

A horizontal decorative band featuring a repeating geometric pattern of interlocking triangles in blue and white.

## 2020 ANNUAL REPORT

**The Company's 83rd Annual General Meeting will be held**

**on Friday, 2nd October, 2020**

**at Abbey House, Main Street, Clonee, Co. Meath**

**at 10:30 a.m.**

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**Separate Inserts**  
Letter to Shareholders  
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## Results in Brief

	Expressed in €'000 (except per share data)		£'000 Sterling Equivalent (except per share data)	
	2020	2019	2020	2019
Revenue	<b>182,178</b>	230,899	<b>159,570</b>	203,468
Profit before taxation	<b>32,987</b>	53,026	<b>28,893</b>	46,727
Profit attributable to equity shareholders of the parent	<b>26,523</b>	43,196	<b>23,231</b>	38,064
Earnings per share	<b>125.62c</b>	201.48c	<b>110.03p</b>	177.54p
Dividends paid per share	<b>11.00c</b>	119.00c	<b>9.63p</b>	104.86p
Assets per share	<b>1,811c</b>	1,710c	<b>1,573p</b>	1,470p
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:

2019 €100c : STG 88.12p  
2019 €100c : CZK 2,574.64h

2020 €100c : STG 87.59p  
2020 €100c : CZK 2,578.79h

The rates used for conversion of Balance Sheet items are the rates at 30 April 2019 and 30 April 2020:

2019 €100c : STG 85.97p  
2019 €100c : CZK 2,564.60h

2020 €100c : STG 86.85p  
2020 €100c : CZK 2,703.00h

## The year ended 30 April 2020 proved to be a challenging year for the Group.

The Group reports a profit of €33.0 million before taxation against a profit of €53.0 million in the previous year. Shareholders' funds of €378.7 million represent €18.11 per share and include cash balances (including restricted cash) of €72.7 million. Earnings for the year were 125.62 cents per share.

### HOUSEBUILDING

Our housebuilding operations completed 490 sales (UK 405, Ireland 57, CZK 28) with a turnover of €162.7 million generating an operating profit of €31.3 million.

**United Kingdom:** Trading in the last quarter was significantly impacted by the Covid crisis. In this context the overall results were satisfactory. In the UK production and sales activity resumed at reduced levels in May. Sales have held up well supported by the 'Help to Buy' programme. Margins overall are reasonable and forward orders are normal. Production is steady but constrained by Covid regulations and some material supply interruptions. The UK land bank closed the year at just short of 1,800 plots. All new projects placed on hold are planned to start before the end of October. Budgeting this year is more than usually difficult and the delayed start to new projects will result in lower than previously planned completions.

**Ireland:** In Ireland we ended the year with a strong forward sales position. Sales completions will rise significantly this year. Work is well advanced on our two projects in Navan and another in Portlaoise. Our substantial new project in Oranmore County Galway will be underway in the first half. Further projects are in the planning process.

**Czechia:** In Czechia our project Přezletice is sold out and should be completed this year. Sales in Horomeřice are going well and production is progressing steadily.

At the year end the Group owned and controlled land allocated for housing development for the supply of 2,947 plots.

### PLANT HIRE

M & J reported operating profits of €0.5 million on a turnover of €18.4 million. Trading has been severely impacted by recent events and an extremely difficult year is in prospect. Turnover is still well below year ago levels.

### RENTAL INCOME

Rental income during the year was €1.1m. A fair value adjustment loss of €0.2 million was recorded in the year.

### CASH

The Group held €70.8 million in cash together with €4.7 million in UK government bonds at the end of the financial year. On the balance sheet date commitments outstanding on land were €2.5 million.

### SHARE BUYBACK

During the financial year, further to the authority granted at the Annual General Meeting(s), the company has purchased, for cancellation 521,968 ordinary shares at a cost of €7,860,000.

**DIRECTORS, MANAGEMENT AND STAFF**

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

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.

**FUTURE**

The Group is trading profitably in the current year. Higher sales completions in Ireland and Czechia should ensure that overall house sales volumes at least exceed this year. The UK performance will critically depend on confidence and employment levels in the wider economy. The curtailment of the UK 'Help to Buy' programme will introduce another significant headwind to our prospects. Covid 19 has undoubtedly been a

severe blow to the economy and to our business. The longer term impact is unclear. Overall the Group is fortunate to be in a healthy financial position and we hope with caution to add to our land bank in the months ahead.

**ANNUAL GENERAL MEETING**

I look forward to seeing you all at our Annual General Meeting on 2 October 2020.

On behalf of the Board

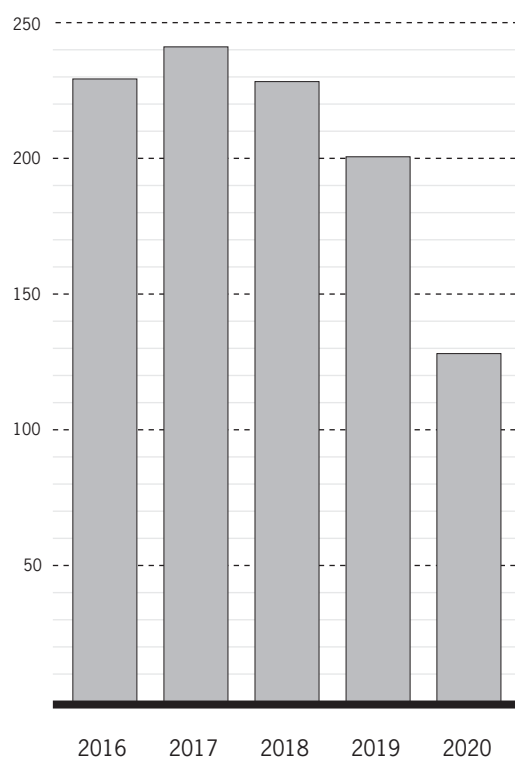


CHARLES H. GALLAGHER  
EXECUTIVE CHAIRMAN

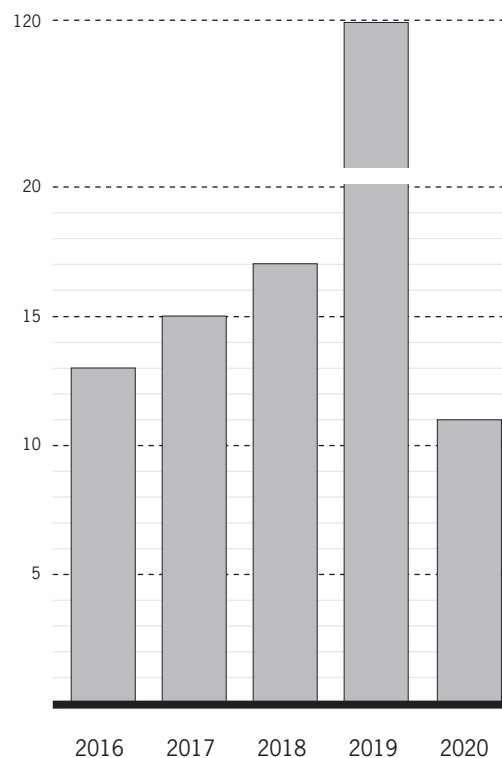
# Five Year Financial Summary

	2020 €'000	2019 €'000	2018 €'000	2017 €'000	2016 €'000
<b>Revenue</b>	<b>182,178</b>	230,899	218,462	216,473	220,603
<b>Operating profit</b>	<b>32,680</b>	52,959	58,503	60,797	60,834
Net interest receivable	<b>314</b>	68	128	2,667	706
Other finance charges	<b>(7)</b>	(1)	(3)	(6)	(1)
<b>Profit before taxation</b>	<b>32,987</b>	53,026	58,628	63,458	61,539
Income tax expense	<b>(6,464)</b>	(9,830)	(9,699)	(11,626)	(12,071)
<b>Profit attributable to equity shareholders of the parent</b>	<b>26,523</b>	43,196	48,929	51,832	49,468
<b>Earnings per share – basic and diluted</b>	<b>125.62c</b>	201.48c	228.22c	241.04c	229.81c
<b>Dividends paid per share</b>	<b>11.00c</b>	119.00c	17.00c	15.00c	13.00c
<b>Shareholders' funds</b>	<b>378,735</b>	366,609	342,010	308,365	281,317

**Earnings Per Share**  
(Euro Cents)  
Basic and Diluted



**Dividends Paid Per Share**  
(Euro Cents)



**ABBAY 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  
Komerční banka, a.s.

**REGISTRAR AND TRANSFER OFFICE**

Computershare Investor Services (Ireland) Limited  
3100 Lake Drive, Citywest Business Campus  
Dublin 24, D24 AK82

**SOLICITORS**

A&L Goodbody

**STOCKBROKERS**

Davy Stockbroker  
Arden Partners

**NOMINATED ADVISOR**

J&E Davy, trading as Davy

**TRADING PLATFORMS**

Euronext Growth — Dublin  
Alternative Investment Market — London

**PRELIMINARY STATEMENT**

10 July 2020

**ANNUAL REPORT**

14 August 2020

**ANNUAL GENERAL MEETING**

2 October 2020

**INTERIM STATEMENT**

December 2020



## Board of Directors

### **CHARLES H. GALLAGHER (60) 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.

### **LORENZO G. FRAQUELLI (62) (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.

### **NICK J. COLLINS (51) (BRITISH) B.A. HONS, FCA, Dip IoD**

Mr. Collins joined the Abbey Group in 1998 and is Managing Director of Kingscroft Developments Limited. He was co-opted to the Abbey plc Board in December 2015. He holds no other significant directorships other than those within Abbey plc and its subsidiaries.

### **DAVID A. GALLAGHER • Δ (59) 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 (67) (BRITISH) BSc (Econ)**

#### **(NON-EXECUTIVE)**

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.

### **MICHAEL A. MCNULTY • Δ (74) 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 previously served as a non-executive director on such companies as Irish Payments Services Organisation Limited, An Post Limited, Temple Bar Properties Limited and University College Dublin Foundation Limited and he is a former Chairman of The Pensions Board of Ireland.

### **ANTHONY G. QUIRKE • Δ (65) B.A. HONS, MCSI**

#### **(NON-EXECUTIVE)**

Mr. Quirke was appointed a non-executive director of the Group in December 2014. He is a Director equity sales at Allenby Capital Limited and was formerly a Corporate Sales Director at finnCap, an Equity Sales Director at Arden Partners and Sales Director at Investec before that. He holds no other directorships other than Abbey plc.

### **AVRIL M. GALLAGHER • Δ (54) B.A. HONS, Politics**

#### **(NON-EXECUTIVE)**

Ms. Gallagher was co-opted to the Abbey plc Board in January 2019. Ms. Gallagher is a director of Oxford Gate Management Limited and Matthew Investments Limited. She holds no other directorships within Abbey plc and its subsidiaries.

(•) 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 2020 for Abbey plc (the "Company") and its subsidiaries (together the "Group") which are set out on pages 23 to 56.

## 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 €26,523,000 (2019: €43,196,000). Dividends of 11.00 cents per share, absorbing €2,311,000 of profit have been paid during the year. After 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 €366,609,000 to €378,735,000.

As disclosed in note 13, dividends of 11.00 cents per share were paid on 31 October 2019. In light of the current events the directors are not recommending a dividend.

A list of principal undertakings and the nature of their business is contained in note C13 to the Company balance sheet. Geographic and divisional analysis and segmental information is 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 490 sales (UK 405; Ireland 57; CZK 28) with revenue of €162.7 million generating an operating profit of €31.3 million. The comparative figures for the previous year were 579 sales (UK 511; Ireland 36; CZK 32) with revenue of €209.1 million generating an operating profit of €48.0 million. Trading in the last quarter was significantly impacted by the Covid crisis. In this context the overall results were satisfactory. In the UK production and sales activity resumed at reduced levels in May. Sales have held up well supported by the 'Help to Buy' programme. Margins overall are reasonable and forward orders are normal. Production is steady but constrained by Covid regulations and some material supply interruptions. The UK land bank closed the year at just short of 1,800 plots. All new projects placed on hold are planned to start before the end of October. Budgeting this year is more than usually difficult and the delayed start to new projects will result in lower than previously planned completions. In Ireland we ended the year with a strong forward sales position. Sales completions will rise significantly this year. Work is well advanced on our two projects in Navan and another in Portlaoise. Our substantial new project in Oranmore County Galway will be underway in the first half. Further projects are in the planning process. In Czechia our project Přezletice is sold out and should be completed this year. Sales in Horomeřice are going well and production is progressing steadily.

Our plant hire division reported operating profit of €0.5 million (2019: profit €3.6 million) on revenue of €18.4 million (2019: €20.5 million). Trading has been severely impacted by recent events and an extremely difficult year is in prospect. Turnover is still well below year ago levels.

Rental income during the year was €1.1 million (2019: €1.2 million). A fair value adjustment loss of €0.2million was recorded in the year. An investment property was sold during the previous year and produced a gain of €0.2 million.

At the year end total equity stood at €378.7 million (2019: €366.6 million), whilst net cash balances and restricted cash stood at €72.7 million (2019: €99.1 million). Further financial investments of €4.7 million were held in UK government bonds (2019: €Nil).

During the financial year further to the authority granted at the Annual General Meeting(s) the company has purchased for cancellation 521,968 ordinary shares at a cost of €7,860,000.

**IMPORTANT EVENTS SINCE THE YEAR END**

The Group continues to trade profitably post year end. Higher sales completions in Ireland and Czechia should ensure that overall house sales volumes at least exceed this year. The UK performance will critically depend on confidence and employment levels in the wider economy. The curtailment of the UK 'Help to Buy' programme will introduce another significant headwind to our prospects. Covid 19 has undoubtedly been a severe blow to the economy and to our business. The longer term impact is unclear. Overall the Group is fortunate to be in a healthy financial position and we hope with caution to add to our land bank in the months ahead.

**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, with the COVID-19 pandemic, and the related government-imposed restrictions, being a particular concern at this time.
- 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.

**DIRECTORS**

The following directors all held office throughout the year:

- Mr Charles H. Gallagher
- Mr Lorenzo G. Fraquelli
- Mr Nick J. Collins
- Mr Anthony G. Quirke
- Mr Michael A. McNulty
- Mr David A. Gallagher
- Mr Robert N. Kennedy
- Ms Avril M. Gallagher

Mr Michael A. McNulty and Mr Robert N. Kennedy both retire in accordance with Article 98 of the Company's Articles of Association and will be offering themselves for re-election.

**DIRECTORS' AND SECRETARY'S INTERESTS**

The interests of the directors and secretary and their families in the share capital of the Company as at 30 April 2020 were as follows:

	Number of Shares 2020	Number of Shares 2019
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 2020 and 9 July 2020. 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.

**SUBSTANTIAL SHAREHOLDERS**

Having received the required notifications, the following held more than 3% of the issued ordinary shares as at 9 July 2020:

	Number of shares	% of issued share capital
Gallagher Holdings Limited	19,658,629	93.98%

**DIRECTORS COMPLIANCE STATEMENTS**

As required by Section 225 of the Companies Act 2014, the directors acknowledge that they are responsible for securing the company's compliance with its "relevant obligations". The directors further confirm that the appropriate arrangements and structures have been put in place that are, in the directors' opinion, designed to secure material compliance with the relevant obligations. A review of those arrangements and structures has been conducted in the financial year to which this report relates.

### RELEVANT AUDIT INFORMATION

The directors believe that they have taken all the steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the company's statutory auditor is unaware.

### AUDIT COMMITTEE

The Group has established an Audit Committee with responsibility for oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.

### ACCOUNTING RECORDS

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014, with regard to the keeping of accounting records, include the provision of appropriate resources to maintain adequate accounting records throughout the Group, including the appointment of personnel with appropriate qualifications, experience and expertise.

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 283 (2) of the Companies Act 2014.

### 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).


### AUDITOR

The auditor, Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 383 of the Companies Act 2014.

*On behalf of the Board, 9 July 2020*



C. H. GALLAGHER  
Chairman



L.G. FRAQUELLI  
Director

# Remuneration Report

The Remuneration Committee is responsible for overseeing the remuneration of the executive directors of Abbey plc.

The Remuneration Committee 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 the role. Both Mr Fraquelli and Mr Collins have a notice period of one year.

## 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	2020 Total €'000	2019 Total €'000
<b>Executive Directors</b>				
C H Gallagher	1,340	27	<b>1,367</b>	1,277
L G Fraquelli	516	24	<b>540</b>	491
N J Collins	277	16	<b>293</b>	284
Totals	2,133	67	<b>2,200</b>	2,052

## Non-Executive Directors

D A Gallagher	46	–	<b>46</b>	45
M A McNulty	46	–	<b>46</b>	45
R N Kennedy	46	–	<b>46</b>	45
A G Quirke	46	–	<b>46</b>	45
A M Gallagher (2)	46	–	<b>46</b>	14
Totals	230	–	<b>230</b>	194

(1) Benefits In Kind comprise other benefits and emoluments. (2) Ms A M Gallagher was appointed on 23 January 2019.

## PENSIONS

One executive director was a deferred member 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 R N Kennedy became a pension member of the defined benefit pension scheme on 19 March 2018.

There are no (2019: Nil) directors to whom retirement benefits were accruing under a defined benefit scheme at 30 April 2020. Two (2019: two) directors are paid a taxable allowance in lieu of future pension benefits as set out below. One director had contributions to a defined contribution scheme during the year.

Directors' pension arrangements are as follows:

Name	Defined Contribution €'000	Retirement Benefit Expense €'000
C H Gallagher	–	267
L G Fraquelli	–	64
N J Collins	42	–
<b>30 April 2020</b>	<b>42</b>	<b>331</b>
30 April 2019	39	305



A.G. Quirke, Chairman, Remuneration Committee  
9 July 2020

# 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. Following the revisions to the AIM Rules for Companies in March 2018 pursuant to which all AIM companies are required to comply with a recognised corporate governance code, the decision has been made by the Company that it will adopt the Quoted Companies Alliance (QCA) Corporate Governance Code 2018 (the “Code”) which is believed to be the most appropriate recognised governance code for the Company.

High standards of corporate governance are a priority for the Board and details of how Abbey plc addresses its key governance principles are set out below.

## RELATIONS WITH SHAREHOLDERS

Abbey plc’s strategy is designed to deliver long term value for its shareholders.

### *Business Model*

Our aim is to drive growth and we employ a business model that balances the demands of our main customers with the principal risks and uncertainties (as set out on page 10 of the Directors Report) faced by the businesses in which we are engaged

### *Shareholder Relations*

The Group places a high level of importance on communicating with its shareholders and welcomes and encourages a two-way communication with both its institutional and private investors within the constraints of the AIM rules and other regulations applicable to quoted companies.

The Executive Chairman talks regularly with the Group’s major shareholders and ensures that their views are communicated to the Board. Regular communication occurs between representatives of the Group and representatives of its principal investors. The views of the investors are regularly communicated to the Board.

The Board is responsible for the Company’s public announcements to the market and where appropriate takes advice from the Company’s advisors in respect of their preparation and the Company’s regulatory requirements. The Group’s website [www.abbeyplc.ie](http://www.abbeyplc.ie), provides the full text of company announcements, including the Annual General Meeting updates and the Interim and Final results.

The Chairman issues a statement on trading conditions at the Annual General Meeting and with the interim and final results.

The Board recognises the Annual General Meeting as an important opportunity to meet private shareholders. All investors are welcome to attend the AGM where they have the opportunity to ask questions of the Board. The Directors are available to listen to the views of the shareholders informally following the AGM.

Shareholder relations are managed primarily by the Company Secretary.

### *Stakeholders and Social Responsibility*

The Board recognises that the long-term success of the Group relies upon good relations with its various stakeholders. The Board periodically reviews its stakeholder strategy and action plan and thereby updates its analysis of its stakeholders and their interests and assesses how their needs and expectations are being managed.

Feedback is recognised as an important part of the shareholder strategy and the Board reviews feedback and decides how to address it. The Board is fully committed to its Corporate Social Responsibility and details of this are found on page 11 of 2020 Annual Report.

## INTERNAL CONTROL

The Board is 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.

**INTERNAL CONTROL (CONTINUED)**

- 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 included 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.

Details of the Group's principal risks are outlined on page 10.

**THE BOARD**

The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively.

The Board is currently comprised of the Executive Chairman, two executive directors and five non-executive directors.

- C.H. Gallagher Executive Chairman
- L.G. Fraquelli Executive Director
- N.J. Collins Executive Director
- D.A. Gallagher Non Executive Director
- M.A. McNulty Non Executive Director
- R.N. Kennedy Non Executive Director
- A.G. Quirke Non Executive Director & Audit Committee Chairman
- A.M. Gallagher Non Executive Director

Biographies of the directors are available on the Company's website at [www.abbeyplc.ie](http://www.abbeyplc.ie).

All Directors are encouraged to use, and are capable of exercising their independent judgement and to challenge all matters, whether strategic or operational.

The following Directors are considered to be independent Directors:

- D.A. Gallagher Non Executive Director
- M.A. McNulty Non Executive Director
- R.N. Kennedy Non Executive Director
- A.G. Quirke Non Executive Director
- A.M. Gallagher Non Executive Director

The Board considers all non-executive directors capable of exercising independent judgment. They all have considerable experience and share equal obligations to the Group and together the Directors offer a wide range of relevant industry knowledge and experience. The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience required for the Company. The Board is satisfied that the long service of some Directors does not prejudice their independent judgement.

The roles of the Executive Chairman and Chief Executive are combined in one individual. The Board believes 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 Board believes that 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 BOARD (CONTINUED)**

The Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required.

All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings.

The Board considers that it has the appropriate consistency of experience, skills and capabilities required to sustain it as a fully functioning board for the benefit on the company. Continuous reviews are carried out in order to ensure that this remains.

Each member of the Board is required to consider the appropriateness and opportunity for continuing professional development whether formal or informal and to engage in such to ensure that their relevant skill sets are kept up to date.

The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments

*Independent Advice*

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary.

*External Advice*

Where appropriate the Board will seek external advice on significant matters.

*Performance*

The Board recognises that its own effectiveness is reliant upon the performance of its individual directors and the performance of the board collectively. Shareholders hold the board accountable and by raising questions at the AGM and writing to the board directly.

*Ethical Values and Behavior*

The Board seeks to ensure that all Group business is conducted in an honest and ethical manner and the Group is committed to acting professionally, fairly and with integrity in all business dealings and relationships. These values are enshrined in the written policies and working practices adopted by all employees within the Group.

An open culture is encouraged within the Group, feedback is regularly sought and the Board consider that the culture of the Group is consistent with its objectives, strategy, risks and uncertainties and business model. The Executives monitor business operations to ensure that adherence to the corporate values and culture are observed and address any concerns where they may arise, escalating these to Board level as necessary.

*Governance Structures*

The Board scheduled five meetings during the year with an agenda sent out at least one week in advance in accordance with its scheduled meeting calendar. The Board and its Committees receive appropriate and timely information prior to each meeting, a formal agenda is prepared for each meeting and the Board papers are issued several days in advance of the meeting. All directors receive regular and timely information on the Groups operational and financial performance. All directors attended each of the five scheduled meetings with the exception of two absentees noted in respect of one meeting. In addition, and in order to be efficient, the Directors meet formally and informally both in person and by telephone.

There is a formal schedule of matters reserved to the Board. It is responsible for overall Group strategy, approval of major capital expenditure projects, approval of interim and annual results, annual budgets, Dividend policy, Board structures and nominations, monitoring exposure to key business risks, and reviewing the strategic direction of the trading subsidiaries. The Board delegates the day to day responsibility of managing the business to its executive directors.

**COMMITTEES**

The Board is supported by the Audit and Remuneration Committees. An Audit Committee report is not deemed necessary as the main roles and responsibilities of the Committee are set out below, and provide sufficient context and detail on the operation of the Committee during the year.



**COMMITTEES (CONTINUED)***The Audit Committee*

The main role and responsibilities of the audit committee are:

- To monitor the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgements contained therein.
- To review the Groups internal financial controls and its internal controls and risk management systems.
- To make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.
- To develop and implement policy on the engagement of the external auditor to supply non-audit services and identify matters in respect of which it considers that action or improvement is needed.
- To review arrangements by which staff of the Group may, in confidence raise concerns about possible improprieties in matters of financial reporting or other matters.
- To annually consider whether there is a need for an audit function and make recommendations to the Board.

*The Remuneration Committee*

The main roles and responsibilities of the remuneration committee are:

- To make recommendations to the Board in relation to all aspects of remuneration for Executive Directors.
- To ensure that remuneration packages are competitive and will attract, retain and motivate Executive Directors of the caliber required.
- No individual is involved in making decisions as to their own remuneration.

A Report of the Remuneration Committee is set out on page 12 to this Annual Report.

*Nominations Committee*

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee. All Board Nominations are tabled under "Formal matters to be reserved to the board" and considerations of appointments are made by the Board as a whole.

**CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue as a going concern and so that it can continue to provide returns for shareholders and benefits for other stakeholders. The capital comprises mainly of issued capital, reserves and retained earnings as set out in the Consolidated Statement of Changes in Equity.

**GOING CONCERN**

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 9 to 11. The position of the Group, its cash flows and liquidity position are detailed on pages 25 and 26. 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, in particular the impact of the COVID-19 pandemic and the related government imposed restrictions. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**SUMMARY**

The Board takes its responsibilities seriously. Although there are a number of areas in which the Group is not fully congruent with the QCA guidance, the way in which the Group is organised and governed is deemed appropriate given its current structure and circumstances.



*D.J. Dawson*  
Company Secretary  
9 July 2020

# Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position, of the Group and parent company as at the end of the financial year, and the profit or loss for the Group and parent company for the financial year, and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors have elected to prepare the Parent Company's financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, together with the Companies Acts 2014.

The Directors are responsible for ensuring that the Parent Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Parent company, enable at any time the assets, liabilities, financial position and profit or loss of the Group and Parent company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and Parent company 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 Auditor's Report to the Members of Abbey plc

## OPINION

We have audited the financial statements of Abbey plc ('the Company') and its subsidiaries ('the Group') for the year ended 30 April 2020, which comprise the Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Changes in Equity, Group Balance Sheet, Group Cash Flow Statement, Company Income Statement, Company Statement of Comprehensive Income, Company Statement of Changes in Equity, Company Balance Sheet, Company Cash Flow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 6. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 30 April 2020 and of its profit for the year then ended;
- the Company financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 30 April 2020 and of its profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014; and
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements

section of our report. We are independent of the Group and Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters, in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p><b>Existence of plant and equipment assets available for hire (€22.4 million) (2019: €26.2 million)</b></p> <p>Refer to accounting policies (page 29) and Note 15 of the Consolidated Financial Statements (page 36)</p> <p>Plant and equipment assets available for hire may not be returned or may not exist. This is considered to be a risk area due to the mobile nature of the assets and the relatively large number of such assets.</p>	<p>Our procedures in respect of the existence of hire assets included the following:</p> <ul style="list-style-type: none"> <li>■ We carried out a walkthrough of the relevant process including identifying management controls.</li> <li>■ We analysed movements in the assets available for hire, investigated unusual movements and performed a test of detail on asset additions and disposals.</li> <li>■ For each asset category, we obtained utilisation reports for the year and examined asset categories with risk characteristics.</li> <li>■ We performed a physical verification of a sample of assets at selected plant hire sites and tied-in test counts to hire asset registers.</li> <li>■ For a selection of depots, we randomly selected individual assets from the year-end asset register, determined when each asset was last rented and obtained explanations for any assets not recently rented.</li> </ul>	<p>Our observations included an outline of the range of audit procedures performed and a summary of the results.</p>
Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p><b>Valuation of work in progress ('WIP') inventories (€82.6 million) (2019: €66.0 million)</b></p> <p>Refer to accounting policies (page 28) and Note 20 of the Consolidated Financial Statements (page 38)</p> <p>WIP may be misstated either because (a) it is not recoverable or (b) due to errors or unreasonable assumptions utilised in the margin estimation process. As WIP balances are highly material and somewhat judgemental, the valuation of same was an area where we allocated significant resources in directing the effort of the engagement team.</p> <p>The impact of the COVID-19 pandemic resulted in higher WIP levels in the current year, as well as greater potential for recoverability issues should house prices drop in future periods.</p>	<p>Our procedures in respect of the valuation of WIP included the following:</p> <ul style="list-style-type: none"> <li>■ We carried out a walkthrough of the relevant process including identifying management controls.</li> <li>■ We undertook a number of site visits to development plots at year-end, in conjunction with stock count procedures, and costs of construction to date were confirmed to site stage of completion sign offs carried out by site management.</li> <li>■ We carried out net realisable value testing.</li> <li>■ We reviewed sites with significant margin variances year on year, investigating the underlying causes for the variances.</li> <li>■ We reviewed sites with low estimated margins.</li> <li>■ For the most significant sites in terms of WIP value, we reviewed key assumptions used in margin estimates and performed look back procedures to assess the accuracy of previous estimates.</li> <li>■ All sites were reviewed for indicators of impairment such as significantly reduced selling prices or large numbers of complete but unsold plots, or decreases in post year-end sales prices.</li> <li>■ We reviewed commentary from a number of market commentators in the UK and Ireland concerning possible movements in house prices within the foreseeable future, and we assessed the potential impact of such movements on the recoverability of WIP.</li> </ul>	<p>Our observations included an outline of the range of audit procedures performed, the key judgements involved and a summary of the results.</p>

**OVERVIEW OF THE SCOPE OF OUR AUDIT****Our Application of Materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

*Materiality*

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be €1.7 million (2019: €2.7 million), which is approximately 5% (2019: 5%) of consolidated profit before tax. We considered profit before tax to be the most appropriate performance metric on which to base our materiality calculation as we consider it to be the most relevant performance measure to the shareholders of the Group.

During the course of our audit, we reassessed initial materiality and the only change in final materiality was to reflect the actual reported performance of the Group in the year.

*Performance Materiality*

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2019: 75%) of our planning materiality, namely €1.3 million (2019: €2.0 million). We have set performance materiality at this percentage due to the lack of significant past misstatements, our ability to assess the likelihood of misstatements, both corrected and uncorrected, the effectiveness of the control environment and other factors affecting the Group and its financial reporting.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that

component. In the current year, the range of performance materiality allocated to components was €1.1 million to €0.3 million (2019: €1.8 million to €0.4 million).

*Reporting Threshold*

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €0.09 million (2019: €0.13 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

**Tailoring the Scope**

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 28 reporting components of the Group, we selected 7 components covering entities within Ireland and the United Kingdom, which represent the principal business units within the Group.

Of the 7 components selected, we performed an audit of the complete financial information of 7 components ("full scope components") which were selected based on their size or risk characteristics.

The reporting components where we performed audit procedures accounted for 97% (2019: 96%) of the Group's profit before tax, 96% (2019: 97%) of the Group's revenue and 95% (2019: 96%) of the Group's total assets. For the current year, the full scope components contributed 97% (2019: 96%) of the Group's profit before tax, 96% (2019: 97%) of the Group's revenue and 95% (2019: 96%) of the Group's total assets.

**Tailoring the Scope (Continued)**

Of the remaining 21 components that together represent 3% (2019: 4%) of the Group's profit before tax, none are individually greater than 3% (2019: 4%) of the Group's profit before tax. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

*Involvement with Component Teams*

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINIONS ON OTHER MATTERS PRESCRIBED****BY THE COMPANIES ACT 2014**

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company financial statements are in agreement with the accounting records.

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

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

**RESPONSIBILITY OF DIRECTORS FOR THE FINANCIAL STATEMENTS**

As explained more fully in the Directors' Responsibilities Statement set on page 17, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT  
OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at:

[http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our Auditor's Report.

**THE PURPOSE OF OUR AUDIT WORK AND  
TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.



*Breffni Maguire*  
*for and on behalf of Ernst & Young*  
*Chartered Accountants and Statutory Audit Firm*

*Dublin*  
*9 July 2020*

## Group Income Statement

For The Year Ended 30 April 2020

	Note	2020 €'000	2019 €'000
Revenue - continuing operations	7	<b>182,178</b>	230,899
Cost of sales - operating		<b>(136,476)</b>	(166,507)
Gross profit		<b>45,702</b>	64,392
Administrative expenses		<b>(12,829)</b>	(12,185)
Realised gain on disposal of investment property	8	–	158
Fair value adjustment in investment properties	8	<b>(218)</b>	7
Revaluation increases in land and buildings	8	<b>25</b>	587
Operating profit - continuing operations		<b>32,680</b>	52,959
Finance income	9	<b>314</b>	68
Finance costs	9	<b>(7)</b>	(1)
Profit before taxation	10	<b>32,987</b>	53,026
Income tax expense	12	<b>(6,464)</b>	(9,830)
Profit attributable to equity shareholders of the parent	29	<b>26,523</b>	43,196
Earnings per share - basic	14	<b>125.62c</b>	201.48c
Earnings per share - diluted	14	<b>125.62c</b>	201.48c

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

## Group Statement of Comprehensive Income

For The Year Ended 30 April 2020

	2020 €'000	2019 €'000
Profit attributable to equity shareholders of the parent	<b>26,523</b>	43,196
<i>Items that may be reclassified subsequently to the income statement</i>		
Foreign currency translation	<b>(3,361)</b>	5,938
Unrealised gain on fair value of financial investments	<b>2</b>	–
<i>Items that will not be reclassified to the income statement</i>		
Revaluation reserve (decrease) / increase – land and buildings	<b>(168)</b>	1,645
Actuarial loss on Group defined benefit pension obligations	<b>(863)</b>	(804)
Deferred tax movement relating to actuarial loss on Group defined benefit obligations	<b>164</b>	137
Other comprehensive (loss) / income for the year, net of tax	<b>(4,226)</b>	6,916
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the parent	<b>22,297</b>	50,112



## Group Statement of Changes in Equity

For The Year Ended 30 April 2020

	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 2019	6,861	13,321	6,408	5,522	(27,668)	362,165	366,609
Profit for the year	–	–	–	–	–	26,523	26,523
Other comprehensive (loss), net of tax	–	–	(233)	–	(3,296)	(697)	(4,226)
Total comprehensive (loss) / income, net of tax, attributable to equity shareholders	–	–	(233)	–	(3,296)	25,826	22,297
Equity dividends paid	–	–	–	–	–	(2,311)	(2,311)
Purchase of own shares	(167)	–	–	167	–	(7,860)	(7,860)
At 30 April 2020	6,694	13,321	6,175	5,689	(30,964)	377,820	378,735

## Group Statement of Changes in Equity

For The Year Ended 30 April 2019

	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 2018	6,861	13,321	4,898	5,522	(33,508)	344,916	342,010
Profit for the year	–	–	–	–	–	43,196	43,196
Other comprehensive income (loss), net of tax	–	–	1,510	–	5,840	(434)	6,916
Total comprehensive income, net of tax, attributable to equity shareholders	–	–	1,510	–	5,840	42,762	50,112
Equity dividends paid	–	–	–	–	–	(25,513)	(25,513)
At 30 April 2019	6,861	13,321	6,408	5,522	(27,668)	362,165	366,609

# Group Balance Sheet

At 30 April 2020

<b>ASSETS</b>	Note	2020 €'000	2019 €'000
<b>Non-current assets</b>			
Property, plant and equipment	15	35,869	40,285
Investment properties	16	2,272	2,502
Right-to-use-asset	17	175	–
Investments	18	6	6
Deferred taxation	25	1,043	614
Defined benefit pension scheme surplus	34	–	1,010
		<b>39,365</b>	<b>44,417</b>
<b>Current assets</b>			
Trade and other receivables	19	13,849	17,894
Inventories	20	292,586	274,285
Financial investments	18	4,683	–
Income tax receivable	23	3,050	–
Restricted cash	21	1,934	2,011
Cash and cash equivalents	21	70,783	97,110
		<b>386,885</b>	<b>391,300</b>
<b>TOTAL ASSETS</b>		<b>426,250</b>	<b>435,717</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	22	(45,917)	(63,593)
Income tax payable	23	–	(4,594)
Provisions	24	(341)	(536)
		<b>(46,258)</b>	<b>(68,723)</b>
<b>NET CURRENT ASSETS</b>		<b>340,627</b>	<b>322,577</b>
<b>Non-current liabilities</b>			
Provisions	24	(341)	(385)
Lease liability	26	(147)	–
Defined benefit pension scheme deficit	34	(769)	–
		<b>(1,257)</b>	<b>(385)</b>
<b>TOTAL LIABILITIES</b>		<b>(47,515)</b>	<b>(69,108)</b>
<b>NET ASSETS</b>		<b>378,735</b>	<b>366,609</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Issued capital	27	6,694	6,861
Share premium	28	13,321	13,321
Revaluation reserve	28	6,175	6,408
Other reserves			
- Capital redemption reserve fund	27	5,689	5,522
- Currency translation	28	(30,964)	(27,668)
Retained earnings	29	377,820	362,165
		<b>378,735</b>	<b>366,609</b>
<b>TOTAL EQUITY</b>		<b>378,735</b>	<b>366,609</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>426,250</b>	<b>435,717</b>

Approved by the Board on 9 July 2020

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



# Group Cash Flow Statement

For The Year Ended 30 April 2020

	Note	2020 €'000	2019 €'000
<b>Cash flows from operating activities</b>			
Profit before taxation		<b>32,987</b>	53,026
<b>Adjustment to reconcile profit before tax to net cash flows</b>			
<b>Non cash:</b>			
Depreciation and amortisation	10	<b>9,382</b>	9,618
Other non cash items		<b>715</b>	38
Movement in defined benefit pension asset		<b>891</b>	(51)
Fair value adjustment on investment properties	8	<b>218</b>	(7)
Revaluation increases in land and buildings	8	<b>(25)</b>	(587)
Profit on disposal of property, plant and equipment	10	<b>(2,179)</b>	(2,755)
Realised gain on disposal of investment property	8	<b>–</b>	(158)
Finance income	9	<b>(314)</b>	(68)
Finance costs	9	<b>7</b>	1
<b>Working capital adjustments:</b>			
Increase in inventories		<b>(43,760)</b>	(10,255)
Decrease in trade and other receivables		<b>3,906</b>	12,335
Increase / (decrease) in trade and other payables		<b>4,432</b>	(1,242)
Income taxes paid		<b>(14,257)</b>	(10,025)
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(7,997)</b>	49,870
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		<b>(6,365)</b>	(14,889)
Sale of property, plant and equipment		<b>3,430</b>	4,419
Disposal of investment property		<b>–</b>	592
Finance income	9	<b>314</b>	68
<b>Net cash outflow from investing activities</b>		<b>(2,621)</b>	(9,810)
<b>Cash flows from financing activities</b>			
Cost of share buy backs		<b>(7,860)</b>	–
Equity dividends paid	13	<b>(2,311)</b>	(25,513)
Investment in financial investments	18	<b>(4,641)</b>	–
Movement in restricted cash	21	<b>77</b>	1,944
Finance costs	9	<b>(7)</b>	(1)
<b>Net cash outflow from financing activities</b>		<b>(14,742)</b>	(23,570)
Net (decrease) / increase in cash and cash equivalents		<b>(25,360)</b>	16,490
Cash and cash equivalents at start of year	21	<b>97,110</b>	78,880
Net foreign exchange differences		<b>(967)</b>	1,740
<b>Cash and cash equivalents at end of year</b>	21	<b>70,783</b>	97,110

## 1. AUTHORISATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of Abbey plc and its subsidiaries (the Group) for the year ended 30 April 2020 were authorised for issue in accordance with a resolution of directors on 9 July 2020. Abbey plc is a publicly traded entity incorporated in the Republic of Ireland. The company's shares are listed on the Euronext Growth Dublin 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")

The Group applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Group.

### IFRS 16 Leases

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* and is effective for annual periods beginning on or after 1 January 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. For lessors, IFRS 16 substantially carried forward the accounting requirement in IAS 17.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 May 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 May 2019. The Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

Upon adoption of IFRS 16, the Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. See Leases section under accounting policies (Note 6).

The incremental borrowing rate is determined using a portfolio approach based on the rate of interest that the Group would have to pay to borrow an amount equal to the lease payments on a collateralised basis over a similar term. Management uses the unsecured borrowing rate and risk-adjust that rate to approximate a collateralised rate, which is updated on a quarterly basis.

The Group also uses hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The lease liabilities as at 1 May 2019 can be reconciled to the operating lease commitments as of 30 April 2020, as follows. The weighted average incremental borrowing rate as at 1 May 2019 was 3.4%.

	As at 1 May 2019 €'000
Operating lease commitments under IAS 17	232
Less impact of discounting	(30)
Discounted lease liability under IFRS 16	<u>202</u>

## 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 2020, and with Companies Act 2014 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 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 2020. 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. The financial statements have been prepared on a going concern basis as the directors have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future, and believe that the COVID-19 pandemic will not have a material adverse impact on the Group's ability to continue as a going concern.

## 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.

**6. ACCOUNTING POLICIES (CONTINUED)***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. Trade payables in respect of land are recognised at the point at which the contract is exchanged.

**Taxes***Current income tax*

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

*Deferred 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.

**6. ACCOUNTING POLICIES (CONTINUED)**

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 enforceable 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 the income statement. Differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement. Non monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements to the 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**

The Group assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use underlying assets.

**(i) Right-of-use assets**

The Group recognises the right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, as follows:

■ Land and Buildings	5-10 years
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**(ii) Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily available. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

**(iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of plant and machinery. It also applies the lease of low-value assets recognition exemptions to applicable assets. Lease payments on short-term leases and the leases of low-value assets are recognised as expense 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 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.

***Fair value financial investments***

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, 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 financial investments were UK Government Sterling Bonds as detailed in note 18.

The fair value of financial asset investments is determined by reference to the quoted price, which excludes accrued interest, at the close of business on the balance sheet date. The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

***Pensions and other post retirement benefits***

The Group operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. The UK scheme was closed to new entrants on 1 January 2001 from which time membership of a defined contribution plan is available. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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.

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.



**6. ACCOUNTING POLICIES (CONTINUED)**

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.

*Deferred tax asset*

In determining the carrying amount of deferred tax assets, management considers the requirements of the applicable reporting standards to determine an appropriate estimate.

*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 34 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.

**Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant related to an expense item, it is recognised as part of profit and loss and deducted in reporting the related expense.



**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)**

IFRS 17 Insurance Contracts

**Effective Date\***

1 January 2021

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 Czechia. 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 segmental information.

	— Building and Property Development —			Property Rental			
	Ireland	United Kingdom	Czechia	Plant Hire	Ireland and United Kingdom	Unallocated	GROUP
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>30 April 2020</b>							
<b>Income Statement Information</b>							
Revenue	18,062	138,457	6,173	18,403	1,083	–	<b>182,178</b>
Cost of sales							
– operating	(15,194)	(100,859)	(4,921)	(15,502)	–	–	<b>(136,476)</b>
Administrative expenses	(1,314)	(8,115)	(885)	(2,378)	–	–	<b>(12,692)</b>
Fair value adjustment investment properties	–	–	–	–	(218)	–	<b>(218)</b>
Revaluation increase in land and buildings	–	25	–	–	–	–	<b>25</b>
Foreign currency (losses) / gains	(764)	627	–	–	–	–	<b>(137)</b>
Operating profit	790	30,135	367	523	865	–	<b>32,680</b>
Finance income net	–	307	–	–	–	–	<b>307</b>
Income tax expense	(82)	(5,849)	(261)	(40)	(232)	–	<b>(6,464)</b>
<b>Profit after taxation</b>	<b>708</b>	<b>24,593</b>	<b>106</b>	<b>483</b>	<b>633</b>	<b>–</b>	<b>26,523</b>
<b>Balance Sheet Information</b>							
Segment assets	52,605	234,913	21,877	37,060	2,389	–	<b>348,844</b>
Segment liabilities	(6,041)	(35,980)	(2,192)	(3,302)	–	–	<b>(47,515)</b>
Segment net assets	46,564	198,933	19,685	33,758	2,389	–	<b>301,329</b>
Investments	–	6	–	–	–	–	<b>6</b>
Financial investments	–	4,683	–	–	–	–	<b>4,683</b>
Cash and cash equivalents and restricted cash	4,661	62,408	1,675	3,491	–	482	<b>72,717</b>
<b>TOTAL NET ASSETS</b>	<b>51,225</b>	<b>266,030</b>	<b>21,360</b>	<b>37,249</b>	<b>2,389</b>	<b>482</b>	<b>378,735</b>
<b>Other Segmental Information</b>							
Depreciation	156	89	–	9,111	–	–	<b>9,356</b>
Profit on disposal of fixed assets	(21)	(10)	–	(2,148)	–	–	<b>(2,179)</b>
Capital expenditure	233	38	–	6,500	–	–	<b>6,771</b>
Non-current assets	839	2,413	–	33,724	2,389	–	<b>39,365</b>

## 7. SEGMENTAL INFORMATION (CONTINUED)

30 April 2019	— Building and Property Development —			Property Rental		Unallocated	GROUP
	Ireland	United Kingdom	Czechia	United Kingdom	Ireland and Czechia		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Income Statement Information</b>							
Revenue	12,406	188,954	7,784	20,512	1,243	–	<b>230,899</b>
Cost of sales							
– operating	(9,494)	(136,233)	(4,955)	(15,825)	–	–	(166,507)
Administrative expenses	(1,365)	(7,799)	(918)	(1,599)	–	–	(11,681)
Realised gain on disposal of investment	–	–	–	–	158	–	158
Fair value adjustment investment properties	52	(45)	–	–	–	–	7
Revaluation increase in land and buildings	–	75	–	512	–	–	587
Foreign currency losses	(56)	(448)	–	–	–	–	(504)
Operating profit	1,543	44,504	1,911	3,600	1,401	–	52,959
Finance income net	–	67	–	–	–	–	67
Income tax expense	(69)	(8,579)	(235)	(646)	(301)	–	(9,830)
<b>Profit after taxation</b>	<b>1,474</b>	<b>35,992</b>	<b>1,676</b>	<b>2,954</b>	<b>1,100</b>	<b>–</b>	<b>43,196</b>
<b>Balance Sheet Information</b>							
Segment assets	42,752	235,060	13,698	42,578	2,502	–	336,590
Segment liabilities	(5,845)	(57,675)	(2,947)	(2,641)	–	–	(69,108)
Segment net assets	36,907	177,385	10,751	39,937	2,502	–	267,482
Investments	–	6	–	–	–	–	6
Cash and cash equivalents and restricted cash	15,834	79,787	2,624	117	–	759	99,121
<b>TOTAL NET ASSETS</b>	<b>52,741</b>	<b>257,178</b>	<b>13,375</b>	<b>40,054</b>	<b>2,502</b>	<b>759</b>	<b>366,609</b>
<b>Other Segmental Information</b>							
Depreciation	69	134	–	9,415	–	–	9,618
Profit on disposal of fixed assets	–	(7)	–	(2,748)	–	–	(2,755)
Gain on disposal of investment property	–	–	–	158	–	–	158
Capital expenditure	230	141	–	12,891	–	–	13,262
Non-current assets	1,001	3,602	–	37,312	2,502	–	44,417

## 8. OTHER CHANGES ON ASSETS AT FAIR VALUE

	2020	2019
	€'000	€'000
<b>Realised gain on disposal of investment property</b>	<b>–</b>	<b>158</b>
During the previous year a gain resulted from the disposal of an investment property		
<b>Net (loss) / gain from fair value adjustment in investment properties</b>	<b>(218)</b>	<b>7</b>
At the year end, a review of the fair value of investment properties was undertaken and this resulted in a net loss recorded in the income statement.		
<b>Revaluation increase in land and buildings</b>	<b>25</b>	<b>587</b>
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.		

**9. FINANCE INCOME**

	2020 €'000	2019 €'000
Bank interest receivable	288	23
Government bond interest receivable	2	–
Other finance income on defined benefit pension scheme (note 34)	24	45
	<b>314</b>	<b>68</b>

**FINANCE COSTS**

Interest payable	(7)	(1)
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**10. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2020 €'000	2019 €'000
The profit on ordinary activities before taxation is arrived at after (crediting) / charging:		
Profit on disposal of property, plant and equipment	(2,179)	(2,755)
Gain on disposal of investment property	–	(158)
Fair value adjustment of investment properties	218	(7)
Revaluation increases in land and buildings	(25)	(587)
Foreign currency losses	137	504
Operating lease rentals:		
– Rent of building	–	30
– Hire of plant and machinery (short term leases)	278	274
Depreciation	9,356	9,618
Right-of-use asset depreciation	25	–
Amortisation of Government bonds	1	–
Auditor's remuneration		
– statutory audit of the Group and subsidiaries	145	147
– taxation services	25	28
– out of pocket expenses	–	20

**11. EMPLOYMENT**

The average number of persons employed by the Group, including executive directors, in the financial year was 228 (2019: 229) and is analysed by class of Business as follows:

	2020 Number	2019 Number
<i>Building and property development</i>		
Ireland	9	11
United Kingdom	76	77
<i>Plant hire and rental</i>		
United Kingdom	143	141
	<b>228</b>	<b>229</b>

Employment costs comprise:

	2020 €'000	2019 €'000
Wages and salaries	12,473	12,300
Social welfare costs	1,472	1,388
Pension costs	1,753	736
	<b>15,698</b>	<b>14,424</b>

Included in pension costs are €1,111,000 (2019: €230,000) in respect of defined benefit schemes and €642,000 (2019: €506,000) in respect of defined contribution schemes. Details of the Directors' emoluments are set out in the Remuneration Report on page 12.

**12. TAXATION**

	2020 €'000	2019 €'000
(a) Tax charged to the income statement:		
<b>Irish Corporation Tax at 12.50% (2019: 12.50%)</b>		
Current	306	301
Tax losses utilised	(236)	(232)
<b>United Kingdom Corporation Tax at 19.00% (2019: 19.00%)</b>		
Current	6,395	9,260
<b>Czechia Corporation Tax at 19.00% (2019: 19.00%)</b>		
Current	276	287
Adjustment in respect of previous year	(15)	(30)
Total current corporation tax	6,726	9,586
Deferred tax: originating and reversal of temporary differences (note 25)	(262)	244
<b>Tax charge to the income statement</b>	<b>6,464</b>	<b>9,830</b>
<b>Tax relating to items charged or credited to statement of comprehensive income</b>		
Deferred tax (note 25)	(164)	(137)

There is no expiry date on the Irish tax losses.

*(b) Factors affecting current tax charge*

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:

	2020 (% of profit before taxation)	2019 (% of profit before taxation)
UK corporation tax rate	19.00	19.00
Lower tax rates on Irish profits and passive income	(0.11)	(0.19)
Tax losses utilised	(0.71)	(0.44)
Adjustment for previous year	(0.05)	(0.06)
Other	0.08	(1.20)
Deferred tax	(0.30)	0.46
Permanent differences	1.69	0.97
	<b>19.60</b>	<b>18.54</b>

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

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

A total of €164,000 (2019: credited €137,000) has been credited to other comprehensive income for the year ended 30 April 2020 and this comprises the following:

- €164,000 (2019: tax credit €137,000) relates to deferred tax movement on actuarial loss on the Group's defined benefit obligations.

**13. DIVIDENDS**

	2020 €'000	2019 €'000
On Ordinary Equity Shares		
<i>Paid ordinary</i>		
Dividend of 11.00 cents per issued ordinary share (2019: 10.00 cents per share)	2,311	2,144
Dividend of Nil cents per issued ordinary share (2019: 100.00 cents per share)	–	21,439
Dividend of Nil cents per issued ordinary share (2019: 9.00 cents per share)	–	1,930
	<b>2,311</b>	<b>25,513</b>
<i>Ordinary dividends proposed (memorandum disclosure)</i>		
Proposed Nil cents per share (2019: 11.00 cents per share)	–	2,356

**14. EARNINGS PER SHARE: Basic and Diluted**

Earnings per share have been calculated by reference to the weighted average number of shares in issue of 21,113,910 (2019: 21,439,578) and to the profit on ordinary activities after taxation amounting to €26,523,000 (2019: €43,196,000).

**15. PROPERTY, PLANT AND EQUIPMENT**

	Land and buildings €'000	Plant and machinery €'000	Transport €'000	Total €'000
<b>Cost or fair value</b>				
At 1 May 2018	10,636	53,459	4,428	68,523
Translation adjustment	262	1,145	90	1,497
Additions	–	12,655	607	13,262
Disposals	–	(9,219)	(401)	(9,620)
Revaluation	2,191	–	–	2,191
At 30 April 2019	13,089	58,040	4,724	75,853
Translation adjustment	(130)	(590)	(46)	(766)
Additions	–	6,148	623	6,771
Disposals	–	(7,128)	(689)	(7,817)
Revaluation	(142)	–	–	(142)
At 30 April 2020	12,817	56,470	4,612	73,899
<b>Accumulated depreciation</b>				
At 1 May 2018	1,291	29,187	2,736	33,214
Translation adjustment	25	610	57	692
Charge for the year	102	8,943	573	9,618
Disposals	–	(7,615)	(341)	(7,956)
At 30 April 2019	1,418	31,125	3,025	35,568
Translation adjustment	(12)	(288)	(29)	(329)
Charge for the year	103	8,665	588	9,356
Disposals	–	(5,954)	(611)	(6,565)
At 30 April 2020	1,509	33,548	2,973	38,030
<b>Carrying amounts</b>				
<b>At 30 April 2020</b>	<b>11,308</b>	<b>22,922</b>	<b>1,639</b>	<b>35,869</b>
At 30 April 2019	11,671	26,915	1,699	40,285

Plant and machinery includes assets held for hire with a cost of €54,547,000 (2019: €56,302,000) and accumulated depreciation of €32,124,000 (2019: €29,872,000).

	2020 €'000	2019 €'000
Land and building comprises:		
Freehold property	10,813	11,171
Long leasehold property	495	500
	<b>11,308</b>	11,671
The historical cost of land and buildings amounts to:		
Land and buildings	<b>6,506</b>	6,564

**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 2020, the properties' fair values are based on valuations performed by Bagnell, Doyle, McMahon Chartered Surveyors, an accredited independent valuer. The Directors have considered the valuation of the properties as at 30 April 2020 and are satisfied that the valuation as presented above represents the fair value of these properties at year-end.

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

Fair value of the properties in the United Kingdom were determined by using market comparable information and rental yields. 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 2020, the properties' fair values are based on valuations performed by Glenny, Chartered Surveyors, an accredited independent valuer. The Directors have considered the valuation of the properties as at 30 April 2020 and are satisfied that the valuation as presented above represents the fair value of these properties at year-end.

**16. INVESTMENT PROPERTIES**

	2020 €'000	2019 €'000
<b>Fair value</b>		
At 1 May	2,502	2,912
Translation adjustment	(12)	17
Disposals	–	(434)
Fair value adjustment	(218)	7
	<b>2,272</b>	<b>2,502</b>

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 2020, the properties' fair values are based on valuations performed by Bagnell, Doyle, McMahon, Chartered Surveyors, an accredited independent valuer. The Directors have considered the valuation of the properties as at 30 April 2020 and are satisfied that the valuation as presented above represents the fair value of these properties at year-end.

**United Kingdom**

Fair value of the properties in the United Kingdom were determined by using market comparable information and rental yields. 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 dates of revaluation of 30 April 2020, the properties' fair values are based on valuations performed by Glenny, Chartered Surveyors, an accredited independent valuer. The Directors have considered the valuation of the properties as at 30 April 2020 and are satisfied that the valuation as presented above represents the fair value of these properties at year-end.

**17. RIGHT-TO-USE-ASSET**

The Group uses leases for the use of land and buildings. These leases have terms of renewal but no purchase options. The Group leases premises for its plant hire business and the lease term is 10 years and will expire in December 2026. The Group also has such leases with lease terms remaining of 12 months or less and some leases of low value. The Group applied the short-term lease and the lease of low-value assets recognition exemption for these leases. Set out below are the carrying amounts of the right-to-use asset recognised and the movements during the period.

	2020 €'000
At 1 May	202
Depreciation	(25)
Translation	(2)
	<b>175</b>

**18. INVESTMENTS AND FINANCIAL INVESTMENTS**

	2020 €'000	2019 €'000
Ordinary shares at cost - Non-listed company	6	6
Financial investments - UK Government sterling Bonds	<b>4,683</b>	–

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 statements during the year was €2,000 (2019: €nil).

**19. TRADE AND OTHER RECEIVABLES**

	2020 €'000	2019 €'000
<i>Amount falling due within one year</i>		
Trade receivables	<b>8,492</b>	14,365
Other receivables	<b>2,562</b>	2,079
Value added tax	<b>2,587</b>	793
Prepayments and accrued income	<b>208</b>	657
	<b>13,849</b>	17,894

Trade receivables are generally on 30-60 day terms and are shown net of a provision for impairment. At 30 April 2020 trade receivables amounting to €929,000 (2019: €768,000) were older than the Group's standard credit terms but not deemed to be impaired. At 30 April 2020, trade receivables with a value of €482,000 (2019: €369,000) were impaired and fully provided for. The movement in the bad debt provision is not considered material, nor does it relate to significant individual receivables.

**20. INVENTORIES**

	2020 €'000	2019 €'000
Building land and roads	<b>209,046</b>	206,575
Work in progress	<b>82,628</b>	66,045
Raw materials	<b>912</b>	1,665
	<b>292,586</b>	274,285

**21. RESTRICTED CASH**

	2020 €'000	2019 €'000
Cash held in escrow accounts	<b>1,934</b>	2,011

Restricted cash of €1,566,000 (2019: €2,011,000) is held in escrow accounts in respect of house unit sales in Czechia. These funds, together with any interest earned, will be released to the Group when title to the units are transferred to the purchasers. A further €368,000 (2019: Nil) of restricted cash in Ireland is for performance development bonds.

**CASH AND CASH EQUIVALENTS**

Cash at bank and in hand	<b>70,783</b>	97,110
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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 €70,783,000 (2019: €97,110,000). The Group had no undrawn borrowing facilities at the year end (2019: €Nil).

**22. TRADE AND OTHER PAYABLES**

	2020 €'000	2019 €'000
<i>Amount falling due within one year</i>		
Trade creditors	<b>26,055</b>	21,969
Amounts outstanding on land	<b>2,585</b>	26,433
PAYE	<b>301</b>	284
Social welfare tax	<b>202</b>	233
Value added tax	<b>872</b>	1,106
Lease liabilities	<b>30</b>	–
Other creditors	<b>2,169</b>	2,069
Accruals	<b>12,341</b>	9,751
Deferred income	<b>1,362</b>	1,748
	<b>45,917</b>	63,593

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.

**23. INCOME TAX PAYABLE**

	2020	2019
	€'000	€'000
Income tax (receivable) / payable	<b>(3,050)</b>	4,594

**24. PROVISIONS**

	2020	2019
	€'000	€'000
<i>Maintenance provisions</i>		
At 1 May	<b>921</b>	1,103
Arising during the year	<b>516</b>	560
Utilised	<b>(526)</b>	(496)
Released during year	<b>(229)</b>	(246)
At 30 April	<b>682</b>	921
<i>Analysed as:</i>		
Current liabilities	<b>341</b>	536
Non-current liabilities	<b>341</b>	385
	<b>682</b>	921

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

**25. DEFERRED TAXATION**

	Pension Obligation	Accelerated Capital Allowances	Other	Total	Total
	2020	2020	2020	2020	2019
	€'000	€'000	€'000	€'000	€'000
At 1 May – Non-current asset	(172)	500	286	<b>614</b>	718
Translation adjustment	4	(3)	2	<b>3</b>	3
Change in tax rates	(19)	58	(25)	<b>14</b>	–
Recognised in income statement	169	168	(89)	<b>248</b>	(244)
Equity movement	164	–	–	<b>164</b>	137
At 30 April	146	723	174	<b>1,043</b>	614

*Unrecognised Deferred Tax Asset*

A potential deferred tax asset of €1,436,000 (2019: €1,543,000) has not been recognised as there is uncertainty regarding the availability of future Irish taxable profits against which the tax losses may be utilised.

**26. LEASE LIABILITY**

A description of the lease held by the Group is provided in note 17. Set out below are the carrying amounts of the lease liabilities recognised and the movements during the period.

	2020
	€'000
At 1 May	<b>202</b>
Interest	<b>7</b>
Rental Payments	<b>(30)</b>
Translation	<b>(2)</b>
	<b>177</b>
Current	<b>30</b>
Non-current	<b>147</b>



**27. ISSUED SHARE CAPITAL**

27. ISSUED SHARE CAPITAL		2020	2019	
		€'000	€'000	
<b>Authorised</b>				
At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each		14,400	14,400	
<b>Allotted, called up and fully paid</b>				
	2020	2019	2020	2019
	Number '000	Number '000	€'000	€'000
At 1 May ordinary shares of 32 cents each	21,440	21,440	6,861	6,861
Purchase of own shares, cancelled	(522)	–	(167)	–
At 30 April ordinary shares of 32 cents each	20,918	21,440	6,694	6,861
<b>Capital Redemption Reserve Fund</b>				
At 1 May			5,522	5,522
Purchase of own shares			167	–
At 30 April			5,689	5,522

**Capital redemption reserve fund**

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

**28. RESERVES**

	Share Premium Account €'000	Revaluation Reserve €'000	Currency Translation €'000
At 1 May 2018	13,321	4,898	(33,508)
Translation adjustment arising in year	–	98	5,840
Increase in revaluation surplus	–	1,412	–
At 1 May 2019	13,321	6,408	(27,668)
Translation adjustment arising in year	–	(65)	(3,296)
Decrease in revaluation surplus	–	(168)	–
<b>At 30 April 2020</b>	<b>13,321</b>	<b>6,175</b>	<b>(30,964)</b>
The revaluation reserve is in respect of:		€'000	
Land and buildings		<b>6,175</b>	

**Share premium reserve**

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

**29. RETAINED EARNINGS**

	Note	2020 €'000	2019 €'000
Retained earnings at beginning of year		<b>362,165</b>	344,916
Profit retained for the financial year		<b>26,523</b>	43,196
Equity dividends paid	13	<b>(2,311)</b>	(25,513)
(Decrease) / increase in revaluation surplus		–	233
Unrealised gain on fair value of financial investments		<b>2</b>	–
Actuarial loss on Group defined benefit pension obligations		<b>(863)</b>	(804)
Deferred tax movement relating to actuarial loss on Group defined benefit pension obligations		<b>164</b>	137
Purchase of own shares		<b>(7,860)</b>	–
<b>At 30 April</b>		<b>377,820</b>	362,165

**30. 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.

		2020 €'000	2019 €'000
<b>Land and buildings (refer note 15)</b>			
Commercial properties	Level 2	11,308	11,671
<b>Investment properties (refer note 16)</b>			
Commercial properties	Level 2	2,272	2,502
<b>Financial investments (refer note 18)</b>			
UK Government Sterling Bonds	Level 1	4,683	–

There were no fair value hierarchy measured at Level 3.

**31. FINANCIAL RISK MANAGEMENT**

The Group's principal financial assets and liabilities comprise financial investments, 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 in respect of development sites.

*Foreign currency risk*

As a result of significant operations in the United Kingdom and to a lesser extent Czechia, 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	(Decrease) / Increase on profit before tax €'000	(Decrease) / Increase on equity €'000
2019	+5%	(1,210)	(14,366)
	-5%	1,337	15,878
2020	+5%	(1,520)	(14,887)
	-5%	1,680	16,453

**32. CAPITAL COMMITMENTS**

There are no capital commitments contracted for at the balance sheet date (2019: €Nil).

**33. LEASES**

A description of the leases held by the Group is provided in Note 17. The following amounts are recognised in the statement of comprehensive income:

	2020 €'000
Depreciation expense for right-to-use asset	25
Interest expenses on lease liabilities	7
Total amount recognised in income statement	32

The Group has total cash outflows in the period for leases of €30,000.

Future minimum rentals payable under non-cancellable operating leases at 30 April 2019 were as follows:

	2019 €'000
<i>Leases on land and buildings:</i>	
Within one year	30
Between two and five years	91
After more than five years	111
	232

Operating leases on plant and machinery carry no future commitments.

**34. PENSIONS**

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

The most recent triennial actuarial valuation of the Abbey Group Limited Pension and Life Assurance Scheme was carried out as at 1 May 2017 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 3.10% 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 2020, the total value placed on the assets of the Group's pension plan for the purposes of the valuations amounted to €38.11 million and was sufficient to cover 98% of the scheme's liabilities. The Group will continue to make contributions into the scheme at a contribution rate of 24.1% from 1 May 2020. The employer expects to make contributions of €111,000 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 2020 by a qualified independent actuary. The actuarial reports are available to the pension scheme members only.

The major assumptions used by the actuary were:

	2020	2019
Pensionable salary growth	Nil % pa	Nil % pa
Pension escalation in payment	3.00 % pa	3.70 % pa
Discount rate	1.70 % pa	2.40 % pa
Inflation assumption - retail price index	2.80 % pa	3.40 % pa
Inflation assumption - consumer price index	2.00 % pa	2.60 % pa
<i>Post-retirement modality (in years)</i>		
Current pensioners at 65 - males	21.0	21.9
Current pensioners at 65 - females	23.2	24.2
Future pensioners at 65 - males	22.3	23.3
Future pensioners at 65 - females	24.6	25.6

**Fair value of defined benefit assets are as follows:**

	2020 €'000	2019 €'000
Bonds (quoted UK government gilts)	22,796	20,809
Shares (quoted on stock exchange)	13,513	17,292
Cash and short term deposits	1,802	1,905
Fair value of assets	38,111	40,006
Present value of scheme liabilities in respect of active and deferred members	(38,880)	(38,996)
Defined benefit pension scheme (deficit) / surplus	(769)	1,010

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 and equities. 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.

**34. PENSIONS (CONTINUED)**

The amounts recognised in the Group Income Statement and in the Group Statement of Comprehensive Income are as follows:

	2020 €'000	2019 €'000
<b>Recognised in the income statement</b>		
Current service cost	(249)	(230)
Past service cost	(862)	–
<b>Recognised in administrative expenses in the income statement, in arriving at operating profit</b>	<b>(1,111)</b>	<b>(230)</b>
<b>Interest income on net scheme assets</b>	<b>24</b>	<b>45</b>
<b>Net debit</b>	<b>(1,087)</b>	<b>(185)</b>
<b>Taken to the statement of comprehensive income</b>		
Actuarial (loss) / gain	(1,371)	149
Experienced (loss) / gain	(164)	512
Actuarial changes arising from changes in financial assumptions	672	(1,465)
<b>Actuarial losses recognised in statement of comprehensive income</b>	<b>(863)</b>	<b>(804)</b>
<b>Changes in the fair value of defined benefit pension obligations</b>		
As at 1 May	38,996	36,961
Current service cost	249	230
Member contributions	22	31
Interest costs	905	948
Benefits paid	(1,254)	(902)
Exchange translation	470	775
Actuarial (gain) / loss	(508)	953
As at 30 April	38,880	38,996

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

Assumption	Change in assumption	2020 €'000	2019 €'000
Discount rate	Decrease by 0.5%	41,839	42,895
Rate of inflation	Increase by 0.5%	40,783	40,361
Rate of mortality	Increase by 1 year	40,548	40,165

**Changes in the fair value of defined benefit scheme assets**

As at 1 May	40,006	38,708
Interest income on scheme assets	929	993
Employer contributions	196	236
Contributions by employees	22	31
Benefits paid	(1,254)	(902)
Exchange translation	(417)	791
Actuarial (loss) / gain	(1,371)	149
As at 30 April	38,111	40,006

Amounts for the current and previous periods	2020 €'000	2019 €'000	2018 €'000	2017 €'000	2016 €'000
Fair value of scheme assets	38,111	40,006	38,708	40,341	39,396
Present value of defined benefit obligation	(38,880)	(38,996)	(36,961)	(36,489)	(32,108)
(Deficit) / surplus in scheme	(769)	1,010	1,747	3,852	7,288
Experience adjustments arising on scheme liabilities	(164)	512	(1,559)	378	(95)
Experience adjustments arising on scheme assets	(1,371)	149	260	2,945	93

## 35. 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, who are considered key management personnel, other than through their employment in the business. The remuneration of and transactions with all directors under the Companies Act 2014 have been disclosed in the remuneration report and the corporate governance reports.

## 36. 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.

## 37. SUBSEQUENT EVENTS

There are no subsequent events.

## Company Income Statement

For The Year Ended 30 April 2020

	Note	2020 €'000	2019 €'000
Administrative expenses		<b>(464)</b>	(713)
Fair value adjustment investment property	C7	<b>(168)</b>	681
Other operating income		<b>33,475</b>	26,679
Operating profit – continuing operations		<b>32,843</b>	26,647
Finance income	C8	<b>329</b>	950
Profit before taxation	C9	<b>33,172</b>	27,597
Income tax expense	C10	<b>(167)</b>	(104)
Profit attributable to equity shareholders of the parent		<b>33,005</b>	27,493

## Company Statement of Comprehensive Income

For The Year Ended 30 April 2020

	2020 €'000	2019 €'000
Profit attributable to equity shareholders of the parent	<b>33,005</b>	27,493
<i>Items that may be reclassified subsequently to the income statement</i>		
Unrealised gain on fair value of financial investments	<b>2</b>	–
Foreign currency translation	<b>(363)</b>	448
Other comprehensive (loss) / income for the year, net of tax	<b>(361)</b>	448
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the parent	<b>32,644</b>	27,941

## Company Statement of Changes in Equity

For The Year Ended 30 April 2020

	Note	Issued Capital €'000	Share Premium €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders							
At 1 May 2019		6,861	13,321	5,522	1,513	18,579	<b>45,796</b>
Profit for the year		–	–	–	–	33,005	<b>33,005</b>
Other comprehensive (loss) / income, net of tax		–	–	–	(363)	2	<b>(361)</b>
Total comprehensive (loss) / income, net of tax, attributable to equity shareholders		–	–	–	(363)	33,007	<b>32,644</b>
Equity dividends paid	C11	–	–	–	–	(2,311)	<b>(2,311)</b>
Purchase of own shares		(167)	–	167	–	(7,860)	<b>(7,860)</b>
At 30 April 2020		6,694	13,321	5,689	1,150	41,415	<b>68,269</b>

## Company Statement of Changes in Equity

For The Year Ended 30 April 2019

	Note	Issued Capital €'000	Share Premium €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders							
At 1 May 2018		6,861	13,321	5,522	1,065	16,599	<b>43,368</b>
Profit for the year		–	–	–	–	27,493	<b>27,493</b>
Other comprehensive income, net of tax		–	–	–	448	–	<b>448</b>
Total comprehensive income, net of tax, attributable to equity shareholders		–	–	–	448	27,493	<b>27,941</b>
Equity dividends paid	C11	–	–	–	–	(25,513)	<b>(25,513)</b>
At 30 April 2020		6,861	13,321	5,522	1,513	18,579	<b>45,796</b>

# Company Balance Sheet

At 30 April 2020

	Note	2020 €'000	2019 €'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	C12	2,077	2,268
Financial Assets	C13	23,530	23,530
		<b>25,607</b>	25,798
<b>Current assets</b>			
Trade and other receivables	C14	14	19,531
Financial investments	C15	4,683	–
Cash and cash equivalents	C16	39,151	1,546
		<b>43,848</b>	21,077
<b>TOTAL ASSETS</b>		<b>69,455</b>	46,875
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	C17	(986)	(981)
Income tax payable	C18	(200)	(98)
		<b>(1,186)</b>	(1,079)
<b>NET CURRENT ASSETS</b>		<b>42,662</b>	19,998
<b>TOTAL LIABILITIES</b>		<b>(1,186)</b>	(1,079)
<b>NET ASSETS</b>		<b>68,269</b>	45,796
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Issued capital	C19	6,694	6,861
Share premium	C20	13,321	13,321
Other reserves			
- Capital redemption reserve fund	C19	5,689	5,522
- Currency translation	C20	1,150	1,513
Retained earnings		41,415	18,579
<b>TOTAL EQUITY</b>	C21	<b>68,269</b>	45,796
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>69,455</b>	46,875

Approved by the Board on 9 July 2020



C.H. GALLAGHER, Chairman



L.G. FRAQUELLI, Director



# Company Cash Flow Statement

For The Year Ended 30 April 2020

	Note	2020 €'000	2019 €'000
<b>Cash flows from operating activities</b>			
Profit before taxation		<b>33,172</b>	27,597
<b>Adjustment to reconcile profit before tax to net cash flows</b>			
<b>Non cash:</b>			
Amortisation		<b>1</b>	–
Other non cash items		<b>(330)</b>	–
Fair value adjustment investment property	C7	<b>168</b>	(681)
Finance income	C8	<b>(329)</b>	(950)
<b>Working capital adjustments:</b>			
Decrease / (increase) in trade and other receivables		<b>19,154</b>	(1,379)
Increase in trade and other payables		<b>14</b>	217
Income taxes paid		<b>(64)</b>	(57)
<b>Net cash inflow from operating activities</b>		<b>51,786</b>	24,747
<b>Cash flows from investing activities</b>			
Finance income	C8	<b>329</b>	950
<b>Net cash inflow from investing activities</b>		<b>329</b>	950
<b>Cash flows from financing activities</b>			
Cost of share buy backs		<b>(7,860)</b>	–
Purchase of financial investments	C15	<b>(4,641)</b>	–
Equity dividends paid	C11	<b>(2,311)</b>	(25,513)
<b>Net cash outflow from financing activities</b>		<b>(14,812)</b>	(25,513)
Increase in cash and cash equivalents		<b>37,303</b>	184
Cash and cash equivalents at start of year		<b>1,546</b>	1,332
Net foreign exchange differences		<b>302</b>	30
<b>Cash and cash equivalents at end of year</b>		<b>39,151</b>	1,546

**C1. AUTHORISATION OF FINANCIAL STATEMENTS**

The Financial Statements of Abbey plc for the year ended 30 April 2020 were authorised for issue in accordance with a resolution of directors on 9 July 2020. Abbey plc is a publicly traded entity incorporated in the Republic of Ireland. The company's shares are listed on the Euronext Growth Dublin and the AIM on the London Stock Exchange.

**C2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")**

The Company applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Company.

*IFRS 16 Leases*

IFRS 16 replaces IAS 17 Leases, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* and is effective for annual periods beginning on or after 1 January 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. For lessors, IFRS 16 substantially carried forward the accounting requirement in IAS 17.

Upon adoption of IFRS 16, The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. See Leases section under accounting policies (Note C5).

**C3. STATEMENT OF COMPLIANCE**

The financial statements of Abbey plc 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 for the year ended 30 April 2020, and with Companies Act 2014 as applicable to IFRS reporters.

**C4. BASIS OF PREPARATION**

The financial statements have been prepared on the historical cost basis except investment property 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 2020. Abbey plc has its functional currency as sterling but continues to present its financial statements in euro. The financial statements have been prepared on a going concern basis as the directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future, and believe that the COVID-19 pandemic will not have a material adverse impact on the Company's ability to continue as a going concern.

**C5. ACCOUNTING POLICIES****Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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. The following criteria must also be met before revenue is recognised.

*Other operating income*

Other operating income comprises of dividends and are recognised when the right to receive the dividends are established.

*Property rental*

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

*Interest income*

Revenue is recognised as interest accrues in the period.

**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 Company 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 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.

**C5. ACCOUNTING POLICIES (Continued)****Foreign currency**

The financial statements are presented in euro, which is the Company's presentational currency. Abbey plc 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. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date with all differences taken to the income statement. Differences on monetary assets and liabilities that form part of the 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.

**Leases**

The Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

*Company as a lessor*

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**Impairment of non financial assets**

The Company 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 Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those 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 Company'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.

*Fair value financial investments*

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, 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 Company's only financial investments were UK Government Sterling Bonds and were disposed of in the current financial year, as detailed in note C15. 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 Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

**C5. ACCOUNTING POLICIES (Continued)****Provisions**

Provisions are recognised when the Company 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 Company 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 judgments, 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.

**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)**

IFRS 17 Insurance Contracts

**Effective Date\***

1 January 2021

There are no other new standards and interpretations that will have an impact on the accounting policies. The Directors do not anticipate that the adoption of the remaining standards and interpretations will have a material impact on the 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 Company 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 Company's discretion to early adopt standards. The effective date means for accounting periods beginning on or after the effective date above.

**C6. STAFF COSTS**

There are no staff directly employed by the Company (2019: Nil).

**C7. FAIR VALUE ADJUSTMENT INVESTMENT PROPERTY**

	2020 €'000	2019 €'000
<b>Net (loss) / gain from fair value of investment property</b>	<b>(168)</b>	<b>681</b>

During the year a review of the fair value of the investment property was undertaken and this resulted in a net loss to the income statement.

**C8. FINANCE INCOME**

	2020 €'000	2019 €'000
Bank interest receivable	32	–
Interest receivable from group undertaking	295	950
Gilt interest receivable	2	–
	<b>329</b>	<b>950</b>

**C9. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2020 €'000	2019 €'000
The profit on ordinary activities before taxation is arrived at after charging / (crediting):		
Directors fees	169	214
Management charges	245	125
Dividends received	(32,496)	(26,674)
Operating lease rentals:		
– Rent of building	(160)	(131)
Foreign exchange (gain) / loss	(896)	307
Auditor's remuneration		
– statutory audit of the Group and subsidiaries	48	50
– taxation services	4	5

**C10. TAXATION**

	2020 €'000	2019 €'000
(a) Tax charged to the income statement:		
<b>United Kingdom Corporation Tax at 19.00% (2019: 19.00%)</b>		
Current	<b>167</b>	104
<b>Total current corporation tax charged to the income statement</b>	<b>167</b>	104

*(b) Factors affecting current tax charge*

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

	2020 (% of profit before taxation)	2019 (% of profit before taxation)
UK corporation tax rate	<b>19.00</b>	19.00
Income / expenses not deducted for tax purposes	<b>(18.60)</b>	(18.16)
Fair value adjustment	<b>0.10</b>	(0.46)
	<b>0.50</b>	0.38

**C11. DIVIDENDS**

	2020 €'000	2019 €'000
On Ordinary Equity Shares		
<i>Paid ordinary</i>		
Dividend of 11 cents per issued ordinary share (2019: 11.00 cents per share)	<b>2,311</b>	2,144
Dividend of Nil cents per issued ordinary share (2019: 100.00 cents per share)	–	21,439
Dividend of Nil cents per issued ordinary share (2019: 9.00 cents per share)	–	1,930
	<b>2,311</b>	25,513
<i>Ordinary dividends proposed (memorandum disclosure)</i>		
Proposed Nil cents per share (2019: 11.00 cents per share)	–	2,356

**C12. INVESTMENT PROPERTY**

	2020 €'000	2019 €'000
<b>Fair value</b>		
At 1 May	<b>2,268</b>	1,539
Translation adjustment	<b>(23)</b>	48
Fair value adjustment	<b>(168)</b>	681
At 30 April	<b>2,077</b>	2,268

The above investment property represents a commercial office that is let to a subsidiary company under operating leases.

**United Kingdom**

Fair value of the properties in the United Kingdom were determined by using market comparable information and rental yields. 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 2020, the properties' fair values are based on valuations performed by Glenney, Chartered Surveyors, an accredited independent valuer. The Directors have considered the valuation of the properties as at 30 April 2020 and are satisfied that the valuation as presented above represents the fair value of these properties at year-end.

**C13. FINANCIAL FIXED ASSETS**

	2020 €'000	2019 €'000
Shares in unlisted subsidiary undertakings at cost:		
Ordinary share capital at the beginning and end of year	<b>23,530</b>	23,530

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

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

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

**C14. TRADE AND OTHER RECEIVABLES**

	2020 €'000	2019 €'000
Amount falling due within one year		
Amounts due from subsidiary undertaking	–	19,529
Prepayments	8	–
Value added tax	6	2
	<b>14</b>	19,531

Amounts due from subsidiary undertaking falling due within one year are receivable on demand, unsecured and subject to a market rate of interest.

**C15. FINANCIAL INVESTMENTS**

	2020 €'000	2019 €'000
UK Government Sterling Bonds	<b>4,683</b>	–

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 statements during the year was €2,000 (2019: €nil).

**C16. CASH AND CASH EQUIVALENTS**

	2020 €'000	2019 €'000
Cash at bank and in hand	<b>39,151</b>	1,546

The fair value of cash and cash equivalents is €39,151,000 (2019: €1,546,000).

The Company had no undrawn borrowing facilities at the year end (2019: €Nil).

**C17. TRADE AND OTHER PAYABLES**

	2020 €'000	2019 €'000
<i>Amount falling due within one year</i>		
Value added tax	408	–
Other creditors	483	883
Accruals and deferred income	95	98
	<b>986</b>	<b>981</b>

Terms and conditions of the above financial liabilities:

- 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.

**C18. INCOME TAX PAYABLE**

	2020 €'000	2019 €'000
Income tax payable	200	98

**C19. ISSUED SHARE CAPITAL****Authorised**

	2020 €'000	2019 €'000
At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each	14,400	14,400

	2020 Number '000	2019 Number '000	2020 €'000	2019 €'000
<i>Allotted, called up and fully paid</i>				
At 1 May ordinary shares of 32 cents each	21,440	21,440	6,861	6,861
Purchase of own shares, cancelled	(522)	–	(167)	–
At 30 April ordinary shares of 32 cents each	20,918	21,440	6,694	6,861

**Capital Redemption Reserve Fund**

	2020 €'000	2019 €'000
At 1 May	5,522	5,522
Purchase of own shares	167	–
At 30 April	5,689	5,522

**Capital redemption reserve fund**

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

**C20. RESERVES**

	Share Premium Account €'000	Currency Translation €'000
At 1 May 2018	13,321	1,065
Translation adjustment arising in year	–	448
At 1 May 2019	13,321	1,513
Translation adjustment arising in year	–	(363)
At 30 April 2020	13,321	1,150

**Share premium reserve**

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

**Currency translation reserve**

The foreign currency translation reserve includes presentation foreign exchange differences.

**C21. TOTAL EQUITY**

	Note	2020 €'000	2019 €'000
Retained earnings at beginning of year		<b>45,796</b>	43,368
Profit retained for the financial year		<b>33,005</b>	27,493
Equity dividends paid	C11	<b>(2,311)</b>	(25,513)
Purchase of own shares		<b>(7,860)</b>	–
Unrealised gain on fair value of financial investments – net of tax		<b>2</b>	–
Translation adjustment arising on adjustment to presentation currency		<b>(363)</b>	448
At 30 April		<b>68,269</b>	45,796

**C22. FAIR VALUE HIERARCHY**

The Company 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.

		2020 €'000	2019 €'000
<b>Investment properties (refer note C12)</b>			
Commercial properties	Level 2	<b>2,077</b>	2,268
<b>Financial investments (refer note C15)</b>			
UK Government Sterling Bonds	Level 1	<b>4,683</b>	–

There were no fair value hierarchy measured at Level 3.

**C23. FINANCIAL RISK MANAGEMENT**

The principal financial assets and liabilities comprise financial investments, cash, 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 Company's operations.

The main risks arising from the Company's financial instruments are foreign currency risks.

*Foreign currency risk*

As a result of significant operations in the United Kingdom, the balance sheet can be significantly affected by movements in the UK£/euro. 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 profit / (loss) before tax and equity.

	Increase / decrease in UK sterling rate	(Decrease) / increase on profit before tax €'000	(Decrease) / increase on equity €'000
2019	+5%	(99)	(1,065)
	-5%	109	1,177
2020	+5%	<b>(1,470)</b>	<b>(2,129)</b>
	-5%	<b>1,624</b>	<b>2,353</b>

**C24. CAPITAL COMMITMENTS**

There are no capital commitments contracted for at the balance sheet date (2019: €Nil).



**C25. RELATED PARTY TRANSACTIONS**

During the year the Company entered into transactions, in the ordinary course of business, with related subsidiary companies as follows:

	2020 €'000	2019 €'000
Management charges — Kingscroft Developments Limited	(28)	(23)
Management charges — Abbey Group Limited	109	149
Interest receivable — Abbey Group Limited	295	950
Rental income — Abbey Developments Limited	160	131

**C26. 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.

**C27. SUBSEQUENT EVENTS**

There are no subsequent events.

**C28. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Board of Directors on 9 July 2020.

# Notice of Meeting

Notice is hereby given that the annual general meeting ("**AGM**") of Abbey p.l.c. (the "**Company**") will be held at Abbey House, Main Street, Clonee, Co. Meath, at 10.30 a.m. on Friday, 2 October 2020 for the following purposes:

To consider, and, if thought fit, pass the following resolutions as **ordinary resolutions**:

1. To receive and consider the Company's statutory financial statements for the year ended 30 April 2020 together with the reports of the Directors and the statutory auditors thereon, and to review the affairs of the Company.
2. To re-elect as a Director Mr. Michael A. McNulty (member of audit committee and remuneration committee) who retires at the AGM under Article 98 of the Company's Articles of Association and, being eligible, offers himself for re-appointment.
3. To re-elect as a Director Mr. Robert N. Kennedy (member of audit committee and remuneration committee) who retires at the AGM under Article 98 of the Company's Articles of Association and, being eligible, offers himself for re-appointment.
4. To authorise the Directors to determine the remuneration of the statutory auditors.
5. **THAT** the Directors of the Company be and they are hereby generally and unconditionally authorised, pursuant to Section 1021 of the Companies Act 2014 (the "**2014 Act**") to exercise all of the powers of the Company to allot and issue all relevant securities of the Company (within the meaning of Section 1021 of the 2014 Act) up to an aggregate nominal amount of €7,706,364.80. The authority hereby conferred shall commence on the date of the passing of this Resolution and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution or at midnight on the date which is 15 calendar months after the date of passing of this Resolution, whichever is the earlier, unless and to the extent that such power is previously renewed, varied or revoked; provided that the Company may make an offer or agreement which would or might require relevant securities to be allotted and issued after such authority has expired and the Directors may allot and issue relevant securities in pursuance of such offer or agreement as if the authority conferred by this Resolution had not expired.

To consider, and, if thought fit, pass the following resolutions as **special resolutions**:

6. **THAT**, subject to and conditional upon Resolution 5 of the Notice of AGM being passed, pursuant to Sections 1022 and 1023(3) of the 2014 Act the Directors be and are hereby empowered to allot equity securities (within the meaning of Section 1023(1) of the Companies Act 2014) for cash pursuant to the authority to allot relevant securities conferred on the Directors by Resolution 5 of this Notice of AGM as if Section 1022(1) of the 2014 Act did not apply to any such allotment, such power to be effective from the time of passing of this Resolution and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution or at midnight on the date which is 15 calendar months after the date of passing of this Resolution (whichever is earlier) unless and to the extent that such power is renewed, revoked, or extended prior to such date but in each case prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had

not expired; and such power being limited to:

- (a) the allotment of equity securities in connection with any one or more offers of securities, open for a period or periods fixed by the Directors, by way of rights issue, open offer, other invitation and/or otherwise to or in favour of collectively the holders of ordinary shares and/or any persons having a right to subscribe for equity securities in the capital of the Company at such record dates as the Directors may determine where the equity securities respectively attributable to the interests of such holders are proportional (as nearly as may reasonably be) to the respective number of ordinary shares held by them and subject thereto to the allotment in any case by way of placing or otherwise of any securities not taken up in such issue or offer to such persons as the Directors may determine; and; generally, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems (including dealing with any fractional entitlements and/or arising in respect of any overseas shareholders) under the laws of, or the requirements of any regulatory body or stock exchange in, any territory; and/or
  - (b) the allotment (otherwise than pursuant to sub paragraph (a) above) of equity securities up to a maximum aggregate nominal amount of €334,681.
7. **THAT** pursuant to Section 1074 of the 2014 Act, the Company and any subsidiary of the Company (as defined by Section 7 of the 2014 Act) be and they are hereby generally authorised to make market purchases and overseas market purchases (in each case as defined by Section 1072 of the 2014 Act) of ordinary shares in the capital of the Company on such terms and conditions and in such manner as the Directors may in their discretion determine from time to time; but subject however to the applicable provisions of the 2014 Act and to the following restrictions and provisions:
- (a) the maximum number of ordinary shares authorised to be acquired shall not exceed 5% of the ordinary share capital of the Company in issue at 6pm on the date on which this Resolution is passed;
  - (b) the minimum price (excluding expenses) which may be paid for any ordinary share shall be an amount equal to the nominal value thereof; and
  - (c) the maximum price (excluding expenses) which may be paid for any ordinary share shall be the higher of:
    - i. 5% above the average of the closing prices of the Company's ordinary shares taken from the main market of Euronext Dublin and/or the main market of the London Stock Exchange (as the case maybe depending on where the purchase is carried out), in each case for the five business days prior to the day the purchase is made (the "**Market Purchase Appropriate Price**"), or if on any such business day there shall be no dealing of ordinary shares on the trading venue where the purchase is carried out, or a closing price is not otherwise available, the Market Purchase Appropriate Price shall be determined by such other method as the Directors shall determine, in their sole discretion, to be fair and reasonable; and

- ii. the amount stipulated by Article 3(2) of Commission Delegated Regulation (EU) 2016/1052 relating to regulatory technical standards for the conditions applicable to buy-back programmes and the stabilisation measures (being the value of an ordinary share calculated on the basis of the higher of the price quote for: (i) the last independent trade; and (ii) the highest current independent purchase bid for any number of ordinary shares on the trading venue(s) where the purchase pursuant to the authority conferred by this Resolution is carried out,

provided that such authority shall expire on the conclusion of the next annual general meeting of the Company after the date of passing this Resolution or at midnight on the date which is 15 calendar months after the date of passing this Resolution (whichever is earlier), unless previously varied, revoked or renewed by special resolution in accordance with the provisions of Section 1074 of the 2014 Act; and the Company may, before such expiry, enter into a contract for the purchase of ordinary shares which would or might be executed wholly or partly after such expiry and may complete any such contract as if the authority conferred hereby had not expired.

**By order of the Board**  
**14 August 2020**  
**David J. Dawson, Secretary**

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

## Entitlement to attend and vote

1. Notwithstanding notes 2 and 3, the Company will take all appropriate safety measures as the Directors may in their absolute discretion determine from time to time, and in any individual case, to be necessary or desirable at, during or prior to the AGM to ensure the safety of any attendees and other involved with it and comply with applicable requirements. Such measures may include, without limitation, the restriction of the number of attendees, and health and/or compliance related checks and requirements.
2. Only those shareholders registered in the register of members of the Company at 6.00 p.m on Wednesday 30 September 2020 or if the AGM is adjourned, at 6.00 p.m on the day that falls 48 hours before the time appointed for the adjourned meeting shall be entitled to attend, speak, ask questions and in respect of the number of ordinary shares registered in their name, vote at the meeting, or if relevant, any adjournment thereof. Changes in the register after that time and date will be disregarded in determining the right of any person to attend and/or vote at the meeting or any adjournment thereof.

## Appointment of Proxies

3. Any member entitled to attend, speak, vote and ask questions at the AGM may appoint a proxy to attend, speak, vote and ask questions on his/her/its behalf in accordance with the procedures set out in this Notice of AGM and the form of proxy.
4. A proxy need not be a member of the Company but must attend the AGM or any adjournment thereof in person to represent you. If you intend to appoint a proxy other than the chair of the AGM, we would ask that, as a contingency measure, you would additionally appoint the chair of the AGM as an alternative in the event the initially intended proxy is unable to attend for any reason (and does not appoint a substitute). This will facilitate your vote being included in a wider range of contingent scenarios.
5. A form of proxy is enclosed with this Notice of AGM. 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, Sandymount Industrial Estate, Dublin 18, together with any original authorisation under which it is signed or a copy of such authorisation either certified notorially or by a solicitor practising in the Republic of Ireland, to reach them not less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof or (in the case of a poll taken otherwise than at or on the same day as appointed for the AGM or any adjournment thereof) at least 48 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.
6. Alternatively and provided it is received not less than 48 hours before the time appointed for the holding of the AGM or any adjourned AGM or (in the case of a poll taken otherwise than at or on the same day as the AGM or any adjourned AGM) at least 48 hours before the taking of the poll at which it is to be used, the appointment of a proxy may:

- (i) be submitted by telefax to +353 (1) 447 5572, provided it is received in legible form; or
- (ii) be submitted electronically by accessing the Company Registrar's website, [www.eproxyappointment.com](http://www.eproxyappointment.com). (A member who wishes to appoint more than one proxy by electronic means must contact the Company Registrar by sending an email to [clientservices@computershare.ie](mailto:clientservices@computershare.ie)); or

(iii) be submitted through CREST in the case of CREST members, CREST sponsored members or CREST members who have appointed voting service providers. Transmission of CREST Proxy instructions must be done and authenticated in accordance with Euroclear specifications as set out in the CREST Manual and received by the Registrar under (ID 3RA50). To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID 3RA50) not later than 10.30 a.m. on Wednesday 30 September 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

7. 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 an officer or attorney duly authorised in that behalf.
8. 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.
9. The completion and return of the form of proxy will not preclude a member from attending, speaking, voting or asking questions the AGM or any adjournment thereof should such member subsequently wish to do so.
10. On any other business which may properly come before the AGM or any adjournment thereof and whether procedural, administrative and/or substantive in nature (including any motion to amend a resolution or adjourn the meeting) not specified in this Notice of AGM or the form of proxy, the proxy will act at his/her discretion.





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