

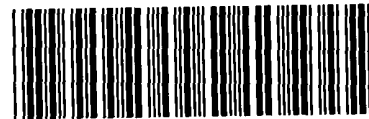
**ABBHEY INVESTMENTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 APRIL 2020**

TUESDAY



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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 2020.

### RESULTS FOR THE FINANCIAL YEAR

The profit for the year, after taxation, amounted to £564,640 (2019: £1,529,480). Dividends have been paid during the year of £83,913 (2019: £54,558), leaving profits of £480,727 (2019: profit £1,474,922) 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 £10,458,886 to £10,939,613.

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 £697,135 (2019: £630,650) and operating profit of £662,148 (2019: £1,662,237).

A review of the business of the Abbey plc group, of which the company forms a part, is given in the 2020 Annual Report of the intermediate holding company, Abbey plc, a company incorporated in the Republic of Ireland and listed on the Euronext Growth Dublin 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, with the COVID-19 pandemic, and related government imposed restrictions, 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

7 July 2020

**ABBEY INVESTMENTS LIMITED****DIRECTORS' REPORT**

The directors present their financial statements for the year ended 30 April 2020.

**DIVIDENDS**

The Directors authorised and paid a dividend of £83,913 for the financial year ended 30 April 2020 (2019: £54,558).

**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 12 to the accounts.

In accordance with the company's accounting policy, all freehold and leasehold properties were revalued by external valuers at 30 April 2020 at a value of £7,920,000. That valuation is incorporated into the 2020 accounts. The directors have reviewed the valuation and consider that this represents fair value at 30 April 2020.

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

**POLITICAL DONATIONS**

The Company made no political donations during the year (2019: nil).

**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 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; during the year management are satisfied that no material judgements or estimates are made in the preparation of these financial statements.
- \* 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. 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 8 and 9. The Company has adequate financial resources and the directors believe that the Group is well placed to manage its business risks successfully, despite the current uncertain economic outlook, in particular the impact of the COVID-19 pandemic and the related government-imposed restrictions. 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**

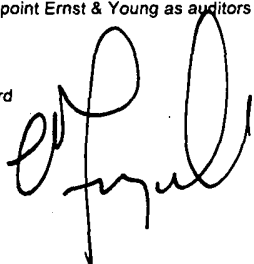
A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

L.G. Fraquelli

Director

7 July 2020





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

### **Opinion**

We have audited the financial statements of Abbey Investments Limited for the year ended 30 April 2020 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 27, including a summary of significant accounting policies. 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.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 below. 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the Strategic Report and the Directors' Report. The directors are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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.



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

**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 the 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 the 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 by the company, 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.

**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.

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.

Breffni Maguire (Senior statutory auditor)  
for and on behalf of Ernst & Young  
Chartered Accountants and Statutory Audit Firm

Dublin

Date: 8 July 2020



**ABBEY INVESTMENTS LIMITED**
**INCOME STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2020**

	Note	2020 £	2019 £
REVENUE - continuing operations	6	697,135	630,650
Cost of sales		(21,972)	(26,150)
Gross profit		675,163	604,500
Administrative expenses		(13,015)	(21,026)
Fair value increase in investment properties	12	-	1,078,763
Operating profit - continuing operations	7	662,148	1,662,237
Finance income	9	68,207	91,217
Finance cost	9	(5,985)	(210)
Profit before taxation		724,370	1,753,244
Income tax expense	10	(159,730)	(223,764)
Profit attributable to equity shareholders of the company		564,640	1,529,480

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2020**

	2020 £	2019 £
Profit attributable to equity shareholders of the parent	564,640	1,529,480
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the company	564,640	1,529,480

**ABBEEY INVESTMENTS LIMITED**
**Statement of Changes in Equity**
**Note**
**Year Ended 30 April 2020**

		<b>Issued Capital £</b>	<b>Revaluation Reserve £</b>	<b>Retained Earnings £</b>	<b>Total £</b>
Attributable to equity holders At 1 May 2019		250,000	3,584,775	6,624,111	10,458,886
Profit for the year		-	-	564,640	564,640
Total comprehensive income, net of tax, attributable to equity shareholders		-	-	564,640	564,640
Equity dividends paid	11	-	-	(83,913)	(83,913)
At 30 April 2020		250,000	3,584,775	7,104,838	10,939,613

**Statement of Changes in Equity**
**Year Ended 30 April 2019**

		<b>Issued Capital £</b>	<b>Revaluation Reserve £</b>	<b>Retained Earnings £</b>	<b>Total £</b>
Attributable to equity holders At 1 May 2018		250,000	3,584,775	5,149,189	8,983,964
Profit for the year		-	-	1,529,480	1,529,480
Total comprehensive income, net of tax, attributable to equity shareholders		-	-	1,529,480	1,529,480
Equity dividends paid	11	-	-	(54,558)	(54,558)
At 30 April 2019		250,000	3,584,775	6,624,111	10,458,886

**ABBEY INVESTMENTS LIMITED**  
Company number: 0543586

BALANCE SHEET AS AT 30 APRIL 2020

	Note	2020 £	2019 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	12	7,920,000	7,920,000
Right-to-use-asset	13	151,864	-
		<u>8,071,864</u>	<u>7,920,000</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	14	228,843	2,769,659
Cash and cash equivalents	15	3,023,214	42,155
		<u>3,252,057</u>	<u>2,811,814</u>
<b>TOTAL ASSETS</b>		<u>11,323,921</u>	<u>10,731,814</u>
<b>LIABILITIES</b>			
Trade and other payables	16	(38,635)	(21,947)
Income tax payable	17	(6,177)	(65,924)
		<u>(44,812)</u>	<u>(87,871)</u>
<b>NET CURRENT ASSETS</b>		<u>3,207,245</u>	<u>2,723,943</u>
<b>Non-current liabilities</b>			
Deferred taxation	20	(206,828)	(185,057)
Lease liability	21	(132,668)	-
		<u>(339,496)</u>	<u>(185,057)</u>
<b>TOTAL LIABILITIES</b>		<u>(384,308)</u>	<u>(272,928)</u>
<b>NET ASSETS</b>		<u>10,939,613</u>	<u>10,458,886</u>
<b>EQUITY</b>			
<i>Equity attributable to equity holders of the parent</i>			
Issued capital	18	250,000	250,000
Revaluation reserve	19	3,584,775	3,584,775
Retained earnings		7,104,838	6,624,111
<b>TOTAL EQUITY</b>		<u>10,939,613</u>	<u>10,458,886</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>11,323,921</u>	<u>10,731,814</u>

  
D.J. Dawson

Director

7 July 2020

**ABBEY INVESTMENTS LIMITED**  
**FOR THE YEAR ENDED 30 APRIL 2020**

<b>CASH FLOW STATEMENT</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Administrative expenses</b>		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Profit before taxation		<u>724,370</u>	<u>1,753,244</u>
<b>Adjustments to reconcile profit before tax to net cash flows</b>			
<b>Cash:</b>			
Lease payments		(26,150)	-
<b>Non cash:</b>			
Depreciation		21,972	-
Interest on lease liability		5,910	
Fair value adjustment of investment properties		-	(1,078,763)
Finance income	9	(68,207)	(91,217)
Finance costs	9	5,985	210
<b>Working capital adjustments:</b>			
Decrease / (increase) in trade and other receivables	14	2,540,816	(484,497)
(Decrease) / increase in trade and other payables	16	(4,240)	11,012
Income taxes paid		<u>(197,706)</u>	<u>(126,773)</u>
<b>Net cash outflow from operating activities</b>		<b>3,002,750</b>	<b>(16,784)</b>
<b>Cash flows from investing activities</b>			
Finance income	9	68,207	91,217
Finance costs	9	<u>(5,985)</u>	<u>(210)</u>
<b>Net cash inflow from investing activities</b>		<b>62,222</b>	<b>91,007</b>
<b>Cash flows from financing activities</b>			
Equity dividends paid	11	<u>(83,913)</u>	<u>(54,558)</u>
<b>Cash outflows from financing activities</b>		<b>(83,913)</b>	<b>(54,558)</b>
<b>Net cash increase / (decrease) in cash and cash equivalents</b>		<b>2,981,059</b>	<b>19,665</b>
Cash and cash equivalents at start of period		<u>42,155</u>	<u>22,490</u>
<b>Cash and cash equivalents at end of period</b>		<b>3,023,214</b>	<b>42,155</b>

## ABBEY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2020

## 1 AUTHORISATION OF FINANCIAL STATEMENTS

The Financial Statements of Abbey Investments Limited for the year ended 30 April 2020 were authorised for issue in accordance with a resolution of directors on 7 July 2020. Abbey Investments Limited is a limited company incorporated in England and Wales.

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

The Company applied IFRS 16 Lease for the first time. The nature and effect of the changes as a result of the adoption of this new standard is described below.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Company.

*IFRS 16 Leases*

IFRS 16 replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease" and is effective for annual periods beginning on or after 1 January 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. For lessors, IFRS 16 substantially carried forward the accounting requirement of IAS 17.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the initial application of 1 May 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 May 2019. The Company applied the standard only to contracts that were previously identified as leases applying to IAS 17 and IFRIC 4 at the date of initial application.

Upon adoption of IFRS 16, the Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. See Leases section under accounting policies (note 5).

The Company also uses hindsight in determining the lease value where a contract contained options to extend or terminate the lease.

The lease liabilities as at 1 May 2019 can be reconciled to the operating lease commitments as of 30 April 2019 as follows. The weighted average incremental borrowing rate at 1 May 2019 was 3.4%.

	As at 1 May 2019
Operating lease commitments under IAS 17	£200,571
Less impact of discounting	(26,735)
Discounted lease liability under IFRS 16	<u>£173,836</u>

## 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 2020.

## 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 2020.

Abbey Investments Limited (the Company) 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 resources to continue in operational existence for the foreseeable future, and believe that the Covid-19 pandemic 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.

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2020

5 ACCOUNTING POLICIES (continued)

**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.

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 enforcement 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 Group to make a single net payment.

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

**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**

The Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right use underlying assets.

(i) *Right-of-use-assets*

The Company recognises the right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, as follows:

Land and Buildings    5-10 years

(ii) *Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of the lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily available. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

(iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of plant and machinery. It also applies the lease of low-value assets recognition exemptions to applicable assets. Lease payments on short-term leases and the leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## ABBEY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2020 (continued)

## 5 ACCOUNTING POLICIES (continued)

**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.

**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*
IFRS 17	Insurance Contracts	1 January 2021

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

	2020	2019
	£	£
The operating profit is stated after (crediting) / charging :		
Management charge payable to parent undertaking	8,640	8,400
Fair value increase in investment properties	-	(1,078,763)
Operating lease rentals - land and buildings	-	26,150
Depreciation	21,972	-
Auditors' remuneration - audit fees	2,000	2,000
- taxation services	2,340	2,340

## 8 STAFF COSTS AND REMUNERATION OF DIRECTORS

Staff costs and directors' remuneration were not incurred during the years ended 30 April 2020 and 30 April 2019 by virtue of the fact that no persons were employed directly by the company during those years.

## ABBEY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2020 (continued)

## 9 FINANCE INCOME

	2020 £	2019 £
Group interest receivable	64,356	91,210
Bank interest receivable	3,851	7
	<hr/>	<hr/>
	68,207	91,217
	<hr/>	<hr/>

## FINANCE COSTS

Sundry interest payable	(75)	(210)
Lease interest payable	(5,910)	-
	<hr/>	<hr/>
	(5,985)	(210)
	<hr/>	<hr/>

## 10 TAXATION

The tax charge is made up as follows:	2020 £	2019 £
Based on the profit for the year:		
Corporation tax at 19.00% (2019 : 19.00%)	137,959	128,191
	<hr/>	<hr/>
	137,959	128,191
Deferred tax: originating and reversal of temporary differences (note 20)	21,771	95,573
	<hr/>	<hr/>
Tax charge to the income statement	159,730	223,764
	<hr/>	<hr/>



**ABBEEY INVESTMENTS LIMITED**
**NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2020 (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 19.00% (2019: 19.00%). The differences are reconciled below:

	2020 (% of profit before taxation)	2019
UK corporation tax rate	19.00	19.00
Effect of:		
Expenses not deductible for tax purposes	0.05	-
Other temporary differences - fair value adjustment of investment properties	-	(11.69)
	<u>19.05</u>	<u>7.31</u>

**11 DIVIDENDS**

	2020 £	2019 £
On ordinary Equity Shares		
Paid ordinary dividend of 33.5652 pence per issued ordinary share (2019: 21.8232)	83,913	54,558
	<u>83,913</u>	<u>54,558</u>

**12 INVESTMENT PROPERTIES**

	2020 £	2019 £
Cost or fair value		
At 1 May	7,920,000	6,841,237
Revaluation	-	1,078,763
	<u>7,920,000</u>	<u>7,920,000</u>
At 30 April	7,920,000	7,920,000

(i) All investment properties were valued at 30 April 2019 by external independent surveyors Glenny, Chartered Surveyors on an existing use value basis. The Directors are satisfied that this valuation represents the fair value of these properties as at 30 April 2020.

(ii) Investment properties comprises:

	2020 £	2019 £
Trading properties:		
Freehold land and buildings	7,490,000	7,550,000
Long leasehold property	430,000	370,000
	<u>7,920,000</u>	<u>7,920,000</u>

**13 RIGHT-TO-USE-ASSET**

The Company uses leases for land and buildings. These leases have terms of renewal but no purchase option. The Company leases premises for its fellow subsidiary plant hire business and the lease is for 10 years and will expire in December 2026.

Set out below are the carrying amounts of the right-to-use asset recognised and the movements during the period:

	2020 £
At 1 May	173,836
Depreciation	(21,972)
	<u>151,864</u>
At 30 April	151,864

## ABBAY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2020 (continued)

## 14 TRADE AND OTHER RECEIVABLES

	2020 £	2019 £
Amounts owed by group undertaking	223,696	2,765,969
Prepayments and accrued income	5,147	3,690
	<hr/> 228,843	<hr/> 2,769,659

Amounts owed by group undertakings are receivable from Abbey Group Limited and are unsecured and receivable on demand.

## 15 CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	3,023,214	42,155
	<hr/>	<hr/>

The Company had no undrawn borrowing facilities at the year end (2019: £NIL)

## 16 TRADE AND OTHER PAYABLES

	2020 £	2019 £
Accruals and deferred income	17,707	21,947
Lease liability	20,928	-
	<hr/> 38,635	<hr/> 21,947

## 17 INCOME TAX PAYABLE

	2020 £	2019 £
Corporation tax	6,177	65,924
	<hr/>	<hr/>

## 18 ISSUED CAPITAL

	Authorised, allotted and fully paid			
	2020 No.	2020 £	2019 No.	2019 £
At 30 April				
Ordinary shares of £1 each	250,000	250,000	250,000	250,000
	<hr/>	<hr/>	<hr/>	<hr/>

## 19 REVALUATION RESERVE

	2020 £	2019 £
The property revaluation reserve comprises :		
<i>Investment properties (note 12)</i>		
At 1 May and 30 April	3,584,775	3,584,775
	<hr/>	<hr/>

## ABBEY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2020 (continued)

20	DEFERRED TAXATION	2020 £	2019 £
	At 1 May	185,057	89,484
	Recognised in income statement	21,771	95,573
	At 30 April	206,828	185,057

## 21 LEASE LIABILITY

A description of the lease held by the Company is provided in note 13. Set out below are the carrying amounts of the lease liabilities and the movements during the period.

	2020 £	2019 £
At 1 May	173,836	-
Interest	5,910	-
Rental payments	(26,150)	-
At 30 April	153,596	-
Current	20,928	-
Non current	132,668	-

## 22 FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value on investment properties by valuation technique:

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

	2020 £	2019 £
<i>Investment properties (refer note 12)</i>		
Commercial properties Level 2	7,920,000	7,920,000

## 23 OBLIGATIONS UNDER LEASES

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

	2020 £	2019 £
<i>Leases on investment properties</i>		
Within one year	-	26,150
Between two and five years	-	78,450
After more than five years	-	95,971
	-	200,571

## 24 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:

	2020 £	2019 £
Rental income M&J Engineers Limited	697,135	630,650
Management charge Abbey Group Limited	(8,640)	(8,400)
Finance income Abbey Group Limited	64,356	91,210

## 25 SUBSEQUENT EVENTS

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

## 26 ULTIMATE PARENT UNDERTAKING

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

## 27 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 7 July 2020.