

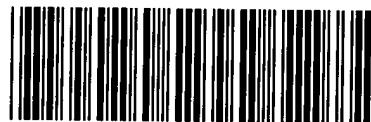
ABBHEY GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 APRIL 2015

TUESDAY



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COMPANIES HOUSE

ABBAY GROUP LIMITED

COMPANY INFORMATION

DIRECTORS : C. H. Gallagher (Executive Chairman)
L.G. Fraquelli
D.J. Dawson

SECRETARY : D.J. Dawson

REGISTERED OFFICE : Abbey House
2 Southgate Road
Potters Bar
Hertfordshire EN6 5DU

Telephone : Potters Bar (01707) 651266
Fax: Potters Bar (01707) 621208

REGISTERED NO. : 0540398

AUDITORS : Ernst & Young
Chartered Accountants
Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin 2

BANKERS : Barclays Bank plc
Barclays Business Centre
St. Albans Branch
Blenheim Gate
22/24 Upper Marlborough Road
St. Albans
Hertfordshire AL1 3AL

Allied Irish Bank plc
Retail Business
P.O. Box 52496
London NW3 9ED

SOLICITORS : Dickins Shiebert Limited
Matthew House (first floor)
45/47 High Street
Potters Bar
Hertfordshire EN6 5AW

ABBHEY GROUP LIMITED

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ABBEEY GROUP LIMITED
STRATEGIC REPORT

The directors present their strategic report for the year ended 30 April 2015.

RESULTS FOR THE FINANCIAL YEAR

The Group profit for the year, after taxation, amounted to £25,342,654 (2014: profit £13,064,616), which has been added to the profit and loss account / reserves.

No dividend (2014: Nil) was paid during the year. The directors do not propose a final dividend.

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 sold 530 units (2014: 368) with turnover of £110,249,460 (2014: £77,847,845) generating an operating profit of £29,245,320 (2014: profit £15,057,287). Trading in the UK was good during the period. In Prague we completed 16 sales and we are able to report a modest contribution. At the year end the Group owned or controlled land with the of planning permission for the supply of 1,835 plots.

Our plant hire business, M&J reported an operating profit of £2,343,040 (2014: £1,083,321) on turnover of £14,626,673 (2014: £11,818,093). This was an encouraging result.

Rental income primarily from ground rents and the letting of surplus space at the Group property was £438,069 (2014: £422,986).

A review of the Group's business is given in the 2015 Annual Report of the holding company, Abbey plc.

FUTURE DEVELOPMENTS

The short term outlook is good. The Group is targeting a significant increase in turnover this year and whilst margins may be eroded a satisfactory year is in prospect. The longer term outlook is more uncertain. House prices in the UK now reflect the easy money conditions of the last two years and may struggle to advance rapidly in an environment of rising interest rates and possibly sluggish wage growth. Costs impacted by both labour and material supply bottle necks may continue to rise quickly.

Plant hire trading in the new year is in line with our expectations and we are budgeting for further progress this year.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

IMPORTANT EVENTS SINCE THE YEAR END

There have been no important events since the year end.

By order of the board


D. J. DAWSON

Secretary

7 July 2015

ABBEY GROUP LIMITED**DIRECTORS' REPORT**

The directors present their report and the Group financial statements for the year ended 30 April 2015.

PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENTS OF THE BUSINESS

The Group's principal activities during the year continued to be:

Residential housing and land development
Plant hire and plant rental

DIVIDENDS

The Directors have not authorised or paid any dividends for the financial year ending 30 April 2015 (2014: £nil).

DIRECTORS AND THEIR INTERESTS

All the directors stated above held office throughout the year.

Mr. D.J. Dawson retires by rotation and, being eligible, offers himself for re-election.

The directors who held office at the end of the financial year had, at no time, any beneficial interest in the shares of the company. The interests of the directors in the shares of the intermediate holding company, Abbey plc, are disclosed in that company's directors' report.

FIXED ASSETS

Information relating to tangible fixed assets is given in note 10 to the accounts.

In accordance with the Group's accounting policy, all freehold and leasehold properties were revalued by independent external valuers at 30 April 2014. This valuation of £6,282,000 is incorporated into the 2015 accounts.

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 commends and thanks the management and staff of the Group for their continued loyalty, efforts and commitment.

The average number of employees during the year is set out in note 6 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 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.

A permanent health insurance scheme is in operation to those eligible employees, completely financed by the Group, the object of which is to provide substantial income benefits to full-time directors and staff during periods of prolonged disability resulting from illness or accident, after 26 weeks absence from employment on medical grounds.

ABBEEY GROUP LIMITED
DIRECTORS' REPORT (continued)
CORPORATE SOCIAL RESPONSIBILITY (continued)
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 seminars are also held to discuss various aspects of the Group's business.

Health and Safety

The Group pays particular adherence to health and safety matters.

Environment

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

POLITICAL AND CHARITABLE CONTRIBUTIONS

There were no political contributions during the year and donations for charitable purposes amounted to £3,207 (2014: £1,600).

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make adjustments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the directors' report are listed under Group information above. Having made enquiries of fellow directors and of the Group's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report which the Group's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board


D. J. DAWSON

Secretary

7 July 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY GROUP LIMITED

We have audited the Group and Parent financial statements of Abbey Group Limited for the year ended 30 April 2015 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group Note of Historical Cost Profits, the Group and Parent Company Balance Sheets and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable 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's 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 Strategic Report and the Director's Report 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 state of the Group's and of the Parent Company's affairs as at 30 April 2015 and of the Group's Profit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

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

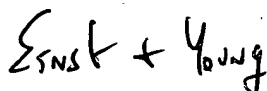
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared 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 following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the Parent Company financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of Directors' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.



*Frank O'Keeffe (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Dublin
7 July 2015*

ABBEEY GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2015

	Note	2015 £	2014 £
TURNOVER - continuing operations	2	124,876,133	89,665,938
COST OF SALES - Operating		(87,587,846)	(67,495,065)
GROSS PROFIT		37,288,287	22,170,873
ADMINISTRATIVE EXPENSES		(5,699,927)	(6,030,265)
REVERSAL OF IMPAIRMENT OF PROPERTY	3	-	83,000
OTHER OPERATING INCOME		438,069	422,986
OPERATING PROFIT - continuing operations	5	32,026,429	16,646,594
Interest receivable - net	8	41,082	29,378
Other finance charges	8	(66,000)	(19,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	32,001,511	16,656,972
Taxation	9	(6,658,857)	(3,592,356)
PROFIT FOR THE FINANCIAL YEAR	22	25,342,654	13,064,616

ABBEEY GROUP LIMITED

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 APRIL 2015**

	2015 £	2014 £
Profit for the financial year	25,342,654	13,064,616
Actuarial loss on group defined benefit pension obligations	(30,000)	(1,343,000)
Deferred tax movement relating to actuarial loss on group defined benefit pension obligations in current year	6,000	268,600
Total gains for the financial year	<u>25,318,654</u>	<u>11,990,216</u>

**GROUP NOTE OF HISTORICAL COST PROFITS
FOR THE YEAR ENDED 30 APRIL 2015**

	2015 £	2014 £
Reported profit on ordinary activities before taxation	32,001,511	16,739,972
Historical cost profit on ordinary activities before taxation	<u>32,001,511</u>	<u>16,739,972</u>
Historical cost profit on ordinary activities after taxation	<u>25,342,654</u>	<u>13,064,616</u>

ABBEY GROUP LIMITED

GROUP BALANCE SHEET - AS AT 30 APRIL 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	10	25,897,826	22,239,045
Investment property	11	1,027,266	1,064,347
		<hr/>	<hr/>
		26,925,092	23,303,392
CURRENT ASSETS			
Stocks	13	122,423,279	90,496,192
Debtors	14	4,204,609	5,200,908
Investments	15	5,000	5,000
Restricted cash at bank	16	947,370	229,102
Cash at bank and in hand	16	40,190,529	14,839,007
		<hr/>	<hr/>
		167,770,787	110,770,209
CREDITORS: Amounts falling due within one year	17	(78,549,157)	(43,642,326)
		<hr/>	<hr/>
NET CURRENT ASSETS		89,221,630	67,127,883
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		116,146,722	90,431,275
PENSION AND POST RETIREMENT ASSET (net of deferred tax)	24	2,335,200	2,378,400
		<hr/>	<hr/>
TOTAL ASSETS LESS LIABILITIES		118,481,922	92,809,675
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	20	4,000,000	4,000,000
Property revaluation reserve	21	3,746,379	3,746,379
Currency translation	22	374,542	20,949
Profit and loss account	22	110,361,001	85,042,347
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	22	118,481,922	92,809,675
		<hr/>	<hr/>

C. H. GALLAGHER

Director

7 July 2015



ABBEY GROUP LIMITED
Company number: 0540398

COMPANY BALANCE SHEET - AS AT 30 APRIL 2015

	Note	2015 £	2014 £
FIXED ASSET INVESTMENTS	12	7,750,006	7,750,006
CURRENT ASSETS			
Debtors	14	38,053,712	20,365,313
Investments	15	5,000	5,000
Cash at bank		169,151	79,133
		<hr/>	<hr/>
		38,227,863	20,449,446
CREDITORS: Amounts falling due within one year	17	(21,875,759)	(4,900,703)
		<hr/>	<hr/>
NET CURRENT ASSETS		16,352,104	15,548,743
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,102,110	23,298,749
CREDITORS: Amounts falling due after more than one year	18	(6)	(6)
		<hr/>	<hr/>
TOTAL ASSETS LESS LIABILITIES		24,102,104	23,298,743
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	20	4,000,000	4,000,000
Profit and loss account	22	20,102,104	19,298,743
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	22	24,102,104	23,298,743
		<hr/>	<hr/>

C. H. GALLAGHER
Director
7 July 2015



NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared on the going concern basis under the historical cost convention (modified to include the revaluation of land and buildings) and in accordance with generally accepted accounting practice in the United Kingdom.

(b) Basis of consolidation

The Group accounts consolidate the accounts of Abbey Group Limited and all its subsidiary companies for the year ended 30 April 2015. These accounts have been audited with the exception of those relating to dormant subsidiary companies where the directors have taken advantage of section 480 of the Companies Act 2006 which permits such companies not to appoint auditors.

As permitted by Section 408(3) of the Companies Act 2006 no profit and loss account is presented by the company. The profit dealt with in the profit and loss account of the company is disclosed in note 22.

(c) Cash flow statement

Under the provisions of Financial Reporting Standard 1 (Revised 1996) "Cash Flow Statements", exempts subsidiary undertakings from the requirement to prepare a cash flow statement where 90% or more of the voting rights are controlled by a Group that prepares publicly available consolidated financial statements in which the subsidiary undertaking's results are included. The Group has availed of this exemption.

(d) 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.

Property rental

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

Interest income

Revenue is recognised as interest accrues in the year.

(e) Foreign currencies

Group

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

Company

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

1 ACCOUNTING POLICIES - Continued

- (f) **Fixed assets**
Depreciation is provided by the Group to write off the original cost, less estimated residual value, of tangible fixed assets over their estimated useful economic lives in equal instalments, as follows:
- | | |
|-----------------------|----------------|
| Buildings | - 50 years |
| Plant and machinery | - 2 to 8 years |
| Motor vehicles | - 3 years |
| Fixtures and fittings | - 4 years |
| Computers | - 2 to 4 years |
- Investment properties consist of land and buildings which are held for long-term rental yields and capital appreciation. Investment properties are carried at their valuation and will be re-valued in accordance with the requirement of SSAP 19 'Accounting for Investment Property' by external surveyors and periodically thereafter.
- Properties occupied by Group companies are classified as trading properties and are revalued triennially by external valuers on an "open market value" basis. The directors review the valuations of all properties annually. Such revaluation gains, if material, are incorporated in the financial statements and are charged to the property revaluation reserve accordingly. Any impairment loss is firstly charged to the revaluation reserve to the extent that a surplus exists and thereafter to the profit and loss account.
- (g) **Stocks**
Building land and roads are stated at the lower of cost and estimated net realisable value, less an appropriate proportion relating to plots or property sold in the case of estates in the course of development. The cost of roads includes direct labour and materials.
- New houses under construction and unsold finished new houses are stated at cost, comprising direct labour and material costs.
- Stocks of raw materials, spare parts, consumable stores, calor gas and goods for resale are stated at the lower of cost and estimated net realisable value and, in determining cost, the average purchase price is used.
- (h) **Deferred taxation**
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:
- * provision is made for tax on gains arising from revaluation (and similar fair value adjustments) of fixed assets, and gain on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
 - * deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted; and
- Deferred tax is measured on an undisclosed basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.
- (i) **Pensions**
The Group operates a defined benefit scheme for its eligible salaried employees, the assets of which are held in a trust fund separate from the Group's finances.
- In accordance with 'FRS17 - Retirement Benefits', scheme assets are valued at market value and scheme liabilities are measured on an actuarial basis, using the projected unit method discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any surplus is shown as an asset on the balance sheet net of the deferred tax impact. Any deficit is shown on the balance sheet as a liability net of the deferred tax impact. The operating and financing costs of pension and post retirement schemes are recognised separately in the profit and loss account. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The costs of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise.
- The difference between actual and expected returns on assets during the year, and changes in actuarial assumptions, are recognised in the statement of total recognised gains and losses.
- Independent Actuarial valuations of the scheme are made every three years.
- The Group also contributes to defined contribution and personal pension schemes for eligible employees, the assets of which are held in trust funds separate from the Group's finances. The Group's contributions are charged against profits in the period to which they relate.
- (j) **Leasing**
Operating lease rentals are charged to profit and loss account as incurred.

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

2 TURNOVER

Turnover, all of which is derived from continuing operations with all intra Group transactions having been eliminated, comprises the following:

- (a) Sales of houses and land plots to third parties.
- (b) Charges to third parties, net of value added tax, for the hire, rental, sale and maintenance of construction plant, vehicles, tools and portable buildings.

The analysis of turnover by class of business is:

	2015 £	2014 £
Residential housing and land development	110,249,460	77,847,845
Plant hire and plant rental	14,626,673	11,818,093
	<hr/> 124,876,133	<hr/> 89,665,938

All business was transacted in the United Kingdom.

3 EXCEPTIONAL ITEMS

Charged in arriving at operating profit:

Reversal of impairment of property

	2015 £	2014 £
	<hr/> -	<hr/> 83,000

At the previous year end, a review of the fair value of land and buildings, and investment properties was undertaken. This resulted in an impairment on land and buildings being reversed.

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation arises by class of business as follows:

	2015 £	2014 £
Residential housing and land development	29,245,320	15,057,287
Plant hire and plant rental	2,343,040	1,083,321
Reversal of Impairment on land and buildings	-	83,000
Other operating income	438,069	422,986
Interest and other finance charges	(24,918)	10,378
	<hr/> 32,001,511	<hr/> 16,656,972

5 OPERATING PROFIT

6 STAFF COSTS (INCLUDING DIRECTORS' REMUNERATION)

The monthly number of persons directly employed by the Group during the year, by class of business, excluding sub-contractors engaged on the Group's development sites, was:

	2015	2014
	No.	No.
Group management	6	6
Residential housing and land development	62	49
Plant hire and plant rental	130	124
	198	179

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

7 REMUNERATION OF DIRECTORS

	2015 £	2014 £
Emoluments in respect of qualifying services	1,173,417	1,060,699
Pension contributions	183,537	162,370
	<hr/> 1,356,954	<hr/> 1,223,069

The number of directors to whom retirement benefits are accruing in respect of qualifying services under defined benefit schemes is one (2014: one). One director is a deferred member of the defined benefit pension scheme and one has contributions to a defined contribution pension scheme.

The amounts in respect of the highest paid director were:

	2015 £	2014 £
Emoluments in respect of qualifying services	678,406	618,133
Retirement benefit expense	130,033	118,700
	<hr/> 808,439	<hr/> 736,833

The accrued pension of the highest paid director as at 30 April 2015 was £Nil (2014 : £Nil).

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

8 INTEREST RECEIVABLE -NET

	2015 £	2014 £
Payable:		
Other	(291)	(1,714)
	(291)	(1,714)
Receivable:		
Bank	41,373	30,002
Other	-	1,090
	41,082	29,378
OTHER FINANCE CHARGES		
Expected return on scheme assets (see note 24)	947,000	941,000
Interest obligation on pension scheme liabilities (see note 24)	(1,013,000)	(960,000)
	(66,000)	(19,000)

9 TAXATION

The tax charge is made up as follows:

	2015 £	2014 £
Current Tax		
Corporation tax at 20.92% (2014: 22.83%)	6,754,488	3,730,219
Adjustment in respect of previous years	30,231	(961)
	6,784,719	3,729,258
Deferred tax	(125,862)	(136,902)
	6,658,857	3,592,356

The tax assessed on the profit on ordinary activities for the year is different than the standard rate of corporation tax in the UK of 20.92% (2014: 22.83%). The differences are reconciled below:

	2015 (% of profit before taxation)	2014 (% of profit before taxation)
UK corporation tax rate	20.92	22.83
Depreciation in excess of capital allowances	0.36	0.10
Other timing differences	(0.17)	(0.54)
Adjustment in respect of previous year	0.09	-
	21.20	22.39

The effective tax rate is dependent on taxable profits made in the related jurisdiction the Group operates.

The movement on deferred tax relates primarily to the origination and reversal of timing differences as in note 18 and also includes temporary differences on application of 'FRS17 - Retirement Benefits'. The related 'FRS17 - Retirements Benefits' deferred tax liability (2014: liability) has been netted off against the Pension and Post Retirement asset.

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

10 TANGIBLE ASSETS

Group	Land and Buildings £	Plant and Machinery £	Motor Vehicles £	Fixtures and Fittings £	Computers £	Total £
Cost or valuation						
At 1 May 2014	6,584,800	30,903,442	3,069,494	512,599	327,898	41,398,233
Additions		9,234,773	550,121	92,917	31,206	9,909,017
Disposals	-	(2,677,286)	(264,657)	(25,842)	(4,600)	(2,972,385)
At 30 April 2015	6,584,800	37,460,929	3,354,958	579,674	354,504	48,334,865
Depreciation						
At 1 May 2014	302,800	16,696,871	1,393,292	464,578	301,647	19,159,188
Provided during the year	60,564	5,018,303	557,678	26,063	23,401	5,686,009
Disposals	-	(2,168,611)	(213,120)	(21,827)	(4,600)	(2,408,158)
At 30 April 2015	363,364	19,546,563	1,737,850	468,814	320,448	22,437,039
Net book value						
At 30 April 2015	6,221,436	17,914,366	1,617,108	110,860	34,056	25,897,826
At 30 April 2014	6,282,000	14,206,571	1,676,202	48,021	26,251	22,239,045

Plant and machinery includes assets held for hire with a cost of £37,428,588 (2014: £30,870,101) and accumulated depreciation of £19,516,556 (2014: £16,666,864).

ABBAY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

10 TANGIBLE ASSETS - Continued

(a) Valuation of land and buildings

- (i) All land and buildings were valued at 30 April 2014 by external independent surveyors, Glenny, Chartered Surveyors on an existing use value basis. The valuation is determined without regard to costs of purchase. The directors reviewed that overall valuation at 30 April 2015 and considered that no further adjustment was required.

	2015 £	2014 £
Trading properties:		
Freehold land and buildings	5,930,000	5,930,000
Long leasehold property	352,000	352,000
	<hr/>	<hr/>
	6,282,000	6,282,000
	<hr/>	<hr/>

- (ii) The historical cost of land and buildings included at valuation is:

	2015 £	2014 £
Trading properties	3,314,935	3,314,935
	<hr/>	<hr/>
	3,314,935	3,314,935
	<hr/>	<hr/>

(b) Capital expenditure commitments

There were no contracted for capital commitments at the year end date of 30 April 2015 (2014 : £208,200).

ABBAY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

11	INVESTMENT PROPERTY		Land and Buildings 2015 £	Land and Buildings 2014 £
	Group			
	At 1 May		1,064,347	1,057,334
	Translation		(37,081)	(32,987)
	Revaluation		-	40,000
	At 30 April		1,027,266	1,064,347
	The investment land and buildings were valued at 30 April 2014 by external surveyors, Glenly, Chartered Surveyors in the United Kingdom and Commco sro in the Czech Republic. The directors have reviewed the valuation at 30 April 2015 and considered that no further adjustment was required.			
	The historical cost on investment properties is:		979,610	979,610
12	INVESTMENTS			
	Company		2015 £	2014 £
	Shares in subsidiary undertakings at cost		7,750,006	7,750,006

The company owns * directly or indirectly 100% of the issued ordinary share capital of the following companies, all of which are incorporated in Great Britain and all of which have been consolidated:

Company	Nature of business	Registered Office
* Abbey Developments Limited	Residential housing and land development	Abbey House 2 Southgate Road Potters Bar, Hertfordshire EN6 5DU
* Abbey Investments Limited	Property investment	as above
Abbey Properties Limited)		as above
* Abbey Holdings Limited)		as above
* Abbey Continental Limited)		as above
* Abbey Financial Limited)	Dormant companies	as above
Abbey New Homes Limited)		as above
Abbey Homesteads Limited)		as above
Abbey, s.r.o.	Residential housing and land development	Terronska 7 160 00 Prague 6 Czech Republic
* M & J Engineers Limited	Plant hire	Cashel House, Cadwell Lane Hitchin, Hertfordshire SG4 0SQ
Term Rentals Limited)		as above
M & J Hire Centres Limited)		as above
Term Space Limited)	Dormant companies	as above
Termspan Limited)		as above

ABBAY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

13 STOCKS

	Group 2015 £	Group 2014 £
Building land	89,197,094	65,814,696
Roads	6,809,005	5,934,724
Work in progress - residential housing development including finished new houses unsold	25,448,370	17,855,698
Raw materials	669,243	571,301
Spare parts, consumable stores and calor gas	276,706	298,985
Goods for resale	22,861	20,788
	<hr/>	<hr/>
	122,423,279	90,496,192
	<hr/>	<hr/>

14 DEBTORS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	3,358,838	2,908,560	900	900
Amounts owed by group undertakings	-	-	38,027,223	20,338,823
VAT recoverable	265,230	1,688,577	-	-
Prepayments and accrued income	306,528	477,716	25,589	25,590
Other debtors	107,802	85,706	-	-
Deferred taxation (refer note 19)	166,211	40,349	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,204,609	5,200,908	38,053,712	20,365,313
	<hr/>	<hr/>	<hr/>	<hr/>

15 INVESTMENTS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Ordinary shares at cost - non-listed company	5,000	5,000	5,000	5,000
	<hr/>	<hr/>	<hr/>	<hr/>
	5,000	5,000	5,000	5,000
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

16	RESTRICTED CASH	Group 2015 £	Group 2014 £
	Cash held in escrow accounts	947,370	229,102

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

CASH AND CASH EQUIVALENT

Cash at bank and in hand	40,190,529	14,839,007
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17	CREDITORS: Amounts falling due within one year	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
	Trade creditors	21,359,017	13,793,742	-	-
	Amounts outstanding on land	13,910,766	2,358,625	-	-
	Amounts owed to parent undertaking	21,724,273	4,739,179	21,724,273	4,739,179
	Amounts owed to group undertakings	11,876,280	13,507,189	-	-
	Corporation tax	3,665,449	1,869,820	41,411	47,548
	Other taxation	293,971	232,415	55,251	50,150
	Accruals and deferred income	5,719,401	7,141,356	54,824	63,826
		78,549,157	43,642,326	21,875,759	4,900,703

18	CREDITORS: Amounts falling due after more than one year	Company 2015 £	Company 2014 £
	Amounts owed to group undertakings	6	6
		6	6

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

19 DEFERRED TAXATION

Deferred taxation provided in the accounts is:

	Group 2015 £	Group 2014 £
At 1 May	(40,349)	(40,747)
Transfer to profit and loss account	(125,862)	398
At 30 April	(166,211)	(40,349)

The provision is in respect of capital allowances in advance of depreciation.

The potential deferred taxation liability on the revaluation of trading properties is £102,321 (2014 : £106,792 and on investment properties £10,967 (2014 : £12,170).

20 CALLED UP SHARE CAPITAL

	Authorised, allotted and fully paid			
At 30 April	2015 No.	2015 £	2014 No.	2014 £
Ordinary shares of £1 each	4,000,000	4,000,000	4,000,000	4,000,000

21 PROPERTY REVALUATION RESERVE

	Group 2015 £	Group 2014 £
<i>Land and buildings</i>		
At 1 May	3,746,379	3,177,699
Revaluation	-	568,680
At 1 May and 30 April	3,746,379	3,746,379

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

22 RECONCILIATION OF SHAREHOLDERS' FUNDS

GROUP

	Share Capital £	Revaluation Reserve £	Profit and loss account £	Currency Translation £	Total £
At 1 May 2013	4,000,000	3,177,699	73,052,131	(304,221)	79,925,609
Profit for the financial year	-	-	13,064,616	-	13,064,616
Unrealised gain on revaluation of trading properties	-	528,680	-	-	528,680
Unrealised gain on revaluation of investment property	-	40,000	-	-	40,000
Foreign exchange translation arising in year	-	-	-	325,170	325,170
Actuarial loss on Group defined benefit pension obligations	-	-	(1,343,000)	-	(1,343,000)
Deferred tax movement relating to actuarial loss on Group defined benefit pension obligations	-	-	268,600	-	268,600
At 1 May 2014	4,000,000	3,746,379	85,042,347	20,949	92,809,675
Profit for the financial year	-	-	25,342,654	-	25,342,654
Foreign exchange translation arising in year	-	-	-	353,593	353,593
Actuarial loss on Group defined benefit pension obligations	-	-	(30,000)	-	(30,000)
Deferred tax movement relating to actuarial loss on Group defined benefit pension obligations	-	-	6,000	-	6,000
At 30 April 2015	4,000,000	3,746,379	110,361,001	374,542	118,481,922

COMPANY

	Share Capital £	Profit and loss account £	Total £
At 1 May 2013	4,000,000	18,696,404	22,696,404
Profit for the financial year	-	602,339	602,339
At 1 May 2014	4,000,000	19,298,743	23,298,743
Profit for the financial year	-	803,361	803,361
At 30 April 2015	4,000,000	20,102,104	24,102,104

ABBEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

23 OBLIGATIONS UNDER LEASES

The group had annual commitments under non-cancellable operating leases for land and buildings as follows:

At 30 April

Operating leases which expire:
within one year
between one and five years

	2015 £	2014 £
	-	-
	34,140	34,140
	<hr/>	<hr/>
	34,140	34,140
	<hr/>	<hr/>

24 PENSION COSTS

The Group operates a defined benefit scheme for the majority of its employees, the assets of which are held in a trust fund separate from the Group's finances. This pension scheme was closed to new entrants on 1 January 2001. With effect from 1 May 2006 pensionable salaries have been frozen and the scheme has contracted back in to the State Earnings Related Pension Scheme.

The pension cost for the scheme is assessed on the advice of the independent actuaries to the scheme, using the projected unit method. A triennial actuarial valuation of the scheme was carried out as at 1 May 2011. The assumptions which have the most significant effect on the results of the valuation are those made in respect of the rates of return on investments and the rates of increase in salaries and pensions. The assumptions made were that the rates of return on investments would exceed the rates of salary increases by 4.20% per annum and that the rates of pension increases would be 3.25% per annum compound.

As at 1 May 2014, the full value placed on the assets of the Group Pension Scheme for the purposes of the valuation amounted to £26.79m. This resulted in a deficit of £332,000 in respect of the benefits accrued to members, after allowing for no future pensionable salary increases. The Group will be making contributions into the scheme at a contribution rate of 22.00% per month from 1 May 2015. For the year to 30 April 2015 the total employer contributions are expected to total £229,000.

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

From 25 June 2003 the United Kingdom pension scheme became self-administered. The assets previously held with an insurance company were transferred for cash to the Trustee Company 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 costs of providing death in service benefits, which are insured under a separate agreement with Sun Life of Canada, were paid in addition to the employer pension contributions.

ABBEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

24 PENSION COSTS (continued)

Defined Benefit Schemes

The group operates a defined benefit scheme. An actuarial valuation in accordance with FRS17 was carried out at 30 April 2015 by a qualified independent actuary.

The major assumptions used by the actuary and the expected long term rate of return for scheme assets were :

	Valuation at 30 April 2015	Valuation at 30 April 2014
Pensionable salary growth	0.00 % pa	0.00 % pa
Pension escalation in payment		
Executive members	5.00 % pa	5.00 % pa
Retail Price Index- minimum 3%	3.40 % pa	3.40 % pa
Retail Price Index- maximum 2.5%	2.50 % pa	2.50 % pa
Discount rate	3.50 % pa	4.30 % pa
Inflation assumption - retail price index	3.40 % pa	3.50 % pa
Inflation assumption - consumer price index	2.60 % pa	2.70 % pa
Expected rate of return - gilts	3.30 % pa	3.74 % pa
Expected rate of return - cash	1.50 % pa	1.50 % pa
Post -retirement mortality (in years)		
Current pensioners at 65 - males	21.7	22.0
Current pensioners at 65 - females	23.7	23.9
Future pensioners at 65 - males	23.9	24.2
Future pensioners at 65 - females	26.1	26.3
	Value at 30 April 2015 £	Value at 30 April 2014 £
<i>Scheme assets at fair value</i>		
Gilts	27,751,000	24,440,000
Cash	2,571,000	2,353,000
Total fair value of assets	30,322,000	26,793,000
Present value of scheme liabilities	(27,403,000)	(23,820,000)
Defined benefit pension scheme surplus	2,919,000	2,973,000
Related deferred tax liability	(583,800)	(594,600)
Net asset in the balance sheet	2,335,200	2,378,400

The amount recognised in the Group Profit and Loss and in the Group Statement of Total Recognised Gains and Losses for the year

are analysed as follows:

	For the Year 30 April 2015 £	For the Year 30 April 2014 £
Recognised in the Profit and Loss account		
Current service cost	(284,000)	(318,000)
Recognised in arriving at operating profit	(284,000)	(318,000)
Expected return on scheme assets	947,000	941,000
Interest obligation	(1,013,000)	(960,000)
Total recognised in the Profit and Loss account	(350,000)	(337,000)
Taken to the Statement of Total Recognised Gains and Losses		
Actual return less expected return on pension scheme assets	3,022,000	(2,344,000)
Experience gains / (losses) arising on the scheme liabilities	48,000	(13,000)
Changes in assumptions underlying the present value of the scheme liabilities	(3,100,000)	1,014,000
Actuarial loss recognised in the Statement of Total Recognised Gains and Losses	(30,000)	(1,343,000)

ABBEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2015

24 PENSION COSTS (continued)

	For the Year 30 April 2015 £	For the Year 30 April 2014 £
<u>Changes in the present value of defined benefit pension obligations:</u>		
As at 1 May	23,820,000	24,180,000
Current service cost	284,000	318,000
Member contributions	41,000	47,000
Interest costs	1,013,000	960,000
Benefits paid	(807,000)	(684,000)
Actuarial losses / (gains)	3,052,000	(1,001,000)
As at 30 April	27,403,000	23,820,000
<u>Changes in the fair value of defined benefit pension scheme assets:</u>		
As at 1 May	26,793,000	28,530,000
Expected return on scheme assets	947,000	941,000
Employer contributions	326,000	303,000
Contributions by employees	41,000	47,000
Benefits paid	(807,000)	(684,000)
Actuarial gains / (losses)	3,022,000	(2,344,000)
As at 30 April	30,322,000	28,793,000

History of experience gains and losses:

	For the Year to 30 April 2015 £	For the Year to 30 April 2014 £	For the Year to 30 April 2013 £	For the Year to 30 April 2012 £	For the Year to 30 April 2011 £
Difference between the expected and actual return on scheme assets:					
Amount (£)	3,022,000	(2,344,000)	1,532,000	3,420,000	795,000
% of scheme assets	10%	-9%	5%	13%	4%
Experience gains and losses on scheme liabilities:					
Amount (£)	48,000	(13,000)	33,000	(159,000)	(90,000)
% of present value of scheme liabilities	0%	0%	0%	-1%	0%
Total actuarial (loss) / gain recognised in Statement of total Recognised Gains and Losses:					
Amount (£)	(30,000)	(1,343,000)	(1,400,000)	2,296,000	813,000
% of present value of scheme liabilities	0%	-6%	6%	11%	4%

Defined Contribution Schemes

The Group contributes to a number of defined contribution schemes for which the Group has contributed £72,407 during the year to 30 April 2015 (2014 : £83,995) and charged in full to the profit and loss account.

25 RELATED PARTY TRANSACTIONS

Abbey plc is the immediate parent. Copies of Abbey plc's accounts may be obtained from Abbey House, 2 Southgate Road, Potters Bar, Hertfordshire, EN6 5DU England.

The Company has taken advantage of the exemption, under FRS 8, from disclosing transactions with wholly owned group companies, as it is a wholly owned subsidiary of Abbey plc, a company incorporated in the Republic of Ireland and listed on the ESM on the Irish Stock Exchange and the AIM on the London Stock Exchange.

26 ULTIMATE PARENT UNDERTAKING

The directors consider that the immediate parent undertaking of the Company and smallest group in which the Company is consolidated is Abbey plc 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.

27 SUBSEQUENT EVENTS

There have been no subsequent events.

28 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 7 July 2015.