

ABBAY GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

30 April 2023

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ABBAY GROUP LIMITED

COMPANY INFORMATION

DIRECTORS: C.H. Gallagher (Executive Chairman)
L.G. Fraquelli
D.J. Dawson
C.C. Gallagher (appointed 22 August 2022)

SECRETARY: D.J. Dawson

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

Telephone: (01707-651266)
Facsimile: (01707-621208)

REGISTERED NO: 0540398

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

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

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

ABBHEY GROUP LIMITED

INDEX TO THE FINANCIAL STATEMENTS - 30 APRIL 2023

	PAGE
STRATEGIC REPORT	2
DIRECTORS' REPORT	3
INDEPENDENT AUDITOR'S REPORT	4
INCOME STATEMENT	8
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF CHANGES IN EQUITY	9
BALANCE SHEET	10
CASH FLOW STATEMENT	11
NOTES TO THE FINANCIAL STATEMENTS	12

STRATEGIC REPORT

The directors present their strategic report for the year ended 30 April 2023.

RESULTS FOR THE FINANCIAL YEAR

The profit for the year, after taxation, amounted to £88,713,049 (2022: £213,222,658). During the year Abbey Developments Limited was sold for a gain on disposal of £2,165,000. Dividends of 6,150.00 pence per share (2022: 584.632375 pence per share) have been paid during the year, absorbing £246,000,000 profit (2022: £23,385,295). After the other movements as detailed in the "Statement of Comprehensive Income" and the "Statement of Changes in Equity" the net assets of the company decreased from £221,517,759 to £66,613,558.

The Directors do not propose a final dividend.

KEY PERFORMANCE INDICATORS

Measurement of the company's performance is consistently applied and control is exercised by management. The Company has a budgeting system in place whereby actual performance is measured against budget, both financial and non-financial, on a monthly reporting timetable.

BUSINESS REVIEW


The operations during the year produced an operating profit of £78,238,527 (2022: profit £213,372,316). Dividends of 6,150.00 pence share (2022: 584.632375 pence per share) have been paid during the year, absorbing £246,000,000 profit (2022: £23,385,295). The pension scheme valuation at 30 April 2023 showed an actuarial gain of £3,177,000.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- * The Company is engaged as a investment holding company.
- * Any reduction in economic growth in the UK may adversely affect income, the current cost of living and the conflict in Ukraine, being a particular concern at this time.
- * The Company is subject to substantial laws, regulations and standards such as environmental and health and safety, which could result in additional costs related to compliance with these laws and regulations.
- * Any adverse economic interest rate changes will impact on the Company.

By order of the board



D. J. DAWSON

Director

13 July 2023

ABBHEY GROUP LIMITED
DIRECTORS' REPORT

The directors present their financial statements for the year ended 30 April 2023.

DIVIDENDS

The Directors authorised a dividend of £246,000,000 during the financial year ended 30 April 2023 (2022: £23,385,295).

CORPORATE SOCIAL RESPONSIBILITY

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

Health and Safety

The Company pays particular adherence to health and safety matters.

Environment

The Company pays particular adherence to applicable environmental legislation.

IMPORTANT EVENTS SINCE THE YEAR END

There have been no significant events affecting the Company since year end.

DIRECTORS AND THEIR INTERESTS

Mr C.C. Gallagher was appointed to the Board on 22 August 2022. 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. Mr C.C. Gallagher retires by rotation and being eligible, offers himself for 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. Mr C.H. Gallagher and Mr L.G. Fraquelli were directors of the intermediate holding company, Abbey Limited, and any interest they have in the shares of Abbey Limited are disclosed in that Company's directors' report.

POLITICAL DONATIONS

The Company made no political donations during the year (2022: nil).

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report and 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 UK-adopted International Financial Reporting Standards. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit and loss 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 International Financial Reporting 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2. The position of the Company, its cash flows and liquidity position are detailed on pages 10 and 11. The Company has adequate financial resources and the directors believe that the Company is well placed to manage its business risks successfully, despite the current uncertain economic outlook, in particular the current cost of living impact and the conflict in Ukraine for a period of 12 months from approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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 company information above. Having made enquiries of fellow directors and of the company'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 company'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 company's auditors are aware of that information.

AUDITORS

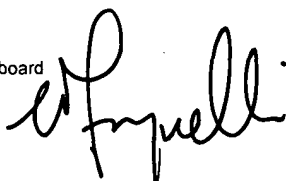
A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

L.G. Fraquelli

Director

13 July 2023





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

Opinion

We have audited the financial statements of Abbey Group Limited for the year ended 30 April 2023 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accountings standards.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 April 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of twelve months to July 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Continued / ...



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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained with the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the 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.

Continued / ...



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

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are UK adopted international accounting standards, Companies Act 2006 and relevant tax compliance regulations in the UK.
- We understood how Abbey Group Limited is complying with those frameworks by making enquiries of management and those charged with governance. We corroborated our enquiries through reading the board minutes of the Company and we noted that there was no contradictory evidence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by enquiry of management, those charged with governance and others within the entity, as to whether they have knowledge of any actual or suspected fraud. Where this risk was considered higher, we performed audit procedures to address the fraud risk. These procedures included testing manual journal entries and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Continued / ...



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

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reading board minutes to identify any non-compliance with laws and regulations and enquiries of management and those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is written over the printed name 'Aine Reidy'.

Aine Reidy (Senior statutory auditor)

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

Dublin

13 July 2023

ABBAY GROUP LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2023**

	Note	2023 £	2022 £
ADMINISTRATIVE EXPENSES		(2,116,120)	(2,291,549)
OTHER OPERATING INCOME		80,354,647	215,663,865
OPERATING PROFIT		78,238,527	213,372,316
Realised gain on disposal of subsidiary	9	2,165,000	-
Finance income	10	10,992,868	395,672
Finance costs	10	(124,518)	(247,520)
PROFIT BEFORE TAXATION	11	91,271,877	213,520,468
Income tax expense	12	(2,558,828)	(297,810)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		88,713,049	213,222,658

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2023**

	2023 £	2022 £
Profit attributable to equity shareholders of the company	88,713,049	213,222,658
<i>Items that will not be reclassified to the income statement</i>		
Actuarial gain / (loss) on Group defined benefit pension obligations	3,177,000	4,947,000
Deferred tax movement relating to actuarial gain / (loss) on Group defined benefit obligations	(794,250)	(1,034,550)
Other comprehensive gain / (loss) for the year, net of tax	2,382,750	3,912,450
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the parent	91,095,799	217,135,108

ABBEEY GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2023**

	Note	Issued Capital £	Retained Earnings £	Total £
Attributable to equity holders of the parent At 1 May 2022		4,000,000	217,517,759	221,517,759
Profit for the year		-	88,713,049	88,713,049
Other comprehensive profit, net of tax		-	2,382,750	2,382,750
<i>Total comprehensive income, net of tax, attributable to equity shareholders</i>		-	91,095,799	91,095,799
Equity dividends paid	13	-	(246,000,000)	(246,000,000)
At 30 April 2023		4,000,000	62,613,558	66,613,558


**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2022**

		Issued Capital £	Retained Earnings £	Total £
Attributable to equity holders of the parent At 1 May 2021		4,000,000	23,767,946	27,767,946
Profit for the year		-	213,222,658	213,222,658
Other comprehensive loss, net of tax		-	3,912,450	3,912,450
<i>Total comprehensive income, net of tax, attributable to equity shareholders</i>		-	217,135,108	217,135,108
Equity dividends paid	13	-	(23,385,295)	(23,385,295)
At 30 April 2022		4,000,000	217,517,759	221,517,759

ABBAY GROUP LIMITED
Registered number: 0540398

BALANCE SHEET - AS AT 30 APRIL 2023

	Note	2023 £	2022 £
ASSETS			
<i>Non-current assets</i>			
Investments	14	2,750,006	7,750,006
Defined benefit pension scheme surplus	22	8,912,000	5,087,000
		<u>11,662,006</u>	<u>12,837,006</u>
<i>Current assets</i>			
Trade and other receivables	15	22,622,233	200,289,240
Investments	16	5,000	5,000
Cash and cash equivalents	17	42,389,426	13,881,551
		<u>65,016,659</u>	<u>214,175,791</u>
TOTAL ASSETS		76,678,665	227,012,797
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	18	(7,837,107)	(4,223,288)
		<u>(7,837,107)</u>	<u>(4,223,288)</u>
NET CURRENT ASSETS		57,179,552	209,952,503
<i>Non-current liabilities</i>			
Deferred taxation	19	(2,228,000)	(1,271,750)
		<u>(2,228,000)</u>	<u>(1,271,750)</u>
TOTAL LIABILITIES		(10,065,107)	(5,495,038)
NET ASSETS		66,613,558	221,517,759
EQUITY			
<i>Equity attributable to shareholders of the company</i>			
Issued capital	20	4,000,000	4,000,000
Retained earnings		62,613,558	217,517,759
TOTAL EQUITY	21	66,613,558	221,517,759
TOTAL EQUITY AND LIABILITIES		76,678,665	227,012,797


D J Dawson
Director
13 July 2023

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2023**

Note

**2023
£**

**2022
£**

Cash flows from operating activities

Profit before taxation		91,271,877	213,520,468
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Adjustments to reconcile profit before tax to net cash flows

Non cash:

Movement in defined benefit pension asset		(648,000)	(459,000)
Gain on disposal of subsidiary company		(2,165,000)	-
Non-cash dividend income		(10,589,750)	

Finance income	10	(10,992,868)	(395,672)
Finance costs	10	124,518	247,520

Working capital adjustments:

Decrease / (increase) in trade and other receivables	15	12,955,879	(193,379,922)
Increase in trade and other payables	18	3,613,819	499,412

Income taxes (paid) / received		(2,396,828)	404,146
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Net cash inflow from operating activities		81,173,647	20,436,952
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Cash flows from investing activities

Sale of shares in subsidiary	14	7,165,000	-
Finance income	10	10,992,868	395,672

Net cash inflow from investing activities		18,157,868	395,672
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Cash flows from financing activities

Equity dividends paid	13	(70,699,122)	(23,385,295)
Finance costs	10	(124,518)	(247,520)

Cash outflows from financing activities		(70,823,640)	(23,632,815)
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Net cash increase / (decrease) in cash and cash equivalents		28,507,875	(2,800,191)
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Cash and cash equivalents at start of period		13,881,551	16,681,742
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Cash and cash equivalents at end of period	17	42,389,426	13,881,551
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ABBHEY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2023
1 AUTHORISATION OF FINANCIAL STATEMENTS

The Financial Statements of Abbey Group Limited (the "Company") for the year ended 30 April 2023 were authorised for issue in accordance with a resolution of directors on 13 July 2023. Abbey Group Limited is a limited company incorporated in England and Wales.

2 ADOPTION OF NEW AND REVISED UK-ADOPTED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In the current year the Company has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Committee (IFRC) of the IASB that are relevant to its operations and effective for the accounting periods beginning 1 May 2021. Adoption of these revised standards did not have any effect on the financial performance or the financial position of the Company in the current year.

3 STATEMENT OF COMPLIANCE

The financial statements of Abbey Group Limited (the "Company") have been prepared in accordance with International Financial Standards ("IFRS"), as adopted for use in the United Kingdom, as they apply to the financial statements of the Company for the year ended 30 April 2023.

4 BASIS OF PREPARATION

The Company's intermediate parent company that prepares the consolidated financial statements is Gallagher Investments Limited, a Company incorporated and domiciled in the United Kingdom. The consolidated financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Copies of Gallagher Investments Limited's financial year 2023 consolidated financial statements, which include the Company, are available from its registered office at Pendragon House, 65 London Road, St. Albans, Hertfordshire, AL1 1LJ. The Company is therefore exempt from the requirement to prepare consolidated financial statements by virtue of Section 405 of the Companies Act 2006. Consequently, these financial statements deal with the results and state of affairs of the Company as a single entity.

The Company financial statements have been prepared on the historical cost basis. The accounting policies which follow set out these policies which apply in preparing the financial statements for the year ended 30 April 2023.

Abbey Group Limited has its functional and presentation currency in sterling.

The financial statements have been prepared on a going concern basis as the directors have reasonable expectations that the Company has adequate financial resources to continue in operational existence for a period of twelve months from approval of these financial statements, and believe that the ongoing cost of living impact and the conflict in Ukraine will not have a material adverse impact on the Company's ability to continue as a going concern.

5 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 received. Revenue represents the value of goods and services supplied. 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 bank.

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.

ABBEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2023 (continued)

5 ACCOUNTING POLICIES (continued)

Taxes**Deferred income tax**

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

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

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax asset and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income tax relates to the same taxation authority and that authority permits the Company 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 financial statements are presented in sterling, which is the Company's presentational and 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.

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.

Pensions and other post retirement benefits

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

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

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

The company has applied IAS 19 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 unrecognised past service costs and 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 Company, nor can they be paid directly to the Company. 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 plans are recognised in the income statement in the period in which they become payable.

ABBEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2023 (continued)

5 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.

Government grants

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

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.

International Accounting Standards (IAS / IFRSs)

IFRS 17 Insurance Contracts

Effective date*

1 January 2023

The Directors do not anticipate that the adoption of the remaining standards and interpretations will have a material impact on the Company'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 Company has elected to prepare their financial statements in accordance with IFRS as adopted by the United Kingdom, the application of new standards and interpretations will be subject to them having been endorsed by the United Kingdom. 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. It is expected that for a number of the standards standards above, United Kingdom adoption will not be in line with IASB adoption.

6 SEGMENTAL INFORMATION

Revenue, cost of sales and operating profit are all derived from continuing activities of property rental in the United Kingdom.

7 STAFF COSTS (INCLUDING DIRECTORS' REMUNERATION)

There were five persons employed by the company in the financial year (2022: five).

	2023 £	2022 £
Wages and salaries	1,830,397	1,729,717
Social security costs	323,663	290,773
Pension costs	108,173	163,313
Retirement benefit expense	299,955	284,475
	<u>2,562,188</u>	<u>2,468,278</u>

Included in pension costs are £87,000 (2022: £148,000) in respect of defined benefit schemes and £4,443 (2022: £4,206) in respect of defined contribution schemes.

8 REMUNERATION OF DIRECTORS

	2023 £	2022 £
Emoluments in respect of qualifying services	2,085,069	2,110,596
Retirement benefit expense	334,330	346,454
	<u>2,419,399</u>	<u>2,457,050</u>

Included in pension costs are £NIL (2022: Nil) in respect of defined benefit schemes. The Remuneration of Directors includes the remuneration of one Director who is not directly employed by the Company and is not included in note 7 above.

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2023 (continued)

8 REMUNERATION OF DIRECTORS (continued)

The number of directors to whom retirement benefits are accruing in respect of qualifying services under defined benefit schemes is NIL (2021: NIL). Two directors are deferred members of the defined benefit pension scheme. The three directors received a pension retirement expense during the year.

The amounts in respect of the highest paid director were:

	2023 £	2022 £
Emoluments in respect of qualifying services	1,379,073	1,306,194
Retirement benefit expense	271,080	257,183
	<u>1,650,153</u>	<u>1,563,377</u>

The accrued pension of the highest paid director as at 30 April 2023 was Nil (2022: Nil)

9 GAIN ON DISPOSAL OF SUBSIDIARY

	2023 £	2022 £
Gain on disposal of subsidiary	2,165,000	-

During the year the Company sold 100% of its investment in Abbey Developments Limited to Scarecrow Holdings Limited, a company incorporated in Jersey, for a sale price of £7,165,000. This transaction was settled in cash and resulted in a gain on disposal of £2,165,000.

10 FINANCE INCOME

	2023 £	2022 £
Interest receivable	10,992,868	395,672

Interest receivable includes £171,000 (2022: Nil) interest income on benefit obligation (note 22).

FINANCE COSTS

Interest payable	(124,518)	(247,520)
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Interest payable includes £Nil (2022: £2,000) interest payable on benefit obligation (note 22).

11 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2023 £	2022 £
This is arrived at after (crediting) / charging:		
Management charge receivable from parent company	(148,361)	(318,414)
Management charge receivable from subsidiary companies	(2,169,679)	(1,877,815)
Auditors' remuneration - audit fees	4,000	4,000
- taxation services	-	3,220
Foreign exchange (gain) / loss	<u>(2,036,307)</u>	<u>187,134</u>

12 TAXATION

The tax charge to the income statement is made up as follows:

	2023 £	2022 £
Based on the profit for the year:		
Corporation tax at 19.49% (2022: 19.00%)	2,279,658	-
Withholding taxation on deposit interest	117,170	-
Total current corporation tax	2,396,828	-
Deferred tax: originating and temporary differences (note 19)	162,000	297,810
Tax charge to the income statement	<u>2,558,828</u>	<u>297,810</u>

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2023 (continued)

12 TAXATION (continued)

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the United Kingdom of 19.49% (2021: 19.00%). The differences are reconciled below:

	2023 %	2022 %
UK Corporation tax rate	19.49	19.00
Effect of:		
Non taxable income	(0.96)	(18.99)
Expenses not deductible for taxation purposes	0.01	(0.04)
Deferred tax	1.24	-
Group relief	(0.26)	0.03
	<u>19.52</u>	<u>0.00</u>

13 DIVIDENDS

	2023 £	2022 £
On ordinary Equity Shares		
Paid ordinary dividend 6,150.00 pence per issued ordinary share (2022: 584.632375)	246,000,000	23,385,295

14 NON-CURRENT ASSET INVESTMENTS

	2023 £	2022 £
Shares in unlisted subsidiary undertakings at cost :		
Ordinary share capital at the beginning of year	7,750,006	7,750,006
Disposal of shares in subsidiary	(5,000,000)	-
Ordinary share capital at the end of the year	<u>2,750,006</u>	<u>7,750,006</u>

During the year the Company sold 100% of its investment in Abbey Developments Limited to Scarecrow Holdings Limited, a company incorporated in Jersey, for a sale price of £7,165,000. This transaction was settled in cash and resulted in a gain on disposal of £2,165,000.

The principal subsidiary undertakings, all of which are wholly owned are as follows:

<u>Incorporated in England & Wales</u>	<u>Nature of business</u>	<u>Registered Office</u>
Abbey Investments Ltd	Property investment, residential housing and land development	Abbey House 2 Southgate Road Potters Bar Hertfordshire EN6 5DU England
M & J Engineers Ltd	Plant hire	Cashel House Cadwell Lane Hitchin Hertfordshire SG4 0SQ England
<u>Incorporated in the Czech Republic</u>		
Abbey s.r.o.	Residential housing and land development	Terronska 7 160 00 Prague 6 Czech Republic

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2023 (continued)

15 TRADE AND OTHER RECEIVABLES

	2023	2022
	£	£
<i>Amounts falling due within one year:</i>		
Amounts owed by parent undertaking	16,363,013	6,829,450
Amounts owed by group undertaking	6,153,061	193,425,962
Prepayments	80,564	7,333
Other receivables	25,595	26,495
	<u>22,622,233</u>	<u>200,289,240</u>

Amounts owed by group undertaking are unsecured and payable on demand.

16 CURRENT ASSET INVESTMENTS

	2023	2022
	£	£
Ordinary shares at costs - non listed company	5,000	5,000

17 CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Cash at bank and in hand	23,684,971	3,637,748
Short-term deposits	18,704,455	10,243,803
	<u>42,389,426</u>	<u>13,881,551</u>

Short term deposits are made available for varying periods of between one to seven days depending on the immediate cash requirements of the Company. The fair value of cash and cash deposits is £42,389,426 (2022 : £13,881,551).

18 TRADE AND OTHER PAYABLES

	2023	2022
	£	£
<i>Amounts falling due within one year:</i>		
Amounts owed to group undertaking	7,675,641	4,041,229
Accruals and deferred income	161,466	182,059
	<u>7,837,107</u>	<u>4,223,288</u>

Amounts owed to parent and group undertaking are unsecured and payable on demand.

19 DEFERRED TAXATION

	2023	2022
	£	£
At 1 May	1,271,750	(60,610)
Recognised in income statement	162,000	297,810
Equity movement	794,250	1,034,550
At 30 April	<u>2,228,000</u>	<u>1,271,750</u>

The deferred taxation relates solely to the defined benefit pension obligation.

ABBEEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2023 (continued)

20 ISSUED CAPITAL

	2023 No.	2023 £	2022 No.	2022 £
Authorised, allotted and fully paid:				
Ordinary shares of £1 each	4,000,000	4,000,000	4,000,000	4,000,000

21 RECONCILIATION OF MOVEMENTS IN EQUITY

	2023 £	2022 £
Profit retained for the financial year	88,713,049	213,222,658
Opening equity	221,517,759	27,767,946
Equity dividends paid	(246,000,000)	(23,385,295)
Actuarial gain / (loss) on defined benefit pension obligations	3,177,000	4,947,000
Deferred tax movement relating to actuarial gain / (loss) on defined benefit obligations	(794,250)	(1,034,550)
Closing equity	66,613,558	221,517,759

22 PENSION COSTS

The Company operates a Group 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 2021. 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 3.10% per annum and that the rates of pension increases would be 3.25% per annum compound.

As at 30 April 2023, the full value placed on the assets of the Pension Scheme for the purposes of the valuation amounted to £33.58 million and was sufficient to cover 136% of the Scheme's liabilities. The employer will continue to make contributions into the scheme at a contribution rate of 25.00% per month from 30 April 2023. The employer expects to make contributions of £45,475 in the coming financial year.

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.

Defined Benefit Schemes

The group operates a defined benefit scheme. An actuarial valuation in accordance with IAS19R was carried out at 30 April 2023 by a qualified independent actuary. The actuarial reports are available to pension scheme members only.

The major assumptions used by the actuary were:

	Valuation at 30 April 2023	Valuation at 30 April 2022
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%	3.00 % pa	3.00 % pa
Retail Price Index- maximum 2.5%	2.50 % pa	2.50 % pa
Consumer Price Index- maximum 2.5%	2.50 % pa	2.50 % pa
Pension escalation in deferment		
Consumer Price Index- maximum 5.0%	2.50 % pa	2.00 % pa
Consumer Price Index- maximum 2.5%	2.50 % pa	2.50 % pa
Discount rate	5.00 % pa	3.20 % pa
Inflation assumption - retail price index	3.20 % pa	3.90 % pa
Inflation assumption - consumer price index	2.60 % pa	3.30 % pa
Post-retirement mortality (in years)		
Current pensioners at 65 - males	21.9	21.9
Current pensioners at 65 - females	24.1	24.3
Future pensioners at 65 - males	23.2	23.2
Future pensioners at 65 - females	25.5	25.7

ABBEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2023 (continued)

22 PENSION COSTS (continued)

	Value at 30 April 2023 £	Value at 30 April 2022 £
<i>Fair value of defined benefit assets are as follows:</i>		
Bonds (quoted UK government gilts)	15,561,000	16,136,000
Shares (quoted on Stock Exchange)	17,428,000	18,119,000
Cash and short term deposits	595,000	1,666,000
Fair value of assets	33,584,000	35,921,000
Present value of scheme liabilities in respect of active and deferred members	(24,672,000)	(30,834,000)
Defined benefit pension scheme (deficit) / surplus	8,912,000	5,087,000

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 and equities. The Trustee Company has an investment policy to look to maximise return, based on an acceptable level of risk and therefore investment in other forms, such as the stock exchange may be potentially viable.

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

are analysed as follows:	For the Year 30 April 2023 £	For the Year 30 April 2022 £
Recognised in income statement		
Current service cost	(87,000)	(148,000)
Recognised in administrative expenses in the income statement in arriving at operating profit	(87,000)	(148,000)
Interest income / (charge) on net scheme assets	171,000	(2,000)
<u>Taken to the statement of comprehensive income</u>		
Actuarial (loss) / gain	(3,111,000)	180,000
Experience loss	(1,017,000)	(417,000)
Actuarial changes arising from changes in financial assumptions	7,305,000	5,184,000
Actuarial losses recognised in statement of comprehensive income	3,177,000	4,947,000
<u>Changes in the fair value of defined benefit pension obligations</u>		
As at 1 May	30,834,000	35,562,000
Current service cost	87,000	148,000
Member contributions	4,000	15,000
Interest costs	973,000	704,000
Benefits paid	(938,000)	(828,000)
Actuarial loss / (gain)	(6,288,000)	(4,767,000)
As at 30 April	24,672,000	30,834,000

ABBEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2023 (continued)

22 PENSION COSTS (continued)

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

Assumption	Change in assumption	Revised value on scheme liabilities	
		30 April 2023	30 April 2022
		£	£
Discount rate	Decrease by 0.5%	26,188,000	33,058,000
Rate of inflation	Increase by 0.5%	25,106,000	31,472,000
Rate of mortality	Increase by 1 year	25,523,000	32,097,000

Changes in the fair value of defined benefit scheme assets

As at 1 May	35,921,000	35,243,000
Expected return on scheme assets	1,144,000	702,000
Employer contributions	564,000	609,000
Contributions by employees	4,000	15,000
Benefits paid	(938,000)	(828,000)
Actuarial losses / gains	(3,111,000)	180,000
As at 30 April	<u>33,584,000</u>	<u>35,921,000</u>

Amounts for the current and previous periods	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair value of scheme assets	33,584,000	35,921,000	35,243,000	33,099,000	34,393,000
Present value of defined benefit obligatio	<u>(24,672,000)</u>	<u>(30,834,000)</u>	<u>(35,562,000)</u>	<u>(33,767,000)</u>	<u>(33,525,000)</u>
(Deficit) / surplus in scheme	<u>8,912,000</u>	<u>5,087,000</u>	<u>(319,000)</u>	<u>(668,000)</u>	<u>868,000</u>
Experience adjustments arising on scheme liabilities	(1,017,000)	(417,000)	(766,000)	(144,000)	451,000
Experience adjustments arising on scheme assets	(3,111,000)	180,000	1,646,000	(1,201,000)	131,000

Defined Contribution Schemes

The Company contributes to a defined contribution scheme for which the company has contributed £4,443 during the year to 30 April 2023 (2022 : £4,206) and charged in full to the income statement.

23 RELATED PARTY TRANSACTIONS

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

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

	2023 £	2022 £
Management charges		
- Abbey Developments Limited	(1,818,738)	(1,270,730)
- M&J Engineers Limited	-	(384,855)
- Abbey SRO	(278,126)	(209,372)
- Abbey Investments Limited	(9,815)	(12,858)
- Kingscroft Developments Limited	(148,361)	(187,716)
- Abbey Limited	-	(130,698)
Finance income		
- Abbey Developments Limited	(8,824,297)	-
- M&J Engineers Limited	-	(108,722)
- Abbey sro	(251,524)	(189,045)
- Abbey Limited	(614,102)	(67,296)
Finance costs		
- Abbey Developments Limited	-	239,158
- Abbey Investments Limited	124,518	6,362
Dividend income		
- Abbey Developments Limited	65,000,000	203,331,119
- Abbey Investments Limited	5,000,000	54,176
- M&J Engineers Limited	6,000,000	10,000,000

24 SUBSEQUENT EVENTS

There have been no significant events affecting the company since the year end.

25 ULTIMATE PARENT UNDERTAKING

The Directors consider that the immediate parent undertaking of the Company is Abbey Limited and the ultimate parent undertaking to be Shrewsbury Holdings Limited, a company incorporated in Jersey. The Directors further consider that the smallest group in which the Company is consolidated is Gallagher Investments limited, an intermediate parent company. 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.

26 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 13 July 2023.