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Separate Insert

Form of Proxy



Selection of our showhomes in the UK and Ireland



The Company's 71st Annual General Meeting will be held on Friday 3rd October 2008 at The Conrad Dublin, Dublin 2 at 10:30am

Results in Brief

	Expressed in €'000 (except per share data)		£'000 Sterling Equivalent (except per share data)	
	2008	2007	2008	2007
Revenue	180,334	192,201	129,804	130,178
Profit before taxation	16,794	45,272	12,088	30,663
Profit attributable to equity shareholders of the parent	12,081	34,389	8,696	23,292
Earnings per share	42.93c	118.13c	30.90p	80.01p
Dividends paid per share	36.00c	36.00c	25.91p	24.38p
Assets per share	844c	846c	664p	577p
Gearing	Nil	Nil	Nil	Nil

For the purpose of the above the following translation rates have been used for Profit and Loss items:

2007 €100c : Stg 67.73p
2008 €100c : Stg 71.98p

The rates used for conversion of Balance Sheet items are the rates at 30 April 2007 and 30 April 2008:

2007 €100c : Stg 68.24p
2008 €100c : Stg 78.63p

The results for the year ended 30th April 2008 reflect the impact of the credit crunch on our business since August last year. The credit squeeze is, at the time of writing, showing no signs of easing and a difficult year is in prospect.

The Group reports a profit for the year of €16.8 million before taxation against €45.3 million in the previous year. Shareholders' funds of €207.9 million represent €8.44 per share and include net cash balances of €39.8 million. Earnings for the year were 42.93 cents per share and the Board is not recommending a dividend for consideration at the Annual General Meeting in October.



The profits have been materially impacted by an impairment charge of €20.6 million against land and work in progress arising from the depressed trading conditions. This represented circa 11% of the gross inventory as at 30 April. Whilst we believe these impairments are prudent based on current market conditions, if the market significantly deteriorates, further write-downs may be needed in future.

HOUSEBUILDING

The Group's housebuilding division completed 716 sales (UK 467; Ireland 249) at an average price of €222,000 and contributed €10.5 million to our results.

United Kingdom: UK trading over the period as a whole was satisfactory, however, the trading environment became steadily more difficult as the year progressed. The new year is off to a slow start with no sign of improvement. In the circumstances we expect to complete fewer units this year. At the year end the company owned land with the benefit of planning permission for 990 plots.



Ireland: In Ireland a good result was achieved as sales made in early 2007 were completed. A noticeable upturn in sales at the start of 2008 faded towards the end of the period. Current sales are at very low levels in line with generally reported market conditions. We now own land with planning permission for 1,230 plots.

Czech Republic: In Prague building work is now well ahead on our project in Slivenec. Thirty eight reservations have been taken and subject to compliance with all administrative procedures, we are hopeful of achieving some completions this year.

A legally valid building permit for our project in Anděl has now been issued and we plan to start in early 2009.

PLANT HIRE

The plant hire division reported operating profits of €2.8 million on a turnover of €20.6 million. In addition a further gain of €1.3 million resulted from the disposal of an M&J property.

Early trading this year was encouraging, however, in recent weeks signs of slowing activity have been seen and inevitably more difficult trading will be encountered during the year.

Rental income arising from the letting of surplus space at Group property was €499,000.



SHARE BUY BACKS

Further to the authority granted at the Extraordinary General Meeting on 19th November 2007 the company has during the period under review purchased 4,342,531 shares at a cost of €25,452,000. The purchase completed the program under the resolution granted and all the shares were cancelled. There are now 24,626,992 shares in issue.

DIRECTORS, MANAGEMENT AND STAFF

There was no change to the Board of Directors during the course of the year. As always the progress of the Group is a result of the combined efforts of all the employees. I, on behalf of the shareholders, thank my colleagues on the Board together with all the directors, management and staff for their hard work and efforts during the year.

THE FUTURE

During the past year credit conditions in both Ireland and Britain tightened considerably and the resulting contraction in the mortgage market has severely impacted the Group. In particular falling house prices have undermined the value of our land bank with the resulting impairment charges experienced this year. The outlook is very uncertain and in these circumstances sensibly maximising the cash resources at the disposal of the Group is essential. Fresh profitable trading opportunities may emerge towards the end of this financial year and the Group should be well placed to avail of them.

ANNUAL GENERAL MEETING

I look forward to seeing you all at our Annual General Meeting on 3rd October and wish to bring to your attention all other special business in the notice of that meeting.

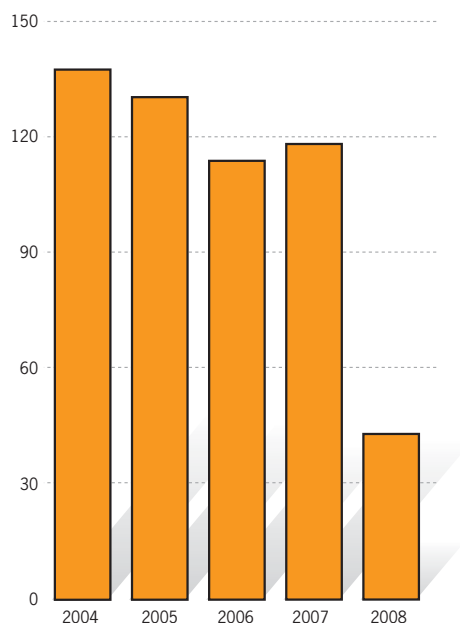
A handwritten signature in green ink, appearing to read 'Charles H. Gallagher'.

Charles H. Gallagher, Executive Chairman

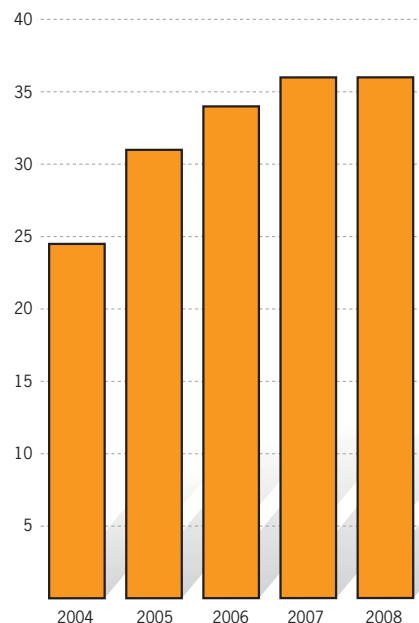
Five Year Financial Summary

	IFRS 2008 €'000	IFRS 2007 €'000	Irish GAAP 2006 €'000	Irish GAAP 2005 €'000	Irish GAAP 2004 €'000
Revenue	180,334	192,201	204,544	206,520	199,663
Operating profit	15,076	43,675	45,421	55,672	59,260
Finance income	1,818	1,609	1,800	1,916	945
Finance costs	(100)	(12)	(159)	(111)	–
Profit before taxation	16,794	45,272	47,062	57,477	60,205
Income tax expense	(4,713)	(10,883)	(11,103)	(13,069)	(13,359)
Profit attributable to equity shareholders of the parent	12,081	34,389	35,959	44,408	46,846
Earnings per share (basic and diluted)	42.93c	118.13c	113.78c	130.31c	137.47c
Dividends paid per share	36.00c	36.00c	34.00c	31.00c	24.50c
Shareholders' funds	207,940	245,053	225,200	241,396	199,592

Earnings Per Share
(Euro Cents)
Basic and Diluted



Dividends Paid Per Share
(Euro Cents)



ABBEY PLC

Reg. No. 9245 Republic of Ireland

AUDITORS

Ernst & Young, Chartered Accountants

SECRETARY & REGISTERED OFFICE

David J. Dawson CA, 25/28 North Wall Quay, Dublin 1

BANKERS

Allied Irish Banks plc

Barclays Bank plc

REGISTRAR AND TRANSFER OFFICE

Computershare Investor Services (Ireland) Limited

P.O. Box 954, Heron House, Corrig Road,

Sandyford Industrial Estate, Dublin 18

SOLICITORS

A&L Goodbody

STOCKBROKERS

Davy Stockbroker

Arden Partners

NOMINATED ADVISOR

J&E Davy, trading as Davy

TRADING PLATFORMS

Irish Enterprise Exchange

Alternative Investment Market

PRELIMINARY STATEMENT

10th July 2008

ANNUAL REPORT

1st September 2008

ANNUAL GENERAL MEETING

3rd October 2008

INTERIM STATEMENT

December 2008

Board of Directors

CHARLES H. GALLAGHER (48) M.A., MSc.

A Director of Abbey plc since 1986, Mr. Charles Gallagher was appointed Executive Chairman in May 1993. He is a past president of the H.B.F. (UK House Builders Federation). Mr. Gallagher is also a director of a number of other companies including Gallagher Holdings Limited, Matthew Homes Limited and Charles Wilson Engineers Limited.

BRIAN R. HAWKINS (63) (BRITISH) BSc (Eng)

Mr. Hawkins joined the Abbey Group in 1990, was Managing Director of Abbey Developments Limited from May 1993 to December 2006 and is now Managing Director of Abbey Group Limited. He was co-opted to the Abbey plc Board in June 1997. He holds no other directorships other than those within Abbey plc and its subsidiaries.

ROBERT N. KENNEDY (55) (BRITISH) BSc (Econ)

Mr. Kennedy joined the Abbey Group in 1996 and is Managing Director of M&J Engineers Limited. He was co-opted to the Abbey plc Board in December 1997. He holds no other directorships other than those within Abbey plc and its subsidiaries.

RICHARD J. SHORTT (60)

Mr. Shortt joined the Abbey Group in 1994 and is Managing Director of Kingscroft Developments Limited. He was co-opted to the Abbey plc Board in May 2002. He holds no other directorships other than those within Abbey plc and its subsidiaries.

DAVID A. GALLAGHER • Δ (47) B.A., MSc.

(NON-EXECUTIVE)

Mr. Gallagher was appointed to the Abbey plc Board in May 1993. Mr. Gallagher is a director of a number of other companies including Gallagher Holdings Limited, Matthew Homes Limited and Charles Wilson Engineers.

J. ROGER HUMBER • Δ (65) (BRITISH)

BSc (Econ), Hon D. Tech

(NON-EXECUTIVE)

Mr. Humber was appointed to the Abbey plc Board in December 1999. He was previously Chief Executive of the H.B.F. (UK House Builders Federation) from 1979 to 1999. Mr. Humber is a director of a number of other companies including Magnum Fine Wines plc and P.E. Jones (Contractors) Limited and its subsidiaries. He is Chair of Circle Anglia Housing Group, a registered social landlord.

JOHN F. HOGAN • Δ (68) B.Comm, F.C.A.

(NON-EXECUTIVE)

Mr. Hogan was appointed a non-executive director of the Group in December 2001. He is a former Managing Partner of Ernst & Young in Ireland and was a member of its global board. He is currently a non-executive director of C & C Group plc, Butterfield Umbrella Fund plc, Prudential International Assurance plc and other private companies.

(•) Member of Audit Committee

(Δ) Member of Remuneration Committee

The directors submit herewith their report and audited financial statements for the year ended 30 April 2008 which are set out on page 17 to 46.

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.

The profit after taxation amounted to €12,081,000. Dividends of 36.00 cents per share, absorbing €10,124,000 of profit have been paid during the year, leaving retained profit of €1,957,000 which has been transferred to reserves. After the share repurchase of €25,452,000 and other movements as detailed in the "Changes in Equity" on page 18, the net assets of the Group have reduced from €245,053,000 to €207,940,000.

The directors are not recommending a dividend for consideration at the Annual General Meeting in October 2008.

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

KEY PERFORMANCE INDICATORS

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

1. *Financial Performance Compared to Budget*

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

2. *Unit Reservations*

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

3. *Development Site Profit Margin*

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

4. *Machine Count*

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

BUSINESS REVIEW

Our housebuilding operations completed 716 sales (UK 467; Ireland 249) with turnover of €159.2 million generating an operating profit of €10.5 million. The comparative figures for the previous year were 677 sales (UK 457; Ireland 220) with turnover of €170.6 million generating an operating profit of €40.7 million.

The profits have been materially impacted by an impairment charge of €20.6 million (2007 : Nil) against land arising from the depressed market conditions. Whilst we believe these impairments are prudent based on current market conditions, if the market significantly deteriorates further write-downs may be needed in the future.

Overall the housing division achieved completions running ahead of last year. Margins continue to be impacted by the steadily more difficult trading conditions encountered over the period end. At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 2,300 plots.

The joint venture generated an operating profit of €144,000.

M&J reported operating profits of €2.8 million (2007: €2.5 million) on turnover of €20.6 million (2007 : €21.1 million). The Group's interest in a property was vested to the London Development Authority under a compulsory purchase order during the year at a value of €2.1 million, resulting in a net gain of €1.3 million recorded in the income statement.

Rental income arising primarily from the letting of surplus space at Group property was €499,000 (2007: €475,000).

At the year end total equity stood at €207.9 million (2007 : €245.1 million), whilst net cash balances stood at €39.8 million (2007: €32.1 million).

FUTURE DEVELOPMENTS

The Group enters the current year with a forward order book sufficient to maintain reasonable trading in the very short term. During the last two months market conditions have continued to deteriorate and current sales rates are at very low levels in line with generally reported market conditions. In the circumstances

it is quite likely that the housing division will deliver materially fewer houses this year.

In Prague building is now quite advanced on our first phase in Slivenec with forward sales achieved.

M&J, our plant hire division, is off to a fair start, however, in recent weeks the first signs of slowing activity have been seen and inevitably more difficult trading will be encountered during the year.

IMPORTANT EVENTS SINCE THE YEAR END

The Group terminated its contract for the purchase of a development site on 27 June 2008 as a result of the failure to meet all contractual conditions of the transaction, which existed at the balance sheet date. The contract price for the site of €1,737,000 has been reversed from land WIP with related land creditors of €1,572,000 also reversed. The Group had paid a refundable deposit amounting to €165,000 prior to the balance sheet date which is now included in trade debtors. Preliminary works carried out by the Group on this site with a total value of €122,000 have been written off with the taxation charge for the year adjusted accordingly.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- The Group is engaged in speculative development, which is by its nature highly risky. Occasional substantial losses are a cyclical feature of its business;
- The Group operates in a very competitive market and therefore it is essential that the Group continues to compete successfully;
- Any reduction in economic growth in the countries in which the Group operates may adversely affect the Group's revenue and margins;
- The Group's performance will be affected by fuel and raw material prices and the cyclical changes of the producers of these raw materials;

- The Group is subject to substantial laws, regulations and standards such as environmental, health and safety and building regulations, which could result in additional costs related to compliance with these laws and regulations;
- At present the Group operates in three currencies and adverse changes in foreign exchange rates relative to the euro could adversely affect the Group's financial performance;
- Any adverse economic interest rate changes will impact on the Group.

SUBSTANTIAL SHAREHOLDERS

Having received the required notifications, the following held more than 3% of the issued ordinary shares at 9 July 2008:

	Number of shares	% of issued share capital
Gallagher Holdings Limited	10,166,544	41.28%
FMR LLP and Fidelity International Limited and their direct subsidiaries, being non-beneficial holders	3,400,000	13.81%
I.G. Investment Management Ltd	973,960	3.95%
Securities Trust Limited	899,503	3.65%
Irish Life Investment Managers	769,653	3.13%
Axa Investment Managers UK Ltd	737,995	3.00%

DIRECTORS

Mr. John F. Hogan retires in accordance with Article 98 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 and the Group at 30 April 2008, were as follows:

	Number of Shares	
	2008	2007
Charles H. Gallagher	25,500	25,500
Richard J. Shortt	15,500	12,500
David A. Gallagher	3,000	3,000
John F. Hogan	3,000	3,000

None of the directors hold shares in a non-beneficial capacity and no changes occurred in the above holdings between 30 April 2008 and 9 July 2008. There have not been any contracts or arrangements with the Company or any subsidiary during the year in which a director of the Company was materially interested and which have been significant in relation to the Group's business.

BOOKS AND RECORDS

The directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act 1990, are kept by the Company. To achieve this, the directors have appointed appropriate accounting personnel in order to ensure that those requirements have been complied with.

The books and accounting records of the Company are maintained at Abbey House, 2 Southgate Road, Potters Bar, Hertfordshire, EN6 5DU, England. Returns are made to the registered office in accordance with Section 202(6) of the Companies Act 1990.

CORPORATE SOCIAL RESPONSIBILITY

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

Employees

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

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

Disabled Employees

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

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

Employee Involvement

The continuing Group policy with regard to employee consultation and involvement is that there should be effective communication with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current jobs and future prospects. The achievement of this policy has to be treated flexibly in accordance with the varying circumstances and needs of companies in the Group but, in all cases, the emphasis is on communication at the local level. Details of the Group's financial results are circulated each half and full year and periodic staff meetings are also held to discuss various aspects of the Group's business.

Health and Safety

The Group pays particular adherence to health and safety matters. The Group has implemented appropriate safety guidelines in its Irish subsidiaries as required by the Safety, Health and Welfare Work Act, 1989.

Environment

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

SPECIAL BUSINESS

Your attention is drawn to the notice of meeting which sets out matters of ordinary and special business to be considered at the Annual General Meeting.

CAPITAL GAINS TAX

The quoted price of the ordinary share on 6 April 1974 as calculated for capital gains tax in Ireland was €78.7c (IR62p).

AUDITORS

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

On behalf of the Board, 9th July 2008

C.H. GALLAGHER Chairman

B.R. HAWKINS 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. The three remaining executive directors have a notice period of one year.

DIRECTORS' REMUNERATION

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

	Salary and Fees €'000	(1) Benefits In Kind €'000	2008 Total €'000	2007 Total €'000
Executive Directors				
C H Gallagher	936	37	973	967
B R Hawkins	388	47	435	437
R N Kennedy	197	35	232	243
R J Shortt	335	26	361	341
Totals	1,856	145	2,001	1,988
Non-Executive Directors				
D A Gallagher	60	–	60	45
J R Humber	60	–	60	45
J F Hogan	60	–	60	45
Totals	180	–	180	135

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

PENSIONS

Three executive directors were members of The Abbey Group Limited Pension and Life Assurance Scheme during the year. Non-executive directors do not participate in the Group's pension scheme. There are two (2007: two) directors to whom retirement benefits are accruing under a defined benefit scheme at 30 April 2008. One director had contributions to a defined contribution scheme during the year. Directors pension arrangements are as follows:

Name	Age	Pensionable Service Years	Defined Benefit			Accumulated Accrued Pension 30 April €'000	Defined Contribution Group Contributions €'000
			Increase In Accrued Pension During The Year €'000	Transfer Value Of The Increase €'000			
B R Hawkins	63	17	5	400	89	–	
R N Kennedy	55	11	3	(29)	29	–	
R J Shortt	60	–	–	–	–	99	
30 April 2008			8	371	118	99	
30 April 2007			12	242	113	92	

Corporate Governance Report

PRINCIPLES

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

THE BOARD

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

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

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

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

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

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

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

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

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

The Board has established Audit and Remuneration Committees.

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

AUDIT AND REMUNERATION COMMITTEES

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

Both Committees have written terms of reference.

RELATIONS WITH SHAREHOLDERS

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

INTERNAL CONTROL

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

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

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

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

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

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

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of Directors' Responsibilities In Respect of the Financial Statements

Company law in Ireland requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Parent Company and of the Group and of the profit or loss of the Group for that period.

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

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

The considerations set out above for the Group are also required to be addressed by the Directors in preparing the financial statements of the Parent Company (which are set out on pages 43 to 46) in respect of which the applicable accounting standards are those which are generally accepted in the Republic of Ireland.

The Directors have elected to prepare the Parent Company's financial statements in accordance with generally accepted accounting practice in Ireland (Irish GAAP) comprising the financial reporting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland, together with the Companies Acts, 1963 to 2006.

The Directors are responsible for keeping proper books of accounts, which disclose, with reasonable accuracy at any time, the financial position of the Parent Company and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable International Financial Reporting Standards, as adopted by the European Union, and comply with the provisions of the Companies Acts, 1963 to 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Abbey plc

We have audited the group and parent company financial statements (the "financial statements") of Abbey plc for the year ended 30 April 2008 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Changes in Shareholders' Equity and the related notes 1 to 34 (group) and C1 to C8 (company). These financial statements have been prepared under the accounting policies set out therein.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for the preparation of the group financial statements in accordance with applicable Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for the preparation of the parent company financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2006. We also report to you our opinion as to: whether proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation which may require the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company balance sheet is in agreement with the books of account

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our report.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, Directors' Report, and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of affairs of the group as at 30 April 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2006; and the parent company financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the company as at 30 April 2008 and have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The company balance sheet is in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

In our opinion, the company balance sheet does not disclose a financial situation which under section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Ernst & Young
Chartered Accountants and Registered Auditors

Dublin
9 July 2008

Group Consolidated Income Statement

Year Ended 30 April 2008

	Note	2008 €'000	2007 €'000
Revenue		180,334	192,201
Cost of sales			
- normal		(132,881)	(135,492)
- impairment charge on land	8	(20,599)	-
Gross profit		26,854	56,709
Administrative expenses		(13,228)	(13,034)
Gain on property disposal	8	1,306	-
Share of joint venture profit before taxation		144	-
Operating profit		15,076	43,675
Finance income	9	1,818	1,609
Finance costs	9	(100)	(12)
Profit before taxation	10	16,794	45,272
Income tax expense	12	(4,713)	(10,883)
Profit attributable to equity shareholders of the parent	28	12,081	34,389
Earnings per share - basic	14	42.93c	118.13c
Earnings per share - diluted	14	42.93c	118.13c

Approved by the Board on 9 July 2008

C.H. GALLAGHER, Chairman

B.R. HAWKINS, Director

Group Consolidated Statement of Changes in Equity

Year Ended 30 April 2008

	Issued Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders of the parent At 1 May 2007	9,270	13,321	8,673	3,113	1,517	209,159	245,053
Foreign currency translation	-	-	(757)	-	(14,356)	-	(15,113)
Reduction in revaluation surplus	-	-	(187)	-	-	187	-
Actuarial gain on Group defined benefit pension obligations	-	-	-	-	-	2,012	2,012
Deferred tax liability relating to actuarial gain on Group defined benefit pension obligations	-	-	-	-	-	(517)	(517)
Purchase of company shares	(1,389)	-	-	1,389	-	(25,452)	(25,452)
Total income and expense for the year recognised directly in equity	(1,389)	-	(944)	1,389	(14,356)	(23,770)	(39,070)
Profit for the year	-	-	-	-	-	12,081	12,081
Total income and expense for the year	(1,389)	-	(944)	1,389	(14,356)	(11,689)	(26,989)
Dividends paid (note: 13)	-	-	-	-	-	(10,124)	(10,124)
At 30 April 2008	7,881	13,321	7,729	4,502	(12,839)	187,346	207,940

Group Consolidated Statement of Changes in Equity

Year Ended 30 April 2007

	Issued Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders of the parent At 1 May 2006	9,495	13,321	9,557	2,888	-	191,234	226,495
Foreign currency translation	-	-	111	-	1,517	-	1,628
Reduction in revaluation surplus	-	-	(995)	-	-	-	(995)
Actuarial gain on Group defined benefit pension obligations	-	-	-	-	-	465	465
Deferred tax liability relating to actuarial gain on Group defined benefit pension obligations	-	-	-	-	-	(140)	(140)
Purchase of company shares	(225)	-	-	225	-	(6,360)	(6,360)
Total income and expense for the year recognised directly in equity	(225)	-	(884)	225	1,517	(6,035)	(5,402)
Profit for the year	-	-	-	-	-	34,389	34,389
Total income and expense for the year	(225)	-	(884)	225	1,517	28,354	28,987
Dividends paid (note: 13)	-	-	-	-	-	(10,429)	(10,429)
At 30 April 2007	9,270	13,321	8,673	3,113	1,517	209,159	245,053

No note of historical cost profits and losses has been included as the amounts involved are not significant.

Group Consolidated Balance Sheet

At 30 April 2008

	Note	2008 €'000	2007 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	31,785	36,079
Investment property	16	2,392	2,392
Investment in joint venture	17	2,512	2,398
Investments	18	6	7
Defined benefit pension scheme surplus	32	3,988	2,433
		<u>40,683</u>	<u>43,309</u>
Current assets			
Trade and other receivables	19	10,168	13,135
Inventories	20	168,086	232,721
Cash and cash equivalents	21	39,807	32,095
		<u>218,061</u>	<u>277,951</u>
TOTAL ASSETS		<u>258,744</u>	<u>321,260</u>
LIABILITIES			
Current liabilities			
Trade and other payables	22	(45,557)	(65,948)
Income tax payable	23	(304)	(4,532)
Provisions	24	(2,120)	(2,562)
		<u>(47,981)</u>	<u>(73,042)</u>
NET CURRENT ASSETS		<u>170,080</u>	<u>204,909</u>
Non-current liabilities			
Deferred taxation	25	(2,751)	(3,025)
Provisions	24	(72)	(140)
		<u>(2,823)</u>	<u>(3,165)</u>
TOTAL LIABILITIES		<u>(50,804)</u>	<u>(76,207)</u>
NET ASSETS		<u>207,940</u>	<u>245,053</u>
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	26	7,881	9,270
Share premium	27	13,321	13,321
Revaluation reserve	27	7,729	8,673
Other reserves			
- Capital redemption reserve fund	26	4,502	3,113
- Currency translation	27	(12,839)	1,517
Retained earnings	28	187,346	209,159
		<u>207,940</u>	<u>245,053</u>
TOTAL EQUITY		<u>207,940</u>	<u>245,053</u>
TOTAL EQUITY AND LIABILITIES		<u>258,744</u>	<u>321,260</u>

Approved by the Board on 9 July 2008

C.H. GALLAGHER, Chairman

B.R. HAWKINS, Director

Group Consolidated Cash Flow Statement

Year Ended 30 April 2008

	Note	2008 €'000	2007 €'000
Cash flows from operating activities			
Profit before tax		16,650	45,272
Adjustment to reconcile profit before tax to net cash flows			
Non cash:			
Depreciation		7,060	7,108
Other non cash items		94	(170)
Movement in pension benefit asset		(28)	647
Impairment charge on land		20,599	–
Profit on disposal of property, plant and equipment		(2,846)	(1,482)
Finance income		(1,818)	(1,609)
Finance costs		100	12
Working capital adjustments:			
Decrease (increase) in inventories		29,604	(19,061)
Decrease (increase) in trade and other receivables		1,671	(4,998)
Decrease in creditors and provisions		(15,685)	(27,651)
Income taxes paid		(8,948)	(11,283)
Net cash flow from operating activities		46,453	(13,215)
Cash flows from investing activities			
Purchase of plant, property and equipment		(9,346)	(10,892)
Sale of plant, property and equipment		5,338	3,233
Finance income		1,818	1,609
Net cash outflow from investing activities		(2,190)	(6,050)
Cash flows from financing activities			
Cost of share buy-backs		(25,452)	(6,360)
Equity dividends paid		(10,124)	(10,429)
Finance costs		(100)	(12)
Net cash outflow from financing activities		(35,676)	(16,801)
Net increase (decrease) in cash and cash equivalents		8,587	(36,066)
Cash and cash equivalents at start of year		32,095	67,745
Net foreign exchange differences		(875)	416
Cash and cash equivalents at end of year	21	39,807	32,095

1. AUTHORISATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements of Abbey plc for the year ended 30 April 2008 were authorised for issue in accordance with a resolution of directors on 9 July 2008. Abbey plc is a limited company incorporated in Ireland. The company's shares are listed on the IEX and AIM Stock Exchanges. The principal activities of the Group are described in Note 7.

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

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting periods beginning 1 May 2006. The effects of IFRS on the restated comparative figures is shown in note 34.

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

- * IFRS 7 Financial Instruments: Disclosures
- * IAS 1 Amendment - Presentation of Financial Statements: Capital Disclosures
- * IFRIC 8 Scope of IFRS 2
- * IFRS 9 Reassessment of Embedded Derivatives
- * IFRIC 10 Interim Financial Reporting and Impairment
- * IFRIC 11 IFRS 2 - Group and Treasury Share Transactions

The principal effects of these changes are as follows:

IFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of the risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or result, comparative information has been revised where necessary.

IAS 1 Amendment - Presentation of Financial Statements: Capital Disclosures

This amendment requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

IFRIC 10 Interim Financial Reporting and Impairment

The Group adopted IFRIC 10 as of 1 May 2006, which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. As the Group had no impairment losses previously reversed, the interpretation had no impact on the financial position or performance of the Group.

3. STATEMENT OF COMPLIANCE

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

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

An explanation of how the transition to IFRS has impacted the reported financial performance and financial position of the Group is provided in note 34 to the consolidated financial statements.

4. BASIS OF PREPARATION

The Group financial statements have been prepared on the historical cost basis except for land and buildings and investment property which has been measured at fair value. The accounting policies which follow set out these policies which apply in preparing the financial statements for the year ended 30 April 2008.

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

5. BASIS OF CONSOLIDATION

The Group financial statements include the financial statements of the parent undertaking and all subsidiaries and the Group's share of the profits of the joint venture. Inter-company balances, transactions and profits thereon have been eliminated in preparing the Group financial statements. The financial year end of the Group's subsidiaries are co-terminus. The results of the joint venture relate to the year ended 31 March 2008.

6. ACCOUNTING POLICIES

Interests in joint venture

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

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

There has been no goodwill arising from the joint venture.

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

Revenue Recognition

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

Housing

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

Plant hire

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

Property rental

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

Interest income

Revenue is recognised as interest accrues in the period.

Inventories

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

Building land

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

The Group assesses at each balance sheet date whether building land is impaired in accordance with IAS2 "Inventories". If any impairment has occurred then the write down is recognised as an expense in the Income Statement.

6. ACCOUNTING POLICIES (CONTINUED)*Work in progress*

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

Raw materials

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

Trade and other receivables

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

Cash and cash equivalents

Cash and short-term deposits 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 consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other payables

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

Taxes*Current income tax*

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

Deferred income tax

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

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

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

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

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

Foreign Currency

The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date with all differences taken to the income statement. Differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. 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.

6. ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment

Plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

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

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

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

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

Leases

Group as a lessor

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

Impairment of assets

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

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

Investment Property

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

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

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

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

Pensions and other post retirement benefits

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

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

6. ACCOUNTING POLICIES (CONTINUED)

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

The Group has applied IAS19 to recognise actuarial gains and losses in full in the Statement of Changes in Equity.

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

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

Provisions

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

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

Accounting Judgements and Estimates

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

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

Inventory valuation

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

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

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

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

Employee benefits

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

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

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

International Accounting Standards (IAS / IFRSs)	Effective Date*
IFRS 2 Amendment to IFRS 2 - Vesting Conditions and Cancellations	1 January 2009
IFRS 3 Business Combinations (revised January 2008)	1 July 2009
IFRS 8 Operating Segments	1 January 2009
IAS 1 Presentation of Financial Statements (revised September 2007)	1 January 2009
IAS 23 Borrowing Costs (revised March 2007)	1 January 2009
IAS 27 Consolidated and Separate Financial Statements (Revised January 2008)	1 July 2009
International Financial Reporting Interpretations Committee (IFRIC)	
IFRIC 12 Service Concession Arrangements	1 January 2008
IFRIC 13 Customer Loyalty Programmes	1 July 2008
IFRIC 14 IAS19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2008

IFRS 8 requires disclosures based on information presented to the board. This is not expected to change the business segments about which information is already given. We do not expect to have customers that individually account for more than 10% of total revenues.

IAS23 has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale.

Whilst the revised IAS 1 will have no impact on the measurement of the Group's results or net assets it is likely to result in certain changes in the presentation of the Group's financial statements from 2009 onwards.

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

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

7. SEGMENTAL INFORMATION

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

	— Building and Property Development —			Plant Hire United Kingdom	Property Rental Ireland and United Kingdom	Unallocated	GROUP
	Ireland	United Kingdom	Czech Republic				
30 April 2008	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Income Statement Information							
Turnover	64,467	94,747	—	21,234	499	—	180,947
Inter segment	—	—	—	(613)	—	—	(613)
	64,467	94,747	—	20,621	499	—	180,334
Cost of Sales							
- normal	(48,174)	(69,793)	(60)	(14,854)	—	—	(132,881)
- impairment charge on land	(18,138)	(2,461)	—	—	—	—	(20,599)
Administrative expenses	(3,288)	(6,615)	(330)	(2,995)	—	—	(13,228)
Gain on property disposal	—	—	—	1,306	—	—	1,306
Share of joint venture profit	144	—	—	—	—	—	144
Operating (loss) profit	(4,989)	15,878	(390)	4,078	499	—	15,076
Finance income/costs	666	1,021	31	—	—	—	1,718
Income tax credit (expense)	350	(4,240)	—	(715)	(108)	—	(4,713)
(Loss) profit before taxation	(3,973)	12,659	(359)	3,363	391	—	12,081

7. SEGMENTAL INFORMATION (CONTINUED)

	— Building and Property Development —		Plant Hire	Property Rental	Unallocated	GROUP
	Ireland	United Kingdom	Czech Republic	United Kingdom	Ireland and United Kingdom	
30 April 2008	€'000	€'000	€'000	€'000	€'000	€'000
Balance Sheet Information						
Segment Assets	83,602	83,237	13,984	33,203	2,393	216,419
Segment Liabilities	(14,498)	(28,437)	(2,602)	(5,167)	(100)	(50,804)
Segment Net Assets	69,104	54,800	11,382	28,036	2,293	165,615
Investment in Joint Venture	2,512	—	—	—	—	2,512
Investments	71,616	54,800	11,382	28,036	2,293	168,127
Cash and cash equivalents	—	6	—	—	—	6
	35,990	463	2,550	(94)	—	39,807
TOTAL NET ASSETS	107,606	55,269	13,932	27,942	2,293	207,940
Other Segmental Information						
Depreciation	277	224	—	6,559	—	7,060
Profit on disposal of fixed assets	(41)	(6)	—	(2,799)	—	(2,846)
Capital expenditure	169	428	—	8,749	—	9,346
30 April 2007						
Income Statement Information						
Turnover	59,471	111,111	—	21,776	475	192,833
Inter segment	—	—	—	(632)	—	(632)
	59,471	111,111	—	21,144	475	192,201
Cost of Sales	(40,225)	(79,489)	—	(15,778)	—	(135,492)
Administrative expenses	(2,717)	(7,109)	(361)	(2,847)	—	(13,034)
Operating profit	16,529	24,513	(361)	2,519	475	43,675
Finance income/costs	387	1,180	30	—	—	1,597
Income tax expense	(2,190)	(7,990)	—	(703)	—	(10,883)
Profit before taxation	14,726	17,703	(331)	1,816	475	34,389
Balance Sheet Information						
Segment Assets	117,113	120,574	10,079	36,601	2,393	286,760
Segment Liabilities	(25,366)	(43,812)	(12)	(6,917)	(100)	(76,207)
Segment Net Assets	91,747	76,762	10,067	29,684	2,293	210,553
Investment in Joint Venture	2,398	—	—	—	—	2,398
Investments	94,145	76,762	10,067	29,684	2,293	212,951
Cash and cash equivalents	—	7	—	—	—	7
	19,862	11,429	91	154	—	32,095
TOTAL NET ASSETS	114,007	88,198	10,158	29,838	2,293	245,053
Other Segmental Information						
Depreciation	315	321	—	6,472	—	7,108
Profit on disposal of fixed assets	(137)	(15)	—	(1,330)	—	(1,482)
Capital expenditure	160	386	—	10,346	—	10,892

8. EXCEPTIONAL ITEMS

	2008	2007
	€'000	€'000

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

Write down of inventories to net realisable value	20,599	–
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Over the last number of months the Group have closely monitored the carrying value of our land inventories in Ireland and the United Kingdom as a result of uncertain market conditions and a weakening sales environment. Arising from these considerations we estimate that the original cost of certain development sites have suffered impairment in the amount of €20,599,000. As such, in accordance with IAS 2 "Inventories", the Group have recorded an impairment write down to bring the carrying value of inventories recorded in the balance sheet to the lower of cost and net realisable value.

Gain on disposal of property	1,306	–
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During the year a gain resulted from the disposal of a property vested under a Compulsory Purchase Order. As such, this gain is not indicative of a trend in financial performance.

9. FINANCE INCOME

	2008	2007
	€'000	€'000

Bank interest receivable	1,818	1,609
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FINANCE COSTS

	2008	2007
	€'000	€'000

Interest payable on bank overdraft	(29)	(8)
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Other finance on defined benefit pension scheme (Note 32)	(71)	(4)
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	(100)	(12)
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10. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2008	2007
	€'000	€'000

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

Profit on disposal of tangible fixed assets	(2,846)	(1,482)
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Write down of land to net realisable value	20,599	–
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Operating lease rentals:

Rent of building	135	137
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Hire of plant and machinery	535	424
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Depreciation	7,060	7,108
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Auditors' remuneration:

- statutory audit of the Group and subsidiaries	133	127
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- further advisory services	38	–
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- taxation services	24	15
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11. EMPLOYMENT

The average number of persons employed by the Group, including executive directors, in the financial year was 262 (2007: 275) and is analysed by class of business as follows:

	2008 Number	2007 Number
<i>Building and property development</i>		
Ireland	39	50
United Kingdom	66	64
<i>Plant hire and rental</i>		
United Kingdom	157	161
	262	275

Employment costs comprise:

	2008 €'000	2007 €'000
Wages and salaries	12,661	12,753
Social welfare costs	1,317	1,345
Other pension costs	600	1,181
	14,578	15,279

Included in other pension costs are €420,000 (2007 : €951,000) in respect of defined benefit schemes and €180,000 (2007 : €230,000) in respect of defined contribution schemes.

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

12. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2008 €'000	2007 €'000
The tax charge based on the profit on ordinary activities comprises:		
Irish Corporation Tax at 12.5%		
Current	(350)	2,190
United Kingdom Corporation Tax at 29.84% (2007 : 30%)		
Current	5,486	8,669
Total current corporation tax	5,136	10,859
Deferred tax: originating and reversal of timing differences	(423)	24
Tax charge to the income statement	4,713	10,883
Tax relating to items charged or credited to equity		
Deferred tax on defined benefit pension scheme	(517)	(140)
	(517)	(140)

12. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**Factors affecting current tax charge**

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

	2008	2007
	(% of profit before taxation)	
Irish corporation tax rate	12.5	12.5
Higher tax rates on UK profits and passive income	21.8	11.1
Loss relief claim	(2.3)	–
Rollover relief on gain on property disposal	(2.3)	–
Other timing differences	0.9	0.4
	30.6	24.0

The effective tax rate is dependent on taxable profits made in the related jurisdiction the Group operates. The UK Corporation tax rate decreased from 30% to 28% on 1 April 2008.

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

13. DIVIDENDS

On Ordinary Equity Shares

	2008	2007
	€'000	
<i>Paid ordinary</i>		
Dividend of 12.00 cents per issued ordinary share (2007: 12.00 cents per share)	3,171	3,476
<i>Paid ordinary</i>		
Dividend of 24.00 cents per issued ordinary share (2007: 24.00 cents per share)	6,953	6,953
	10,124	10,429
<i>Ordinary dividends proposed (memorandum disclosure)</i>		
The directors will not propose a final dividend for 2008 (2007: 24.00 cents per share)	–	6,953

14. EARNINGS PER SHARE : Basic and Diluted

Earnings per share has been calculated by reference to the weighted average number of shares in issue of 28,139,295 (2007: 29,109,967) and to the profit on ordinary activities after taxation amounting to €12,081,000 (2007: €34,389,000).

15. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings €'000	Plant and machinery €'000	Transport €'000	Total €'000
<i>Cost or fair value</i>				
At 1 May 2006	15,845	41,054	4,442	61,341
Translation adjustment	181	601	59	841
Additions	2	9,792	1,098	10,892
Disposals	–	(8,176)	(800)	(8,976)
Transfer to stock	(1,255)	–	–	(1,255)
	14,773	43,271	4,799	62,843
At 30 April 2007	14,773	43,271	4,799	62,843

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings €'000	Plant and machinery €'000	Transport €'000	Total €'000
Translation adjustment	(1,265)	(5,656)	(567)	(7,488)
Additions	–	8,465	881	9,346
Disposals	(778)	(7,633)	(924)	(9,335)
At 30 April 2008	12,730	38,447	4,189	55,366
Accumulated depreciation				
At 1 May 2006	–	24,029	2,457	26,486
Translation adjustment	–	363	32	395
Charge for year	148	6,087	873	7,108
Disposals	–	(6,532)	(693)	(7,225)
At 30 April 2007	148	23,947	2,669	26,764
Translation adjustment	(21)	(3,057)	(323)	(3,401)
Charge for year	143	6,080	837	7,060
Disposals	–	(6,076)	(766)	(6,842)
At 30 April 2008	270	20,894	2,417	23,581
Net book amounts				
At 30 April 2008	12,460	17,553	1,772	31,785
At 30 April 2007	14,625	19,324	2,130	36,079

Plant and machinery includes assets held for hire with a cost of €36,430,000 (2007: €40,917,000) and accumulated depreciation of €19,332,000 (2007: €21,962,000).

	2008 €'000	2007 €'000
Land and building comprises:		
Freehold property	11,926	14,159
Long leasehold property	534	614
	12,460	14,773

The historical cost of land and buildings amounts to:

Land and buildings	5,798	6,072
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16. INVESTMENT PROPERTY

	2008 €'000	2007 €'000
Fair value		
At 1 May and 30 April	2,392	2,392

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

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

17. INVESTMENT IN JOINT VENTURE

Abbey Holdings Limited holds a 50% interest in the allotted share capital of Pontederia Limited, whose registered office is at 9 Abbey House, Main Street, Clonee, Co. Meath. The investment comprises 1 ordinary share of €1.25. The financial statements of Pontederia have been prepared for the year ended 31 March 2008. Pontederia had no active trading activities during 2008 or the prior year.

The share of the assets, liabilities, income and expenses of the jointly controlled entity at 31 March 2008 and for the years there ended are as follows:

	2008	2007
	€'000	€'000
<i>Share of the joint venture's balance sheet:</i>		
Current assets	3,404	3,294
Current liabilities	(892)	(896)
Share of the net assets	<u>2,512</u>	<u>2,398</u>
<i>Share of the joint venture's result:</i>		
Revenue	150	–
Administrative expenses	(7)	–
Finance costs	1	–
Profit before tax	<u>144</u>	<u>–</u>
Tax expense	(30)	–
	<u>114</u>	<u>–</u>

18. INVESTMENTS

	2008	2007
	€'000	€'000
<i>Ordinary shares at cost</i>		
Non-listed company	<u>6</u>	<u>7</u>

19. TRADE AND OTHER RECEIVABLES

	2008	2007
	€'000	€'000
<i>Amounts falling due within one year</i>		
Trade receivables	7,634	5,658
Other receivables	670	1,667
Value added tax	236	3,849
Prepayments and accrued income	<u>1,628</u>	<u>1,961</u>
	<u>10,168</u>	<u>13,135</u>

Trade receivables are generally on 30-90 days' terms and are shown net of a provision for impairment. At 30 April 2008 trade receivables amounting to €875,000 (2007 : €670,000) were older than the Group's standard credit terms but not deemed to be impaired. At 30 April 2008 trade receivables with a value of €242,000 (2007: €138,000) were impaired and fully provided for. The movement in the bad debt provision is not considered material, nor does it relate to significant individual receivables.

20. INVENTORIES

	2008	2007
	€'000	€'000
Building land and roads	121,661	175,415
Work in progress	45,806	56,677
Raw materials	619	629
	<u>168,086</u>	<u>232,721</u>

21. CASH AND CASH EQUIVALENTS	2008	2007
	€'000	€'000
Cash at bank and in hand	6,680	574
Short-term deposits	33,127	31,521
	<u>39,807</u>	<u>32,095</u>

Short term deposit are made for varying periods of between on day and one month depending on the immediate cash requirements of the Group. The fair value of cash and cash equivalents is €39,807,000 (2007 : €32,095,000). The Group had undrawn borrowing facilities amounting to €16,700,000 at the year end (2007 : €16,700,000).

22. TRADE AND OTHER PAYABLES	2008	2007
	€'000	€'000
<i>Amounts falling due within one year</i>		
Trade creditors	24,436	26,718
Advances received from joint venture	3,336	3,191
Amounts outstanding on land	3,286	21,878
United Kingdom income tax	185	237
Social welfare tax	170	197
Value added tax	1,977	530
Other creditors	4,109	3,848
Accruals and deferred income	8,058	9,349
	<u>45,557</u>	<u>65,948</u>

Terms and conditions of the above financial liabilities:

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

23. TAX LIABILITIES	2008	2007
	€'000	€'000
Corporation tax	304	4,532

24. PROVISIONS	2008	2007
	€'000	€'000
Maintenance provisions		
At 1 May	2,702	2,273
Arising during the year	1,055	1,802
Utilised	(686)	(889)
Reversal of unused amounts	(879)	(484)
At 30 April	<u>2,192</u>	<u>2,702</u>
Analysed as:		
Current liabilities	2,120	2,562
Non-current liabilities	72	140
	<u>2,192</u>	<u>2,702</u>

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. It is expected that most of these costs will be incurred in the next financial year.

25. DEFERRED TAXATION	2008 €'000 Pension Obligation	2008 €'000 Accelerated Depreciation	2008 €'000 Other	2008 €'000 Total	2007 €'000 Total
At 1 May	730	1,040	1,255	3,025	2,944
Translation adjustment	(141)	(127)	(100)	(368)	40
Transferred to income statement	11	(122)	(312)	(423)	24
Equity movement	517	–	–	517	17
At 30 April	<u>1,117</u>	<u>791</u>	<u>843</u>	<u>2,751</u>	<u>3,025</u>

The provision is in respect of accelerated capital allowances and general timing differences.

Unrecognised Deferred Tax Liabilities

At 30 April 2008 a deferred tax liability of €500,000 (2007: €574,000) related to the transfer of a UK property to inventories was not recognised because rollover tax relief available to the Group under certain conditions, which the Group intends to avail of. Additionally at 30 April 2008 a further €175,000 related to the sale of a UK property was not recognised because of rollover relief available to the Group.

26. ISSUED CAPITAL

Authorised			2008 €'000	2007 €'000
At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each			<u>14,400</u>	<u>14,400</u>
	2008 Number '000	2007 Number '000	2008 €'000	2007 €'000
Allotted, called up and fully paid				
At 1 May ordinary shares of 32 cents each	28,969	29,671	9,270	9,495
Purchase of own shares	(4,342)	(702)	(1,389)	(225)
At 30 April ordinary shares of 32 cents each	<u>24,627</u>	<u>28,969</u>	<u>7,881</u>	<u>9,270</u>
			2008 €'000	2007 €'000
Capital Redemption Reserve Fund				
At 1 May			3,113	2,888
Purchase of own shares			<u>1,389</u>	<u>225</u>
At 30 April			<u>4,502</u>	<u>3,113</u>

The shares purchased were cancelled before the year end and therefore the nominal value of such shares was transferred to the Capital Redemption Reserve Fund.

27. RESERVES

	Share Premium account €'000	Revaluation reserve €'000	Currency translation €'000
At 1 May 2006	13,321	9,557	–
Translation adjustment arising in year	–	111	1,517
Reduction in revaluation surplus	–	(995)	–
At 1 May 2007	13,321	8,673	1,517
Translation adjustment arising in year	–	(757)	(14,356)
Reduction in revaluation surplus	–	(187)	–
At 30 April 2008	13,321	7,729	(12,839)

The revaluation reserve is in respect of:

	€'000
Land and buildings	6,926
Investment properties	803
	<u>7,729</u>

28. RETAINED EARNINGS

	Note	2008 €'000	2007 €'000
Equity at beginning of year as restated		209,159	191,234
Profit retained for the financial year		12,081	34,389
Equity dividends paid	13	(10,124)	(10,429)
Reduction in revaluation surplus		187	–
Actuarial gain on Group defined benefit obligations		2,012	465
Deferred tax liability relating to Actuarial gain on Group defined benefit pension obligations		(517)	(140)
Purchase of own shares		(25,452)	(6,360)
At 30 April		<u>187,346</u>	<u>209,159</u>

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 Groups profit before tax and the Group's equity.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Increase / decrease in UK sterling rate	Effect on profit before tax €'000	Effect on equity €'000
2007	+5%	(1,343)	(5,896)
	-5%	1,485	5,334
2008	+5%	(995)	(4,333)
	-5%	1,099	3,921

30. CAPITAL COMMITMENTS

Future capital expenditure, none of which is attributable to the Company, approved by the directors but not provided for in these financial statements is as follows:

	2008 €'000	2007 €'000
Contracted for	98	472

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

31. OPERATING LEASE COMMITMENTS

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

Leases on land and buildings expiring:	2008 €'000	2007 €'000
Between one and five years	83	67

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 actuarial valuations of the Abbey Group Limited Pension and Life Assurance Scheme was carried out as at 1 May 2005 using the projected unit method. The assumptions which have the most significant effect on the results of the valuations are those made in respect of the rate of return on investment and the rate of increase in salaries and pensions. The assumptions made were that the rates of return on investments would exceed the rates of salary increases by 4.5% per annum and that the rates 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 1 May 2005, the total value placed on the schemes' group pension plan for the purposes of the valuations amounted to €20 million and was sufficient to cover 100% of the scheme's liabilities. The Group is making contributions into the scheme at a contribution rate of 15.50%. This pension scheme was closed to new entrants on 1 January 2001. 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.

32. PENSIONS (CONTINUED)*Defined Benefit Schemes*

Actuarial valuations in accordance with IAS19 were carried out at 30 April 2008 by a qualified independent actuary. The actuarial reports are available to the pension scheme members only.

The major assumptions used by the actuary were:	2008	2007
Pensionable salary growth	Nil % pa	Nil % pa
Pension escalation in payment	3.70 % pa	3.00 % pa
Discount rate	6.40 % pa	5.40 % pa
Inflation assumption	3.70 % pa	3.00 % pa
Post-retirement mortality (in years)		
Current pensioners at 65 - males	23.5	23.5
Current pensioners at 65 - female	26.5	26.5
Future pensioners at 65 - males	23.5	23.5
Future pensioners at 65 - female	26.5	26.5

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

Bonds	4.55%	4.45%
Cash and short term deposits	5.00%	5.41%

Fair value of defined benefit assets are as follows:

As at 30 April 2008	2008 €'000	2007 €'000
Bonds	20,462	19,533
Cash and short term deposits	940	3,609
Fair value of assets	21,402	23,142
Present value of scheme liabilities in respect of active and deferred members	(17,414)	(20,709)
Defined benefit pension scheme surplus	3,988	2,433

The defined benefit scheme in the United Kingdom was closed to new entrants on 1 January 2001. As this scheme was 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 which has subsequently invested the funds in UK Government Bonds. The Trustee Company has an investment policy to invest in UK Government Sterling Bonds to generate cash flows to match as closely as possible the liabilities of the scheme.

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

	2008 €'000	2007 €'000
Recognised in income statement		
Current service cost	(420)	(501)
Past service cost	-	(446)
Recognised in arriving at operating profit	(420)	(947)
Actual return on scheme assets	1,017	1,014
Interest cost on scheme liabilities	(1,088)	(1,018)
Other finance cost	(71)	(4)
Taken to the statement of changes in equity:		
Actual return on scheme assets less expected return on scheme assets	53	(734)
Other actuarial gains and losses	(333)	(396)
Changes in assumptions underlying the present value of the scheme liabilities	2,292	1,595
Actuarial gains and losses recognised in statement of changes in equity	2,012	465

32. PENSIONS (CONTINUED)

	2008	2007
	€'000	€'000
Changes in the fair value of defined benefit obligations:		
As at 1 May	17,973	20,095
Current service cost	384	501
Past service costs	–	443
Interest costs	996	1,030
Benefits paid	(146)	(170)
Actuarial gains	(1,793)	(1,190)
As at 30 April	<u>17,414</u>	<u>20,709</u>

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

<i>Assumption</i>	<i>Change in assumption</i>	<i>Impact on scheme liabilities</i>
Discount rate	Decrease by 0.5%	Increase by 9.6%
Rate of inflation	Increase by 0.5%	Increase by 4.6%
Rate of mortality	Increase by 1 year	Increase by 1.6%

	2008	2007
	€'000	€'000
Changes in the fair value of defined benefit scheme assets:		
As at 1 May	20,084	22,472
Expected return on scheme assets	931	980
Employer contributions	485	588
Contributions by employees	86	107
Benefits paid	(232)	(277)
Actuarial gains and losses	48	(728)
As at 30 April	<u>21,402</u>	<u>23,142</u>

Amounts for the current and previous period	2008	2007	2006	2005	2004
	€'000	€'000	€'000	€'000	€'000
Fair value of scheme assets	21,402	23,142	22,403	21,740	18,806
Present value of defined benefit obligation	(17,414)	(20,709)	(19,791)	(21,905)	(18,644)
Surplus/(deficit) in scheme	<u>3,988</u>	<u>2,433</u>	<u>2,612</u>	<u>(165)</u>	<u>162</u>
Experience adjustments arising on scheme liabilities	(305)	(393)	799	(143)	(137)
Experience adjustments arising on scheme assets	48	(728)	(501)	1,141	(1,643)

33. SUBSEQUENT EVENTS

The Group terminated its contract for the purchase of a development site on 27 June 2008 as a result of the failure to meet all contractual conditions of the transaction, which existed at the balance sheet date. The contract price for the site of €1,737,000 has been reversed from land WIP with related land creditors of €1,572,000 also reversed. The Group had paid a refundable deposit amounting to €165,000 prior to the balance sheet date which is now included in trade debtors. Preliminary works carried out by the Group on this site with a total value of €122,000 have been written off with the taxation charge for the year adjusted accordingly.

34. TRANSITION TO IFRS

For all periods up to and including the year ended 30 April 2007, Abbey plc, "the Group" prepared its financial statements in accordance with Irish Generally Accepted Accounting Practice (Irish GAAP). These financial statements, for the year ended 30 April 2008, are the first the Group is required to prepare in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Accordingly, the Group has prepared financial statements which comply with IFRSs applicable for periods beginning on or after 1 April 2006 and the significant accounting policies meeting those requirements are described in note 6.

In preparing these financial statements, the Group has started from an opening balance sheet as at 1 May 2006, the Group's date of transition to IFRSs, and made those changes in accounting policies and other restatements required by IFRS 1 for the first time adoption of IFRSs. As such, this note explains the principal adjustments made by the Group in restating its Irish GAAP balance sheet as at 1 May 2006 and its previously published Irish GAAP financial statements for the year ended 30 April 2007.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the general requirement to apply IFRSs as effective for April 2007 year ends respectively. The Group has taken the following exemptions:

- IFRS 3 'Business Combinations' has not been applied to acquisitions of subsidiaries or of interest in associates and joint ventures that occurred before 1 May 2006.
- Certain items of property, plant and equipment were carried in the balance sheet on the basis of valuations performed in 2005. As allowed under IFRS1, the group has elected to regard those fair values as deemed cost as at the date of the revaluation.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 May 2006.
- Cumulative actuarial gains and losses on pensions and other post employment benefits are recognised in full equity at the date of transition to IFRS. This is the same treatment as under Irish GAAP.

The previously reported balance sheet for the period ended 30 April 2006 under Irish GAAP is reconciled to the restated balances under International Financial Reporting Standards ("IFRS") as follows.

Group Consolidated Balance Sheet as at 30th April 2006

	Previous Irish GAAP 30 April 2006	Note (1)	Note (2)	Note (3)	Note (4)	Note (5)	Note (6)	Note (7)	Note (8)	IFRS 30 April 2006
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
ASSETS										
Non-current assets										
Property, plant and equipment	34,867	(12)	-	-	-	-	-	-	-	34,855
Investment property	-	2,392	-	-	-	-	-	-	-	2,392
Investment in joint venture	2,398	-	-	-	-	-	-	-	-	2,398
Investments	-	-	-	-	-	7	-	-	-	7
Pension benefit obligations	-	-	-	2,612	-	-	-	-	-	2,612
	37,265	2,380	-	2,612	-	7	-	-	-	42,264
Current assets										
Trade and other receivables	8,078	-	-	-	-	-	-	-	-	8,078
Inventories	211,881	-	-	-	-	-	-	-	-	211,881
Investments	7	-	-	-	-	(7)	-	-	-	-
Cash at cash equivalents	67,745	-	-	-	-	-	-	-	-	67,745
	287,711	-	-	-	-	(7)	-	-	-	287,704
TOTAL ASSETS	324,976	2,380	-	2,612	-	-	-	-	-	329,968
LIABILITIES										
Current liabilities										
Trade and other payables	(100,404)	-	-	-	4,792	-	2,273	(128)	-	(93,467)
Income tax payable	-	-	-	-	(4,792)	-	-	-	-	(4,792)
Provisions	-	-	-	-	-	-	(1,726)	-	-	(1,726)
	(100,404)	-	-	-	-	-	547	(128)	-	(99,985)
NET CURRENT ASSETS	187,307	-	-	-	-	(7)	547	(128)	-	187,719

34. TRANSITION TO IFRS (CONTINUED)

	Previous Irish GAAP 30 April 2006								IFRS 30 April 2006
	Note (1)	Note (2)	Note (3)	Note (4)	Note (5)	Note (6)	Note (7)	Note (8)	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Non-current liabilities									
Deferred taxation	(1,248)	-	(960)	(736)	-	-	-	-	(2,944)
Provisions	-	-	-	-	-	(547)	-	-	(547)
Pension benefit obligations	1,876	-	-	(1,876)	-	-	-	-	-
	628	-	(960)	(2,612)	-	(547)	-	-	(3,491)
TOTAL LIABILITIES	(99,776)	-	(960)	(2,612)	-	-	(128)	-	(103,476)
NET ASSETS	225,200	2,380	(960)	-	-	-	(128)	-	226,492
EQUITY									
Equity attributable to equity holders of the parent									
Issued capital	9,495	-	-	-	-	-	-	-	9,495
Share premium	13,321	-	-	-	-	-	-	-	13,321
Revaluation reserve	7,177	2,380	-	-	-	-	-	-	9,557
Other reserves									
Capital redemption reserve	2,888	-	-	-	-	-	-	-	2,888
Currency translation	(957)	-	-	-	-	-	-	957	-
Retained earnings	193,276	-	(960)	-	-	-	(128)	(957)	191,231
TOTAL EQUITY	225,200	2,380	(960)	-	-	-	(128)	-	226,492
TOTAL EQUITY AND LIABILITIES	324,976	2,380	-	2,612	-	-	-	-	329,968

Note (1) In accordance with IFRS1 'First time adoption of International Financial Reporting Standards', a company property in Ireland was revalued to fair value on transition to IFRS. A portion is let to third parties and is therefore classified as an investment property in accordance with IAS40 'Investment Properties'.

In accordance with IAS 1 'Presentation of Financial Statements' the investment properties held by the Group amounting to €2,392,000 are presented separately on the balance sheet, having been previously disclosed as investment properties within fixed assets.

Note (2) In accordance with IAS 12 'Taxation', a deferred taxation liability is recognised as a result of the fair value measurement of trading and investment properties.

Note (3) In accordance with IAS 19 'Employee Benefits', the surplus on the Group's defined benefit pension scheme of €2,612,000, gross of the related deferred taxation liability is presented under the 'Non-current assets' balance sheet heading. The deferred tax liability of €736,000 pertaining to the defined benefit pension scheme surplus is presented as part of the deferred tax liability balance under the 'Non-current liabilities' balance sheet heading.

Note (4) In accordance with IAS 1 'Presentation of Financial Statements' the group liability for corporate tax amounting to €4,792,000 is presented separately on the balance sheet.

Note (5) In accordance with IAS 1 'Presentation of Financial Statements' certain investments are reclassified to non current assets.

Note (6) In accordance with IAS 37 'Provisions and Contingencies' maintenance provisions amounting to €2,273,000, previously recorded in creditors and accruals under Irish GAAP, are reclassified to current liability provisions of €1,726,000 and Non-current liability provisions of €547,000 presented separately on the balance sheet.

Note (7) In accordance with IAS 19 'Employee Benefits', a liability is recognised in respect of compensated absences accrued by employees at the reporting date. No accrual for this liability was previously recorded under Irish GAAP.

Note (8) In accordance with the exemption allowable under IFRS 1 'First-time adoption of International Financial Reporting Standards', the cumulative translation difference amounting to €957,000 at the transition date is transferred to retained earnings.

34. TRANSITION TO IFRS (CONTINUED)**Group consolidated income statement
for the year ended 30 April 2007**

	Previous Irish GAAP 30 April 2007 €'000	Note (1) €'000	Note (2) €'000	Note (3) €'000	IFRS 30 April 2007 €'000
<i>Continuing obligations</i>					
Revenue	192,201	–	–	–	192,201
Cost of sales	(135,492)	–	–	–	(135,492)
Group gross profit	56,709	–	–	–	56,709
Administrative expenses	(12,881)	–	(148)	(5)	(13,034)
Operating profit	43,828	–	(148)	(5)	43,675
Finance income	1,601	8	–	–	1,609
Finance costs	(4)	(8)	–	–	(12)
Profit on ordinary activities before taxation	45,425	–	(148)	(5)	45,272
Income tax expense	(10,883)	–	–	–	(10,883)
Profit attributable to equity shareholders of the parent	34,542	–	(148)	(5)	34,389

Note (1) In accordance with IAS 1 'Presentation of financial statements', finance income and finance costs are presented separately on the face of the income statement.

Note (2) In accordance with IAS 16 'Property Plant & Equipment' the Group has recognised an additional depreciation charge of €148,000 on trading properties for the year ended 30 April 2007.

Note (3) An expense amounting to €133,000 is recognised in respect of accrued compensated absences at the reporting date. This expense is offset by the reversal of the adjusted compensated absences accrual of €128,000 at the date of transition to IFRS in the income statement for the period ended 30 April 2006. No accrual for this liability was previously recorded under Irish GAAP.

**Group Consolidated Balance Sheet
as at 30th April 2007**

	Previous Irish GAAP 30 April 2007 €'000	Note (1) €'000	Note (2) €'000	Note (3) €'000	Note (4) €'000	Note (5) €'000	Note (6) €'000	Note (7) €'000	Note (8) €'000	Note (9) €'000	IFRS 30 April 2007 €'000
ASSETS											
Non-current assets											
Property, plant and equipment	36,239	(12)	–	–	–	(148)	–	–	–	–	36,079
Investment property	–	2,392	–	–	–	–	–	–	–	–	2,392
Investment in joint venture	2,398	–	–	–	–	–	–	–	–	–	2,398
Investments	–	–	–	–	–	–	7	–	–	–	7
Pension benefit obligations	–	–	–	2,433	–	–	–	–	–	–	2,433
	38,637	2,380	–	2,433	–	(148)	7	–	–	–	43,309
Current assets											
Trade and other receivables	13,135	–	–	–	–	–	–	–	–	–	13,135
Inventories	232,721	–	–	–	–	–	–	–	–	–	232,721
Investments	7	–	–	–	–	–	(7)	–	–	–	–
Cash at cash equivalents	32,095	–	–	–	–	–	–	–	–	–	32,095
	277,958	–	–	–	–	–	(7)	–	–	–	277,951
TOTAL ASSETS	316,595	2,380	–	2,433	–	(148)	–	–	–	–	321,260

34. TRANSITION TO IFRS (CONTINUED)**LIABILITIES****Current liabilities**

Trade and other payables	(73,049)	-	-	-	4,532	-	-	(133)	2,702	-	(65,948)
Income tax payable	-	-	-	-	(4,532)	-	-	-	-	-	(4,532)
Provisions	-	-	-	-	-	-	-	-	(2,562)	-	(2,562)
	(73,049)	-	-	-	-	-	-	(133)	140	-	(73,042)

NET CURRENT ASSETS

	204,909	-	-	-	-	-	(7)	(133)	140	-	204,909
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Non-current liabilities

Deferred taxation	(1,327)	-	(968)	(730)	-	-	-	-	-	-	(3,025)
Provisions	-	-	-	-	-	-	-	-	(140)	-	(140)
Pension benefit obligations	1,703	-	-	(1,703)	-	-	-	-	-	-	-
	376	-	(968)	(2,433)	-	-	-	-	(140)	-	(3,165)

TOTAL LIABILITIES

	(72,673)	-	(968)	(2,433)	-	-	-	(133)	-	-	(76,207)
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NET ASSETS

	243,922	2,380	(968)	-	-	(148)	-	(133)	-	-	245,053
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EQUITY**Equity attributable to equity holders of the parent**

Issued capital	9,270	-	-	-	-	-	-	-	-	-	9,270
Share premium	13,321	-	-	-	-	-	-	-	-	-	13,321
Revaluation reserve	6,293	2,380	-	-	-	-	-	-	-	-	8,673
Other reserves											
Capital redemption reserve	3,113	-	-	-	-	-	-	-	-	-	3,113
Currency translation	571	-	-	-	-	-	-	-	-	946	1,517
Retained earnings	211,354	-	(968)	-	-	(148)	-	(133)	-	(946)	209,159
TOTAL EQUITY	243,922	2,380	(968)	-	-	(148)	-	(133)	-	-	245,053
TOTAL EQUITY AND LIABILITIES	316,595	2,380	-	2,433	-	(148)	-	-	-	-	321,260

Note (1) In accordance with IFRS1 'First time adoption of International Financial Reporting Standards', a company property in Ireland was revalued to fair value on transition to IFRS. A portion is let to third parties and is therefore classified as an investment property in accordance with IAS40 'Investment Properties'.

In accordance with IAS 1 'Presentation of Financial Statements' the investment properties held by the Group amounting to €2,392,000 are presented separately on the balance sheet, having been previously disclosed as investment properties within fixed assets.

Note (2) In accordance with IAS 12 'Taxation', a deferred taxation liability is recognised as a result of the fair value measurement of trading and investment properties.

Note (3) In accordance with IAS 19 'Employee Benefits', the surplus on the Group's defined benefit pension scheme of €2,433,000, gross of the related deferred taxation liability is presented under the 'Non-current assets' balance sheet heading. The deferred tax liability of €730,000 pertaining to the defined benefit pension scheme surplus is presented as part of the deferred tax liability balance under the 'Non-current liabilities' balance sheet heading.

Note (4) In accordance with IAS 1 'Presentation of Financial Statements' the group liability for corporate tax amounting to €4,532,000 is presented separately on the balance sheet.

Note (5) In accordance with IAS 16 'Property Plant & Equipment' the group has recognised an additional depreciation charge of €148,000 on trading properties for the year ended 30 April 2007.

Note (6) In accordance with IAS 1 'Presentation of Financial Statements' certain investments are reclassified to non current assets.

Note (7) In accordance with IAS 19 'Employee Benefits', a liability is recognised in respect of compensated absences accrued by employees at the reporting date. No accrual for this liability was previously recorded under Irish GAAP.

Note (8) In accordance with IAS 37 'Provisions and Contingencies' maintenance provisions amounting to €2,702,000, previously recorded in creditors and accruals under Irish GAAP, are reclassified to current liability provisions of €2,562,000 and Non-current liability provisions of €140,000 presented separately on the balance sheet.

Note (9) In accordance with the exemption allowable under IFRS 1 'First-time adoption of International Financial Reporting Standards', the cumulative translation difference amounting to €946,000 at the transition date is transferred to retained earnings.

Company Balance Sheet

At 30 April 2008

	Note	2008 €'000	2007 €'000
FIXED ASSETS			
Tangible assets	C3	2,054	2,293
Financial assets	C4	23,530	23,530
		25,584	25,823
CURRENT ASSETS			
Debtors	C5	561	6,643
Cash at bank and in hand		1,231	559
		1,792	7,202
CREDITORS (amounts falling due within one year)			
Trade and other creditors	C6	(1,318)	(900)
		474	6,302
NET CURRENT ASSETS			
		26,058	32,125
TOTAL ASSETS LESS CURRENT LIABILITIES			
SHAREHOLDERS' FUNDS			
Called up share capital	C7	7,881	9,270
Share premium account	C8	13,321	13,321
Revaluation reserve	C8	204	443
Other reserves			
- Capital redemption reserve fund	C7	4,502	3,113
- Currency translation	C8	(383)	(383)
Profit and loss account	C9	533	6,361
		26,058	32,125

Approved by the Board on 9 July 2008
 C.H. GALLAGHER, Chairman
 B.R. HAWKINS, Director

C1. ACCOUNTING POLICIES*Basis of preparation*

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

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

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

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

(a) Foreign currencies

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

(b) Investment in subsidiary undertakings

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

(c) Fixed assets

Properties occupied by the company are classified as trading properties and are revalued triennially by external valuers on an open market value basis. The directors review the valuations of all properties annually. Revaluation gains, if material, are incorporated in the financial statements and are charged to the property revaluation reserve accordingly. Any impairment loss is firstly charged to the revaluation reserve to the extent that a surplus exists and thereafter to the profit and loss account.

C2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2008	2007
	€'000	€'000
This is arrived at after charging:		
Directors' remuneration	193	164
Auditors' remuneration		
- audit fees	20	15
- further advisory services	38	-
	<hr/>	<hr/>

C3. TANGIBLE ASSETS

	2008	2007
	€'000	€'000
Freehold land and buildings		
<i>Cost or valuation</i>		
At 1 May	2,293	2,293
Revaluation	(239)	-
	<hr/>	<hr/>
At 30 April	2,054	2,293
	<hr/>	<hr/>

C4. FINANCIAL FIXED ASSETS

	2008	2007
	€'000	€'000
Shares in unlisted subsidiary undertakings at cost	23,530	23,530
	<hr/>	<hr/>

C4. FINANCIAL FIXED ASSETS (CONTINUED)

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

<i>Incorporated in the Republic of Ireland</i>	<i>Nature of business</i>	<i>Registered office</i>
Ciarsand	Investment holding company	9 Abbey House Main Street Clonee, Co Meath
Abbey Holdings Limited	as above	as above
Dwale Limited	Non-trading	as above
Kingscroft Developments Limited	Residential housing and land development	as above
<i>Incorporated in the United Kingdom</i>	<i>Nature of business</i>	<i>Registered office</i>
Abbey Group Limited	Investment holding company	Abbey House 2 Southgate Road Potters Bar Hertfordshire EN6 5DU England
Abbey Developments Limited	Residential housing and land development	as above
Abbey Investments Limited	Property investment	as above
M & J Engineers Limited	Plant hire	Cashel House Cadwell Lane Hitchin Hertfordshire SG4 0SQ England
<i>Incorporated in the Czech Republic</i>	<i>Nature of business</i>	<i>Registered office</i>
Abbey, s.r.o.	Residential housing and land development	Karlovo namesti 2097 120 00 Prague 2 Czech Republic

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

C5. DEBTORS

	2008	2007
	€'000	€'000
<i>Amounts falling due within one year</i>		
Corporation tax	102	–
Amounts owed by subsidiary undertakings	437	6,643
Prepayments and accrued income	22	–
	<hr/> 561	<hr/> 6,643

C6. TRADE AND OTHER CREDITORS

	2008	2007
	€'000	€'000
<i>Amounts falling due within one year</i>		
Value added tax	–	34
Corporation tax	–	402
Other creditors	1,094	290
Accruals and deferred income	224	174
	<u>1,318</u>	<u>900</u>

C7. ISSUED CAPITAL

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

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

C8. RESERVES

	Share Premium account €'000	Revaluation reserve €'000	Currency translation €'000
At 1 May 2007	13,321	443	(383)
Translation adjustment arising in year	–	(239)	–
Reduction in revaluation surplus	–	–	–
At 30 April 2008	<u>13,321</u>	<u>204</u>	<u>(383)</u>

PROFIT AND LOSS ACCOUNT

	2008	2007
	€'000	€'000
Profit brought forward at beginning of year	6,361	12,858
Profit retained for the financial year	29,748	10,292
Dividends paid	(10,124)	(10,429)
Purchase of own shares	(25,452)	(6,360)
At 30 April	<u>533</u>	<u>6,361</u>

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Abbey plc will be held in The Conrad Dublin, Earlsfort Terrace, Dublin 2, at 10.30 a.m. on Friday, 3rd October, 2008 for the following purposes:

Ordinary Business

- To consider the Company's Accounts and the Reports of the Directors and the Auditors for the year ended 30th April 2008;
- To re-elect as a Director Mr. John F. Hogan (Member of Audit Committee and Remuneration Committee) who retires at the Meeting under Article 98 of the Company's Articles of Association;
- To authorise the Directors to fix the remuneration of the Auditors;
- To transact any other ordinary business of the Company.

Special Business

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

AS AN ORDINARY RESOLUTION:

"That the Directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (as defined for the purposes of Section 20 of the Companies (Amendment) Act, 1983) up to an aggregate nominal amount of €6,519,362.56 provided that this authority shall expire upon the termination of the Annual General Meeting of the Company to be held in 2009 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired."

AS A SPECIAL RESOLUTION:

"That, subject to the passing of the previous resolution, the Directors be and they are hereby empowered pursuant to Section 24 of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of Section 23 of the Companies (Amendment) Act, 1983) for cash pursuant to the authority conferred by the previous resolution as if sub-Section (1) of the

said Section 23 did not apply to any such allotment provided that this power shall be limited:

- (a) to the allotment of equity securities in connection with a rights issue in favour of shareholders where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to the respective numbers of shares held by them, and
- (b) to the allotment (otherwise than pursuant to subparagraph (a) above) of equity securities up to an aggregate nominal value of €394,031.

This authority shall expire on the date of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired."

By order of the Board
1st September 2008
David J. Dawson, Secretary

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

Notes:

1. Any member entitled to attend and vote at the above meeting may appoint a proxy to attend, speak and vote.
2. A proxy need not be a member of the Company.
3. Proxies should reach the Company's Registrars, Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not less than 48 hours before the time appointed for the holding of the meeting.
4. There will be available for inspection by members at 25/28 North Wall Quay, Dublin 1, during usual business hours from the date of this notice and at The Conrad Dublin, Earlsfort Terrace, Dublin 2, for fifteen minutes prior to and until the conclusion of the Annual General Meeting, copies of contracts of service of Directors with the Company, or any of its subsidiaries.
5. The registers required to be maintained by the Company under Section 60 and 80 of the Companies Act, 1990 shall be available for inspection to any person attending the Annual General Meeting for fifteen minutes prior to and until the conclusion of the said meeting.
6. There have been no changes to the Directors and Secretary Interests in the shares of Abbey plc as disclosed in the Directors' report dated 9th July 2008 at the date of this Notice of Meeting 1st September 2008.

Graphic Design: Design ICU

Project Management: Norma Jansen MPRII, Abbey plc

Photography, Ireland: Lispopple Custom Photography

Photography, UK: New Century Pictures

Production: Colorman (Ireland) Ltd.