

ABBAY INVESTMENTS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

30 APRIL 2011

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COMPANIES HOUSE

ABBAY INVESTMENTS LIMITED

COMPANY INFORMATION

DIRECTORS	C H Gallagher L G Fraquelli D J Dawson	(Chairman)
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) 646836
REGISTERED NO	0543586	
AUDITORS	Ernst & Young Chartered Accountants Ernst and Young Building Harcourt Centre Harcourt Street Dublin 2	
BANKERS	Barclays Bank plc Barclays Business Centre St Albans City Branch Blenheim Gate 22/24 Upper Marlborough Road St Albans City Branch Hertfordshire AL1 3AL	
SOLICITORS	Dickins Shiebert Limited Matthew House (first floor) 45/47 High Street Potters Bar Hertfordshire EN6 5AW	

ABBAY INVESTMENTS LIMITED

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ABBEEY INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 30 April 2011

PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENTS OF THE BUSINESS

The company's principal activity during the year continued to be property investment. The company intends to continue and develop its activities.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £471,790 (2010: £402,267) which has been added to reserves.

No dividend was paid during the year (2010: Nil). 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 property investment operations during the year produced rental income of £591,067 (2010: £609,969) and operating profit of £473,309 (2010: £457,944).

A review of the business of the Abbey plc group, of which the company forms a part, is given in the 2011 Report and Accounts of the ultimate holding company, Abbey plc.

PRINCIPAL RISKS AND UNCERTAINTIES

Company law requires the Company to give a description of the principal risks and uncertainties which it faces. Abbey Investments 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 in property investment and rental which relies on its tenant's financial health.
- * Any reduction in economic growth in the UK may adversely affect income and property values.
- * 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.

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.

FIXED ASSETS

Information relating to changes in tangible fixed assets is given in note 8 to the accounts.

In accordance with the company's accounting policy, all freehold and leasehold properties were revalued by external valuers at 30 April 2011. The valuation of £5,852,000 is incorporated into the 2011 accounts. The directors have reviewed the valuation at 30 April 2011 and consider that no material adjustment is required.

IMPORTANT EVENTS SINCE THE YEAR END

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

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

All the directors stated above held office throughout the year

Mr C H Gallagher 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. Mr C H Gallagher and Mr L G Fraquelli were directors of the ultimate holding company, Abbey plc, and their interests in the shares of Abbey plc are disclosed in that company's directors' report

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Annual 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 Statements and applicable law). 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 or 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 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 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

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



D J DAWSON

Secretary

13 July 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEY INVESTMENTS LIMITED

We have audited the financial statements of Abbey Investments Limited for the year ended 30 April 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits, the balance sheet and the related notes 1 to 17. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 Report and Accounts to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 30 April 2011 and of its 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 AUDITORS' REPORT TO THE MEMBERS OF ABBEY INVESTMENTS LIMITED
(continued)**


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in 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, or
- the financial statements are not in agreement with the accounting records, 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


Dermot Quinn (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor

Dublin, Ireland

13 July 2011

ABBEEY INVESTMENTS LIMITED
**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2011**

	Note	2011 £	2010 £
TURNOVER - <i>continuing operations</i>	2	591,067	609,969
COST OF SALES		(32,860)	(49,877)
GROSS PROFIT		558,207	560,092
ADMINISTRATIVE EXPENSES		(84,898)	(102,148)
OPERATING PROFIT - <i>continuing operations</i>	3	473,309	457,944
GAIN ON PROPERTY DISPOSAL	7	350,000	78,080
IMPAIRMENT OF PROPERTY	8	(71,000)	-
SUNDRY INCOME		121,189	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		873,498	536,024
Interest receivable	5	39,274	25,346
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		912,772	561,370
Taxation	6	(440,982)	(159,103)
PROFIT FOR THE FINANCIAL YEAR		471,790	402,267

ABBEEY INVESTMENTS LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 APRIL 2011**

	2011 £	2010 £
Profit for the financial year	471,790	402,267
Unrealised surplus on revaluation of trading properties	19,120	-
Total gains recognised	490,910	402,267

**NOTE OF HISTORICAL COST PROFITS
FOR THE YEAR ENDED 30 APRIL 2011**

	2011 £	2010 £
Reported profit on ordinary activities before taxation	912,772	561,370
Realisation of property revaluation gains of previous years	-	631,976
Historical cost profit on ordinary activities before taxation	912,772	1,193,346
Historical cost profit on ordinary activities after taxation	471,790	1,034,243

ABBAY INVESTMENTS LIMITED
Company number 0543586

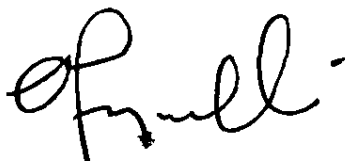
BALANCE SHEET - 30 APRIL 2011

	Note	2011 £	2010 £
TANGIBLE FIXED ASSETS	8	5,852,000	5,964,440
CURRENT ASSETS			
Debtors	9	2,997,252	2,183,486
Cash at bank and in hand		24,292	12,646
		3,021,544	2,196,132
CREDITORS Amounts falling due within one year	10	(313,579)	(91,517)
NET CURRENT ASSETS		2,707,965	2,104,615
CREDITORS Amounts falling due after one year	10	-	-
TOTAL ASSETS LESS LIABILITIES		8,559,965	8,069,055
CAPITAL AND RESERVES			
Called up share capital	11	250,000	250,000
Property revaluation reserve	12	3,056,095	3,036,975
Profit and loss account	13	5,253,870	4,782,080
SHAREHOLDERS' FUNDS	13	8,559,965	8,069,055

L G Fraquelli

Director

13 July 2011



ABBEEY INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS - 30 APRIL 2011
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 are in accordance with generally accepted accounting practice in the United Kingdom

(b) 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 company has availed of this exemption

(c) Fixed assets

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. 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

(d) Depreciation

Depreciation is provided on all property, other than land, on a straight line basis over the expected useful life as follows: * Buildings - 50 years

(e) Deferred taxation

Provision for deferred taxation is recognised in full on timing differences which exist at the balance sheet date. Deferred tax is measured using tax rates substantively enacted at the balance sheet date

(f) Leasing

Operating lease rentals are charged to profit and loss account as incurred

2 TURNOVER

Turnover comprises rents receivable wholly derived from one continuing activity in the United Kingdom

3 OPERATING PROFIT

	2011 £	2010 £
The operating profit is stated after charging		
Management charge payable to parent undertaking	13,800	13,400
Depreciation	60,560	60,560
Operating lease rentals - land and buildings	32,960	49,645
Auditors' remuneration - audit fees	2,000	2,000
- non audit fees	1,500	1,500
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4 STAFF COSTS AND REMUNERATION OF DIRECTORS

Staff costs and directors' remuneration were not incurred during the years ended 30 April 2011 and 30 April 2010 by virtue of the fact that no persons were employed directly by the company during those years

5 INTEREST RECEIVABLE

	2011 £	2010 £
Receivable		
Abbey Group Limited	37,297	25,452
Sundry interest receivable / (payable)	1,977	(106)
	<hr/>	<hr/>
	39,274	25,346
	<hr/>	<hr/>

ABBAY INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS - 30 APRIL 2011 (continued)
6 TAXATION

The tax charge is made up as follows

	2011	2010
	£	£
Based on the profit for the year		
Corporation tax at 27.83% (2010: 28.00%)	295,957	159,103
Prior year adjustment	145,025	-
	<hr/>	<hr/>
	440,982	159,103
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The tax assessed on the profit on ordinary activities for the period is different from the standard rate of corporation tax in the UK of 27.83% (2010: 28.00%). The differences are reconciled below

	(% of profit before taxation)	
UK corporation tax rate	27.8	28.0
Effect of		
Expenses not deductible for tax purposes	4.6	1.1
Prior year adjustment	15.9	(3.5)
	<hr/>	<hr/>
	48.3	25.6
	<hr/>	<hr/>

The potential deferred taxation on the revaluation of trading and investment properties is £126,044 (2010: £32,500)

7 GAIN ON PROPERTY DISPOSAL

2011	2010
£	£
350,000	78,010
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During the year an additional gain resulted from the disposal of a property in a prior year. The company did incur a taxation liability on this gain as rollover relief has not been claimed.

8 TANGIBLE FIXED ASSETS

	2011	2010
	£	£
	Land and	Land and
	Buildings	Buildings
<i>Cost or Valuation</i>		
At 1 May	6,025,000	6,825,000
Disposals	-	(800,000)
Revaluation	19,120	-
Impairment	(71,000)	-
	<hr/>	<hr/>
At 30 April	5,973,120	6,025,000
	<hr/>	<hr/>
<i>Depreciation</i>		
At 1 May	60,560	-
Provided during the year	60,560	60,560
	<hr/>	<hr/>
At 30 April	121,120	60,560
	<hr/>	<hr/>
<i>Net book value</i>		
At 30 April	5,852,000	5,964,440
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ABBHEY INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS - 30 APRIL 2011 (continued)
8 TANGIBLE FIXED ASSETS (Continued)

(i) All land and buildings were valued at 30 April 2011 by external independent surveyors Glenny, Chartered Surveyors on an existing use value basis. The directors reviewed that overall valuation at 30 April 2011 and considered that no adjustment was required

(ii) The cost or valuation of land and buildings comprises

	2011 £	2010 £
Trading properties		
Freehold land and buildings	5,500,000	5,625,000
Long leasehold property	352,000	400,000
	<hr/>	<hr/>
	5,852,000	6,025,000
	<hr/>	<hr/>

(iii) Under the historical cost convention land and buildings would be stated as follows

	2011 £	2010 £
Cost		
Trading properties	3,314,935	3,314,935
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9 DEBTORS

	2011 £	2010 £
Amounts owed by group undertaking	2,991,916	2,178,145
Prepayments and accrued income	5,336	5,341
	<hr/>	<hr/>
	2,997,252	2,183,486
	<hr/>	<hr/>

10 CREDITORS Amounts falling due within one year

	2011 £	2010 £
Corporation tax	291,182	85,917
Accruals and deferred income	22,397	5,600
	<hr/>	<hr/>
	313,579	91,517
	<hr/>	<hr/>

11 CALLED UP SHARE CAPITAL

	2011 No	Authorised, allotted and fully paid		2010 £
At 30 April		2011 £	2010 No	
Ordinary shares of £1 each	250,000	250,000	250,000	250,000
	<hr/>	<hr/>	<hr/>	<hr/>

12 PROPERTY REVALUATION RESERVE

	2011 £	2010 £
The property revaluation reserve comprises		
Trading properties (note 13)		
At 1 May	3,036,975	3,668,951
Revaluation	19,120	-
Realised gains	-	(631,976)
	<hr/>	<hr/>
At 30 April	3,056,095	3,036,975
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ABBAY INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS - 30 APRIL 2011 (continued)

13 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 May 2009	250,000	3,668,951	3,747,837	7,666,788
Profit for the financial year	-	-	402,267	402,267
Revaluation	-	(631,976)	631,976	-
At 1 May 2010	250,000	3,036,975	4,782,080	8,069,055
Profit for the financial year	-	-	471,790	471,790
Revaluation	-	19,120	-	19,120
At 30 April 2011	250,000	3,056,095	5,253,870	8,559,965

14 OBLIGATIONS UNDER LEASES

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

At 30 April	2011 £	2010 £
Operating leases which expire within one year	32,042	-
between two and five years	-	32,042
	32,042	32,042

15 RELATED PARTY TRANSACTIONS

Abbey Group Limited is the company's immediate controlling party and Abbey plc is the company's ultimate controlling party

The company has taken advantage of the exemption, under FRS 8, from disclosing transactions with group companies as it is a wholly owned subsidiary of Abbey Plc

16 PARENT UNDERTAKINGS

The parent undertaking and ultimate holding company of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is Abbey plc, incorporated in the Republic of Ireland and the parent undertaking of the smallest such group is Abbey Group Limited, registered in England and Wales. Copies of Abbey plc's accounts may be obtained from Abbey House, 2 Southgate Road, Potters Bar, Hertfordshire EN6 5DU

17 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 13 July 2011