ABBEY plc

DIRECTORS' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 APRIL 2018

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CHAIRMAN'S STATEMENT

The year ended 30 April 2018 was a steady year of progress for the Group.

The Group reports a profit of €58.6 million before taxation against a profit of €63.5 million in the previous year. Shareholders' funds of €342.0 million represent €15.95 per share and include cash balances (including restricted cash) of €82.8 million. Earnings for the year were 228.22 cents per share and the Board is recommending a dividend of 10.00 cents per share for approval at the Annual General Meeting in October.

Housebuilding

Our housebuilding operations completed 606 sales (UK 524, Ireland 75, CZK 7) with a turnover of €197.8 million generating an operating profit of €54.3 million.

United Kingdom: Trading in the UK has been reasonably consistent over the period. Sales have been steady throughout. Margins have been maintained at good levels albeit somewhat lower than last year. Margins subject to market conditions will likely continue to at least gradually fall back from the recent elevated levels. Forward sales are healthy and recent activity has been normal for this time of year. Production is a high priority and tight market for labour and material are a significant constraint. The UK land bank was maintained in excess of 2,000 plots and is a firm foundation for a rise in output this year.

Ireland: In Ireland our projects in Ratoath and Cabinteely made good contributions to our results. Further growth is being actively pursued with new projects in Navan being brought into production. Plans are well advanced for the resumption of our developments in Laios when conditions allows. 'Help to Buy' is a key factor supporting the steadily rising level of activity. During the year sites in Dublin, Meath and Waterford were added to our landbank.

Czechia: In Czechia we sold our land in Lučištníků and were able to report a surplus of €2.2m, over its written down value. Our project in Tetínská is now building complete and is 70% forward sold. Our development in Přezletice is progressing and the first homes have been occupied. Since the year end a project in excess of 150 plots have been secured in Horoměřice, northwest of Prague.

At the year end the Group owned and controlled land allocated for housing for the supply of 3,164 plots.

Plant Hire

M & J reported operating profits of €3.0 million on a turnover of €19.5 million. Trading has been satisfactory over the period. The stable environment has supported the continuous renewal and upgrading of our rental fleet allowing the maintaining of market share in very competitive conditions. The early weeks of the new trading year is consistent with another reasonable result.

Rental Income

Rental income during the year was €1.2m.

Cash

The Group held €78.9 million in cash at end of the financial year.

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 currently on course for another satisfactory year. Some growth in activity is being targeted across all our businesses. The level of uncertainty with which we have to cope, continues to rise. By this time next year the UK will likely be outside of the EU and facing a higher risk premium on all UK investments. A disrupted Brexit will also impact unfavourably on the rest of the remaining 27. The Group backed by its strong balance sheet will continue to invest to meet the need for new homes in all its markets.

Annual General Meeting

I look forward to seeing you all at our Annual General Meeting on 5 October 2018.

On behalf of the Board

CHARLES H GALLAGHER
EXECUTIVE CHAIRMAN

DIRECTORS' REPORT
For the year ended 30 April 2018

The directors submit herewith their report and audited financial statements for the year ended 30 April 2018 for Abbey plc which are set out on pages 14 to 51.

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 €48,929,000 (2017: €51,832,000). Dividends of 17.00 cents per share, absorbing €3,645,000 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 €308,365,000 to €342,010,000.

As disclosed in note 13, dividends of 9.00 cents per share were paid on 31 October 2017 and 8.00 cents per share were paid on 30 April 2018. The directors are recommending a dividend of 10.00 cents per share to be considered for approval at the Annual General Meeting in October 2018.

A list of principal undertakings and the nature of their business is contained in note C12 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 606 sales (UK 524; Ireland 75; CZK 7) with revenue of €197.8 million generating an operating profit of €54.3 million. The comparative figures for the previous year were 586 sales (UK 495; Ireland 39; CZK 52) with revenue of €196.5 million generating an operating profit of €57.1 million. Trading in the UK has been reasonably consistent over the period. Sales have been steady throughout. Margins have been maintained at good levels albeit somewhat lower than last year. Margins subject to market conditions will likely continue to at least gradually fall back from the recent elevated levels. Forward sales are healthy and recent activity has been normal for this time of year. Production is a high priority and tight market for labour and material are a significant constraint. The UK land bank was maintained in excess of 2,000 plots. In Ireland our projects in Ratoath and Cornelscourt made good contributions to our results. Further growth is being actively pursued with new projects in Navan being brought into production. Plans are well advanced for the resumption of our projects in Laios when conditions allows. 'Help to Buy' is a key factor supporting the steadily rising level of activity. During the year sites in Dublin, Meath and Waterford were added to our landbank. In Czechia we sold our land in Lucistiniku and were able to report a surplus of €2.2m, over its written down value. Our project in Tetinska is now building complete and is 70% forward sold. Our project in Prezletice is progressing and the first homes have been occupied.

Our plant hire division reported operating profit of €3.0 million (2017: profit €2.7 million) on revenue of €19.5 million (2017: €19.0 million). Trading has been satisfactory over the period. The stable environment has supported the continuous renewal and upgrading of our rental fleet allowing the maintaining of market share in very competitive conditions.

Rental income during the year was €1,186,000 (2017: €973,000).

At the year end total equity stood at €342.0 million (2017: €308.4 million), whilst net cash balances and restricted cash stood at €82.8 million (2017: €96.0 million).

DIRECTORS' REPORT
For the year ended 30 April 2018 (Continued)

IMPORTANT EVENTS SINCE THE YEAR END

There have been no important events since the year end.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

SUBSTANTIAL SHAREHOLDERS

Having received the required notifications, the following held more than 3% of the issued ordinary shares as at 10 July 2018:

	Number of shares	*% of issued share capital*
Gallagher Holdings Limited	17,494,830	81.60%
FMR LLC	2,137,632	9.97%

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

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

DIRECTORS' AND SECRETARY'S INTERESTS

The interests of the directors and secretary and their families in the share capital of the Company as at 30 April 2018 were as follows:

	Number of Shares 2018	Number of Shares 2017
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 2018 and 10 July 2018, 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.

DIRECTORS' REPORT
For the year ended 30 April 2018 (Continued)

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 safely 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.

DIRECTORS' REPORT
For the year ended 30 April 2018 (Continued)

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, 10 July 2018

C. H. GALLAGHER *Chairman*

L.G. FRAQUELLI *Director*

REMUNERATION REPORT

The remuneration of the executive directors is determined by the Remuneration Committee which comprises all of the non-executive directors. The written terms of reference have been approved by the Board and are aimed to ensure that remuneration packages are competitive and that they will attract, retain and motivate executive directors of the quality required. The non-executive directors' remuneration is determined by the Board.

The Group does not operate any share option or long-term incentive schemes.

The Executive Chairman's service contract contains a notice period of two years which was recommended by the Committee in view of the importance of this role. 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	Benefits (1) In Kind €'000	**2018 Total €'000**	2017 Total €'000
Executive Directors				
C H Gallagher	1,065	43	**1,108**	1,090
L G Fraquelli	439	23	**462**	455
N J Collins	245	16	**261**	251
Totals	1,749	82	**1,831**	1,796
Non-Executive Directors				
D A Gallagher	45	-	**45**	47
M A McNulty	45	-	**45**	47
R N Kennedy	45	-	**45**	47
A G Quirke	45	-	**45**	47
Totals	180	-	**180**	188

(1) Benefits In Kind comprise other benefits and emoluments.

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 (2017: Nil) directors to whom retirement benefits were accruing under a defined benefit scheme at 30 April 2018. Two (2017: 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	-	212
L G Fraquelli	-	54
N J Collins	37	-
30 April 2018	**37**	**266**
30 April 2017	34	264

CORPORATE GOVERNANCE REPORT

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

THE BOARD

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

The roles of the Executive Chairman and Chief Executive are combined in one individual. The directors believe that the Group benefits from consolidating the experience and knowledge of the present Executive Chairman whilst ensuring that there are experienced non-executive, and executive directors, to whom concerns may also be conveyed.

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

Executive directors are not required to submit themselves for re-election, apart from at their first Annual General Meeting. Their election is covered by Articles 87 and 94 of the Company's Articles of Association.

The directors believe the Group benefits from allowing executive directors to perform their duties whilst benefiting from continuity of performance. Executive directors are subject to the same provisions as to their removal as other directors of the company.

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

Non-executive directors are not appointed for specific terms and their election is covered by Article 87 of the Company's Articles of Association. Non-executive directors are required to submit themselves for re-election by rotation and their re-election is covered by Article 98 of the Company's Articles of Association.

The directors believe that the Group benefits from the greater experience and knowledge of the business gained by directors with long service. The present non-executives do not have formal letters of appointment.

The Board meetings are held regularly and at least four times each year with an agenda sent out in advance of each meeting. There is a schedule of formal matters reserved for Board approval. All directors have access to advice from the company secretary and independent professional advisors at the Group's expense.

The Board has established Audit and Remuneration Committees.

The Board does not have a formal Nominations Committee. All Board nominations are tabled under "Formal Matters to be Referred to the Board" and consideration of appointments are made by the Board as a whole.

AUDIT AND REMUNERATION COMMITTEES

Both the Audit and Remuneration Committees comprise all the non-executive directors with Mr Anthony Quirke as the Chairman. The Audit Committee meets not less than twice each year and the Remuneration Committee when required.

Both Committees have written terms of reference.

CORPORATE GOVERNANCE REPORT (Continued)

RELATIONS WITH SHAREHOLDERS

There are regular meetings with the Company's principal investors. Announcements of results are sent promptly to all shareholders. All investors are welcome at the Annual General Meeting where they have the opportunity to ask questions of the Board. The Executive Chairman at the Annual General Meeting also gives a statement on the current trading conditions. Shareholders are both welcome and encouraged to raise any concerns with any director at any time. The Group's website www.abbeyplc.ie, provides the full text of the Annual and Interim Reports, Interim Trading Statements and results.

INTERNAL CONTROL

The directors are responsible for ensuring that the Group maintains a system of internal control. This system is designed to provide reasonable but not absolute assurance against material misstatement or loss.

Key elements of this control system, including internal financial control, are:

- An organisation structure with clearly defined lines of responsibility and delegation of authority.
- A budgeting system with actual performance being measured against budget on a regular basis.
- A review of the key business risks relevant to the Group's operations. These risks are reviewed annually to ensure that they remain appropriate to the business and the current trading environment.
- Control procedures to address the key business risks which include policies and procedures appropriate to each of the main operating subsidiaries. The Board considers the adequacy of the control procedures at the same time as it reviews the key business risks. Certain prescribed matters are reserved for Board approval.
- A management review of the operation of the system.
- At all Board and Audit Committee meetings, Internal Control is a main agenda item to be considered.
- The Audit Committee monitors the effectiveness of the Group's Internal Control System.

The Board has reviewed the effectiveness of the Group's internal Control System up to and including the date of approval of the annual report. This review includes a consideration of issues raised in management letters received from the external auditors.

The above elements help to provide assurance, but the Board recognises that the business it is engaged in is constantly evolving and it accepts that the Group's internal control must evolve with it. In this respect the Board is willing to allocate the necessary resources to implement new controls to cover new areas of risk if additional controls are deemed beneficial in assisting the Group to achieve its objectives.

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

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 5 to 8. The position of the Group, its cash flows and liquidity position are detailed on pages 20 and 21. The Group has adequate financial resources together with long term relationships with a number of customers and suppliers and the directors believe that the Group is well placed to manage its business risks successfully, despite the current uncertain economic outlook. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Abbey plc ('the Company') and its subsidiaries ('the Group') for the year ended 30 April 2018, 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 2018 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 2018 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 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
Existence of plant and equipment assets available for hire (€24.0 million) (2017: €25.2 million) Refer to accounting policies (page 24) and Note 15 of the Consolidated Financial Statements (page 31) 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.	Our procedures in respect of the existence of hire assets included the following: • We carried out a walkthrough of the relevant process including identifying management controls. • We analysed movements in the assets available for hire, investigated unusual movements and performed a test of detail on asset additions and disposals. • For each depot, we obtained utilisation reports by asset category for the year and examined asset categories with risk characteristics. • We performed a physical verification sample of assets at plant hire sites and tied-in test counts to hire asset registers. • 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.	Our observations included an outline of the range of audit procedures performed and a summary of the results.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY PLC (Continued)

Key audit matters (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of work in progress ('WIP') inventories (€61.3 million) (2017: €49.7 million) Refer to accounting policies (page 23) and Note 19 of the Consolidated Financial Statements (page 34) 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.	Our procedures in respect of the valuation of WIP included the following: • We carried out a walkthrough of the relevant process including identifying management controls. • 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. • We carried out net realisable value testing. • We reviewed sites with significant margin variances year on year, investigating the underlying causes for the variances. • We reviewed sites with low estimated margins. • We reviewed sites with negative WIP (arising for instance where sites are nearing completion) and considered if reclassification of such balances to provisions was required. • 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. • 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.	Our observations included an outline of the range of audit procedures performed, the key judgements involved and a summary of the results.

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 €2.9 million (2017: €3.2 million), which is approximately 5% (2017: 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% (2017: 75%) of our planning materiality, namely €2.2 million (2017: €2.4 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 €2.0 million to €0.4 million (2017: €2.2 million to €0.5 million).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY PLC (Continued)

Our application of materiality (continued)

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 €0.15 million (2017: €0.16 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 8 components covering entities within Ireland, the United Kingdom and Czechia, which represent the principal business units within the Group.

Of the 8 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. For the remaining 1 component ("review scope component"), we performed review procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 100% (2017: 100%) of the Group's profit before tax, 100% (2017: 100%) of the Group's revenue and 100% (2017: 100%) of the Group's total assets. For the current year, the full scope components contributed 95% (2017: 98%) of the Group's profit before tax, 98% (2017: 96%) of the Group's revenue and 96% (2017: 96%) of the Group's total assets. The review scope component contributed 5% (2017: 2%) of the Group's profit before tax, 2% (2017: 4%) of the Group's revenue and 4% (2017: 4%) of the Group's total assets. The audit scope of this component may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining 20 components, they represent together 0% of the Group's profit before tax as all are either dormant or substantially dormant. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY PLC (Continued)

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 12, 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_responsiblities_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

Date: 10 July 2018

The maintenance and integrity of the Abbey plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditor's accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

GROUP INCOME STATEMENT
For the year ended 30 April 2018

	Note	**2018 €'000**	2017 €'000
Revenue - continuing operations	7	**218,462**	216,473
Cost of sales - operating		**(150,727)**	(143,618)
Gross profit		**67,735**	72,855
Administrative expenses		**(9,396)**	(12,058)
Fair value adjustment in investment properties	8	**164**	-
Operating profit - continuing operations		**58,503**	60,797
Finance income	9	**128**	2,667
Finance costs	9	**(3)**	(6)
Profit before taxation	10	**58,628**	63,458
Income tax expense	12	**(9,699)**	(11,626)
Profit attributable to equity shareholders of the parent	27	**48,929**	51,832
Earnings per share - basic	14	**228.22*c***	241.04*c*
Earnings per share - diluted	14	***228.22c***	*241.04c*

GROUP STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 April 2018

	2018 €000	2017 €000
Profit attributable to equity shareholders of the parent	**48,929**	51,832
Items that may be reclassified subsequently to the income statement		
Foreign currency translation	**(9,965)**	(16,198)
Reclassification of adjustment for disposal of available-for-sale financial investments	**-**	(1,965)
Tax movement relating to reclassification of adjustment for disposal of available-for-sale investments	**-**	491
Items that will not be reclassified to the income statement		
Actuarial loss on Group defined benefit pension obligations	**(2,017)**	(3,181)
Deferred tax movement relating to actuarial loss on Group defined benefit obligations	**343**	541
Other comprehensive loss for the year, net of tax	**(11,639)**	(20,312)
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the parent	**37,290**	31,520

GROUP STATEMENT OF CHANGES IN EQUITY
For the year ended 30 April 2018

	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 2017	6,861	13,321	5,103	5,522	(23,748)	301,306	308,365
Profit for the year	-	-	-	-	-	48,929	48,929
Other comprehensive loss, net of tax	-	-	(205)	-	(9,760)	(1,674)	(11,639)
Total comprehensive income / (loss), net of tax, attributable to equity shareholders	-	-	(205)	-	(9,760)	47,255	37,290
Equity dividends paid	-	-	-	-	-	(3,645)	(3,645)
At 30 April 2018	6,861	13,321	4,898	5,522	(33,508)	344,916	342,010

GROUP STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2017

	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 2016	6,888	13,321	5,494	5,495	(7,941)	258,060	281,317
Profit for the year	-	-	-	-	-	51,832	51,832
Other comprehensive loss, net of tax	-	-	(391)	-	(15,807)	(4,114)	(20,312)
Total comprehensive income / (loss), net of tax, attributable to equity shareholders	-	-	(391)	-	(15,807)	47,718	31,520
Equity dividends paid	-	-	-	-	-	(3,223)	(3,223)
Purchase of own shares	(27)	-	-	27	-	(1,249)	(1,249)
At 30 April 2017	6,861	13,321	5,103	5,522	(23,748)	301,306	308,365

GROUP BALANCE SHEET
At 30 April 2018

	Note	**2018**	2017
ASSETS		**€'000**	€'000
Non-current assets			
Property, plant and equipment	15	**35,309**	36,935
Investment properties	16	**2,912**	2,763
Investments	17	**6**	6
Deferred taxation	24	**718**	528
Defined benefit pension scheme surplus	32	**1,747**	3,852
		40,692	44,084
Current assets			
Trade and other receivables	18	**30,064**	12,959
Inventories	19	**274,808**	239,604
Restricted cash	20	**3,955**	838
Cash and cash equivalents	20	**78,880**	95,137
		387,707	348,538
TOTAL ASSETS		**428,399**	392,622
LIABILITIES			
Current liabilities			
Trade and other payables	21	**(80,338)**	(76,694)
Income tax payable	22	**(4,948)**	(6,122)
Provisions	23	**(471)**	(546)
		(85,757)	(83,362)
NET CURRENT ASSETS		**301,950**	265,176
Non-current liabilities			
Deferred taxation	24	**-**	(406)
Provisions	23	**(632)**	(489)
		(632)	(895)
TOTAL LIABILITIES		**(86,389)**	(84,257)
NET ASSETS		**342,010**	308,365
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	25	**6,861**	6,861
Share premium	26	**13,321**	13,321
Revaluation reserve	26	**4,898**	5,103
Other reserves			
- Capital redemption reserve fund	25	**5,522**	5,522
- Currency translation	26	**(33,508)**	(23,748)
Retained earnings	27	**344,916**	301,306
TOTAL EQUITY		**342,010**	308,365
TOTAL EQUITY AND LIABILITIES		**428,399**	392,622

Approved by the Board on 10 July 2018

C.H. GALLAGHER *Chairman*

L.G. FRAQUELLI *Director*

GROUP CASH FLOW STATEMENT
For the year ended 30 April 2018

	Note	**2018 €'000**	2017 €'000
Cash flows from operating activities			
Profit before taxation		**58,628**	63,458
Adjustment to reconcile profit before tax to net cash flows			
Non cash:			
Depreciation and amortisation	10	**8,540**	8,356
Other non cash items		**(278)**	1,095
Movement in defined benefit pension asset		**(82)**	(279)
Fair value adjustment on investment properties	8	**(164)**	-
Profit on disposal of property, plant and equipment	10	**(1,517)**	(1,457)
Realised gain on disposal of financial investments		**-**	(2,039)
Finance income		**(128)**	(702)
Finance costs	9	**3**	6
Working capital adjustments:			
Increase in inventories		**(34,383)**	(44,345)
Increase in trade and other receivables		**(17,413)**	(3,848)
(Decrease) / increase in trade and other payables		**(1,223)**	2,469
Income taxes paid		**(10,884)**	(11,714)
Net cash inflow from operating activities		**1,099**	11,000
Cash flows from investing activities			
Purchase of property, plant and equipment		**(10,064)**	(12,008)
Sale of property, plant and equipment		**2,714**	2,784
Disposal of financial investments		**-**	11,781
Finance income		**128**	702
Net cash (outflow) / inflow from investing activities		**(7,222)**	3,259
Cash flows from financing activities			
Cost of share buy-back		**-**	(1,249)
Equity dividends paid	13	**(3,645)**	(3,223)
Movement in restricted cash	20	**(3,117)**	876
Finance costs	9	**(3)**	(6)
Net cash outflow from financing activities		**(6,765)**	(3,602)
Net (decrease) / increase in cash and cash equivalents		**(12,888)**	10,657
Cash and cash equivalents at start of year	20	**95,137**	90,426
Net foreign exchange differences		**(3,369)**	(5,946)
Cash and cash equivalents at end of year	20	**78,880**	95,137

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018

1. AUTHORISATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of Abbey plc for the year ended 30 April 2018 were authorised for issue in accordance with a resolution of directors on 10 July 2018. Abbey plc is a publicly traded entity incorporated in the Republic of Ireland. The company's shares are listed on the ESM on the Irish Stock Exchange and the AIM on the London Stock Exchange. The principal activities of the Group are described in note 7.

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

In the current year, the Group and parent company have adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRC) and the annual improvements to IFRS 2014 to 2016 cycle, of the IASB that are relevant to its operations. Adoption of these standards and interpretations did not have a material effect on the financial performance of the Group or parent company in the current or prior years.

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 2018, 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 and available-for-sale financial investments that have been measured at fair value. The accounting policies which follow set out these policies which apply in preparing the financial statements for the year ended 30 April 2018.

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

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

5. BASIS OF CONSOLIDATION

The Group financial statements include the financial statements of the parent undertaking and all subsidiaries, intra-group balances, transactions and profits thereon have been eliminated in preparing the Group financial statements. The financial year end of the Group's subsidiaries are co-terminus.

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

6. ACCOUNTING POLICIES

Revenue Recognition

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

Housing

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

Plant hire

Revenue comprises charges to third parties, net of value added tax, for the hire, rental, sales and maintenance of construction plant, vehicles, tools and portable buildings. All intra-group transactions having been eliminated. Revenue is recognised on a straight line basis over the period of the hire.

Property rental

Revenue is recognised on a straight line basis over the period of the lease term, net of value added tax. All intra-group transactions having been eliminated.

Interest income

Revenue is recognised as interest accrues in the period.

Segmental Reporting

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

Inventories

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

Building land and roads

Building land and roads are stated at the lower of cost and net realisable value less an appropriate proportion relating to plots sold in the case of estates in the course of development.

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

Work in progress

The cost of uncompleted and unsold new properties comprises direct labour and material costs. No profits are taken until houses are conveyed on legal completion to third parties.

Raw materials

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

Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount.

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

Cash and cash equivalents

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

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

Trade and other payables

Trade payables are stated at their fair value. Trade payables on extended terms are recorded at their fair value at the period end, with any discount to fair value amortised over the period of the credit term and charged to finance costs. Trade payables in respect of land are recognised at the point at which the contract is exchanged.

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

6. ACCOUNTING POLICIES (Continued)

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.

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

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

Foreign currency

The consolidated financial statements are presented in euro, which is the Company's and Group's presentational currency. Abbey plc (the company) changed its functional currency to sterling effective 1 May 2011 as a result of determining that its assets and liabilities are now primarily held in sterling and that it was a UK tax resident company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date with all differences taken to 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

Group as a lessor

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

Group as a lessee

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

6. ACCOUNTING POLICIES (Continued)

Impairment of non financial assets

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

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

Investment properties

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

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

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

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

Financial assets

Recognition and derecognition of financial assets and liabilities

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

Available-for-sale financial investments

Available-for-sale financial investments are those non-derivative financial assets that are not designated as held for trading or at fair value through profit and loss. After initial recognition, available-for-sale financial investments are measured at fair value with gains or losses being recognised within other comprehensive income until the investment is either determined to be impaired or derecognised, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

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

The 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

6. ACCOUNTING POLICIES (Continued)

Pensions and other post retirement benefits (continued)

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

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

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

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

Provisions

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

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

Dividends

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

Accounting judgements and estimates

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

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

Inventory valuation

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

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

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

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

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

6. ACCOUNTING POLICIES (Continued)

Accounting judgements and estimates (continued)

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 32 to the Consolidated Financial Statements.

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

New standards and interpretations not applied
IASB and the IFRS Interpretations Committee have issued the following standards and interpretations with an effective date after the date of these financial statements:

International Accounting Standards (IAS / IFRSs)		**Effective Date ***	
IFRS 15	Revenue recognition	1 January	2018
IFRS 9	Financial instruments	1 January	2018
IRFS 2	Amendments to Classification and Measurement of Share-based Payment Transactions	1 January	2018
IFRS 4	Amendments to Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January	2018
IAS 40	Amendments to Transfers of Investment Property	1 January	2018
IFRS 16	Leases	1 January	2019
IFRS 9	Amendments to Prepayment features with negative Compensation	1 January	2019
IAS 28	Amendments to Long-term interests in Associates and Joint Arrangements	1 January	2019
IFRS 17	Insurance Contracts	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.

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

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----------						
	Ireland	United Kingdom	Czechia	Plant Hire United Kingdom	Property Rental Ireland and United Kingdom	Unallocated	**GROUP**
30 April 2018	€'000	€'000	€'000	€000	€'000	€'000	**€'000**
Income Statement Information							
Revenue	25,333	166,931	5,523	19,489	1,186	-	**218,462**
Cost of sales							
- operating	(19,457)	(113,877)	(1,993)	(15,400)	-	-	**(150,727)**
Administrative expenses	(1,128)	(7,507)	(869)	(1,113)	-	-	**(10,617)**
Fair value adjustment investment properties	-	164	-	-	-	-	**164**
Foreign currency gains	713	503	5	-	-	-	**1,221**
Operating profit	5,461	46,214	2,666	2,976	1,186	-	**58,503**
Finance income net	-	125	-	-	-	-	**125**
Income tax expense	204	(8,848)	(268)	(525)	(262)	-	**(9,699)**
Profit after taxation	**5,665**	**37,491**	**2,398**	**2,451**	**924**	**-**	**48,929**
Balance Sheet Information							
Segment assets	35,877	259,170	9,438	38,161	2,912	-	**345,558**
Segment liabilities	(6,034)	(70,220)	(5,693)	(4,442)	-	-	**(86,389)**
Segment net assets	29,843	188,950	3,745	33,719	2,912	-	**259,169**
Investments	-	6	-	-	-	-	**6**
Cash and cash equivalents and restricted cash	21,580	53,981	6,824	90	-	360	**82,835**
TOTAL NET ASSETS	**51,423**	**242,937**	**10,569**	**33,809**	**2,912**	**360**	**342,010**
Other Segmental Information							
Depreciation	62	138	-	8,340	-	-	**8,540**
Profit on disposal of fixed assets	-	(14)	-	(1,503)	-	-	**(1,517)**
Capital expenditure	71	62	-	9,452	-	-	**9,585**
Non-current assets	997	3,154	-	33,629	2,912	-	**40,692**
30 April 2017	€'000	€'000	€'000	€000	€'000	€'000	€'000
Income Statement Information							
Revenue	13,778	173,886	8,865	18,971	973	-	216,473
Cost of sales							
- operating	(9,113)	(112,558)	(6,779)	(15,168)	-	-	(143,618)
Administrative expenses	(1,093)	(7,398)	(841)	(1,146)	-	-	(10,478)
Foreign currency losses	(1,501)	(79)	-	-	-	-	(1,580)
Operating profit	2,071	53,851	1,245	2,657	973	-	60,797
Finance income net	2,422	239	-	-	-	-	2,661
Income tax expense	(24)	(10,748)	(142)	(499)	(213)	-	(11,626)
Profit after taxation	**4,469**	**43,342**	**1,103**	**2,158**	**760**	**-**	**51,832**
Balance Sheet Information							
Segment assets	31,433	215,400	7,726	39,319	2,763	-	296,641
Segment liabilities	(5,377)	(71,889)	(2,140)	(4,851)	-	-	(84,257)
Segment net assets	26,056	143,511	5,586	34,468	2,763	-	212,384
Investments	-	6	-	-	-	-	6
Cash and cash equivalents and restricted cash	15,461	73,300	6,506	179	-	529	95,975
TOTAL NET ASSETS	**41,517**	**216,817**	**12,092**	**34,647**	**2,763**	**529**	**308,365**
Other Segmental Information							
Depreciation	73	145	-	8,138	-	-	**8,356**
Profit on disposal of fixed assets	(7)	(13)	-	(1,437)	-	-	**(1,457)**
Capital expenditure	97	139	-	11,488	-	-	**11,724**
Non-current assets	865	5,716	-	34,740	2,763	-	**44,084**

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

8. EXCEPTIONAL ITEMS

	2018 €'000	2017 €'000
Net gain from fair value adjustment in investment properties	**164**	-

During the year, a review of the fair value of investment properties was undertaken and this resulted in a net gain recorded in the income statement.

9. FINANCE INCOME

	2018 €'000	2017 €'000
Bank interest receivable	**33**	1
Government bond interest receivable	**-**	457
Realised gains on available-for-sale financial investments	**-**	1,965
Other finance income on defined benefit pension scheme (note 32)	**95**	244
	128	2,667
FINANCE COSTS		
Interest payable	**(3)**	(6)

10. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2018 €'000	2017 €'000
The profit on ordinary activities before taxation is arrived at after (crediting) / charging:		
Profit on disposal of property, plant and equipment	**(1,517)**	(1,457)
Fair value adjustment of investment properties	**(164)**	-
Foreign currency (gains) / losses	**(1,221)**	1,580
Operating lease rentals:		
- Rent of building	**29**	35
- Hire of plant and machinery	**311**	363
Depreciation	**8,540**	8,356
Auditor's remuneration - statutory audit of the Group and subsidiaries	**142**	135
- taxation services	**33**	42
- out of pocket expenses	**21**	21

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

11. EMPLOYMENT

The average number of persons employed by the Group, including executive directors, in the financial year was 234 (2017: 224) and is analysed by class of Business as follows:

	2018 Number	2017 Number
Building and property development		
Ireland	**11**	8
United Kingdom	**74**	73
Plant hire and rental United Kingdom	**149**	143
	234	224

Employment costs comprise:	**2018 €'000**	2017 €'000
Wages and salaries	**11,304**	10,799
Social welfare costs	**1,271**	1,239
Pension costs	**665**	620
	13,240	12,658

Included in pension costs are €210,000 (2017: €227,000) in respect of defined benefit schemes and €455,000 (2017: €393,000) in respect of defined contribution schemes. Details of the Directors' emoluments are set out in the Remuneration Report on page 9.

12. TAXATION

(a) *Tax charged to the income statement:*	**2018 €'000**	2017 €'000
Irish Corporation Tax at 12.50% (2017: 12.50%)		
Current	**705**	1,153
Tax losses utilized	**(630)**	(493)
United Kingdom Corporation Tax at 19.00% (2017: 19.92%)		
Current	**9,584**	11,480
Czechia Corporation Tax at 19.00% (2017: 19.00%)		
Current	**300**	249
Adjustment in respect of previous year	**(27)**	(91)
Total current corporation tax	**9,932**	12,298
Deferred tax: originating and reversal of temporary differences (note 24)	**(233)**	(672)
Tax charge to the income statement	**9,699**	11,626
Tax relating to items charged or credited to statement of comprehensive income		
Deferred tax (note 24)	**(343)**	(1,032)

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:

	2018 (% of profit before taxation)	**2017** (% of profit before taxation)
UK corporation tax rate	**19.00**	19.92
Lower tax rates on Irish profits and passive income	**(0.62)**	(0.46)
Tax losses utilised	**(1.07)**	(0.95)
Adjustment for previous year	**(0.05)**	(0.14)
Other	**(1.02)**	0.44
Deferred tax	**(0.40)**	(1.06)
Permanent differences	**0.70**	0.57
	16.54	18.32

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

12. TAXATION (Continued)

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

Tax relating to items charged or credited to other comprehensive income

A total of €343,000 (2017: credit €1,032,000) has been credited to other comprehensive income for the year ended 30 April 2018 and this comprises the following:

- €NIL (2017: €491,000) relating to tax movements on the disposal of available for sale financial investment.
- €343,000 (2017: tax credit €541,000) relates to deferred tax movement on actuarial loss on the Group's defined benefit obligations.

13. DIVIDENDS

	2018	2017
	€'000	€'000
On Ordinary Equity Shares		
Paid ordinary		
Dividend of 9 cents per issued ordinary share (2017: 8 cents per share)	**1,930**	1,722
Paid ordinary		
Dividend of 8 cents per issued ordinary share (2017: 7 cents per share)	**1,715**	1,501
	3,645	3,223
Ordinary *dividends proposed* (memorandum *disclosure)*		
Proposed 10.00 cents per share (2017: 9.00 cents per share)	**2,144**	1,930

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 21,439,578 (2017: 21,503,194) and to the profit on ordinary activities after taxation amounting to €48,929,000 (2017: €51,832,000).

15. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	**Plant and machinery**	**Transport**	**Total**
	€'000	**€'000**	**€'000**	**€'000**
Cost *or fair value*				
At 1 May 2016	11,675	53,745	4,423	**69,843**
Translation adjustment	(804)	(3,748)	(306)	**(4,858)**
Additions	196	10,731	797	**11,724**
Disposals	-	(7,795)	(604)	**(8,399)**
At 30 April 2017	11,067	52,933	4,310	**68,310**
Translation adjustment	(431)	(2,086)	(165)	**(2,682)**
Additions	-	8,775	810	**9,585**
Disposals	-	(6,163)	(527)	**(6,690)**
At 30 April 2018	10,636	53,459	4,428	**68,523**

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land and buildings €'000	Plant and machinery €'000	Transport €'000	Total €'000
Accumulated depreciation				
At 1 May 2016	1,204	28,368	2,740	32,312
Translation adjustment	(76)	(1,956)	(189)	(2,221)
Charge for the year	104	7,593	659	8,356
Disposals	-	(6,536)	(536)	(7,072)
At 30 April 2017	1,232	27,469	2,674	31,375
Translation adjustment	(43)	(1,062)	(102)	(1,207)
Charge for the year	102	7,813	625	8,540
Disposals	-	(5,033)	(461)	(5,494)
At 30 April 2018	1,291	29,187	2,736	33,214
Carrying amounts				
At 30 April 2018	**9,345**	**24,272**	**1,692**	**35,309**
At 30 April 2017	9,835	25,464	1,636	36,935

Plant and machinery includes assets held for hire with a cost of €52,052,000 (2017: €51,391,000) and accumulated depreciation of €28,016,000 (2017: €26,195,000).

	2018 €'000	2017 €'000
Land and building comprises:		
Freehold property	**8,923**	9,395
Long leasehold property	**422**	440
	9,345	9,835
The historical cost of land and buildings amounts to:		
Land and buildings	**6,837**	7,040

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 2018, 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 2018 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. 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 2016, 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 2018 and are satisfied that the valuation as presented above represents the fair value of these properties at year-end.

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

16. INVESTMENT PROPERTIES

	2018 €'000	2017 €'000
Fair value		
At 1 May	**2,763**	2,832
Translation adjustment	**(15)**	(69)
Fair value adjustment	**164**	-
	2,912	2,763

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 2018, 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 2018 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. 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 2016 and 30 April 2018, 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 2018 and are satisfied that the valuation as presented above represents the fair value of these properties at year-end.

Czechia
The investment property valuation in the Czechia is €438,000 and the Directors are satisfied that this is fair value at 30 April 2018.

17. INVESTMENTS AND FINANCIAL INVESTMENTS

	2018 €'000	2017 €'000
Ordinary shares at cost		
Non-listed company	**6**	6

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

18. TRADE AND OTHER RECEIVABLES

Amount falling due within one year	**2018 €'000**	2017 €'000
Trade receivables	**14,538**	7,404
Other receivables	**8,713**	1,278
Value added tax	**6,298**	3,762
Prepayments and accrued income	**515**	515
	30,064	12,959

Trade receivables are generally on 30-60 day terms and are shown net of a provision for impairment. At 30 April 2018 trade receivables amounting to €720,000 (2017: €694,000) were older than the Group's standard credit terms but not deemed to be impaired. At 30 April 2018, trade receivables with a value of €317,000 (2017: €394,000) 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.

19. INVENTORIES

	2018 €'000	2017 €'000
Building land and roads	**212,061**	189,606
Work in progress	**61,306**	49,659
Raw materials	**1,441**	339
	274,808	239,604

20. RESTRICTED CASH

	2018 €'000	2017 €'000
Cash held in escrow accounts	**3,955**	838

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

CASH AND CASH EQUIVALENTS

	2018 €'000	2017 €'000
Cash at bank and in hand	**78,880**	95,137

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 €78,880,000 (2017: €95,137,000). The Group had no undrawn borrowing facilities at the year end (2017: €Nil).

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

21. TRADE AND OTHER PAYABLES

	2018 €'000	2017 €'000
Amount falling due within one year		
Trade creditors	**22,535**	31,895
Amounts outstanding on land	**42,103**	33,990
PAYE	**261**	250
Social welfare tax	**241**	243
Value added tax	**1,489**	652
Other creditors	**1,043**	1,453
Accruals	**9,227**	7,451
Deferred income	**3,439**	760
	80,338	76,694

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.

22. INCOME TAX PAYABLE

	2018 €'000	2017 €'000
Income tax payable	**4,948**	6,122

23. PROVISIONS

	2018 €'000	2017 €'000
Maintenance provisions		
At 1 May	**1,035**	588
Arising during the year	**557**	670
Utilised	**(676)**	(217)
Released during year	**187**	(6)
At 30 April	**1,103**	1,035
Analysed as:		
Current liabilities	**471**	546
Non-current liabilities	**632**	489
	1,103	1,035

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.

24. DEFERRED TAXATION

	Pension Obligation 2018 €'000	Accelerated Capital Allowances 2018 €'000	Other 2018 €'000	Transfer 2018 €'000	**Total 2018 €'000**	Total 2017 €'000
At 1 May – *Non-current asset*	-	-	528	-	**528**	-
Recognised in income statement	-	-	124	-	**124**	528
Transfer	-	-	-	66	**66**	-
At 30 April	-	-	652	66	**718**	528
At 1 May – *Non-current liability*	(655)	350	(101)	-	**(406)**	(1,668)
Translation adjustment	29	(13)	4	-	**20**	86
Recognised in income statement	(14)	132	(9)	-	**109**	144
Equity movement	343	-	-	-	**343**	1,032
Transfer	-	-	-	(66)	**(66)**	-
At 30 April	(297)	469	(106)	(66)	**-**	(406)

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

24. DEFERRED TAXATION (Continued)

Unrecognised Deferred Tax Asset

A potential deferred tax asset of €1,609,000 (2017: €2,375,000) has not been recognised as there is uncertainty regarding the availability of future Irish taxable profits against which the tax losses may be utilised.

25. ISSUED SHARE CAPITAL

	2018 €'000	2017 €'000
Authorised		
At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each	**14,400**	14,400

	2018 Number '000	2017 Number '000	**2018 €'000**	2017 €'000
Allotted, called up and fully paid				
At 1 May ordinary shares of 32 cents each	21,440	21,526	**6,861**	6,888
Purchase of own shares, cancelled	-	(86)	**-**	(27)
At 30 April ordinary shares of 32 cents each	21,440	21,440	**6,861**	6,861

	2018 €'000	2017 €'000
Capital Redemption Reserve Fund		
At 1 May	**5,522**	5,495
Purchase of own shares	**-**	27
At 30 April	**5,522**	5,522

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

26. RESERVES

	Share Premium Account €'000	**Revaluation Reserve €'000**	**Currency Translation €'000**
At 1 May 2016	13,321	5,494	(7,941)
Translation adjustment arising in year	-	(391)	(15,807)
At 1 May 2017	13,321	5,103	(23,748)
Translation adjustment arising in year	-	(205)	(9,760)
At 30 April 2018	**13,321**	**4,898**	**(33,508)**

The revaluation reserve is in respect of:	**€'000**
Land and buildings	**4,898**

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

27. RETAINED EARNINGS

	Note	**2018 €'000**	2017 €'000
Retained earnings at beginning of year		**301,306**	258,060
Profit retained for the financial year		**48,929**	51,832
Equity dividends paid	13	**(3,645)**	(3,223)
Reclassification of adjustment for disposal of available-for-sale financial investments		**-**	(1,965)
Tax movement relating to reclassification of adjustment for disposal of available-for-sale financial investments		**-**	491
Actuarial loss on Group defined benefit pension obligations		**(2,017)**	(3,181)
Deferred tax movement relating to actuarial loss on Group defined benefit pension obligations		**343**	541
Purchase of own shares		**-**	(1,249)
At 30 April		**344,916**	301,306

28. FAIR VALUE HIERARCHY

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

Level 1: quoted (unadjusted) prices in active markets;
Level 2: significant observable inputs;
Level 3: significant un-observable inputs.

		2018 €'000	2017 €'000
Land and buildings (refer note 15)			
Commercial properties	Level 2	**9,345**	9,835
Investment properties (refer note 16)			
Commercial properties	Level 2	**2,912**	2,763

There were no fair value hierarchy measured at Level 3.

29. FINANCIAL RISK MANAGEMENT

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

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

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

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

	Increase / decrease in UK sterling rate	(Decrease) / increase on profit before tax	(Decrease) / increase on equity
		€'000	€'000
2017	+5%	(2,794)	(11,975)
	-5%	3,088	13,236
2018	+5%	(2,328)	(13,295)
	-5%	2,573	14,661

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

30. CAPITAL COMMITMENTS

There are no capital commitments contracted for at the balance sheet date (2017: €Nil).

31. LEASES

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

	2018	2017
	€'000	€'000
Leases on land and buildings:		
Within one year	**30**	26
Between two and five years	**89**	78
After more than five years	**117**	148
	236	252

Operating leases on plant and machinery carry no future commitments.

32. PENSIONS

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

The most recent 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 2017, the total value placed on the assets of the Group's pension plan for the purposes of the valuations amounted to €40.34 million and was sufficient to cover 110% 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 2018. The employer expects to make contributions of €196,000 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 2018 by a qualified independent actuary. The actuarial reports are available to the pension scheme members only.

The major assumptions used by the actuary were:

	2018	2017
Pensionable salary growth	**Nil % pa**	Nil % pa
Pension escalation in payment	**3.50 % pa**	3.70 % pa
Discount rate	**2.60 % pa**	2.60 % pa
Inflation assumption - retail price index	**3.20 % pa**	3.40 % pa
Inflation assumption - consumer price index	**2.40 % pa**	2.50 % pa
Post-retirement modality (in years)		
Current pensioners at 65 - males	**22.0**	21.2
Current pensioners at 65 - females	**24.2**	23.3
Future pensioners at 65 - males	**23.4**	22.7
Future pensioners at 65 - females	**25.7**	24.8

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

32. PENSIONS (Continued)

Fair value of defined benefit assets are as follows:	**2018 €'000**	2017 €'000
Bonds (quoted UK government gilts)	**20,100**	21,697
Shares (quoted on stock exchange)	**17,719**	18,176
Cash and short term deposits	**889**	468
Fair value of assets	**38,708**	40,341
Present value of scheme liabilities in respect of active and deferred members	**(36,961)**	(36,489)
Defined benefit pension scheme surplus	**1,747**	3,852

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.

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

	2018 €'000	2017 €'000
Recognised in the income statement		
Current service cost	**(239)**	**(227)**
Recognised in administrative expenses in the income statement, in arriving at operating profit	**(239)**	**(227)**
Interest income on net scheme assets	**95**	**244**
Net (debit) / credit	**(144)**	**17**
Taken to the statement of comprehensive income		
Actuarial gain	**260**	**2,945**
Experienced (loss) / gain	**(1,559)**	**378**
Actuarial changes arising from changes in financial assumptions	**(718)**	**(6,504)**
Actuarial losses recognised in statement of comprehensive income	**(2,017)**	**(3,181)**
Changes in the fair value of defined benefit pension obligations		
As at 1 May	**36,489**	**32,108**
Current service cost	**239**	**227**
Member contributions	**33**	**39**
Interest costs	**887**	**1,057**
Benefits paid	**(1,510)**	**(820)**
Exchange translation	**(1,454)**	**(2,248)**
Actuarial loss	**2,277**	**6,126**
As at 30 April	**36,961**	**36,489**

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2018 (Continued)

32. PENSIONS (Continued)

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

Assumption	*Change in assumption*	*Revised value of Scheme liabilities*	
		2018	2017
		€'000	€'000
Discount rate	Decrease by 0.5%	**40,658**	40,503
Rate of inflation	Increase by 0.5%	**38,440**	37,949
Rate of mortality	Increase by 1 year	**38,070**	37,585

Changes in the fair value of defined benefit scheme assets	**2018**	2017
	€'000	€'000
As at 1 May	**40,341**	39,396
Interest income on scheme assets	**982**	1,301
Employer contributions	**226**	262
Contributions by employees	**33**	39
Benefits paid	**(1,510)**	(820)
Exchange translation	**(1,624)**	(2,782)
Actuarial gain	**260**	2,945
As at 30 April	**38,708**	40,341

Amounts for the current and previous periods	**2018**	2017	2016	2015	2014
	€'000	€'000	€'000	€'000	€'000
Fair value of scheme assets	**38,708**	40,341	39,396	41,600	32,631
Present value of defined benefit obligation	**(36,961)**	(36,489)	(32,108)	(37,595)	(29,010)
Surplus in scheme	**1,747**	3,852	7,288	4,005	3,621
Experience adjustments arising on scheme liabilities	**(1,559)**	378	(95)	62	(15)
Experience adjustments arising on scheme assets	**260**	2,945	93	3,638	(3,016)

33. RELATED PARTY TRANSACTIONS

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

There were no related party transactions with Directors, 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.

34. ULTIMATE PARENT UNDERTAKING

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

35. SUBSEQUENT EVENTS

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

COMPANY INCOME STATEMENT
For the year ended 30 April 2018

	Note	**2018 €'000**	2017 €'000
Administrative expenses		**(414)**	(545)
Other operating income		**17**	4,616
Operating (loss) / profit - continuing operations		**(397)**	4,071
Finance income	C7	**670**	-
Profit before taxation	C8	**273**	4,071
Income tax expense	C9	**(54)**	(25)
Profit attributable to equity shareholders of the parent		**219**	4,046

COMPANY STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 April 2018

	2018 €'000	2017 €'000
Profit attributable to equity shareholders of the parent	**219**	4,046
Items that may be reclassified subsequently to the income statement		
Foreign currency translation	**(1,003)**	(1,895)
Other comprehensive loss for the year, net of tax	**(1,003)**	(1,895)
Total comprehensive (loss) / income for the year, net of tax, attributable to equity shareholders of the parent	**(784)**	2,151

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 30 April 2018

	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 2017	6,861	13,321	5,522	2,068	20,025	**47,797**
Profit for the year	-	-	-	-	219	**219**
Other comprehensive loss, net of tax	-	-	-	(1,003)	-	**(1,003)**
Total comprehensive (loss) / income, net of tax, attributable to equity shareholders	-	-	-	(1,003)	219	**(784)**
Equity dividends paid	-	-	-	-	(3,645)	**(3,645)**
At 30 April 2018	6,861	13,321	5,522	1,065	16,599	**43,368**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2017

	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 2016	6,888	13,321	5,495	3,963	20,451	**50,118**
Profit for the year	-	-	-	-	4,046	**4,046**
Other comprehensive loss, net of tax	-	-	-	(1,895)	-	**(1,895)**
Total comprehensive (loss) / income, net of tax, attributable to equity shareholders	-	-	-	(1,895)	4,046	**2,151**
Equity dividends paid	-	-	-	-	(3,223)	**(3,223)**
Purchase of own shares	(27)	-	27	-	(1,249)	**(1,249)**
At 30 April 2017	6,861	13,321	5,522	2,068	20,025	**47,797**

COMPANY BALANCE SHEET
At 30 April 2018

	Note	**2018**	2017
ASSETS		**€'000**	€'000
Non-current assets			
Investment properties	C11	**1,539**	1,604
Financial Assets	C12	**23,530**	23,530
		25,069	25,134
Current assets			
Trade and other receivables	C13	**17,759**	22,088
Cash and cash equivalents	C14	**1,332**	1,285
		19,091	23,373
TOTAL ASSETS		**44,160**	48,507
LIABILITIES			
Current liabilities			
Trade and other payables	C15	**(743)**	(688)
Income tax payable	C16	**(49)**	(22)
		(792)	(710)
NET CURRENT ASSETS		**18,299**	22,663
TOTAL LIABILITIES		**(792)**	(710)
NET ASSETS		**43,368**	47,797
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	C17	**6,861**	6,861
Share premium	C18	**13,321**	13,321
Other reserves			
- Capital redemption reserve fund	C17	**5,522**	5,522
- Currency translation	C18	**1,065**	2,068
Retained earnings		**16,599**	20,025
TOTAL EQUITY	C19	**43,368**	47,797
TOTAL EQUITY AND LIABILITIES		**44,160**	48,507

Approved by the Board on 10 July 2018

C.H. GALLAGHER *Chairman*

L.G. FRAQUELLI *Director*

COMPANY CASH FLOW STATEMENT
For the year ended 30 April 2018

	Note	**2018**	2017
		€	€
Cash flows from operating activities			
Profit before taxation		**273**	4,071
Adjustment to reconcile profit before tax to net cash flows			
Non cash:			
Finance income		**(670)**	-
Working capital adjustments:			
Decrease in trade and other receivables		**3,413**	789
Increase in trade and other payables		**83**	80
Income taxes paid		**(26)**	(52)
Net cash inflow from operating activities		**3,073**	4,888
Cash flows from investing activities			
Finance income		**670**	-
Net cash outflow from investing activities		**670**	-
Cash flows from financing activities			
Cost of share buy back		**-**	(1,249)
Equity dividends paid	C10	**(3,645)**	(3,223)
Net cash outflow from financing activities		**(3,645)**	(4,472)
Decrease in cash and cash equivalents		**98**	416
Cash and cash equivalents at start of year		**1,285**	932
Net foreign exchange differences		**(51)**	(63)
Cash and cash equivalents at end of year		**1,332**	1,285

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2018

C1. AUTHORISATION OF FINANCIAL STATEMENTS
The Financial Statements of Abbey plc for the year ended 30 April 2018 were authorised for issue in accordance with a resolution of directors on 10 July 2018. Abbey plc is a publicly traded entity incorporated in the Republic of Ireland. The company's shares are listed on the ESM on the Irish Stock Exchange and the AIM on the London Stock Exchange.

C2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")
In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and the annual improvements to IFRS 2014 to 2016 cycle that are relevant to its operations. Adoption of these standards and interpretations did not have any material effect on the financial performance or financial position of the Company in the current or prior periods.

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 2018, 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 2018.

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

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.

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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2018 (Continued)

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

Impairment of 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 and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

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

Investment properties
Certain of the 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 Company becomes party to the contractual provisions of the instrument. The derecognition of financial assets takes place when the Company no longer has the right to cash flows, the risks and rewards of ownership, or control of the asset.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2018 (Continued)

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 statement

International Accounting Standards (IAS / IFRSs)

		Effective Date *	
IFRS 15	Revenue recognition	1 January	2018
IFRS 9	Financial instruments	1 January	2018
IRFS 2	Amendments to Classification and Measurement of Share-based Payment Transactions	1 January	2018
IFRS 4	Amendments to Applying IFRS9 Financial Instruments with IFRS 4 Insurance Contracts	1 January	2018
IAS 40	Amendments to Transfers of Investment Property	1 January	2018
IFRS 16	Leases	1 January	2019
IFRS 9	Amendments to Prepayment features with negative Compensation	1 January	2019
IAS 28	Amendments to Long-term interests in Associates and Joint Arrangements	1 January	2019
IFRS 17	Insurance Contracts	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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2018 (Continued)

C6. STAFF COSTS

There are no staff directly employed b the Company (2017: Nil)

C7. FINANCE INCOME

	2018 €'000	2017 €'000
Interest receivable from group undertaking	**670**	-

C8. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2018 €'000	2017 €'000
The profit on ordinary activities before taxation is arrived at after charging / (crediting):		
Directors fees	**198**	207
Management Charges	**132**	108
Dividends received	**-**	(4,588)
Operating lease rentals:		
- Rent of building	**(130)**	(136)
Foreign exchange (gain) / loss	**(19)**	141
Auditor's remuneration - statutory audit of the Group and subsidiaries	**50**	46
- taxation services	**8**	3

C9. TAXATION

	2018 €'000	2017 €'000
(a) *Tax charged to the income statement:*		
United Kingdom Corporation Tax at 19.00% (2017: 19.92%)		
Current	**54**	25
Total current corporation tax charged to the income statement	**54**	25

(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:

	2018 (% of profit before taxation)	2017 (% of profit before taxation)
UK corporation tax rate	**19.00**	19.92
Non taxable income	**-**	(21.79)
Expenses not deducted for tax purposes	**0.88**	0.02
Transfer pricing adjustment – non trade loan relationships	**-**	2.46
	19.88	0.61

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2018 (Continued)

C10. DIVIDENDS

	2018	2017
	€'000	€'000
On Ordinary Equity Shares		
Paid ordinary		
Dividend of 9 cents per issued ordinary share (2017: 8 cents per share)	**1,930**	1,722
Paid ordinary		
Dividend of 8 cents per issued ordinary share (2017: 7 cents per share)	**1,715**	1,501
	3,645	3,223
Ordinary *dividends proposed* (memorandum *disclosure)*		
Proposed 10.00 cents per share (2017: 9.00 cents per share)	**2,144**	1,930

C11. INVESTMENT PROPERTY

	2018	2017
	€'000	€'000
Fair value		
At 1 May	**1,604**	1,727
Translation adjustment	**(65)**	(123)
At 30 April	**1,539**	1,604

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. 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 2016, 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 2018 and are satisfied that the valuation as presented above represents the fair value of these properties at year-end.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2018 (Continued)

C12. FINANCIAL FIXED ASSETS

	2018	2017
Shares in unlisted subsidiary undertakings at cost:	**€'000**	€'000
Ordinary share capital at the beginning and end of year	**23,530**	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:

Incorporated in the Republic of Ireland	*Nature of business*	*Registered office*
Abbey Holdings Limited	Investment holding company	9 Abbey House Main Street Clonee Co. Meath
Kingscroft Developments Limited	Residential housing and land development	as above

Incorporated in the United Kingdom	*Nature of business*	*Registered office*
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

Incorporated in the Czech Republic	*Nature of business*	*Registered office*
Abbey, s.r o.	Residential housing and land development	Terronska 7 160 00 Prague 6 Czech Republic

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2018 (Continued)

C13. TRADE AND OTHER RECEIVABLES

	2018 €'000	2017 €'000
Amount falling due within one year		
Amounts due from subsidiary undertaking	**17,759**	22,088

C14. CASH AND CASH EQUIVALENTS

	2018 €'000	2017 €'000
Cash at bank and in hand	**1,332**	1,285

The fair value of cash and cash equivalents is €1,332,000 (2017: €1,285,000). The Company had no undrawn borrowing facilities at the year end (2017: €Nil).

C15. TRADE AND OTHER PAYABLES

Amount falling due within one year	2018 €'000	2017 €'000
Value added tax	**34**	24
Other creditors	**611**	564
Accruals and deferred income	**98**	100
	743	688

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.

C16. INCOME TAX PAYABLE

	2018 €'000	2017 €'000
Income tax payable	**49**	22

C17. ISSUED SHARE CAPITAL

Authorised	2018 €'000	2017 €'000
At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each	**14,400**	14,400

Allotted, called up and fully paid	2018 Number '000	2017 Number '000	2018 €'000	2017 €'000
At 1 May ordinary shares of 32 cents each	**21,440**	21,526	**6,861**	6,888
Purchase of own shares, cancelled	**-**	(86)	**-**	(27)
At 30 April ordinary shares of 32 cents each	**21,440**	21,440	**6,861**	6,861

Capital Redemption Reserve Fund	2018 €'000	2017 €'000
At 1 May and 30 April	**5,522**	5,495
Purchase of own shares	**-**	27
At 30 April	**5,522**	5,522

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2018 (Continued)

C18. RESERVES

	Share Premium Account	Currency Translation
	€'000	**€'000**
At 1 May 2016	13,321	3,963
Translation adjustment arising in year	**-**	(1,895)
At 1 May 2017	13,321	2,068
Translation adjustment arising in year	-	(1,003)
At 30 April 2018	**13,321**	**1,065**

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.

C19. TOTAL EQUITY

	Note	**2018**	2017
		€	€
Retained earnings at beginning of year		**47,797**	50,118
Profit retained for the financial year		**219**	4,046
Equity dividends paid	C10	**(3,645)**	(3,223)
Purchase of own shares		**-**	(1,249)
Translation adjustment arising on adjustment to presentation currency		**(1,003)**	(1,895)
At 30 April		**43,368**	47,797

C20. 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.

		2018	2017
		€'000	€'000
Investment properties (refer note C11)			
Commercial properties	Level 2	**1,539**	1,604

There were no fair value hierarchy measured at Levels 1 and 3.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2018 (Continued)

C21. FINANCIAL RISK MANAGEMENT

The principal financial assets and liabilities comprise 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	(Decrease) / increase on equity
		€'000	€'000
2017	+5%	(200)	(1,156)
	-5%	221	1,278
2018	+5%	(13)	(945)
	-5%	14	1,042

C22. CAPITAL COMMITEMENTS

There are no capital commitments contracted for at the balance sheet date (2017: €Nil).

C23. RELATED PARTY TRANSACTIONS

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

		2018 €'000	2017 €'000
Management charges	- Kingscroft Developments Limited	**(20)**	(25)
Management charges	- Abbey Group Limited	**152**	133
Interest receivable	- Abbey Group Limited	**670**	-
Rental income	- Abbey Developments Limited	**130**	136

C24. 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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2018 (Continued)

C25. SUBSEQUENT EVENTS

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

C26. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 10 July 2018.