOTAL ASSETS</b>		<b>227,710</b>	<b>203,463</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	21	(33,643)	(25,577)
Income tax payable	22	(2,274)	(2,016)
Provisions	23	(533)	(1,071)
		<b>(36,450)</b>	<b>(28,664)</b>
<b>NET CURRENT ASSETS</b>		<b>155,898</b>	<b>142,188</b>
<b>Non-current liabilities</b>			
Deferred taxation	24	(1,173)	(1,822)
Provisions	23	(231)	(22)
		<b>(1,404)</b>	<b>(1,844)</b>
<b>TOTAL LIABILITIES</b>		<b>(37,854)</b>	<b>(30,508)</b>
<b>NET ASSETS</b>		<b>189,856</b>	<b>172,955</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Issued capital	25	6,888	6,888
Share premium	26	13,321	13,321
Revaluation reserve	26	4,811	3,908
Other reserves			
- Capital redemption reserve fund	25	5,495	5,495
- Currency translation	26	(12,175)	(16,737)
Retained earnings	27	171,516	160,080
		<b>189,856</b>	<b>172,955</b>
<b>TOTAL EQUITY</b>		<b>189,856</b>	<b>172,955</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>227,710</b>	<b>203,463</b>

Approved by the Board on 9 July 2014

C.H. GALLAGHER, Chairman    L.G. FRAQUELLI, Director



# Group Cash Flow Statement

Year Ended 30 April 2014

	Note	2014 €'000	As Restated 2013 €'000
<b>Cash flows from operating activities</b>			
Profit before taxation		<b>24,068</b>	11,257
<b>Adjustment to reconcile profit before tax to net cash flows</b>			
<b>Non cash:</b>			
Depreciation and amortisation	10	<b>5,329</b>	4,780
Other non cash items		<b>(477)</b>	1,082
Movement in defined benefit pension asset		<b>(190)</b>	(367)
Impairment charge on inventories	8	<b>162</b>	3,539
Revaluation increases in land and buildings	8	<b>(30)</b>	–
Profit on disposal of property, plant and equipment	10	<b>(1,003)</b>	(875)
Realised gain on disposal of financial investments		<b>(2,143)</b>	(1,171)
Finance income		<b>(1,504)</b>	(1,579)
Finance costs	9	<b>2</b>	–
<b>Working capital adjustments:</b>			
Increase in inventories		<b>(24,374)</b>	(143)
(Increase) / decrease in trade and other receivables		<b>(12,629)</b>	183
Increase / (decrease) in trade and other payables		<b>4,503</b>	(2,316)
Income taxes paid		<b>(4,186)</b>	(3,277)
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(12,472)</b>	11,113
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		<b>(9,185)</b>	(6,429)
Sale of property, plant and equipment		<b>1,780</b>	1,637
Disposal of financial investments		<b>16,413</b>	8,830
Finance income		<b>1,504</b>	1,579
Net cash inflow from investing activities		<b>10,512</b>	5,617
<b>Cash flows from financing activities</b>			
Cost of share buy-backs		–	(395)
Equity dividends paid	13	<b>(1,937)</b>	(1,722)
Movement in restricted cash	20	<b>310</b>	(303)
Finance costs	9	<b>(2)</b>	–
Net cash outflow from financing activities		<b>(1,629)</b>	(2,420)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,589)</b>	14,310
Cash and cash equivalents at start of year	20	<b>33,457</b>	19,888
Net foreign exchange differences		<b>610</b>	(741)
<b>Cash and cash equivalents at end of year</b>	20	<b>30,478</b>	33,457

## 1. AUTHORISATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of Abbey plc for the year ended 30 April 2014 were authorised for issue in accordance with a resolution of directors on 9 July 2014. Abbey plc is a publicly traded entity incorporated in the Republic of Ireland. The company's shares are listed on the ESM on the Irish Stock Exchange and the AIM on the London Stock Exchange. 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) 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.

- IFRS 13 Fair Value Measurements
- IAS 1 Amendment: Changes to the Presentation of Other Comprehensive Income
- IAS 19R Employee Benefits (Revised)

Related notes have been updated to reflect the additional disclosures required below:

### *IAS 19 Employee Benefits (Revised 2011)*

The Group applied IAS 19 (Revised 2011) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard.

IAS 19 (Revised 2011) changes, amongst other things, the accounting for defined benefit plans. Some of the key changes that impacted the Group include the following:

The interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net-interest amount under IAS 19 (Revised 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period. In view of this change, €359,000 was charged in the Group's profit and loss for year ended 30 April 2013 with a consequential OCI gain. There was no impact on the overall equity of the Group and hence the Balance Sheet as at 1 May 2012 has not been presented.

IAS 19 (Revised 2011) also requires more extensive disclosures. These have been provided in Note 32.

IAS 19 (Revised 2011) has been applied retrospectively, with the following permitted exceptions:

The carrying amounts of other assets have not been adjusted for changes in employee benefit costs that were included before 1 May 2013.

The impact on the prior year profit and OCI is €276,000 as a result of a €359,000 increase in finance income to the operating profit and an increase in income tax expense of €83,000.

Adoption of the remaining standards and interpretations did not have any material effect on the financial performance or financial position of the Group in the current or prior periods.

## 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 Reporting 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 2014, and with Companies Acts 1963 to 2013 as applicable to IFRS reporters.

## 4. BASIS OF PREPARATION

The Group financial statements have been prepared on the historical cost basis except for land and buildings, investment property and available-for-sale financial investments that have 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 2014.

Abbey plc (the company) has its functional currency as sterling but continues to present its financial statements in euro.

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, intra-group 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.

## 6. ACCOUNTING POLICIES

### **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 receivable. Revenue represents the value of goods and services supplied to external customers and excludes intra-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.

#### *Segmental Reporting*

Operating segments are reported in a manner consistent with the internal organisation and management structure and the internal reporting information provided to the Board.

### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value in respect of inventory property is assessed with reference to market prices at the reporting date, less estimated costs to complete including overheads and selling costs.

#### *Building land and roads*

Building land and roads are 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 and roads are 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.

#### *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.

## 6. ACCOUNTING POLICIES (CONTINUED)

### *Deferred income tax*

Deferred 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, 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 tax assets are recognised only to the extent that it is probable that taxable profit will be available against which temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred 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 tax assets is reviewed at each balance sheet date. Deferred 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 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 and Group's presentational currency. Abbey plc (the company) changed its functional currency to sterling effective 1 May 2011 as a result of determining that its assets and liabilities are now primarily held in sterling and that it was a UK tax resident company. 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 other comprehensive income. 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 to presentational currency.

### **Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses except for land and buildings which have been measured at fair value. 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 amounts 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.

#### *Group as a lessee*

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged to the income statement on a straight line basis over the lease term.



## 6. ACCOUNTING POLICIES (CONTINUED)

### **Impairment of non financial 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 the 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 investments*

Available-for-sale financial investments are those non-derivative financial assets that are not designated as held for trading or at fair value through profit and loss. After initial recognition, available-for-sale financial investments are measured at fair value with gains or losses being recognised within other comprehensive income 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.

Debt securities in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or response to changes in the market conditions.

The Group's only available-for-sale-financial investments are UK Government Sterling bonds as detailed in note 17.

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.

Costs arising in respect of the Group's defined contribution pension schemes are charged to the Consolidated Income Statement in the period in which they are incurred. The Group has no legal or constructive obligation to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

**6. ACCOUNTING POLICIES (CONTINUED)**

The liabilities and costs associated with the Group's defined benefit pension schemes (both funded and unfunded) are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations.

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

The defined benefit asset comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of the plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on market price information. The value of any defined benefit asset recognised is restricted to the sum of any unrecognised past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

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.

**Dividends**

Dividends paid are charged to retained earnings on the date of payment.

**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 and roads, work in progress and completed units for sale along with raw materials.

The Group assesses 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 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 assumptions underlying the actuarial valuations from which the amounts recognised in the Consolidated Financial Statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions and for any relevant changes to the terms and conditions of the pension and post-retirement plans. These assumptions can be affected by (i) for the discount rate, changes in the rates of return on high-quality corporate bonds; (ii) for future compensation levels, future labour market conditions and (iii) for healthcare cost trend rates, the rate of medical cost inflation in the relevant regions. The weighted average actuarial assumptions used and sensitivity analysis in relation to the significant assumptions employed in the determination of pension and other post-retirement liabilities are contained in note 32 to the Consolidated Financial Statements.

While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the obligations and expenses recognised in future accounting periods. The assets and liabilities of defined benefit pension schemes may exhibit significant period-on-period volatility attributable primarily to changes in bond yields and longevity. In addition to future service contributions, significant cash contributions may be required to remediate past service deficits.

**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*	
IAS 19	Discount rate: regional market use	1 January	2016
IFRS 9	Financial Instruments : Classification and Movement	After	2015
IFRS 15	Revenue recognition	1 January	2017
IAS 16 & 38	Revaluation method proportionate		
	Restatement of accumulated Depreciation	1 July	2014
IFRS 10	Consolidated Financial Statements	1 January	2014
IFRS 12	Disclosure of interest in other entities	1 January	2014

There are no other new standards and interpretations that will have an impact on the Group accounting policies.

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 them 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. The effective date means for accounting periods beginning on or after the effective date above.*

**7. SEGMENTAL INFORMATION**

Turnover, cost of sales and operating profit 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 –			Plant Hire	Property Rental	Unallocated	<b>GROUP</b>
	Ireland	United Kingdom	Czech Republic	United Kingdom	Ireland and United Kingdom		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>30 April 2014</b>							
<b>Income Statement Information</b>							
Revenue	6,777	89,285	3,236	14,046	844	–	<b>114,188</b>
Cost of sales							
- operating	(4,346)	(66,606)	(2,400)	(11,211)	–	–	<b>(84,563)</b>
- impairment charge on inventories	(162)	–	–	–	–	–	<b>(162)</b>
Administrative expenses	(907)	(5,186)	(669)	(1,538)	–	–	<b>(8,300)</b>
Foreign currency (losses) / gains	(935)	175	–	–	–	–	<b>(760)</b>
Revaluation in land and buildings	12	(40)	–	58	–	–	<b>30</b>
Operating profit	439	17,628	167	1,355	844	–	<b>20,433</b>
Finance income net	437	3,203	–	(5)	–	–	<b>3,635</b>
Income tax expense	(131)	(4,828)	(59)	(314)	–	–	<b>(5,332)</b>
Profit after taxation	745	16,003	108	1,036	844	–	<b>18,736</b>

## 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	€'000
<b>30 April 2014</b>							
<b>Balance Sheet Information</b>							
Segment assets	11,955	117,814	11,186	30,778	2,796	–	<b>174,529</b>
Segment liabilities	(5,981)	(27,763)	(783)	(3,327)	–	–	<b>(37,854)</b>
Segment net assets	5,974	90,051	10,403	27,451	2,796	–	<b>136,675</b>
Investments	–	6	–	–	–	–	<b>6</b>
Financial investments	11,549	10,869	–	–	–	–	<b>22,418</b>
Cash and cash equivalents and restricted cash	11,121	17,277	1,711	183	–	465	<b>30,757</b>
<b>TOTAL NET ASSETS</b>	<b>28,644</b>	<b>118,203</b>	<b>12,114</b>	<b>27,634</b>	<b>2,796</b>	<b>465</b>	<b>189,856</b>
<b>Other Segmental Information</b>							
Depreciation	94	139	–	5,115	–	–	<b>5,348</b>
Profit on disposal of fixed assets	(22)	–	–	(981)	–	–	<b>(1,003)</b>
Capital expenditure	137	149	–	8,504	–	–	<b>8,790</b>
Non-current assets	522	5,226	–	26,818	2,796	–	<b>35,362</b>
<b>30 April 2013 (As Restated)</b>							
<b>Income Statement Information</b>							
Revenue	5,458	76,380	2,515	13,416	768	–	<b>98,537</b>
Cost of sales							
- operating	(4,166)	(60,919)	(2,068)	(10,751)	–	–	<b>(77,904)</b>
- impairment charge on inventories	(252)	–	(3,287)	–	–	–	<b>(3,539)</b>
Administrative expenses	(878)	(3,988)	(760)	(1,686)	–	–	<b>(7,312)</b>
Foreign currency losses	(1,494)	(11)	–	–	–	–	<b>(1,505)</b>
Operating profit / (loss)	(1,332)	11,462	(3,600)	979	768	–	<b>8,277</b>
Finance income net	438	2,530	–	12	–	–	<b>2,980</b>
Income tax expense	(23)	(3,418)	(5)	(109)	–	–	<b>(3,555)</b>
<b>Profit / (loss) after taxation</b>	<b>(917)</b>	<b>10,574</b>	<b>(3,605)</b>	<b>882</b>	<b>768</b>	<b>–</b>	<b>7,702</b>
<b>Balance Sheet Information</b>							
Segment assets	5,933	81,288	12,355	26,138	2,748	–	<b>128,462</b>
Segment liabilities	(5,371)	(21,716)	(692)	(2,729)	–	–	<b>(30,508)</b>
Segment net assets	562	59,572	11,663	23,409	2,748	–	<b>97,954</b>
Investments	–	6	–	–	–	–	<b>6</b>
Financial investments	12,102	28,847	–	–	–	–	<b>40,949</b>
Cash and cash equivalents and restricted cash	14,339	17,815	1,284	228	–	380	<b>34,046</b>
<b>TOTAL NET ASSETS</b>	<b>27,003</b>	<b>106,240</b>	<b>12,947</b>	<b>23,637</b>	<b>2,748</b>	<b>380</b>	<b>172,955</b>
<b>Other Segmental Information</b>							
Depreciation	65	135	–	4,568	–	–	<b>4,768</b>
(Loss)/profit on disposal of fixed assets	13	–	–	(888)	–	–	<b>(875)</b>
Capital expenditure	142	126	–	6,912	–	–	<b>7,180</b>
Non-current assets	460	6,736	–	22,667	2,748	–	<b>32,611</b>

**8. EXCEPTIONAL ITEMS**

	<b>2014</b>	2013
<b>Cost of sales</b>	<b>€'000</b>	€'000
The cost of sales charge for the year is arrived at after charging:		
Write down of inventories to net realisable value	<b>162</b>	<b>3,539</b>

Over the financial year, the Group has continued to monitor the carrying value of inventories in the housing division as a result of the continuing difficult market environment. Arising from these considerations we estimate that the original cost of certain development sites have suffered impairment in the amount of €162,000 (2013: €3,539,000). As such, in accordance with IAS 2 "Inventories" the Group have recorded an impairment write down to bring the carrying value of inventories recorded in the balance sheet to the lower of cost and net realisable value.

**Revaluation increase in land and buildings**

At the year end, a review of the fair value of land and buildings was undertaken and this resulted in a net gain recorded in the income statement.

<b>30</b>	–
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**9. FINANCE INCOME**

	<b>2014</b>	As Restated 2013
	<b>€'000</b>	€'000
Bank interest receivable	<b>48</b>	54
Government bond interest receivable	<b>1,220</b>	1,431
Realised gains on available-for-sale financial investments	<b>2,161</b>	1,171
Other finance income on defined benefit pension scheme (note 32)	<b>208</b>	324
	<b>3,637</b>	2,980

**FINANCE COSTS**

Interest payable	<b>(2)</b>	–
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**10. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>2014</b>	2013
	<b>€'000</b>	€'000
The profit on ordinary activities before taxation is arrived at after (crediting) / charging:		
Profit on disposal of property, plant and equipment	<b>(1,003)</b>	(875)
Impairment charge on inventories	<b>162</b>	3,539
Revaluation increase in land and buildings	<b>(30)</b>	–
Foreign currency losses	<b>760</b>	1,505
Operating lease rentals:		
- Rent of building	<b>35</b>	39
- Hire of plant and machinery	<b>274</b>	309
Depreciation	<b>5,348</b>	4,768
(Reversal) / amortisation of initial costs of Government bonds	<b>(19)</b>	12
Auditor's remuneration		
- statutory audit of the Group and subsidiaries	<b>115</b>	110
- taxation services	<b>25</b>	25

**11. EMPLOYMENT**

The average number of persons employed by the Group, including executive directors, in the financial year was 184 (2013: 177) and is analysed by class of Business as follows:

	<b>2014</b>	2013
	<b>Number</b>	Number
<i>Building and property development</i>		
Ireland	<b>5</b>	4
United Kingdom	<b>55</b>	52
<i>Plant hire and rental</i>		
United Kingdom	<b>124</b>	121
	<b>184</b>	177

Employment costs comprise:

	<b>2014</b>	2013
	<b>€'000</b>	€'000
Wages and salaries	<b>7,971</b>	7,480
Social welfare costs	<b>900</b>	841
Other pension costs	<b>697</b>	579
	<b>9,568</b>	8,900

Included in other pension costs are €321,000 (2013: €330,000) in respect of defined benefit schemes and €376,000 (2013: €249,000) in respect of defined contribution schemes. Details of the Directors' emoluments are set out in the Remuneration Report on page 12.

**12. TAXATION**

	<b>2014</b>	As Restated 2013
	<b>€'000</b>	€'000
<i>(a) Tax charged to the income statement:</i>		
<b>Irish Corporation Tax at 12.5%</b>		
Current	<b>114</b>	101
<b>United Kingdom Corporation Tax at 22.83% (2013: 23.92%)</b>		
Current	<b>5,237</b>	3,661
<b>Czech Republic Corporation Tax at 19.00% (2013: 19.00%)</b>		
Current	<b>43</b>	47
Adjustment in respect of previous year	<b>15</b>	(230)
Total current corporation tax	<b>5,409</b>	3,579
Deferred tax: originating and reversal of temporary differences (note 24)	<b>(77)</b>	(107)
Deferred tax on restatement through OCI (note 2)	<b>-</b>	83
<b>Tax charge to the income statement</b>	<b>5,332</b>	3,555
<b>Tax relating to items charged or credited to equity</b>		
Deferred tax on defined benefit pension scheme obligations	<b>365</b>	477
<i>(b) Factors affecting current tax charge</i>		

The following table relates the applicable United Kingdom 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:

	<b>2014</b>	As Restated 2013
	<b>(% of profit before taxation)</b>	(% of profit before taxation)
UK corporation tax rate	<b>22.83</b>	23.92
Lower tax rates on Irish profits and passive income	<b>(0.50)</b>	0.50
Tax losses utilised	<b>(1.00)</b>	(0.60)
Adjustment for previous year	<b>-</b>	(1.40)
Permanent differences	<b>1.14</b>	2.17
Impact of impairment	<b>-</b>	7.20
	<b>22.47</b>	31.79

**12. TAXATION (CONTINUED)**

The movement on deferred tax relates primarily to the origination and reversal of temporary differences as detailed in note 24 and includes temporary differences on accounting for IAS 19R 'Employee Benefits'.

*Tax relating to items charged or credited to other comprehensive income*

A total of €1,635,000 (2013: €298,000) has been credited to other comprehensive income for the year ended 30 April 2014 and this comprises the following:

€839,000 (2013: €253,000) relating to tax movements on the disposal of available for sale financial investment.

€431,000 (2013: tax charge €432,000) relating to tax movement on unrealised losses on fair value of available for sale financial investments.

€365,000 (2013: €477,000) relates to deferred tax movement on actuarial loss on the Group's defined benefit obligations.

*(c) Effect of tax rate changes*

Following the budget on 20 March 2014 a resolution under the Finance Act 2013 as enacted on 1 July 2013 resulted in the corporation tax rate reducing to 21% with effect from 1 April 2014 and a further reduction to 20% with effect from 1 April 2015. Deferred tax has therefore been provided at 20%.

**13. DIVIDENDS**

	<b>2014</b>	2013
	<b>€'000</b>	€'000
On Ordinary Equity Shares		
<i>Paid ordinary</i>		
Dividend of 5 cents per issued ordinary share (2013: 5 cents per share)	<b>1,076</b>	1,076
<i>Paid ordinary</i>		
Dividend of 4 cents per issued ordinary share (2013: 3 cents per share)	<b>861</b>	646
	<b>1,937</b>	1,722
<i>Ordinary dividends proposed (memorandum disclosure)</i>		
Proposed 6.00 cents per share (2013: 5.00 cents per share)	<b>1,292</b>	1,076

**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 21,525,578 (2013: 21,525,797) and to the profit on ordinary activities after taxation amounting to €18,736,000 (2013: re-stated €7,702,000).

**15. PROPERTY, PLANT AND EQUIPMENT**

<b>Group</b>	<b>Land and buildings €'000</b>	<b>Plant and machinery €'000</b>	<b>Transport €'000</b>	<b>Total €'000</b>
<b>Cost or fair value</b>				
At 1 May 2012	9,513	35,301	3,258	<b>48,072</b>
Translation adjustment	(348)	(1,372)	(129)	<b>(1,849)</b>
Additions	–	6,154	1,026	<b>7,180</b>
Disposals	–	(4,401)	(782)	<b>(5,183)</b>
At 30 April 2013	9,165	35,682	3,373	<b>48,220</b>
Translation adjustment	297	1,173	113	<b>1,583</b>
Additions	–	7,766	1,024	<b>8,790</b>
Disposals	–	(5,157)	(646)	<b>(5,803)</b>
Revaluation	699	–	–	<b>699</b>
At 30 April 2014	10,161	39,464	3,864	<b>53,489</b>

**15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Land and buildings €'000	Plant and machinery €'000	Transport €'000	Total €'000
<b>Accumulated depreciation</b>				
At 1 May 2012	731	21,312	2,002	<b>24,045</b>
Translation adjustment	(27)	(801)	(67)	<b>(895)</b>
Charge for the year	107	4,175	486	<b>4,768</b>
Disposals	–	(3,735)	(685)	<b>(4,420)</b>
At 30 April 2013	811	20,951	1,736	<b>23,498</b>
Translation adjustment	25	651	54	<b>730</b>
Charge for the year	104	4,677	567	<b>5,348</b>
Disposals	–	(4,449)	(577)	<b>(5,026)</b>
At 30 April 2014	940	21,830	1,780	<b>24,550</b>
<b>Carrying amounts</b>				
At 30 April 2014	<b>9,221</b>	<b>17,634</b>	<b>2,084</b>	<b>28,939</b>
At 30 April 2013	8,354	14,731	1,637	24,722

Plant and machinery includes assets held for hire with a cost of €37,596,000 (2013: €33,876,000) and accumulated depreciation of €20,298,000 (2013: €19,479,000).

	<b>2014</b>	2013
	<b>€'000</b>	€'000
Land and building comprises:		
Freehold property	<b>8,792</b>	7,939
Long leasehold property	<b>429</b>	415
	<b>9,221</b>	8,354
The historical cost of land and buildings amounts to:		
Land and buildings	<b>7,017</b>	6,838

**Ireland**

Fair value of the properties in Ireland were determined using rental yields. Valuations performed by the valuer are based on expected yield of properties being rented. As at the date of revaluation of 30 April 2014, the properties' fair values are based on valuations performed by Allen & Townsend, Chartered Surveyors, an accredited independent valuer.

**United Kingdom**

Fair value of the properties in the United Kingdom were determined by using market comparable information. Valuations performed by the valuer are based on active market prices, adjusted for the difference in nature, location or condition of the specific property. As at the date of revaluation of 30 April 2014, the properties' fair values are based on valuations performed by Glenny, Chartered Surveyors, an accredited independent valuer.

**16. INVESTMENT PROPERTIES**

	<b>2014</b>	2013
	<b>€'000</b>	€'000
<b>Fair value</b>		
At 1 May	<b>2,748</b>	2,795
Translation adjustment	<b>1</b>	(47)
Fair value adjustment	<b>47</b>	–
	<b>2,796</b>	2,748

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

**Ireland**

Fair value of the properties in Ireland were determined using rental yields. Valuations performed by the valuer are based on expected yield of properties being rented. As at the date of revaluation of 30 April 2014, the properties' fair values are based on valuations performed by Allen & Townsend, Chartered Surveyors, an accredited independent valuer.

**United Kingdom**

Fair value of the properties in the United Kingdom were determined by using market comparable information. Valuations performed by the valuer are based on active market prices, adjusted for the difference in nature, location or condition of the specific property. As at the date of revaluation of 30 April 2014, the properties' fair values are based on valuations performed by Glenny, Chartered Surveyors, an accredited independent valuer.



<b>17. INVESTMENTS</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
<i>Ordinary shares at cost</i>		
Non-listed company	<b>6</b>	6
<i>Financial investments</i>		
UK Government Sterling Bonds	<b>22,418</b>	40,949

These relate to UK Treasury Stock being available for sale. These financial investments are recorded at fair value at the balance sheet date. The interest income on these financial investments during the year was €1,238,000 (2013: €1,431,000).

<b>18. TRADE AND OTHER RECEIVABLES</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
<i>Amounts falling due within one year</i>		
Trade receivables	<b>4,341</b>	4,141
UK Sterling Government bonds receivable	<b>11,176</b>	–
Other receivables	<b>235</b>	264
Value added tax	<b>2,062</b>	350
Prepayments and accrued income	<b>718</b>	694
	<b>18,532</b>	5,449

Trade receivables are generally on 30-90 day terms and are shown net of a provision for impairment. At 30 April 2014 trade receivables amounting to €777,000 (2013: €596,000) were older than the Group's standard credit terms but not deemed to be impaired. At 30 April 2014, trade receivables with a value of €400,000 (2013: €437,000) 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.

<b>19. INVENTORIES</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
Building land and roads	<b>93,025</b>	65,937
Work in progress	<b>26,920</b>	24,209
Raw materials	<b>696</b>	262
	<b>120,641</b>	90,408

<b>20. RESTRICTED CASH</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
Cash held in escrow accounts	<b>279</b>	589

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	<b>20,174</b>	14,575
Short-term deposits	<b>10,304</b>	18,882
	<b>30,478</b>	33,457

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 €30,478,000 (2013: €33,457,000). The Group had no undrawn borrowing facilities at the year end (2013: €Nil).

<b>21. TRADE AND OTHER PAYABLES</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
<i>Amounts falling due within one year</i>		
Trade creditors	<b>20,622</b>	16,654
Amounts outstanding on land	<b>3,899</b>	4,224
PAYE	<b>156</b>	125
Social welfare tax	<b>127</b>	143
Value added tax	<b>179</b>	121
Other creditors	<b>564</b>	524
Accruals and deferred income	<b>8,096</b>	3,786
	<b>33,643</b>	25,577

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 PAYE, 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.

<b>22. INCOME TAX PAYABLE</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
Income tax payable	<b>2,274</b>	2,016

<b>23. PROVISIONS</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
<i>Maintenance provisions</i>		
At 1 May	<b>1,093</b>	1,224
Arising during the year	<b>524</b>	472
Utilised	<b>(291)</b>	(109)
Released during year	<b>(562)</b>	(494)
At 30 April	<b>764</b>	1,093
<i>Analysed as:</i>		
Current liabilities	<b>533</b>	1,071
Non-current liabilities	<b>231</b>	22
	<b>764</b>	1,093

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.

<b>24. DEFERRED TAXATION</b>	2014	2014	2014	<b>2014</b>	2013
	€'000	€'000	€'000	<b>€'000</b>	€'000
	Pension	Accelerated	Other	<b>Total</b>	Total
	Obligation	Capital Allowances			
At 1 May	1,181	25	616	1,822	2,179
Translation adjustment	25	-	2	27	(50)
Recognised in income statement	(117)	(9)	49	(77)	(107)
Equity movement	(365)	-	(234)	(599)	(200)
At 30 April	724	16	433	1,173	1,822

Following the budget on 20 March 2014 a resolution under the Finance Act 2013 as enacted on 1 July 2013 resulted in the corporation tax rate reducing to 21% with effect from 1 April 2014 and a further reduction to 20% with effect from 1 April 2015. At the balance sheet date, the deferred tax liability at 30 April 2014 was based on 20%.

#### *Unrecognised Deferred Tax Asset*

A potential deferred tax asset of €3,996,366 (2013: €4,154,000) has not been recognised as there is uncertainty regarding the availability of future Irish taxable profits against which the tax losses may be utilised.

<b>25. ISSUED CAPITAL</b>		<b>2014</b>	<b>2013</b>
<b>Authorised</b>		<b>€'000</b>	<b>€'000</b>
At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each		<b>14,400</b>	14,400
<b>Allotted, called up and fully paid</b>		<b>2014</b>	<b>2013</b>
	<b>Number '000</b>	<b>Number '000</b>	<b>€'000</b>
At 1 May ordinary shares of 32 cents each	<b>21,526</b>	21,591	6,888
Purchase of own shares, cancelled	–	(65)	–
At 30 April ordinary shares of 32 cents each	<b>21,526</b>	21,526	<b>6,888</b>
<b>Capital Redemption Reserve Fund</b>		<b>2014</b>	<b>2013</b>
		<b>€'000</b>	<b>€'000</b>
At 1 May		<b>5,495</b>	5,474
Purchase of own shares		–	21
At 30 April		<b>5,495</b>	5,495

*Capital redemption reserve fund*

The capital redemption reserve fund records the nominal value of the shares repurchased.

<b>26. RESERVES</b>	<b>Share Premium Account</b>	<b>Revaluation Reserve</b>	<b>Currency Translation</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
At 1 May 2012	13,321	4,062	(11,839)
Translation adjustment arising in year	–	(154)	(4,898)
At 1 May 2013	13,321	3,908	(16,737)
Translation adjustment arising in year	–	124	4,562
Increase in revaluation surplus	–	779	–
At 30 April 2014	<b>13,321</b>	<b>4,811</b>	<b>(12,175)</b>
The revaluation reserve is in respect of:		<b>€'000</b>	
Land and buildings		<b>4,811</b>	

*Share premium reserve*

The share premium reserve records the amount received for equity shares in excess of nominal value.

*Revaluation reserve*

The revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decreases relates to an increase on the same asset previously recognised in equity.

*Currency translation reserve*

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of Group companies which do not have euro as their presentational currency. The reserve also includes presentation foreign exchange differences.

<b>27. RETAINED EARNINGS</b>	Note	<b>2014</b> <b>€'000</b>	As Restated 2013 €'000
Retained earnings at beginning of year		<b>160,080</b>	155,984
Profit retained for the financial year		<b>18,736</b>	7,702
Equity dividends paid	13	<b>(1,937)</b>	(1,722)
Reduction in revaluation surplus		<b>(45)</b>	–
Unrealised gain on fair value of financial investments		<b>(1,818)</b>	1,401
Tax movement relating to unrealised gain on fair value of available-for-sale financial investments		<b>431</b>	(432)
Reclassification of adjustment for disposal of available-for-sale financial investments		<b>(3,308)</b>	(1,116)
Tax movement relating to reclassification of adjustment for disposal of available-for-sale financial investments		<b>839</b>	253
Actuarial loss on Group defined benefit pension obligations		<b>(1,827)</b>	(2,072)
Deferred tax movement relating to actuarial loss on Group defined benefit pension obligations		<b>365</b>	477
Purchase of own shares on Group defined benefit pension obligations		<b>–</b>	(395)
At 30 April		<b>171,516</b>	160,080

The balance on the available-for-sale reserve contained above at the year end is €2,414,000 (2013: €7,576,000) and the tax recognised on this amounted to €637,000 (2013: (€1,665,000)).

## 28. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of investment properties, land and buildings and financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets;

Level 2: significant observable inputs;

Level 3: significant un-observable inputs.

### **Land and buildings (refer note 15)**

		<b>2014</b> <b>€'000</b>	2013 €'000
Commercial properties	Level 2	<b>9,221</b>	8,354

### **Investment properties (refer note 16)**

Commercial properties	Level 2	<b>2,796</b>	2,748
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### **Available-for-sale financial assets (refer note 17)**

UK Government Sterling Bonds	Level 1	<b>22,418</b>	40,949
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There were no fair value hierarchy measured at Level 3.

## 29. 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 Group's profit / (loss) before tax and the Group's equity.

	Increase / decrease in UK sterling rate	Effect on profit / (loss) before tax €'000	Effect on equity €'000
2013	+5%	(549)	(6,019)
	-5%	607	6,653
2014	+5%	(1,089)	(5,219)
	-5%	1,204	5,769

**30. CAPITAL COMMITMENTS**

There are capital commitments contracted for at the balance sheet date of €253,000 (2013 : Nil).

**31. LEASES**

Future minimum rentals payable under non-cancellable operating leases at 30 April are as follows:

	<b>2014</b>	2013
	<b>€'000</b>	€'000
Within one year	<b>39</b>	38
Between two and five years	<b>78</b>	114
After more than five years	<b>241</b>	260
	<b>358</b>	412

Operating leases on plant and machinery carry no future commitments.

**32. 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 2013 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 2.60% per annum and that the rate of pension increase would be 3.25% 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 30 April 2014, the total value placed on the assets of the Group's pension plan for the purposes of the valuations amounted to €32.6 million and was sufficient to cover 112% of the scheme's liabilities. The Group will continue to make contributions into the scheme at a contribution rate of 17.20% from 1 May 2014. The employer expects to make contributions of €233,000 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 19R were carried out at 30 April 2014 by a qualified independent actuary. The actuarial reports are available to the pension scheme members only.

The major assumptions used by the actuary were:

	<b>2014</b>	2013
Pensionable salary growth	<b>Nil % pa</b>	Nil % pa
Pension escalation in payment	<b>3.40 % pa</b>	3.40 % pa
Discount rate	<b>4.30 % pa</b>	4.00 % pa
Inflation assumption - retail price index	<b>3.50 % pa</b>	3.40 % pa
Inflation assumption - consumer price index	<b>2.70 % pa</b>	2.60 % pa
Post-retirement modality (in years)		
Current pensioners at 65 - males	<b>22.0</b>	21.9
Current pensioners at 65 - female	<b>23.9</b>	23.8
Future pensioners at 65 - males	<b>24.2</b>	24.1
Future pensioners at 65 - female	<b>26.3</b>	26.1

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

Bonds	<b>3.74%</b>	3.50%
Cash and short term deposits	<b>1.50%</b>	2.00%

**32. PENSIONS (CONTINUED)**

<b>Fair value of defined benefit assets are as follows:</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
Bonds (quoted UK government gilts)	<b>29,765</b>	31,903
Cash and short term deposits	<b>2,866</b>	1,773
Fair value of assets	<b>32,631</b>	33,676
Present value of scheme liabilities in respect of active and deferred members	<b>(29,010)</b>	(28,541)
Defined benefit pension scheme surplus	<b>3,621</b>	5,135

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:

	<b>2014</b>	As Restated 2013
<b>Recognised in income statement</b>	<b>€'000</b>	€'000
Current service cost	<b>(321)</b>	(273)
<b>Recognised in administrative expenses in the income statement, in arriving at operating profit</b>	<b>(321)</b>	(273)
<b>Interest income on benefit obligation</b>	<b>208</b>	324
<b>Net (income) / expense</b>	<b>(113)</b>	51
<b>Taken to the statement of comprehensive income</b>		
Actuarial (loss) / gain	<b>(3,016)</b>	1,515
Experienced (loss) / gain	<b>(15)</b>	40
Actuarial changes arising from changes in financial assumptions	<b>1,204</b>	(3,627)
<b>Actuarial losses recognised in statement of comprehensive income</b>	<b>(1,827)</b>	(2,072)
<b>Changes in the fair value of defined benefit pension obligations</b>		
As at 1 May	<b>28,541</b>	25,260
Current service cost	<b>321</b>	273
Member contributions	<b>57</b>	57
Interest costs	<b>1,141</b>	1,181
Benefits paid	<b>(756)</b>	(704)
Exchange translation	<b>895</b>	(1,113)
Actuarial (gain) / loss	<b>(1,189)</b>	3,587
As at 30 April	<b>29,010</b>	28,541

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>Revised value of Scheme liabilities</i>	
		<b>2014</b>	2013
		<b>€'000</b>	€'000
Discount rate	Decrease by 0.5%	<b>31,743</b>	31,366
Rate of inflation	Increase by 0.5%	<b>30,237</b>	29,197
Rate of mortality	Increase by 1 year	<b>29,825</b>	29,368

<b>32. PENSIONS (CONTINUED)</b>	<b>2014</b>	As Restated
	<b>€'000</b>	2013
		€'000
<b>Changes in the fair value of defined benefit scheme assets</b>		
As at 1 May	<b>33,676</b>	32,307
Interest income on scheme assets	<b>1,349</b>	1,506
Employer contributions	<b>307</b>	374
Contributions by employees	<b>57</b>	57
Benefits paid	<b>(756)</b>	(704)
Exchange translation	<b>1,014</b>	(1,379)
Actuarial (loss) / gain	<b>(3,016)</b>	1,515
As at 30 April	<b>32,631</b>	33,676

<b>Amounts for the current and previous periods</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Fair value of scheme assets	<b>32,631</b>	33,676	32,307	24,008	22,391
Present value of defined benefit obligation	<b>(29,010)</b>	(28,541)	(25,260)	(21,051)	(20,648)
Surplus in scheme	<b>3,621</b>	5,135	7,047	2,957	1,743
Experience adjustments arising on scheme liabilities	<b>(15)</b>	40	(108)	(166)	(71)
Experience adjustments arising on scheme assets	<b>(3,016)</b>	1,515	3,996	932	(232)

### 33. RELATED PARTY TRANSACTIONS

During the year the Group entered into transactions, in the ordinary course of business, with other related parties. These transactions were intra segment and have been eliminated on consolidation.

There were no related party transactions with Directors, other than through their employment in the business.

### 34. ULTIMATE PARENT UNDERTAKING

The directors consider that the immediate parent undertaking of the company is Gallagher Holdings Limited and the ultimate parent undertaking to be Shrewsbury Holdings Limited, a company incorporated in Jersey. Copies of the accounts of Gallagher Investments Limited, which is the largest group in which the Company is consolidated, can be obtained from its registered office at Pendragon House, 65 London Road, St. Albans, Hertfordshire, AL1 1LJ, England.

### 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 2014

	Note	2014 €'000	2013 €'000
<b>FIXED ASSETS</b>			
Tangible assets	C3	1,340	1,364
Financial assets	C4	23,530	23,530
		<b>24,870</b>	<b>24,894</b>
<b>CURRENT ASSETS</b>			
Debtors	C5	17,007	2,067
Financial investments	C6	10,869	28,847
Cash at bank and in hand		1,285	663
		<b>29,161</b>	<b>31,577</b>
<b>CREDITORS (amounts falling due within one year)</b>			
Trade and other creditors	C7	(562)	(882)
<b>NET CURRENT ASSETS</b>		<b>28,599</b>	<b>30,695</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>53,469</b>	<b>55,589</b>
<b>SHAREHOLDERS' FUNDS</b>			
Called up share capital	C8	6,888	6,888
Share premium account	C9	13,321	13,321
Other reserves			
- Capital redemption reserve fund	C8	5,495	5,495
- Currency translation	C10	2,278	1,333
Profit and loss account	C11	25,487	28,552
		<b>53,469</b>	<b>55,589</b>

Approved by the Board on 9 July 2014

C.H. GALLAGHER, Chairman

L.G. FRAQUELLI, Director






**C1. ACCOUNTING POLICIES***Basis of preparation*

The financial statements have been prepared on a going concern basis, under the historical cost convention, except for land and buildings and available-for-sale financial investments which have been measured at fair value, and are prepared in accordance with the applicable generally accepted accounting standards in Ireland and are stated in euro. These financial statements present information about the company as an individual undertaking and not about its group. The company's functional currency is sterling (£), but it continues to present its financial statements in euro (€).

A summary of the more important Company accounting policies are 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.

*(a) Foreign currencies*

The financial statements are presented in euro, which is the Company's presentational currency. The company changed its functional currency to sterling effective 1 May 2011 as a result of determining that its assets and liabilities are now primarily held in sterling and that it was a UK tax resident company. 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 undertakings, including unsecured loan stock denominated in foreign currencies, are translated and recorded at the rate of exchange ruling at the date of the transaction.

*(b) Investment in subsidiary undertakings*

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

*(c) Fixed assets*

Properties occupied by the company are classified as land and buildings 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 investments*

Available-for-sale financial investments are those non-derivative financial investments that are designated as such. After initial recognition, available-for-sale financial investments 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 investments is determined by reference to bid prices at the close of business on the balance sheet date.

*(g) Impairment of financial investments*

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

<b>C2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
This is arrived at after charging:		
Directors' remuneration	<b>166</b>	171
Depreciation	<b>26</b>	27
Auditor's remuneration	<b>19</b>	25
– audit fees		
– taxation services	<b>2</b>	3
	<b>2</b>	3

**C3. TANGIBLE ASSETS**

Freehold land and buildings	<b>2014</b>	2013
	<b>€'000</b>	€'000
<i>Valuation</i>		
At 1 May	<b>1,470</b>	1,528
Translation adjustment	<b>46</b>	(58)
Revaluation	<b>(41)</b>	–
At 30 April	<b>1,475</b>	1,470

<b>C3. TANGIBLE ASSETS (CONTINUED)</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
Freehold land and buildings		
<i>Depreciation</i>		
At 1 May	<b>106</b>	83
Translation adjustment	<b>3</b>	(4)
Charge for the year	<b>26</b>	27
At 30 April	<b>135</b>	106
<i>Net book value</i>		
At 30 April	<b>1,340</b>	1,364

<b>C4. FINANCIAL FIXED ASSETS</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
Shares in unlisted subsidiary undertakings at cost	<b>23,530</b>	23,530

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

<b><i>Incorporated in the Republic of Ireland</i></b>	<b><i>Nature of business</i></b>	<b><i>Registered office</i></b>
Abbey Holdings Limited	Investment holding company	9 Abbey House Main Street Clonee, Co Meath
Kingscroft Developments Limited	Residential housing and land development	as above
<b><i>Incorporated in the United Kingdom</i></b>	<b><i>Nature of business</i></b>	<b><i>Registered office</i></b>
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
<b><i>Incorporated in the Czech Republic</i></b>	<b><i>Nature of business</i></b>	<b><i>Registered office</i></b>
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.

<b>C5. DEBTORS</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
<i>Amounts falling due within one year</i>		
UK Sterling Government bonds receivable	<b>11,176</b>	–
Amounts owed from subsidiary undertakings	<b>5,773</b>	1,801
Prepayments and accrued income	<b>58</b>	262
Value added tax	<b>–</b>	4
	<b>17,007</b>	2,067

<b>C6. FINANCIAL INVESTMENTS</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
UK Government Sterling Bonds	<b>10,869</b>	28,847
These relate to UK Treasury Bonds available for sale.		

<b>C7. TRADE AND OTHER CREDITORS</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
<i>Amounts falling due within one year</i>		
Corporation tax	<b>–</b>	335
Other creditors	<b>96</b>	141
Accruals and deferred income	<b>466</b>	406
	<b>562</b>	882

**C8. ISSUED CAPITAL**

The authorised allotted, called up and fully paid capital is shown in note 25 of the Group Financial Statements. The capital redemption reserve fund is shown in note 25 of the Group Financial Statements.

<b>C9. SHARE PREMIUM ACCOUNT</b>	<b>€'000</b>
At 1 May 2013 and 30 April 2014	<b>13,321</b>

<b>C10. CURRENCY TRANSLATION</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
At 1 May	<b>1,333</b>	2,606
Translation adjustment arising on adjustment to presentation currency	<b>945</b>	(1,273)
At 30 April	<b>2,278</b>	1,333

<b>C11. PROFIT AND LOSS ACCOUNT</b>	<b>2014</b>	2013
	<b>€'000</b>	€'000
Profit brought forward at beginning of year	<b>28,552</b>	29,535
Profit retained for the financial year	<b>2,015</b>	1,219
Dividends paid	<b>(1,937)</b>	(1,722)
Purchase of own shares	<b>–</b>	(395)
Unrealised gain on fair value of financial investments – net of tax	<b>(674)</b>	778
Reclassification of adjustment for disposal of available-for-sale financial investments – net of tax	<b>(2,469)</b>	(863)
	<b>25,487</b>	28,552

**C12. ULTIMATE PARENT UNDERTAKING**

The directors consider that the immediate parent undertaking of the company is Gallagher Holdings Limited and the ultimate parent undertaking to be Shrewsbury Holdings Limited, a company incorporated in Jersey. Copies of the accounts of Gallagher Investments Limited, which is the largest group in which the Company is consolidated, can be obtained from its registered office at Pendragon House, 65 London Road, St. Albans, Hertfordshire, AL1 1LJ, England.

**C13. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Board of Directors on 9 July 2014.

## Notice of Meeting

Notice is hereby given that the Annual General Meeting of Abbey p.l.c. (the Company) will be held in The Grand Hotel, Malahide, County Dublin, at 10.30 a.m. on Friday, 3rd October, 2014 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 2014.
- To confirm and declare a dividend on the ordinary shares for the year ended 30th April 2014.
- To elect as a Director Mr Robert N. Kennedy (Member of Audit Committee and Remuneration Committee) who retires at the Meeting under Article 87 of the Company's Articles of Association.
- To authorise the Directors to fix the remuneration of the Auditors.

### Special Business

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

AS AN ORDINARY RESOLUTION:

"That the Directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (as defined for the purposes of Section 20 of the Companies (Amendment) Act, 1983) up to an aggregate nominal amount of €7,511,815.04. The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company (to be held in 2015) 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 sub-paragraph (a) of this resolution) of equity securities up to an aggregate nominal value of €344,409.

The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company (to be held in 2015) 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*  
22 August 2014  
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 you.
3. A form of proxy is enclosed with this Notice of Meeting. To be valid, the 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 Grand Hotel, Malahide, County Dublin, 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 9th July 2014 at the date of this Notice of Meeting 22nd August 2014.

**Graphic Design:** Design ICU  
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