

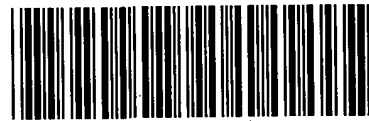
**ABBHEY INVESTMENTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 APRIL 2016**

SATURDAY



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COMPANIES HOUSE

**ABBAY INVESTMENTS LIMITED**

**COMPANY INFORMATION**

**DIRECTORS :** C. H. Gallagher (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. :** 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 :** Dickens Shiebert Limited  
Matthew House (first floor)  
45/47 High Street  
Potters Bar  
Hertfordshire EN6 5AW

**ABBAY INVESTMENTS LIMITED**

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## STRATEGIC REPORT

The directors present their strategic report for the year ended 30 April 2016.

### RESULTS FOR THE FINANCIAL YEAR

The profit for the year, after taxation, amounted to £942,922 (2015: restated £791,570) which has been transferred to retained earnings. 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 increased from £10,771,972 to £11,714,894.

No dividend was paid during the year (2015: 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 £590,758 (2015: £590,758) and operating profit of £936,384 (2015: restated £847,139).


A review of the business of the Abbey plc group, of which the company forms a part, is given in the 2016 Annual Report of the intermediate holding company, Abbey plc, a company incorporated in the Republic of Ireland and listed on the ESM of the Irish Stock Exchange and the AIM on the London Stock Exchange.

### 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.

By order of the board



D. J. DAWSON

Director

11 July 2016

## **DIRECTORS' REPORT**

The directors present their financial statements for the year ended 30 April 2016.

### **DIVIDENDS**

The Directors have not authorised or paid any dividends for the financial year ending 30 April 2016 (2015: £nil).

### **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.

### **INVESTMENT PROPERTIES**

Information relating to changes in investment properties is given in note 11 to the accounts.

In accordance with the company's accounting policy, all freehold and leasehold properties were revalued by external valuers at 30 April 2016. The valuation of £6,675,000 is incorporated into the 2016 accounts.

### **IMPORTANT EVENTS SINCE THE YEAR END**

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

### **DIRECTORS AND THEIR INTERESTS**

All the directors stated above held office throughout the year.

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

**DIRECTORS' REPORT (continued)**

**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 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 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 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.

**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

Director

11 July 2016

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY INVESTMENTS LIMITED**

We have audited the financial statements of Abbey Investments Limited for the year ended 30 April 2016 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 25. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditor**

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 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 Company's affairs as at 30 April 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY INVESTMENTS LIMITED (Continued)**

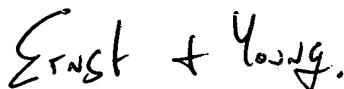
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the 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, or returns adequate for our audit have not been received from branches not visited by us; 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.



*Frank O'Keeffe (Senior statutory auditor)  
for and on behalf of Ernst & Young  
Chartered Accountants and Statutory Audit Firm*

*Dublin  
11 July 2016*

**ABBEEY INVESTMENTS LIMITED**
**INCOME STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2016**

	Note	2016 £	As Restated 2015 £
REVENUE - continuing operations	6	590,758	590,758
Cost of sales		(29,160)	(29,160)
Gross profit		561,598	561,598
Administrative expenses	7	(18,214)	285,541
Fair value increase in investment properties		393,000	-
Operating profit - continuing operations	7	936,384	847,139
Finance income	9	172,463	148,153
Profit before taxation		1,108,847	995,292
Income tax expense	10	(165,925)	(203,722)
Profit attributable to equity shareholders of the company	19	942,922	791,570

**ABBEY INVESTMENTS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2016**

	2016 £	2015 £
Profit attributable to equity shareholders of the parent	942,922	791,570
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the company	942,922	791,570

**Statement of Changes in Equity**

Year Ended 30 April 2016

	Issued Capital £	Revaluation Reserve £	Retained Earnings £	Total £
Attributable to equity holders At 1 May 2015 as restated	250,000	3,584,775	6,937,197	10,771,972
Profit for the year	-	-	942,922	942,922
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income, net of tax, attributable to equity shareholders	-	-	942,922	942,922
At 30 April 2016	250,000	3,584,775	7,880,119	11,714,894

**Statement of Changes in Equity**

Year Ended 30 April 2015

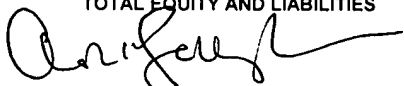
	Issued Capital £	Revaluation Reserve £	Retained Earnings £	Total £
Attributable to equity holders At 1 May 2014 as restated	250,000	3,584,775	6,145,627	9,980,402
Profit for the year	-	-	791,570	791,570
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income, net of tax, attributable to equity shareholders	-	-	791,570	791,570
At 30 April 2015 - as restated	250,000	3,584,775	6,937,197	10,771,972

**ABBEEY INVESTMENTS LIMITED**

Company number: 0543586

BALANCE SHEET AS AT 30 APRIL 2016

	Note	2016 £	As Restated 2015 £	As Restated 2014 £
<b>ASSETS</b>				
<i>Non-current assets</i>				
Investment properties	11	6,675,000	6,282,000	6,282,000
<b>CURRENT ASSETS</b>				
Trade and other receivables	12	5,207,000	4,675,462	3,891,009
Cash and cash equivalents	13	45,209	36,414	16,023
		5,252,209	4,711,876	3,907,032
<b>TOTAL ASSETS</b>		11,927,209	10,993,876	10,189,032
<b>LIABILITIES</b>				
Trade and other payables	14	(16,101)	(14,481)	(29,706)
Income tax payable	15	(71,137)	(105,102)	(72,132)
		(87,238)	(119,583)	(101,838)
<b>NET CURRENT ASSETS</b>		5,164,971	4,592,293	3,805,194
<i>Non-current liabilities</i>				
Deferred taxation	18	(125,077)	(102,321)	(106,792)
<b>TOTAL LIABILITIES</b>		(212,315)	(221,904)	(208,630)
<b>NET ASSETS</b>		11,714,894	10,771,972	9,980,402
<b>EQUITY</b>				
<i>Equity attributable to equity holders of the parent</i>				
Issued capital	17	250,000	250,000	250,000
Revaluation reserve	18	3,584,775	3,584,775	3,584,775
Retained earnings	19	7,880,119	6,937,197	6,145,627
<b>TOTAL EQUITY</b>		11,714,894	10,771,972	9,980,402
<b>TOTAL EQUITY AND LIABILITIES</b>		11,927,209	10,993,876	10,189,032



C.H. Gallagher

Director

11 July 2016

**ABBEEY INVESTMENTS LIMITED**  
**FOR THE YEAR ENDED 30 APRIL 2016**

**CASH FLOW STATEMENT**

Administrative expenses

**Cash flows from operating activities**

Profit before taxation

2016 £	2015 £
1,108,847	995,292

**Adjustments to reconcile profit before tax to net cash flows**

**Non cash:**

Fair value adjustment of investment properties

(393,000) -

Finance income

(172,463) (148,153)

**Working capital adjustments:**

Increase in trade and other receivables

(531,538) (784,453)

Increase / (decrease) in trade and other payables

1,620 (15,225)

Income taxes paid

(177,134) (175,223)

**Net cash outflow from operating activities**

(163,668) (127,762)

**Cash flows from investing activities**

Finance income

172,463 148,153

**Net cash inflow from investing activities**

172,463 148,153

Net cash increase in cash  
and cash equivalents

8,795 20,391

Cash and cash equivalents at start of period

36,414 16,023

Cash and cash equivalents at end of period

45,209 36,414

## ABBEY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2016

## 1 AUTHORISATION OF FINANCIAL STATEMENTS

The Financial Statements of Abbey Investments Limited for the year ended 30 April 2016 were authorised for issue in accordance with a resolution of directors on 11 July 2016. Abbey Investments Limited is a limited company incorporated in England and Wales.

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

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting periods beginning 1 May 2015. The effects of IFRS on the restated comparative figures is shown in note 23.

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

## 3 STATEMENT OF COMPLIANCE

The financial statements of Abbey Investments Limited (the "Company") have been prepared in accordance with International Financial Standards ("IFRS"), as adopted for use in the European Union, as they apply to the financial statements of the Company for the year ended 30 April 2016.

## 4 BASIS OF PREPARATION

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

Abbey Investments Limited (the Company) has its functional and presentation currency in sterling.

## 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.

***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.

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.

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.

## ABBEY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2016

## 5 ACCOUNTING POLICIES (continued)

**Investment Property**

Certain properties are classified as investment properties, being held for long-term investment and to earn rental income.

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

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

**Leases****Company as a lessor**

Assets leased out under operating leases are included in investment property. Rental income is recognised on a straight line basis over the lease term.

**Company as a lessee**

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

**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 assets, 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.

**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.

**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.

## ABBEY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2016

## 5 ACCOUNTING POLICIES (continued)

**New Standards and Interpretations Not Applied**

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

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

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 European Union, the application of new standards and interpretations will be subject to them having been endorsed by the EU via the EU endorsement mechanism. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the Company's discretion to early adopt standards. It is expected that for a number of the standards above, EU adoption will not be in line with IASB adoption.

## 6 SEGEMENTAL INFORMATION

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

## 7 OPERATING PROFIT

	2016 £	2015 £
The operating profit is stated after (crediting) / charging :		
Settlement of legal fees for CPO	-	(298,218)
Management charge payable to parent undertaking	8,051	9,144
Fair value increase in investment properties	(393,000)	-
Operating lease rentals - land and buildings	29,160	29,160
Auditors' remuneration - audit fees	2,000	2,000
- non audit fees	1,500	1,500

## 8 STAFF COSTS AND REMUNERATION OF DIRECTORS

Staff costs and directors' remuneration were not incurred during the years ended 30 April 2016 and 30 April 2015 by virtue of the fact that no persons were employed directly by the company during those years.

## 9 FINANCE INCOME

	2016 £	2015 £
Group interest receivable	172,463	148,153

## 10 TAXATION

	2016 £	As Restated 2015 £
The tax charge is made up as follows:		
Based on the profit for the year:		
Corporation tax at 20.00% (2015 : 20.92%)	143,169	208,193
	143,169	208,193
Deferred tax: originating and reversal of temporary differences (note 18)	22,756	(4,471)
Tax charge to the income statement	165,925	203,722

NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2016 (continued)

10 TAXATION (continued)

The tax assessed on the profit on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 20.00% (2015: 20.92%). The differences are reconciled below:

	2016 (% of profit before taxation)	As Restated 2015
UK corporation tax rate	20.00	20.92
Effect of:		
Other temporary differences - fair value adjustment of investment properties	(7.09)	-
	<u>12.91</u>	<u>20.92</u>

11 INVESTMENT PROPERTIES

	2016 £	As Restated 2015 £	2014 £
<i>Cost or fair value</i>			
At 1 May	6,282,000	6,282,000	5,670,320
Revaluation	393,000	-	611,680
	<u>6,675,000</u>	<u>6,282,000</u>	<u>6,282,000</u>
At 30 April			

(i) All investment properties were valued at 30 April 2016 by external independent surveyors Glenny, Chartered Surveyors on an existing use value basis.

(ii) Investment properties comprises:

	2016 £	As Restated 2015 £	2014 £
Trading properties:			
Freehold land and buildings	6,305,000	5,930,000	5,930,000
Long leasehold property	370,000	352,000	352,000
	<u>6,675,000</u>	<u>6,282,000</u>	<u>6,282,000</u>

**ABBEEY INVESTMENTS LIMITED**
**NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2016 (continued)**
**12 TRADE AND OTHER RECEIVABLES**

	2016 £	2015 £	2014 £
Amounts owed by group undertaking	5,201,310	4,669,772	3,883,474
Prepayments and accrued income	5,690	5,690	7,535
	<u>5,207,000</u>	<u>4,675,462</u>	<u>3,891,009</u>

**13 CASH AND CASH EQUIVALENTS**

	2016 £	2015 £	2014 £
Cash at bank and in hand	45,209	36,414	16,023

The Company had no undrawn borrowing facilities at the year end (2015: £NIL)

**14 TRADE AND OTHER PAYABLES**

	2016 £	As Restated 2015 £	As Restated 2014 £
Accruals and deferred income	16,101	14,481	29,706

**15 INCOME TAX PAYABLE**

	2016 £	As Restated 2015 £	As Restated 2014 £
Corporation tax	71,137	105,102	72,132

**16 ISSUED CAPITAL**

	2016 No.	2016 £	Authorised, allotted and fully paid			2014 £
At 30 April			2015 No.	2015 £	2014 No.	
Ordinary shares of £1 each	250,000	250,000	250,000	250,000	250,000	250,000

**17 REVALUATION RESERVE**

	2016 £	As Restated 2015 £	2014 £
The property revaluation reserve comprises : <i>Investment properties (note 11)</i>			
At 1 May and 30 April	3,584,775	3,584,775	3,584,775

## ABBEY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2016 (continued)

18	DEFERRED TAXATION	2016 £	As Restated 2015 £	As Restated 2014 £
	At 1 May	102,321	106,792	77,699
	Recognised in income statement	22,756	(4,471)	29,093
	At 30 April	125,077	102,321	106,792

19	RETAINED EARNINGS	2016 £	As Restated 2015 £	As Restated 2014 £
	Retained earnings at the beginning of the year	6,937,197	6,145,627	5,734,246
	Profit retained for the financial year	942,922	791,570	411,381
	At 30 April	7,880,119	6,937,197	6,145,627

## 20 OBLIGATIONS UNDER LEASES

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

	2016 £	2015 £	2015 £
<i>Leases on investment properties</i>			
Within one year	34,000	34,000	34,000
Between two and five years	102,000	102,000	102,000
After more than five years	226,780	260,780	294,780
	362,780	396,780	430,780

## 21 RELATED PARTY TRANSACTIONS

Abbey Group Limited is the company's immediate parent company and Abbey plc is the company's intermediate parent company. The company leases its investment properties to M&J Engineers Limited, a fellow subsidiary company of Abbey Group Limited.

The related party transactions are shown as follows:

		2016 £	2015 £
Rental income	M&J Engineers Limited	590,758	590,758
Management charge	Abbey Group Limited	(8,051)	(9,144)
Finance income	Abbey Group Limited	172,463	148,153

## 22 SUBSEQUENT EVENTS

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

## 23 TRANSITION TO IFRS

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

Accordingly, the Company has prepared financial statements which comply with IFRS's applicable for periods beginning on or after 1 May 2015 and the significant accounting policies meeting those are described in note 5.

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

**Exemptions applied**

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

- \* Certain items of property were carried in the balance sheet on the basis of valuations performed in 2014. As allowed under IFRS1, the Company has elected to regard those fair values as deemed deemed cost as at the date of the revaluation.

NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2016 (continued)

23 TRANSITION TO IFRS (continued)

INCOME STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2015

	Previous UK GAAP 30 April 2015 £	Note 1 £	Note 2 £	Re-Stated IFRS 30 April 2015 £
REVENUE - continuing operations	590,758	-	-	590,758
Cost of sales	(29,160)	-	-	(29,160)
Gross profit	561,598	-	-	561,598
Administrative expenses	224,977	-	60,564	285,541
Operating profit - continuing operations	786,575	-	60,564	847,139
Profit on ordinary activities before interest	786,575	-	60,564	847,139
Finance income	148,153	-	-	148,153
Profit before taxation	934,728	-	60,564	995,292
Income tax expense	(208,193)	4,471	-	(203,722)
Profit attributable to equity shareholders of the parent	726,535	4,471	60,564	791,570

Note 1 In accordance with IAS 12, a deferred taxation liability is recognised as a result of the fair value measurement of trading and investment properties

Note 2 In accordance with IAS 40, the land and buildings let to a fellow subsidiary are classed as an investment property and is no longer depreciated.

NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2016 (continued)

23 TRANSITION TO IFRS (continued)

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

	UK GAAP 30 April 2015 £	Note 1 £	Note 2 £	Note 3 £	Note 4 £	IFRS 30 April 2015 £
<b>ASSETS</b>						
<i>Non-current assets</i>						
Land and buildings	6,221,436	(6,221,436)	-	-	-	-
Investment properties	-	6,221,436	-	-	60,564	6,282,000
<b>CURRENT ASSETS</b>						
Trade and other receivables	4,675,462	-	-	-	-	4,675,462
Cash and cash equivalents	36,414	-	-	-	-	36,414
	<u>4,711,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,711,876</u>
<b>TOTAL ASSETS</b>	<u>10,933,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,993,876</u>
<b>LIABILITIES</b>						
Trade and other payables	(119,583)	-	-	105,102	-	(14,481)
Income tax payable	-	-	-	(105,102)	-	(105,102)
	<u>(119,583)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(119,583)</u>
<b>NET CURRENT ASSETS</b>	<u>4,592,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,592,293</u>
<i>Non-current liabilities</i>						
Deferred taxation	-	-	(102,321)	-	-	(102,321)
<b>TOTAL LIABILITIES</b>	<u>(119,583)</u>	<u>-</u>	<u>(102,321)</u>	<u>-</u>	<u>-</u>	<u>(221,904)</u>
<b>NET ASSETS</b>	<u>10,813,729</u>	<u>-</u>	<u>(102,321)</u>	<u>-</u>	<u>60,564</u>	<u>10,771,972</u>
<b>EQUITY</b>						
Equity attributable to equity holders of the parent						
Issued capital	250,000	-	-	-	-	250,000
Revaluation reserve	3,584,775	-	-	-	-	3,584,775
Retained earnings	6,978,954	-	(102,321)	-	60,564	6,937,197
<b>TOTAL EQUITY</b>	<u>10,813,729</u>	<u>-</u>	<u>(102,321)</u>	<u>-</u>	<u>60,564</u>	<u>10,771,972</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>10,933,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,564</u>	<u>10,993,876</u>

Note 1 In accordance with IFRS 1 'First time adoption of International Financial Reporting Standards', property was revalued to fair value on transition to IFRS, and is let a fellow subsidiary and is therefore classified as an investment property.

In accordance with IAS 1 'Presentation of Financial Statements' the investment properties amounting to £6,221,436 are presented separately on the balance sheet, having previously been disclosed as land and buildings within fixed assets.

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

Note 3 In accordance with IAS 12 the liability for corporation tax amounting to £105,102 is presented separately on the balance sheet.

Note 4 In accordance with IAS 40, the land and buildings let to a fellow subsidiary are classed as an investment property and is no longer depreciated.

NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2016 (continued)

23 TRANSITION TO IFRS (continued)

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

	Previous UK GAAP 30 April 2014 £	Note 1 £	Note 2 £	Note 3 £	Re-Styled IFRS 30 April 2014 £
<b>ASSETS</b>					
<i>Non-current assets</i>					
Land and buildings	6,282,000	(6,282,000)	-	-	-
Investment properties	-	6,282,000	-	-	6,282,000
<b>CURRENT ASSETS</b>					
Trade and other receivables	3,891,009	-	-	-	3,891,009
Cash and cash equivalents	16,023	-	-	-	16,023
	<u>3,907,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,907,032</u>
<b>TOTAL ASSETS</b>	<u>10,189,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,189,032</u>
<b>LIABILITIES</b>					
Trade and other payables	(101,838)	-	-	72,132	(29,706)
Income tax payable	-	-	-	(72,132)	(72,132)
	<u>(101,838)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,838)</u>
<b>NET CURRENT ASSETS</b>	<u>3,805,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,805,194</u>
<i>Non-current liabilities</i>					
Deferred taxation	-	-	(106,792)	-	(106,792)
	<u>-</u>	<u>-</u>	<u>(106,792)</u>	<u>-</u>	<u>(106,792)</u>
<b>TOTAL LIABILITIES</b>	<u>(101,838)</u>	<u>-</u>	<u>(106,792)</u>	<u>-</u>	<u>(208,630)</u>
<b>NET ASSETS</b>	<u>10,087,194</u>	<u>-</u>	<u>(106,792)</u>	<u>-</u>	<u>9,980,402</u>
<b>EQUITY</b>					
Equity attributable to equity holders of the parent					
Issued capital	250,000	-	-	-	250,000
Revaluation reserve	3,584,775	-	-	-	3,584,775
Retained earnings	6,252,419	-	(106,792)	-	6,145,627
	<u>10,087,194</u>	<u>-</u>	<u>(106,792)</u>	<u>-</u>	<u>9,980,402</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>10,189,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,189,032</u>

Note 1 In accordance with IFRS 1 'First time adoption of International Financial Reporting Standards', property was revalued to fair value on transition to IFRS, and is let a fellow subsidiary and is therefore classified as an investment property.

In accordance with IAS 1 'Presentation of Financial Statements' the investment properties amounting to £6,282,000 are presented separately on the balance sheet, having previously been disclosed as land and buildings within fixed assets.

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

Note 3 In accordance with IAS 12 the liability for corporation tax amounting to £72,132 is presented separately on the balance sheet.

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

25 APPROVAL OF FINANCIAL STATEMENTS

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