

ABBEY plc

DIRECTORS' REPORT AND GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 APRIL 2016**

DIRECTORS' REPORT AND GROUP FINANCIAL STATEMENTS
for the year ended 30 April 2016

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CHAIRMAN'S STATEMENT

The year ended 30 April 2016 was a solid year of progress for the Group. Our strong UK margins were a notable feature of our results

The Group reports a profit of €61.5 million before taxation against a profit of €49.1 million in the previous year. Shareholders' funds of €281.3 million represent €13.07 per share and include cash balances (including restricted cash) of €92.1million. Earnings for the year were 229.81 cents and the Board is recommending a dividend of 8.00 cents per share for approval at the Annual General Meeting in October.

Housebuilding

Our housebuilding operations completed 597 sales (UK 544, Ireland 23, CZK 30) with a turnover of €198.6 million generating an operating profit of €56.5 million.

United Kingdom: Trading in the UK has been good throughout the year. Sales, supported by the government's 'Help to Buy' scheme have been consistent. Like last year price rises overall have outstripped rising costs supporting our margins. Forward sales in the new year are in line with our budgets. Our UK land bank owned or controlled finished the year at 1,498 plots. Since the year end additional land has been acquired and the company continues to seek further opportunities.

Ireland: In Ireland gradual progress can be reported. Our project in Lucan is moving towards completion. Our development in Delgany was successfully launched in June. More land has been bought in Ratoath, County Meath and Cornelscourt, County Dublin and both these schemes are now under construction. Our projects in Laois and Kildare remain on hold pending improvement in local demand. Effective demand for new home ownership in many parts of the wider Dublin metropolitan area remains muted.

Czech Republic: In Prague we completed 30 sales and are pleased to report a useful contribution to our results. Work is well advanced on our project in Na Vidouli and is progressing in Prezletice. Our new scheme of apartments has commenced in Tetinska.

At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 2,090 plots.

Plant Hire

M & J reported operating profits of €3.3 million on a turnover of €21.0 million. Business has continued at a fair level into the new year. Competitive pressure remains intense and good cost control is essential. Another steady year is in prospect.

Rental Income

Rental income during the year was €984,000.

Cash and Financial Investments

The Group held €90.4 million in cash together with €12.7 million in UK government bonds at the end of the financial year.

Directors, Management and Staff

Mr Brian Hawkins retired after 25 years with the Group on 31 October 2015. Mr Nick Collins was appointed to the Board on 9 December 2015.

The progress of the Group is a result of the combined effort of all the employees. I, on behalf of the shareholders, thank my colleagues on the Board together with all the directors, management and staff for their hard work and efforts during the year.

Future

Trading in the early part of the new year has been encouraging and the Group has set budgets for the year showing increased activity across the business, however, the outlook is now clouded by Brexit. A slowdown in the UK economy is now being forecast and in particular a correction in the housing market after its strong performance in recent years. Prospects for the short, medium and long term are now very unclear. A prolonged period of gradual relative decline for London and South East England is possible if the withdrawal of London from its role in Europe is carried through. In Ireland, still recovering from last decade's financial crisis prospects seem brighter, however, Brexit casts a considerable shadow. The Group is, with its strong balance sheet, well placed to cope with the uncertainty and hopes to continue to making steady progress. The impact of Brexit will emerge over future reporting periods but there is no doubt that the Referendum outcome is a material short term negative shock.

CHAIRMAN'S STATEMENT (continued)

Annual General Meeting

I look forward to seeing you all at our Annual General Meeting on 7 October 2016.

On behalf of the Board

**CHARLES H GALLAGHER
EXECUTIVE CHAIRMAN**

DIRECTORS' REPORT**For the year ended 30 April 2016**

The directors submit herewith their report and audited financial statements for the year ended 30 April 2016 for Abbey plc which are set out on pages 13 to 52.

PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENTS OF THE BUSINESS

The Group's principal activities are building and property development, plant hire and property rental.

In the year under review the profit after taxation amounted to €49,468,000 (2015: €39,611,000). Dividends of 13.00 cents per share, absorbing €2,798,000 of profit have been paid during the year, leaving retained profit of €46,670,000 which has been transferred to reserves. After the other movements as detailed in the "Group Statement of Comprehensive Income" and "Group Statement of Changes in Equity" the net assets of the Group increased from €246,957,000 to €281,317,000.

The directors are recommending a dividend of 8.00 cents per share to be considered for approval at the Annual General Meeting in October 2016.

A list of principal undertakings and the nature of their business is contained in note C12 to the Company balance sheet. Geographic and divisional analysis and segmental information is given in note 7 to the financial statements.

KEY PERFORMANCE INDICATORS

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

1. Financial Performance Compared to Budget

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

2. Unit Reservations

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

3. Development Site Profit Margin

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

4. Machine Count

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

BUSINESS REVIEW

Our housebuilding operations completed 597 sales (UK 544; Ireland 23; CZK 30) with revenue of €198.6 million generating an operating profit of €56.5 million. The comparative figures for the previous year were 557 sales (UK 514; Ireland 27; CZK 16) with revenue of €152.7 million generating an operating profit of €42.4 million.

Trading in the UK has been good throughout the year. Sales, supported by the government's 'Help to Buy' scheme have been consistent. Like last year price rises overall have outstripped rising costs supporting our margins. Forward sales in the new year are in line with our budgets. In Ireland gradual progress can be reported. Our project in Lucan is moving towards completion. Our development in Delgany was successfully launched in June. In Prague we completed 30 sales and are pleased to report a useful contribution to our results. At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 2,090 plots.

Our plant hire division reported operating profit of €3.3 million (2015: profit €3.0 million) on revenue of €21.0 million (2015: €18.8 million). Business has continued at a fair level.

Rental income during the year was €984,000 (2015: €942,000).

At the year end total equity stood at €281.3 million (2015: €247.0 million), whilst net cash balances and restricted cash stood at €92.1 million (2015: €68.7 million). Further financial investments of €12.7 million were held in UK government bonds (2015: €13.5 million).

DIRECTORS' REPORT

For the year ended 30 April 2016 (Continued)

FUTURE DEVELOPMENTS

Trading in the first weeks of the new year has been encouraging and the Group has set budgets for the year showing increased activity across the business. The outlook is now clouded by Brexit.

IMPORTANT EVENTS SINCE THE YEAR END

There have been no important events since the year end.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

SUBSTANTIAL SHAREHOLDERS

Having received the required notifications, the following held more than 3% of the issued ordinary shares as at 11 July 2016:

	<i>Number of shares</i>	<i>% of issued share capital</i>
Gallagher Holdings Limited	16,073,141	74.66%
FMR LLC	2,150,000	9.98%
Polar Capital European Forager Fund Ltd	930,000	4.32%

DIRECTORS

Mr David A. Gallagher retires in accordance with Article 98 of the Company's Articles of Association and will be offering himself for re-election. Mr Nicholas J. Collins was appointed as an executive director on 9 December 2015 and will offer himself up for election in accordance with Article 87 of the Company's Articles of Association.

DIRECTORS' AND SECRETARY'S INTERESTS

The interests of the directors and secretary and their families in the share capital of the Company as at 30 April 2016 were as follows:

	Number of Shares 2016	Number of Shares 2015
Charles H Gallagher	25,500	25,500
David A. Gallagher	3,000	3,000

None of the directors hold shares in a non-beneficial capacity and no changes occurred in the above holdings between 30 April 2016 and 11 July 2016, There have not been any contracts or arrangements with the Company or any subsidiary during the year to which a director of the Company had a material interest and which have been significant in relation to the Group's business.

DIRECTORS' REPORT**For the year ended 30 April 2016 (Continued)****ACCOUNTING RECORDS**

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

The books and accounting records of the Company are maintained at Abbey House, 2 Southgate Road, Potters Bar, Hertfordshire, EN6 5DU, England. Returns are made to the registered office in accordance with Section 283 (2) of the Companies Act 2014.

CORPORATE SOCIAL RESPONSIBILITY

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

Employees

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

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

Disabled Employees

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

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

Employee involvement

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

Health and Safety

The Group pays particular adherence to health and safety matters. The Group has implemented appropriate safety guidelines in its Irish subsidiaries as required by the Safety, Health and Welfare at Work Act, 2005.

Environment

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

SPECIAL BUSINESS

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

CAPITAL GAINS TAX

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

AUDITOR

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

On behalf of the Board, 11 July 2016

C. H. GALLAGHER *Chairman*

N.J. COLLINS *Director*

REMUNERATION REPORT

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

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

The Executive Chairman's service contract contains a notice period of two years which was recommended by the Committee in view of the importance of this role. Both Mr Fraquelli and Mr Collins have a notice period of one year.

DIRECTORS REMUNERATION

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

	Salary and Fees €'000	Benefits (1) In Kind €'000	2016 Total €'000	2015 Total €'000
Executive Directors				
C H Gallagher	1,012	39	1,051	917
B R Hawkins (2)	30	-	30	58
L G Fraquelli	436	25	461	388
N J Collins (3)	108	6	114	-
Totals	1,586	70	1,656	1,363
Non-Executive Directors				
D A Gallagher	54	-	54	51
J R Humber (4)	-	-	-	21
M A McNulty	54	-	54	51
R N Kennedy	54	-	54	51
A G Quirke (5)	54	-	54	21
Totals	216	-	216	195

- (1) Benefits In Kind comprise defined benefit pension contributions and other benefits and emoluments.
- (2) Mr B R Hawkins retired as an executive director on 31 October 2015.
- (3) Mr N J Collins was appointed on 9 December 2015.
- (4) Mr J R Humber retired on 3 October 2014.
- (5) Mr A G Quirke was appointed on 4 December 2014.

PENSIONS

Three executive directors were members of The Abbey Group Limited Pension and Life Assurance Scheme during the year. Non-executive directors do not participate in the Group's pension scheme. The Chairman became a deferred member of the Group's defined benefit scheme on 5 April 2006 and is paid a taxable allowance, with effect from that date in lieu of future pension benefits as set out below. Mr B R Hawkins is a pensioner member of the defined benefit pension scheme and Mr R N Kennedy became a deferred member on 1 May 2014.

There are no (2015: Nil) directors to whom retirement benefits were accruing under a defined benefit scheme at 30 April 2016. Two (2015 : two) directors are paid a taxable allowance in lieu of future pension benefits as set out below.

Directors' pension arrangements are as follows:

Name	Retirement Benefit Expense 30 April €'000
C H Gallagher L G Fraquelli	201 54
30 April 2016	255
30 April 2015	212

CORPORATE GOVERNANCE REPORT

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

THE BOARD

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

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

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

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

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

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

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

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

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

The Board has established Audit and Remuneration Committees.

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

AUDIT AND REMUNERATION COMMITTEES

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

Both Committees have written terms of reference.

CORPORATE GOVERNANCE REPORT (Continued)**RELATIONS WITH SHAREHOLDERS**

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

INTERNAL CONTROL

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

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

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

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

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

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

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 5 to 7. The position of the Group, its cash flows and liquidity position are detailed on pages 16 and 17. The Group has adequate financial resources together with long term relationships with a number of customers and suppliers and the directors believe that the Group is well placed to manage its business risks successfully, despite the current uncertain economic outlook. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

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

The Directors have elected to prepare the Parent Company's financial statements in accordance with International Financial Reporting Standards (IFRS[®]) comprising the financial reporting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, together with the Companies Acts 2014.

The Directors are responsible for ensuring that the Parent Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and parent company, enable at any time the assets, liabilities, financial position and profit or loss of the Group and parent company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY PLC

We have audited the Group and Parent Company financial statements (the 'financial statements') of Abbey plc for the year ended 30 April 2016 which comprise the Group and Parent Company Income Statements, the Group and Parent Company Statements of Comprehensive Income, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the related Notes 1 to 35 (Group) and the related notes C1 to C29 (Parent Company). The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements is Irish law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 11, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement, the Directors' Report, the Remuneration Report, the Corporate Governance Report and the Directors' Responsibilities Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Parent Company as at 30 April 2016 and of the profit of the Group and of the loss of the Parent Company for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014; and
- the Group and Parent Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Matters on Which We Are Required to Report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Parent Company were sufficient to permit the Parent Company financial statements to be readily and properly audited.
- The Parent Company balance sheet is in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the sections 305 to 312 of the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.

Frank O'Keeffe
For and on behalf of Ernst & Young
Chartered Accountants and Statutory Audit Firm

Dublin
11 July 2016

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

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

GROUP INCOME STATEMENT
For the year ended 30 April 2016

	Note	2016 €'000	2015 €'000
Revenue - continuing operations	7	220,603	172,462
Cost of sales - operating		(147,513)	(119,641)
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Gross profit		73,090	52,821
Administrative expenses		(12,521)	(6,493)
Fair value adjustment in investment properties	8	(59)	-
Revaluation increase in land and buildings	8	324	-
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Operating profit - continuing operations		60,834	46,328
Finance income	9	706	2,781
Finance costs	9	(1)	-
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Profit before taxation	10	61,539	49,109
Income tax expense	12	(12,071)	(9,498)
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Profit attributable to equity shareholders of the parent	27	49,468	39,611
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Earnings per share - basic	14	229.81c	184.02c
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Earnings per share - diluted	14	229.81c	184.02c
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GROUP STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 April 2016

	2016 €000	2015 €000
Profit attributable to equity shareholders of the parent	49,468	39,611
<u>Items that may be reclassified subsequently to the income statement</u>		
Foreign currency translation	(16,090)	20,566
Unrealised gain on fair value of available-for-sale financial investments	84	510
Tax movement relating to unrealised gain on fair value of available-for-sale financial investments	(24)	(130)
Reclassification of adjustment for disposal of available-for-sale investments	-	(1,189)
Tax movement relating to reclassification of adjustment for disposal of available-for-sale investments	-	333
<u>Items that will not be reclassified to the income statement</u>		
Revaluation reserve increase – land and buildings	761	-
Actuarial gain / (loss) on Group defined benefit pension obligations	3,609	(290)
Deferred tax movement relating to actuarial gain / (loss) on Group defined benefit obligations	(650)	58
Other comprehensive (loss) / income for the year, net of tax	(12,310)	19,858
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the parent	37,158	59,469

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2016

	Issued Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders							
At 1 May 2015	6,888	13,321	5,420	5,495	7,782	208,051	246,957
Profit for the year	-	-	-	-	-	49,468	49,468
Other comprehensive income / (loss), net of tax	-	-	74	-	(15,723)	3,339	(12,310)
Total comprehensive income, net of tax, attributable to equity shareholders	-	-	74	-	(15,723)	52,807	37,158
Equity dividends paid	-	-	-	-	-	(2,798)	(2,798)
At 30 April 2016	6,888	13,321	5,494	5,495	(7,941)	258,060	281,317

**GROUP STATEMENT OF CHANGES IN
EQUITY**

for the year ended 30 April 2015

	Issued Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders							
At 1 May 2014	6,888	13,321	4,811	5,495	(12,175)	171,516	189,856
Profit for the year	-	-	-	-	-	39,611	39,611
Other comprehensive income / (loss), net of tax	-	-	609	-	19,957	(708)	19,858
Total comprehensive income, net of tax, attributable to equity shareholders	-	-	609	-	19,957	38,903	59,469
Equity dividends paid	-	-	-	-	-	(2,368)	(2,368)
At 30 April 2015	6,888	13,321	5,420	5,495	7,782	208,051	246,957

GROUP BALANCE SHEET
At 30 April 2016

	Note	2016 €'000	2015 €'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	15	37,531	37,417
Investment properties	16	2,832	2,909
Investments	17	6	7
Defined benefit pension scheme surplus	32	7,288	4,005
		47,657	44,338
<i>Current assets</i>			
Trade and other receivables	18	9,723	6,546
Inventories	19	179,622	182,077
Financial investments	17	12,710	13,530
Restricted cash	20	1,714	1,300
Cash and cash equivalents	20	90,426	67,404
		294,195	270,857
TOTAL ASSETS		341,852	315,195
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	21	(52,322)	(60,837)
Income tax payable	22	(5,957)	(5,314)
Provisions	23	(337)	(517)
		(58,616)	(66,668)
NET CURRENT ASSETS		235,579	204,189
<i>Non-current liabilities</i>			
Deferred taxation	24	(1,668)	(1,213)
Provisions	23	(251)	(357)
		(1,919)	(1,570)
TOTAL LIABILITIES		(60,535)	(68,238)
NET ASSETS		281,317	246,957
EQUITY			
<i>Equity attributable to equity holders of the parent</i>			
Issued capital	25	6,888	6,888
Share premium	26	13,321	13,321
Revaluation reserve	26	5,494	5,420
Other reserves			
- Capital redemption reserve fund	25	5,495	5,495
- Currency translation	26	(7,941)	7,782
Retained earnings	27	258,060	208,051
TOTAL EQUITY		281,317	246,957
TOTAL EQUITY AND LIABILITIES		341,852	315,195

Approved by the Board on 11 July 2016

C.H. GALLAGHER *Chairman*

N.J. COLLINS *Director*

GROUP CASH FLOW STATEMENT
For the year ended 30 April 2016

	Note	2016 €'000	2015 €'000
Cash flows from operating activities			
Profit before taxation		61,539	49,109
Adjustment to reconcile profit before tax to net cash flows			
Non cash:			
Depreciation and amortisation	10	8,987	7,446
Other non cash items		3,197	(1,554)
Movement in defined benefit pension asset		(153)	(221)
Fair value adjustment on investment properties	8	59	-
Revaluation increases in land and buildings	8	(324)	-
Profit on disposal of property, plant and equipment	10	(1,422)	(691)
Realised gain on disposal of financial investments		-	(1,705)
Finance income		(698)	(1,802)
Finance costs	9	1	-
Working capital adjustments:			
Increase in inventories		(26,873)	(25,466)
(Increase) / decrease in trade and other receivables		(3,767)	13,326
Increase in trade and other payables		10,877	2,554
Income taxes paid		(11,157)	(6,692)
Net cash inflow from operating activities		40,266	34,304
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,775)	(13,878)
Sale of property, plant and equipment		2,704	1,417
Disposal of financial investments		-	12,004
Finance income		698	1,802
Net cash (outflow) / inflow from investing activities		(8,373)	1,345
Cash flows from financing activities			
Equity dividends paid	13	(2,798)	(2,368)
Movement in restricted cash	20	(414)	(1,021)
Finance costs	9	(1)	-
Net cash outflow from financing activities		(3,213)	(3,389)
Net increase in cash and cash equivalents		28,680	32,260
Cash and cash equivalents at start of year	20	67,404	30,478
Net foreign exchange differences		(5,658)	4,666
Cash and cash equivalents at end of year	20	90,426	67,404

NOTES TO THE GROUP FINANCIAL STATEMENTS**30 April 2016****1. AUTHORISATION OF FINANCIAL STATEMENTS**

The Consolidated Financial Statements of Abbey plc for the year ended 30 April 2016 were authorised for issue in accordance with a resolution of directors on 11 July 2016. Abbey plc is a publicly traded entity incorporated in the Republic of Ireland. The company's shares are listed on the ESM on the Irish Stock Exchange and the AIM on the London Stock Exchange. The principal activities of the Group are described in note 7.

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

In the current year, the Group and parent company have adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRC) and the annual improvements to IFRS 2011 to 2013 cycle, of the IASB that are relevant to its operations. Adoption of these standards and interpretations did not have a material effect on the financial performance of the Group or parent company in the current or prior periods.

3. STATEMENT OF COMPLIANCE

The consolidated financial statements of Abbey plc and all its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted for use in the European Union, as they apply to the financial statements of the Group for the year ended 30 April 2016, and with Companies Act 2014 as applicable to IFRS reporters.

4. BASIS OF PREPARATION

The Group financial statements have been prepared on the historical cost basis except for land and buildings, investment property and available-for-sale financial investments that have been measured at fair value. The accounting policies which follow set out these policies which apply in preparing the financial statements for the year ended 30 April 2016.

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

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

5. BASIS OF CONSOLIDATION

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

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)**6. ACCOUNTING POLICIES*****Revenue Recognition***

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

Housing

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

Plant hire

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

Property rental

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

Interest income

Revenue is recognised as interest accrues in the period.

Segmental Reporting

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

Inventories

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

Building land and roads

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

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

Work in progress

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

Raw materials

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

Trade and other receivables

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

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

Cash and cash equivalents

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

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

Trade and other payables

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

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

6. ACCOUNTING POLICIES (Continued)

Taxes

Current income tax

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

Deferred tax

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

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

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

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

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

Foreign currency

The consolidated financial statements are presented in euro, which is the Company's and Group's presentational currency. Abbey plc (the company) changed its functional currency to sterling effective 1 May 2011 as a result of determining that its assets and liabilities are now primarily held in sterling and that it was a UK tax resident company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date with all differences taken to the income statement. Differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement. Non monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements to presentational currency.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses except for land and buildings which have been measured at fair value. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

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

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

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

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

Leases

Group as a lessor

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

Group as a lessee

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

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)**6. ACCOUNTING POLICIES (Continued)*****Impairment of non financial assets***

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

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

Investment properties

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

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

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

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

Financial assets***Recognition and derecognition of financial assets and liabilities***

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

Available-for-sale financial investments

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

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

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

The fair value of financial asset investments is determined by reference to the quoted price, which excludes accrued interest, at the close of business on the balance sheet date.

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Pensions and other post retirement benefits

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

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

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)**6. ACCOUNTING POLICIES (Continued)*****Pensions and other post retirement benefits (continued)***

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

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

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

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

Provisions

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

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

Dividends

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

Accounting judgements and estimates

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

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

Inventory valuation

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

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

6. ACCOUNTING POLICIES (Continued)

Accounting judgements and estimates (continued)

Inventory valuation (continued)

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

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

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

Employee benefits

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

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

New standards and interpretations not applied

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

International Accounting Standards (IAS / IFRSs)		Effective Date *	
IAS 19	Discount rate: regional market use	1 January	2016
IAS 1	Disclosure initiative – amendments to IAS1	1 January	2016
IFRS 15	Revenue recognition	1 January	2018
IFRS 9	Financial instruments	1 January	2018
IFRS 16	Leases	1 January	2019

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

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

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

NOTES TO THE GROUP FINANCIAL STATEMENTS

30 April 2016 (Continued)

7. SEGMENTAL INFORMATION

Turnover, cost of sales and operating profit are derived from continuing activities. The Group operates in three markets being Ireland, the United Kingdom and 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 2016	€'000	€'000	€'000	€000	€'000	€'000	€'000
Income Statement Information							
Revenue	5,801	185,680	7,093	21,045	984	-	220,603
Cost of sales							
- operating	(4,286)	(121,377)	(5,168)	(16,682)	-	-	(147,513)
Administrative expenses	(969)	(8,649)	(841)	(1,372)	-	-	(11,831)
Fair value adjustment investment properties	(86)	27	-	-	-	-	(59)
Revaluation increase land and buildings	(12)	60	-	276	-	-	324
Foreign currency gains	(600)	(90)	-	-	-	-	(690)
Operating profit	(152)	55,651	1,084	3,267	984	-	60,834
Finance income net	463	242	-	-	-	-	705
Income tax expense	39	(11,135)	(133)	(627)	(215)	-	(12,071)
Profit after taxation	350	44,758	951	2,640	769	-	49,468
Balance Sheet Information							
Segment assets	21,243	161,992	10,571	40,358	2,832	-	236,996
Segment liabilities	(6,205)	(46,441)	(2,255)	(5,634)	-	-	(60,535)
Segment net assets	15,038	115,551	8,316	34,724	2,832	-	176,461
Investments	-	6	-	-	-	-	6
Financial investments	12,710	-	-	-	-	-	12,710
Cash and cash equivalents and restricted cash	8,370	78,593	4,628	148	-	401	92,140
TOTAL NET ASSETS	36,118	194,150	12,944	34,872	2,832	401	281,317
Other Segmental Information							
Depreciation	99	195	-	8,705	-	-	8,999
Loss / (profit) on disposal of fixed assets	3	(4)	-	(1,421)	-	-	(1,422)
Capital expenditure	20	122	-	11,836	-	-	11,978
Non-current assets	312	9,329	-	35,184	2,832	-	47,657
30 April 2015	€'000	€'000	€'000	€000	€'000	€'000	€'000
Income Statement Information							
Revenue	10,783	138,333	3,576	18,828	942	-	172,462
Cost of sales							
- operating	(6,901)	(95,027)	(2,708)	(15,005)	-	-	(119,641)
Administrative expenses	(875)	(6,245)	(593)	(806)	-	-	(8,519)
Foreign currency gains	1,994	32	-	-	-	-	2,026
Operating profit	5,001	37,093	275	3,017	942	-	46,328
Finance income net	494	2,287	-	-	-	-	2,781
Income tax expense	(203)	(8,307)	(179)	(602)	(207)	-	(9,498)
Profit after taxation	5,292	31,073	96	2,415	735	-	39,611
Balance Sheet Information							
Segment assets	15,534	162,700	12,093	39,718	2,909	-	232,954
Segment liabilities	(5,633)	(54,546)	(2,471)	(5,588)	-	-	(68,238)
Segment net assets	9,901	108,154	9,622	34,130	2,909	-	164,716
Investments	-	7	-	-	-	-	7
Financial investments	13,530	-	-	-	-	-	13,530
Cash and cash equivalents and restricted cash	11,262	54,290	2,506	147	-	499	68,704
TOTAL NET ASSETS	34,693	162,451	12,128	34,277	2,909	499	246,957
Other Segmental Information							
Depreciation	109	178	-	7,168	-	-	7,455
Loss / (profit) on disposal of fixed assets	-	1	-	(692)	-	-	(691)
Capital expenditure	-	291	-	12,464	-	-	12,755
Non-current assets	407	5,905	-	35,117	2,909	-	44,338

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

8. EXCEPTIONAL ITEMS

	2016 €'000	2015 €'000
<i>Net loss from fair value adjustment in investment properties</i>	59	-

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

<i>Revaluation increase in land and buildings</i>	324	-
---	-----	---

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

9. FINANCE INCOME

	2016 €'000	2015 €'000
Bank interest receivable	107	81
Government bond interest receivable	460	817
Realised gains on available-for-sale financial investments	-	1,716
Other finance income on defined benefit pension scheme (note 32)	139	167
	706	2,781

FINANCE COSTS

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

	2016 €'000	2015 €'000
The profit on ordinary activities before taxation is arrived at after (crediting) / charging:		
Profit on disposal of property, plant and equipment	(1,422)	(691)
Fair value adjustment of investment properties	(59)	-
Revaluation increase in land and buildings	324	-
Foreign currency losses / (gains)	690	(2,026)
Operating lease rentals:		
- Rent of building	39	37
- Hire of plant and machinery	435	443
Depreciation	8,999	7,455
Reversal of initial costs of Government bonds	(12)	(9)
Auditor's remuneration		
- statutory audit of the Group and subsidiaries	133	125
- taxation services	30	23
- out of pocket expenses	19	26

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

11. EMPLOYMENT

The average number of persons employed by the Group, including executive directors, in the financial year was 229 (2015: 203) and is analysed by class of Business as follows:

	2016 Number	2015 Number
<i>Building and property development</i>		
Ireland	7	5
United Kingdom	80	68
<i>Plant hire and rental</i>		
United Kingdom	142	130
	229	203
Employment costs comprise:		
	2016	2015
	€'000	€'000
Wages and salaries	11,154	9,658
Social welfare costs	1,442	1,101
Pension costs	727	661
	13,323	11,420

Included in other pension costs are €320,000 (2015: €304,000) in respect of defined benefit schemes and €407,000 (2015: €357,000) in respect of defined contribution schemes. Details of the Directors' emoluments are set out in the Remuneration Report on page 8.

12. TAXATION

	2016 €'000	2015 €'000
<i>(a) Tax charged to the income statement:</i>		
Irish Corporation Tax at 12.5%		
Current	149	296
United Kingdom Corporation Tax at 20.00% (2015: 20.92%)		
Current	12,006	9,138
Czech Republic Corporation Tax at 19.00% (2015: 19.00%)		
Current	165	147
Adjustment in respect of previous year	(108)	40
Total current corporation tax	12,212	9,621
Deferred tax: originating and reversal of temporary differences (note 24)	(141)	(123)
Tax charge to the income statement	12,071	9,498
Tax relating to items charged or credited to statement of comprehensive income		
Deferred tax (note 24)	674	72

(b) Factors affecting current tax charge

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

	2016 (% of profit before taxation)	2015 (% of profit before taxation)
UK corporation tax rate	20.00	20.92
Lower tax rates on Irish profits and passive income	(0.01)	(1.01)
Tax losses utilised	(0.18)	(0.88)
Adjustment for previous year	(0.17)	0.08
Other	(0.46)	-
Permanent differences	0.66	0.48
	19.84	19.59

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

12. TAXATION (Continued)

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

Tax relating to items charged or credited to other comprehensive income

A total of €674,000 (2015: credited €261,000) has been charged to other comprehensive income for the year ended 30 April 2016 and this comprises the following:

- NIL (2015: €333,000) relating to tax movements on the disposal of available for sale financial investment.
- €24,000 (2015: tax charge €130,000) relating to tax movement on unrealised gain on fair value of available for sale financial investments.
- €650,000 (2015: tax credit €58,000) relates to deferred tax movement on actuarial gain / (loss) on the Group's defined benefit obligations.

13. DIVIDENDS

	2016	2015
	€'000	€'000
On Ordinary Equity Shares		
<i>Paid ordinary</i>		
Dividend of 7 cents per issued ordinary share (2015: 6 cents per share)	1,507	1,292
<i>Paid ordinary</i>		
Dividend of 6 cents per issued ordinary share (2015: 5 cents per share)	1,291	1,076
	2,798	2,368
<i>Ordinary dividends proposed (memorandum disclosure)</i>		
Proposed 8.00 cents per share (2015: 7.00 cents per share)	1,722	1,507

14. EARNINGS PER SHARE: Basic and Diluted

Earnings per share has been calculated by reference to the weighted average number of shares in issue of 21,525,578 (2015: 21,525,578) and to the profit on ordinary activities after taxation amounting to €49,468,000 (2015: €39,611,000).

15. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and machinery	Transport	Total
	€'000	€'000	€'000	€'000
Cost or fair value				
At 1 May 2014	10,161	39,464	3,864	53,489
Translation adjustment	1,239	5,451	500	7,190
Additions	-	12,047	708	12,755
Disposals	-	(3,485)	(341)	(3,826)
At 30 April 2015	11,400	53,477	4,731	69,608
Translation adjustment	(807)	(3,787)	(313)	(4,907)
Additions	-	11,507	471	11,978
Disposals	-	(7,452)	(466)	(7,918)
Revaluation	1,082	-	-	1,082
At 30 April 2016	11,675	53,745	4,423	69,843

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land and buildings	Plant and machinery	Transport	Total
	€'000	€'000	€'000	€'000
Accumulated depreciation				
At 1 May 2014	940	21,830	1,780	24,550
Translation adjustment	110	2,923	252	3,285
Charge for the year	112	6,599	744	7,455
Disposals	-	(2,825)	(274)	(3,099)
At 30 April 2015	1,162	28,527	2,502	32,191
Translation adjustment	(76)	(1,979)	(188)	(2,243)
Charge for the year	118	8,064	817	8,999
Disposals	-	(6,244)	(391)	(6,635)
At 30 April 2016	1,204	28,368	2,740	32,312
Carrying amounts				
At 30 April 2016	10,471	25,377	1,683	37,531
At 30 April 2015	10,238	24,950	2,229	37,417

Plant and machinery includes assets held for hire with a cost of €51,682,000 (2015: €51,348,000) and accumulated depreciation of €26,564,000 (2015: €26,775,000).

	2016 €'000	2015 €'000
Land and building comprises:		
Freehold property	9,998	9,755
Long leasehold property	473	483
	10,471	10,238
The historical cost of land and buildings amounts to:		
Land and buildings	7,309	7,751

Ireland

Fair value of the properties in Ireland were determined using rental yields. Valuations performed by the valuer are based on expected yield of properties being rented. As at the date of revaluation of 30 April 2016, the properties' fair values are based on valuations performed by Allen & Townsend, Chartered Surveyors, an accredited independent valuer.

United Kingdom

Fair value of the properties in the United Kingdom were determined by using market comparable information. Valuations performed by the valuer are based on active market prices, adjusted for the difference in nature, location or condition of the specific property. As at the date of revaluation of 30 April 2016, the properties' fair values are based on valuations performed by Glenny, Chartered Surveyors, an accredited independent valuer.

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

16. INVESTMENT PROPERTIES

	2016	2015
	€'000	€'000
<i>Fair value</i>		
At 1 May	2,909	2,796
Translation adjustment	(66)	113
Fair value adjustment	(11)	-
	2,832	2,909

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

Ireland

Fair value of the properties in Ireland were determined using rental yields. Valuations performed by the valuer are based on expected yield of properties being rented. As at the date of revaluation of 30 April 2016, the properties' fair values are based on valuations performed by Allen & Townsend, Chartered Surveyors, an accredited independent valuer.

United Kingdom

Fair value of the properties in the United Kingdom were determined by using market comparable information. Valuations performed by the valuer are based on active market prices, adjusted for the difference in nature, location or condition of the specific property. As at the date of revaluation of 30 April 2016, the properties' fair values are based on valuations performed by Glenny, Chartered Surveyors, an accredited independent valuer.

Czech Republic

The investment property in the Czech Republic is €413,000 and the Directors are satisfied that this is fair value at 30 April 2016.

17. INVESTMENTS AND FINANCIAL INVESTMENTS

	2016	2015
	€'000	€'000
<i>Ordinary shares at cost</i>		
Non-listed company	6	7
<i>Financial investments</i>		
UK Government Sterling Bonds	12,710	13,530

These relate to UK Treasury Stock being available for sale. These financial investments are recorded at fair value at the balance sheet date. The interest income on these financial investments during the year was €460,000 (2015: €817,000).

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

18. TRADE AND OTHER RECEIVABLES

	2016	2015
	€'000	€'000
<i>Amount falling due within one year</i>		
Trade receivables	6,940	5,406
Other receivables	355	203
Value added tax	1,684	431
Prepayments and accrued income	744	506
	9,723	6,546

Trade receivables are generally on 30-60 day terms and are shown net of a provision for impairment. At 30 April 2016 trade receivables amounting to €880,000 (2015: €838,000) were older than the Group's standard credit terms but not deemed to be impaired. At 30 April 2016, trade receivables with a value of €494,000 (2015: €384,000) were impaired and fully provided for. The movement in the bad debt provision is not considered material, nor does it relate to significant individual receivables.

19. INVENTORIES

	2016	2015
	€'000	€'000
Building land and roads	138,798	140,196
Work in progress	40,438	41,470
Raw materials	386	411
	179,622	182,077

20. RESTRICTED CASH

	2016	2015
	€'000	€'000
Cash held in escrow accounts	1,714	1,300

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

CASH AND CASH EQUIVALENTS

	2016	2015
	€'000	€'000
Cash at bank and in hand	90,426	24,665
Short-term deposits	-	42,739
	90,426	67,404

Short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group. The fair value of cash and cash equivalents is €90,426,000 (2015: €67,404,000). The Group had no undrawn borrowing facilities at the year end (2015: €Nil).

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

21. TRADE AND OTHER PAYABLES

	2016	2015
	€'000	€'000
<i>Amount falling due within one year</i>		
Trade creditors	33,259	31,742
Amounts outstanding on land	10,232	19,602
PAYE	251	198
Social welfare tax	213	183
Value added tax	324	278
Other creditors	662	600
Accruals	5,872	6,995
Deferred income	1,509	1,239
	52,322	60,837

Terms and conditions of the above financial liabilities:

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

22. INCOME TAX PAYABLE

	2016	2015
	€'000	€'000
Income tax payable	5,957	5,314

23. PROVISIONS

	2016	2015
	€'000	€'000
<i>Maintenance provisions</i>		
At 1 May	874	764
Arising during the year	576	506
Utilised	(261)	(173)
Released during year	(601)	(223)
At 30 April	588	874
<i>Analysed as:</i>		
Current liabilities	337	517
Non-current liabilities	251	357
	588	874

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

24. DEFERRED TAXATION

	Pension	Accelerated		Total	Total
	Obligation	Capital	Other	2016	2015
	2016	2016	2016	€'000	€'000
	€'000	€'000	€'000	€'000	€'000
At 1 May	801	(186)	598	1,213	1,173
Translation adjustment	(87)	19	(10)	(78)	91
Recognised in income statement	(52)	(126)	37	(141)	(123)
Equity movement	650	-	24	674	72
At 30 April	1,312	(293)	649	1,668	1,213

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

24. DEFERRED TAXATION (Continued)

Unrecognised Deferred Tax Asset

A potential deferred tax asset of €3,396,000 (2015: €3,506,000) has not been recognised as there is uncertainty regarding the availability of future Irish taxable profits against which the tax losses may be utilised.

25. ISSUED SHARE CAPITAL

		2016 €'000	2015 €'000
Authorised			
At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each		14,400	14,400
Allotted, called up and fully paid			
	2016 Number '000	2015 Number '000	
At 1 May and 30 April ordinary shares of 32 cents each	21,526	21,526	6,888
		6,888	6,888
Capital Redemption Reserve Fund			
At 1 May and 30 April		5,495	5,495

Capital redemption reserve fund

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

26. RESERVES

	Share Premium Account €'000	Revaluation Reserve €'000	Currency Translation €'000
At 1 May 2014	13,321	4,811	(12,175)
Translation adjustment arising in year	-	609	19,957
At 1 May 2015	13,321	5,420	7,782
Translation adjustment arising in year	-	(367)	(15,723)
Increase in revaluation surplus	-	441	-
At 30 April 2016	13,321	5,494	(7,941)
The revaluation reserve is in respect of:		€'000	
Land and buildings		5,494	

Share premium reserve

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

Revaluation reserve

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

Currency translation reserve

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

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

27. RETAINED EARNINGS

	Note	2016 €'000	2015 €'000
Retained earnings at beginning of year		208,051	171,516
Profit retained for the financial year		49,468	39,611
Equity dividends paid	13	(2,798)	(2,368)
Increase in revaluation surplus		320	-
Unrealised gain on fair value of financial investments		84	510
Tax movement relating to unrealised gain on fair value of available-for-sale financial investments		(24)	(130)
Reclassification of adjustment for disposal of available-for-sale financial investments		-	(1,189)
Tax movement relating to reclassification of adjustment for disposal of available-for-sale financial investments		-	333
Actuarial gain / (loss) on Group defined benefit pension obligations		3,609	(290)
Deferred tax movement relating to actuarial gain / (loss) on Group defined benefit pension obligations		(650)	58
At 30 April		258,060	208,051

The balance on the available-for-sale reserve contained above at the year end is €1,907,000 (2015: €1,869,000) and the tax recognised on this amounted to €491,000 (2015: €467,000).

28. FAIR VALUE HIERARCHY

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

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

		2016 €'000	2015 €'000
Land and buildings (refer note 15)			
Commercial properties	Level 2	10,471	10,238
Investment properties (refer note 16)			
Commercial properties	Level 2	2,832	2,909
Available-for-sale financial assets (refer note 17)			
UK Government Sterling Bonds	Level 1	12,710	13,530

There were no fair value hierarchy measured at Level 3.

29. FINANCIAL RISK MANAGEMENT

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

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

Interest rate risk

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

Foreign currency risk

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

	Increase / decrease in UK sterling rate	(Decrease) / increase on profit before tax	(Decrease) / increase on equity
		€'000	€'000
2015	+5%	(2,054)	(9,226)
	-5%	2,270	10,196
2016	+5%	(2,899)	(10,842)
	-5%	3,204	11,983

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

30. CAPITAL COMMITMENTS

There are no capital commitments contracted for at the balance sheet date (2015: €Nil).

31. LEASES

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

	2016	2015
	€'000	€'000
Leases on land and buildings:		
Within one year	43	47
Between two and five years	130	140
After more than five years	290	358
	463	545

Operating leases on plant and machinery carry no future commitments.

32. PENSIONS

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

The most recent triennial actuarial valuation of the Abbey Group Limited Pension and Life Assurance Scheme was carried out as at 1 May 2014 using the projected unit method. The assumptions which have the most significant effect on the results of the valuations are those made in respect of the rate of return on investments and the rate of increase in salaries and pensions. The assumptions made were that the rates of return on investments would exceed the rates of salary increases by 3.50% per annum and that the rate of pension increase would be 3.25% per annum.

The costs of providing UK death in service benefits, which are insured under a separate agreement with Canada Life were paid in addition to the employer contributions.

As at 30 April 2016, the total value placed on the assets of the Group's pension plan for the purposes of the valuations amounted to €39.40million and was sufficient to cover 123% of the scheme's liabilities. The Group will continue to make contributions into the scheme at a contribution rate of 22% from 1 May 2016. The employer expects to make contributions of €315,000 in the coming financial year.

With effect from 1 May 2006 pensionable salaries have been frozen and the scheme has contracted back into the State Earnings Related Pension Scheme. The Irish Scheme was wound up in April 2007.

The actuarial valuations are not available for public inspection.

Defined Benefit Scheme

Actuarial valuations in accordance with IAS 19R were carried out at 30 April 2016 by a qualified independent actuary. The actuarial reports are available to the pension scheme members only.

The major assumptions used by the actuary were:

	2016	2015
Pensionable salary growth	Nil % pa	Nil % pa
Pension escalation in payment	3.00 % pa	3.40 % pa
Discount rate	3.60 % pa	3.50 % pa
Inflation assumption - retail price index	3.00 % pa	3.40 % pa
Inflation assumption - consumer price index	2.00 % pa	2.60 % pa
Post-retirement modality (in years)		
Current pensioners at 65 - males	21.2	21.7
Current pensioners at 65 - female	23.2	23.7
Future pensioners at 65 - males	22.6	23.9
Future pensioners at 65 - female	24.7	26.1

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

32. PENSIONS (Continued)

Fair value of defined benefit assets are as follows:

	2016 €'000	2015 €'000
Bonds (quoted UK government gilts)	35,967	38,073
Shares (quoted on stock exchange)	2,785	-
Cash and short term deposits	644	3,527
Fair value of assets	39,396	41,600
Present value of scheme liabilities in respect of active and deferred members	(32,108)	(37,595)
Defined benefit pension scheme surplus	7,288	4,005

The defined benefit scheme in the United Kingdom was closed to new entrants on 1 January 2001. As this scheme is closed to new entrants the age profile of the active members will rise significantly causing the current service cost to increase as the members of the scheme approach retirement.

From 25 June 2003 the United Kingdom pension scheme became self-administered. The assets previously held with an insurance company were transferred for cash to the Trustee Company who has subsequently invested the funds in UK Government Bonds. The Trustee Company has an investment policy to look to maximise return, based on an acceptable level of risk and therefore investment in other forms, such as the stock exchange may be potentially viable.

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

	2016 €'000	2015 €'000
Recognised in the income statement		
Current service cost	(320)	(304)
Recognised in administrative expenses in the income statement, in arriving at operating profit	(320)	(304)
Interest income on benefit obligation	139	167
Net charge	(181)	(137)
Taken to the statement of comprehensive income		
Actuarial gain	93	3,638
Experienced (loss) / gain	(95)	62
Actuarial changes arising from changes in financial assumptions	3,611	(3,990)
Actuarial gain / (losses) recognised in statement of comprehensive income	3,609	(290)
Changes in the fair value of defined benefit pension obligations		
As at 1 May	37,595	29,010
Current service cost	320	304
Member contributions	47	53
Interest costs	1,282	1,304
Benefits paid	(1,248)	(977)
Exchange translation	(2,372)	3,973
Actuarial (gain) / loss	(3,516)	3,928
As at 30 April	32,108	37,595

NOTES TO THE GROUP FINANCIAL STATEMENTS
30 April 2016 (Continued)

32. PENSIONS (Continued)

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

Assumption	Change in assumption	Revised value of Scheme liabilities	
		2016 €'000	2015 €'000
Discount rate	Decrease by 0.5%	35,318	42,670
Rate of inflation	Increase by 0.5%	33,392	39,475
Rate of mortality	Increase by 1 year	33,071	38,723
Changes in the fair value of defined benefit scheme assets		2016 €'000	2015 €'000
As at 1 May		41,600	32,631
Interest income on scheme assets		1,422	1,471
Employer contributions		333	358
Contributions by employees		47	53
Benefits paid		(1,248)	(977)
Exchange translation		(2,851)	4,426
Actuarial gain		93	3,638
As at 30 April		39,396	41,600

Amounts for the current and previous periods	2016 €'000	2015 €'000	2014 €'000	2013 €'000	2012 €'000
Fair value of scheme assets	39,396	41,600	32,631	33,676	32,307
Present value of defined benefit obligation	(32,108)	(37,595)	(29,010)	(28,541)	(25,260)
Surplus in scheme	7,288	4,005	3,621	5,135	7,047
Experience adjustments arising on scheme liabilities	(95)	62	(15)	40	(108)
Experience adjustments arising on scheme assets	93	3,638	(3,016)	1,515	3,996

33. RELATED PARTY TRANSACTIONS

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

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

34. ULTIMATE PARENT UNDERTAKING

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

35. SUBSEQUENT EVENTS

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

COMPANY INCOME STATEMENT
For the year ended 30 April 2016

	Note	2016 €'000	Re-stated 2015 €'000
Administrative expenses		(531)	(419)
Fair value adjustment of investment property		338	-
Other operating income		68	173
Operating loss - continuing operations	C8	(125)	(246)
Finance income	C7	-	2,067
(Loss) / profit before taxation	C8	(125)	1,821
Income tax expense	C9	(126)	(585)
(Loss) / profit attributable to equity shareholders of the parent	C20	(251)	1,236

COMPANY STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 April 2016

	2016 €'000	Re-stated 2015 €'000
(Loss) / profit attributable to equity shareholders of the parent	(251)	1,236
<u>Items that may be reclassified subsequently to the income statement</u>		
Foreign currency translation	(1,970)	3,655
Reclassification of adjustment for disposal of available-for-sale investments	-	(1,188)
Tax movement relating to reclassification of adjustment for disposal of available-for-sale investments	-	333
Other comprehensive (loss) / income for the year, net of tax	(1,970)	2,800
Total comprehensive (loss) / income for the year, net of tax, attributable to equity shareholders of the parent	(2,221)	4,036

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 30 April 2016

	Issued Capital €'000	Share Premium €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders						
At 1 May 2015 – re-stated	6,888	13,321	5,495	5,933	23,500	55,137
Loss for the year	-	-	-	-	(251)	(251)
Other comprehensive loss, net of tax	-	-	-	(1,970)	-	(1,970)
Total comprehensive loss, net of tax, attributable to equity shareholders	-	-	-	(1,970)	(251)	(2,221)
Equity dividends paid	-	-	-	-	(2,798)	(2,798)
At 30 April 2016	6,888	13,321	5,495	3,963	20,451	50,118

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2015

	Issued Capital €'000	Share Premium €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders						
At 1 May 2014	6,888	13,321	5,495	2,278	25,487	53,469
Profit for the year	-	-	-	-	1,236	1,236
Other comprehensive income / (loss), net of tax	-	-	-	3,655	(855)	2,800
Total comprehensive income, net of tax, attributable to equity shareholders	-	-	-	3,655	381	4,036
Equity dividends paid	-	-	-	-	(2,368)	(2,368)
At 30 April 2015 – re-stated	6,888	13,321	5,495	5,933	23,500	55,137

COMPANY BALANCE SHEET
At 30 April 2016

	Note	2016 €'000	2015 €'000	Re-stated 2014 €'000
ASSETS				
<i>Non-current assets</i>				
Investment properties	C11	1,727	1,509	1,340
Financial Assets	C12	23,530	23,530	23,530
		25,257	25,039	24,870
<i>Current assets</i>				
Trade and other receivables	C13	24,634	29,804	17,007
Financial investments	C14	-	-	10,869
Cash and cash equivalents	C15	932	1,002	1,285
		25,566	30,806	29,161
TOTAL ASSETS		50,823	55,845	54,031
LIABILITIES				
<i>Current liabilities</i>				
Trade and other payables	C16	(654)	(598)	(562)
Income tax payable	C17	(51)	(110)	-
		(705)	(708)	(562)
NET CURRENT ASSETS		24,861	30,098	28,599
TOTAL LIABILITIES		(705)	(708)	(562)
NET ASSETS		50,118	55,137	53,469
EQUITY				
<i>Equity attributable to equity holders of the parent</i>				
Issued capital	C18	6,888	6,888	6,888
Share premium	C19	13,321	13,321	13,321
Other reserves				
- Capital redemption reserve fund	C18	5,495	5,495	5,495
- Currency translation	C19	3,963	5,933	2,278
Retained earnings	C20	20,451	23,500	25,487
TOTAL EQUITY	C21	50,118	55,137	53,469
TOTAL EQUITY AND LIABILITIES		50,823	55,845	54,031

Approved by the Board on 11 July 2016

C.H. GALLAGHER *Chairman*

N.J. COLLINS *Director*

COMPANY CASH FLOW STATEMENT
For the year ended 30 April 2016

	Note	2016 €	Re-stated 2015 €
Cash flows from operating activities			
(Loss) / profit before taxation		(125)	1,821
Adjustment to reconcile profit before tax to net cash flows			
Non cash:			
Fair value adjustment of investment property		(339)	-
Realised gain on disposal of financial investments		-	(1,705)
Finance income	C7	-	(879)
Working capital adjustments:			
Decrease / (increase) in trade and other receivables		3,338	(9,988)
(Decrease) / increase in trade and other payables		102	(32)
Income taxes paid		(180)	(149)
Net cash inflow / (outflow) from operating activities		2,796	(10,932)
Cash flows from investing activities			
Disposal of financial investments		-	12,004
Finance income		-	878
Net cash inflow from investing activities		-	12,882
Cash flows from financing activities			
Equity dividends paid	C10	(2,798)	(2,368)
Net cash outflow from financing activities		(2,798)	(2,368)
Decrease in cash and cash equivalents		(2)	(418)
Cash and cash equivalents at start of year		1,002	1,285
Net foreign exchange differences		(68)	135
Cash and cash equivalents at end of year		932	1,002

NOTES TO THE COMPANY FINANCIAL STATEMENTS

30 April 2016

C1. AUTHORISATION OF FINANCIAL STATEMENTS

The Financial Statements of Abbey plc for the year ended 30 April 2016 were authorised for issue in accordance with a resolution of directors on 11 July 2016. Abbey plc is a publicly traded entity incorporated in the Republic of Ireland. The company's shares are listed on the ESM on the Irish Stock Exchange and the AIM on the London Stock Exchange.

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

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and the annual improvements to IFRS 2011 to 2013 cycle that are relevant to its operations and effective for the accounting periods beginning 1 May 2015. The effects of IFRS on the restated figures are shown in note C28.

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

C3. STATEMENT OF COMPLIANCE

The financial statements of Abbey plc have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted for use in the European Union, as they apply to the financial statements for the year ended 30 April 2016, and with Companies Act 2014 as applicable to IFRS reporters.

C4. BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis except investment property that have been measured at fair value. The accounting policies which follow set out these policies which apply in preparing the financial statements for the year ended 30 April 2016.

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

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

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

Property rental

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

Interest income

Revenue is recognised as interest accrues in the period.

Trade and other receivables

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

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

Cash and cash equivalents

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

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

Trade and other payables

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

Taxes***Current income tax***

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2016 (Continued)**C5. ACCOUNTING POLICIES (Continued)*****Foreign currency***

The financial statements are presented in euro, which is the Company's presentational currency. Abbey plc changed its functional currency to sterling effective 1 May 2011 as a result of determining that its assets and liabilities are now primarily held in sterling and that it was a UK tax resident company. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date with all differences taken to the income statement. Differences on monetary assets and liabilities that form part of the net investment in a foreign operation are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement. Non monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements to presentational currency.

Leases***Company as a lessor***

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

Impairment of non financial assets

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

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

Investment properties

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

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

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

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

Financial assets***Recognition and derecognition of financial assets and liabilities***

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2016 (Continued)

C5. ACCOUNTING POLICIES (Continued)

Provisions

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

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

Dividends

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

Accounting judgements and estimates

The preparation of financial statements requires management to make 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 Company's accounting policies, management has made judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

New standards and interpretations not applied

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

International Accounting Standards (IAS / IFRSs)		Effective Date *	
IAS 19	Discount rate: regional market use	1 January	2016
IAS 1	Disclosure initiative – amendments to IAS1	1 January	2016
IFRS 15	Revenue recognition	1 January	2018
IFRS 9	Financial instruments	1 January	2018
IFRS 16	Leases	1 January	2019

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

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

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2016 (Continued)

C6. STAFF COSTS

There are no staff directly employed by the Company (2015: Nil)

C7. FINANCE INCOME

	2016 €'000	2015 €'000
Government bond interest receivable	-	2,067

C8. (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016 €'000	2015 €'000
The (loss) / profit on ordinary activities before taxation is arrived at after charging / (crediting):		
Directors fees	236	217
Management Charges	90	24
Fair value adjustment of investment property	(339)	-
Operating lease rentals:		
- Rent of building	(153)	(146)
Foreign exchange loss / (gain)	90	(44)
Auditor's remuneration	43	40
- statutory audit of the Group and subsidiaries		
- taxation services	2	2

C9. TAXATION

	2016 €'000	2015 €'000
(a) Tax charged to the income statement:		
United Kingdom Corporation Tax at 20.00% (2015: 20.92%)		
Current	126	585
Total current corporation tax charged to the income statement	126	585

(b) Factors affecting current tax charge

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

	2016 (% of profit before taxation)	2015 (% of profit before taxation)
UK corporation tax rate	(20.00)	20.92
Temporary differences	15.28	4.36
Expenses not deducted for tax purposes	-	(0.54)
Transfer pricing adjustment – non trade loan relationships	159.57	7.42
Other – fair value adjustment of investments properties	(54.22)	-
	100.63	32.16

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2016 (Continued)

C10. DIVIDENDS

	2016 €'000	2015 €'000
On Ordinary Equity Shares		
<i>Paid ordinary</i>		
Dividend of 7 cents per issued ordinary share (2015: 6 cents per share)	1,507	1,292
<i>Paid ordinary</i>		
Dividend of 6 cents per issued ordinary share (2015: 5 cents per share)	1,291	1,076
	2,798	2,368
Ordinary <i>dividends proposed</i> (memorandum <i>disclosure</i>)		
Proposed 8.00 cents per share (2015: 7.00 cents per share)	1,722	1,507

C11. INVESTMENT PROPERTY

	2016 €	Re-stated 2015 €	Re-stated 2014 €
Fair value			
At 1 May	1,509	1,340	1,364
Translation adjustment	(121)	169	43
Revaluation	339	-	(67)
At 30 April	1,727	1,509	1,340

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

United Kingdom

Fair value of the properties in the United Kingdom were determined by using market comparable information. Valuations performed by the valuer are based on active market prices, adjusted for the difference in nature, location or condition of the specific property. As at the date of revaluation of 30 April 2016, the properties' fair values are based on valuations performed by Glenny, Chartered Surveyors, an accredited independent valuer.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2016 (Continued)

C12. FINANCIAL FIXED ASSETS

	2016	2015	2014
	€'000	€'000	€'000
Shares in unlisted subsidiary undertakings at cost:			
Ordinary share capital at the beginning and end of year	23,530	23,530	23,530

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

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

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2016 (Continued)

C13. TRADE AND OTHER RECEIVABLES

	2016	2015	2014
	€'000	€'000	€'000
<i>Amount falling due within one year</i>			
Amounts due from subsidiary undertaking	24,634	29,804	5,773
UK Sterling bonds receivable	-	-	11,176
Prepayments	-	-	58
Amounts due from subsidiary undertaking	24,634	29,804	17,007

C14. FINANCIAL INVESTMENTS

	2016	2015	2014
	€'000	€'000	€'000
UK Sterling bonds	-	-	10,869

C15. CASH AND CASH EQUIVALENTS

	2016	2015	2014
	€'000	€'000	€'000
Cash at bank and in hand	932	1,002	1,285

The fair value of cash and cash equivalents is €932,000 (2015: €1,002,000). The Company had no undrawn borrowing facilities at the year end (2015: €Nil).

C16. TRADE AND OTHER PAYABLES

	2016	Re-stated 2015	Re-stated 2014
	€'000	€'000	€'000
<i>Amount falling due within one year</i>			
Value added tax	95	88	96
Other creditors	13	11	-
Accruals and deferred income	546	499	466
	654	598	562

Terms and conditions of the above financial liabilities:

- United Kingdom PAYE, social welfare and value added tax are normally settled on 30 day terms.
- Other payables are non-interest bearing and settlement is dependent on the terms of the payable.

C17. INCOME TAX PAYABLE

	2016	Re-stated 2015	Re-stated 2014
	€'000	€'000	€'000
Income tax payable	51	110	-

C18. ISSUED SHARE CAPITAL

	2016	2015	2014
	€'000	€'000	€'000
Authorised			
At 1 May and 30 April 45,000,000 ordinary shares of 32 cents each	14,400	14,400	14,400
	2016	2015	2014
	Number '000	Number '000	Number '000
Allotted, called up and fully paid			
At 1 May and 30 April ordinary shares of 32 cents each	21,526	21,526	21,526
	2016	2015	2014
	€'000	€'000	€'000
Capital Redemption Reserve Fund			
At 1 May and 30 April	5,495	5,495	5,495

Capital redemption reserve fund

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2016 (Continued)

C19. RESERVES

	Share Premium Account	Re-stated Currency Translation
	€'000	€'000
At 1 May 2013	13,321	1,333
Translation adjustment arising in year	-	945
At 1 May 2014	<u>13,321</u>	<u>2,278</u>
Translation adjustment arising in year	-	3,655
At 1 May 2015	<u>13,321</u>	<u>5,933</u>
Translation adjustment arising in year	-	(1,970)
At 30 April 2016	<u><u>13,321</u></u>	<u><u>3,963</u></u>

Share premium reserve

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

Currency translation reserve

The foreign currency translation reserve includes presentation foreign exchange differences.

C20. RETAINED EARNINGS

	Note	2016 €'000	Re-stated 2015 €'000	2014 €'000
Retained earnings at beginning of year		23,500	25,487	28,552
(Loss) / profit retained for the financial year		(251)	1,236	2,015
Unrealised loss on fair value adjustment of financial investments		-	-	(871)
Tax movement on unrealised loss on fair value adjustment of financial investments		-	-	197
Equity dividends paid	C10	(2,798)	(2,368)	(1,937)
Reclassification of adjustment for disposal of available-for-sale financial investments		-	(1,188)	(3,308)
Tax movement relating to reclassification of adjustment for disposal of available-for-sale financial investments		-	333	839
At 30 April		<u><u>20,451</u></u>	<u><u>23,500</u></u>	<u><u>25,487</u></u>

C21. TOTAL EQUITY

	Note	2016 €	Re-stated 2015 €	2014 €
Retained earnings at beginning of year		55,137	53,469	55,589
(Loss) / profit retained for the financial year		(251)	1,236	2,015
Equity dividends paid	C10	(2,798)	(2,368)	(1,937)
Unrealised loss on fair value adjustment of financial investments		-	-	(871)
Tax movement on unrealised loss on fair value adjustment of financial investments		-	-	197
Reclassification of adjustment for disposal of available-for-sale financial investments		-	(1,188)	(3,308)
Tax movement relating to reclassification of adjustment for disposal of available-for-sale financial investments		-	333	839
Translation adjustment arising on adjustment to presentation currency		(1,970)	3,655	945
At 30 April		<u><u>50,118</u></u>	<u><u>55,137</u></u>	<u><u>53,469</u></u>

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2016 (Continued)

C22. FAIR VALUE HIERARCHY

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

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

		2016	2015	2014
		€'000	€'000	€'000
Investment properties (refer note C11)				
Commercial properties	Level 2	1,727	1,509	1,340

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

C23. FINANCIAL RISK MANAGEMENT

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

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

Foreign currency risk

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

	Increase / decrease in UK sterling rate	(Decrease) / increase on profit before tax	(Decrease) / increase on equity
		€'000	€'000
2014	+5%	(137)	(1,427)
	-5%	151	1,578
2015	+5%	(84)	(1,503)
	-5%	92	1,661
2016	+5%	1	(1,266)
	-5%	(1)	1,399

C24. CAPITAL COMMITMENTS

There are no capital commitments contracted for at the balance sheet date (2015: €Nil).

C25. RELATED PARTY TRANSACTIONS

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

	2016	2015
	€'000	€'000
Management charges - Kingscroft Developments Limited	(25)	(100)
Management charges - Abbey Group Limited	115	124
Rental income - Abbey Developments Limited	153	146

C26. ULTIMATE PARENT UNDERTAKING

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS
30 April 2016 (Continued)

C27. SUBSEQUENT EVENTS

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

C28. TRANSITION TO IFRS

For all periods up to and including the year ended 30 April 2015, Abbey plc, "the Company" prepared its financial statements in accordance with Irish Generally Accepted Accounting Practice. These financial statements for the year ended 30 April 2016, are the first the Company has prepared in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union.

Accordingly, the Company has prepared financial statements which comply with IFRS's applicable for periods beginning on or after 1 May 2015 and the significant accounting policies are described in note C5.

In preparing these financial statements, the company has started from an opening balance as at 1 May 2014, the Company's date of transition to IFRS's, and made those changes in accounting policies and other restatements required by IFRS 1 for the first time adoption of IFRS's. As such, this note explains the principal adjustments made by the Company in restating its Irish GAAP balance sheet as at 1 May 2014 and its previously published Irish GAAP Financial Statements for the year ended 30 April 2015.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the general requirements to apply IFRS's as effective for April 2016 year ends respectively. The Company has undertaken the following exemption:

- Investment property was carried in the balance sheet on the basis of valuations performed in 2014. As allowed under IFRS 1, the Company has elected to regard those fair values as deemed cost as at the date of the revaluation.

ABBEEY plc

INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2015

	Previous Irish GAAP 30 April 2015 €'000	Note 1 €'000	Re-stated IFRS 2015 €'000
Administrative expenses	(448)	29	(419)
Other operating income	173	-	173
Operating profit	(275)	29	(246)
Finance income	2,067	-	2,067
Profit before taxation	1,792	29	1,821
Income tax expense	(585)	-	(585)
Profit Attributable to Equity Shareholders of the parent	1,207	29	1,236

Note 1: In accordance with IAS 40 "Investment Properties" are not depreciated and the depreciation charge under Irish GAAP is now reversed.

30 April 2016 (Continued)

C28. TRANSITION TO IFRS (continued)

The previously reported balance sheet for the period ended 30 April 2015 under Irish GAAP is reconciled to the restated balances under International Financial Reporting Standards (IFRS's) as follows:

	Previous Irish GAAP 30 April 2015 €'000	Note 1 €'000	Note 2 €'000	Note 3 €'000	Re-stated IFRS 2015 €'000
ASSETS					
Non-current assets					
Property	1,479	(1,479)	-	-	-
Investment property	-	1,479	30	-	1,509
Financial assets	23,530	-	-	-	23,530
	25,009	-	30	-	25,039
CURRENT ASSETS					
Trade and other receivables	29,804	-	-	-	29,804
Cash and cash equivalents	1,002	-	-	-	1,002
	30,806	-	-	-	30,806
TOTAL ASSETS	55,815	-	30	-	55,845
LIABILITIES					
Current liabilities					
Trade and other creditors	(708)	-	-	110	(598)
Income tax payable	-	-	-	(110)	(110)
TOTAL LIABILITIES	(708)	-	-	-	(708)
NET CURRENT ASSETS	30,098	-	-	-	30,098
NET ASSETS	55,107	-	30	-	55,137
EQUITY					
Issued capital	6,888	-	-	-	6,888
Share premium	13,321	-	-	-	13,321
Other reserves					
- Capital redemption reserve fund	5,495	-	-	-	5,495
- Currency translation	5,932	-	1	-	5,933
Retained earnings	23,471	-	29	-	23,500
TOTAL EQUITY	55,107	-	30	-	55,137
TOTAL EQUITY AND LIABILITIES	55,815	-	30	-	55,845

Note 1: In accordance with IAS 40 "Investment Properties" the property let to a Group company is therefore classified as an investment property.

Note 2: In accordance with IAS 40 "Investment Properties" are not depreciated and the depreciation charge under Irish GAAP is now reversed.

Note 3: In accordance with IAS 1 "Presentation of Financial Statements" the liability for corporation tax amounting to €110,000 is presented separately on the balance sheet.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

30 April 2016 (Continued)

C28. TRANSITION TO IFRS (continued)

The previously reported balance sheet for the period ended 30 April 2014 under Irish GAAP is reconciled to the restated balances under International Financial Reporting Standards (IFRS's) as follows:

	Previous Irish GAAP 30 April 2014 €'000	Note 1 €'000	Re-stated IFRS 2014 €'000
ASSETS			
Non-current assets			
Property	1,340	(1,340)	-
Investment property	-	1,340	1,340
Financial assets	23,530	-	23,530
	<u>24,870</u>	<u>-</u>	<u>24,870</u>
CURRENT ASSETS			
Trade and other receivables	17,007	-	17,007
Financial investments	10,869	-	10,869
Cash and cash equivalents	1,285	-	1,285
	<u>29,161</u>	<u>-</u>	<u>29,161</u>
TOTAL ASSETS	<u>54,031</u>		<u>54,031</u>
LIABILITIES			
Current liabilities			
Trade and other creditors	(562)	-	(562)
TOTAL LIABILITIES	<u>(562)</u>		<u>(562)</u>
NET CURRENT ASSETS	<u>28,599</u>	<u>-</u>	<u>28,599</u>
NET ASSETS	<u>53,469</u>	<u>-</u>	<u>53,469</u>
EQUITY			
Issued capital	6,888	-	6,888
Share premium	13,321	-	13,321
Other reserves			
- Capital redemption reserve fund	5,495	-	5,495
- Currency translation	2,278	-	2,278
Retained earnings	25,487	-	25,487
TOTAL EQUITY	<u>53,469</u>	<u>-</u>	<u>53,469</u>
TOTAL EQUITY AND LIABILITIES	<u>54,031</u>	<u>-</u>	<u>54,031</u>

Note 1: In accordance with IAS 40 "Investment Properties" the property let to a Group company is therefore classified as an investment property.

C29. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 11 July 2016.

