

ABBAY INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 APRIL 2023

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ABBAY INVESTMENTS LIMITED

COMPANY INFORMATION

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

SECRETARY : D.J. Dawson
J. L. Collison (appointed 24 April 2023)

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

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

REGISTERED NO. : 00543586

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 Ltd
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 2023.

RESULTS FOR THE FINANCIAL YEAR

The profit for the year, after taxation, amounted to £742,757 (2022: £3,283,226). Dividends have been paid during the year of £5,000,000 (2022: £54,176), leaving losses of £4,257,243 (2022: profit £3,229,050) 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 decreased from £14,653,959 to £10,396,716.

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 £897,428 (2022: £698,598) and operating profit of £771,759 (2022: £4,210,188). The prior years profit includes the fair value increase in investment properties of £3,570,000.

During the financial year the Company purchased 1,369 land plots from fellow subsidiary, Abbey Developments Limited, for a total consideration of £138,193,960. This purchase was funded by a loan of £138,193,960 from Gallagher Holdings Limited, a group company.

The Company will now also trade as a property developer. A housebuilding services agreement between the Company and Abbey Developments Limited has been entered into to allow for Abbey Developments Limited to act as the building contractor for the Company going forward.

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 the conflict in Ukraine, being a particular concern at this time.
- The Company is subject to substantial laws, regulations and standards such as environmental and health and safety, which could result in additional costs related to compliance with these laws and regulations.
- Any adverse economic interest rate changes will impact on the Company.

By order of the board



J. L. Collison

Company Secretary

13 July 2023

DIRECTORS' REPORT

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

DIVIDENDS

The Directors authorised and paid a dividend of £5,000,000 for the financial year ended 30 April 2023 (2022: £54,176).

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 2022 at a value of £11,490,000. That valuation is incorporated into the 2023 accounts. The directors have reviewed the valuation and consider that this represents fair value at 30 April 2023.

IMPORTANT EVENTS SINCE THE YEAR END

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

DIRECTORS AND THEIR INTERESTS

On 22 August 2022 Mr C.C. Gallagher was appointed to the Board and Mr L.G. Fraquelli resigned from the Board. All the other directors stated above held office throughout the year. Mr C.C. Gallagher retires by rotation and being eligible, offers himself for election.

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 is a director of the intermediate holding company, Abbey Limited, and any interest they have in the shares of Abbey Limited are disclosed in that company's directors' report.

POLITICAL DONATIONS

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

DIRECTORS' 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.

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 1. The position of the Company, its cash flows and liquidity position are detailed on pages 10 and 11. The Company has adequate financial resources and the directors believe that the Company is well placed to manage its business risks successfully, despite the current uncertain economic outlook, in particular the current cost of living impact and the conflict in Ukraine for a period of 12 months from approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

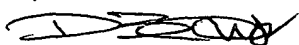
The directors who were members of the board at the time of approving the directors' report are listed under company information above. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- * 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

13 July 2023



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 2023 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 27, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accountings standards.

In our opinion, the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Continued / ...



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

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

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Continued / ...



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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Continued / ...



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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Continued / ...



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

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, which appears to read 'Ernst & Young' in a stylized, cursive script.

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

Dublin

13 July 2023

ABBEEY INVESTMENTS LIMITED
**INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2023**

	Note	2023 £	2022 £
REVENUE - continuing operations	6	897,428	698,598
Cost of sales		(28,423)	(23,555)
Gross profit		869,005	675,043
Administrative expenses		(97,246)	(34,855)
Fair value increase in investment properties	12	-	3,570,000
Operating profit - continuing operations	7	771,759	4,210,188
Finance income	9	154,837	13,246
Finance cost	9	(4,207)	(4,519)
Profit before taxation		922,389	4,218,915
Income tax expense	10	(179,632)	(935,689)
Profit attributable to equity shareholders of the company		742,757	3,283,226

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

	2023 £	2022 £
Profit attributable to equity shareholders of the parent	742,757	3,283,226
<i>Items that will not be reclassified to the income statement</i>		
Revaluation Reserve increase - land and buildings	-	-
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	742,757	3,283,226

ABBEEY INVESTMENTS LIMITED
Statement of Changes in Equity
Note
Year Ended 30 April 2023

		Issued Capital £	Revaluation Reserve £	Retained Earnings £	Total £
Attributable to equity holders					
At 1 May 2022		250,000	3,584,775	10,819,184	14,653,959
Profit for the year		-	-	742,757	742,757
Total comprehensive income, net of tax, attributable to equity shareholders		-	-	742,757	742,757
Equity dividends paid	11	-	-	(5,000,000)	(5,000,000)
At 30 April 2023		250,000	3,584,775	6,561,941	10,396,716

Statement of Changes in Equity
Year Ended 30 April 2022

		Issued Capital £	Revaluation Reserve £	Retained Earnings £	Total £
Attributable to equity holders					
At 1 May 2021		250,000	3,584,775	7,590,134	11,424,909
Profit for the year		-	-	3,283,226	3,283,226
Total comprehensive income, net of tax, attributable to equity shareholders		-	-	3,283,226	3,283,226
Equity dividends paid	11	-	-	(54,176)	(54,176)
At 30 April 2022		250,000	3,584,775	10,819,184	14,653,959

ABBAY INVESTMENTS LIMITED

Company number: 0543586

BALANCE SHEET AS AT 30 APRIL 2023

	Note	2023 £	2022 £
ASSETS			
Non-current assets			
Investment properties	12	11,490,000	11,490,000
Right-to-use-asset	13	94,451	120,494
		<u>11,584,451</u>	<u>11,610,494</u>
CURRENT ASSETS			
Trade and other receivables	14	7,595	232,061
Inventories	15	138,193,960	-
Cash and cash equivalents	16	294,511	3,974,184
Income tax receivable	18	206	35
		<u>138,496,272</u>	<u>4,206,280</u>
TOTAL ASSETS		<u>150,080,723</u>	<u>15,816,774</u>
LIABILITIES			
Trade and other payables	17	(138,592,464)	(45,479)
Income tax payable	18	-	-
		<u>(138,592,464)</u>	<u>(45,479)</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>(96,192)</u>	<u>4,160,801</u>
Non-current liabilities			
Deferred taxation	21	(1,019,381)	(1,019,381)
Lease liability	22	(72,162)	(97,955)
		<u>(1,091,543)</u>	<u>(1,117,336)</u>
TOTAL LIABILITIES		<u>(139,684,007)</u>	<u>(1,162,815)</u>
NET ASSETS		<u>10,396,716</u>	<u>14,653,959</u>
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	19	250,000	250,000
Revaluation reserve	20	3,584,775	3,584,775
Retained earnings		6,561,941	10,819,184
		<u>10,396,716</u>	<u>14,653,959</u>
TOTAL EQUITY		<u>10,396,716</u>	<u>14,653,959</u>
TOTAL EQUITY AND LIABILITIES		<u>150,080,723</u>	<u>15,816,774</u>


 D.J. Dawson

Director

13 July 2023

ABBEY INVESTMENTS LIMITED
FOR THE YEAR ENDED 30 APRIL 2023

CASH FLOW STATEMENT	Note	2023	2022
Administrative expenses		£	£
Cash flows from operating activities			
Profit before taxation		<u>922,389</u>	<u>4,218,915</u>
Adjustments to reconcile profit before tax to net cash flows			
Cash:			
Lease payments	22	(30,000)	(27,595)
Non cash:			
Depreciation	13	26,043	23,555
Interest on lease liability	9	4,207	4,519
Fair value adjustment of investment properties	12	-	(3,570,000)
Finance income	9	(154,837)	(13,246)
Finance costs	9	4,207	4,519
Working capital adjustments:			
Increase in inventories	15	(138,193,960)	-
Decrease / (increase) in trade and other receivables	14	224,466	(184,799)
Increase in trade and other payables	17	133,957,235	15,345
Income taxes paid		<u>(179,803)</u>	<u>(123,672)</u>
Net cash inflow from operating activities		(3,420,053)	347,541
Cash inflow from investing activities			
Finance income	9	154,837	13,246
Finance costs	9	<u>(4,207)</u>	<u>(4,519)</u>
Net cash inflow from investing activities		<u>150,630</u>	<u>8,727</u>
Cash flows from financing activities			
Equity dividends paid	11	<u>(410,250)</u>	<u>(54,176)</u>
Cash outflows from financing activities		<u>(410,250)</u>	<u>(54,176)</u>
Net cash increase in cash and cash equivalents		(3,679,673)	302,092
Cash and cash equivalents at start of period		3,974,184	3,672,092
Cash and cash equivalents at end of period		<u>294,511</u>	<u>3,974,184</u>

ABBEY INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2023
1 AUTHORISATION OF FINANCIAL STATEMENTS

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

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

In the current year, the Company has adopted all 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. 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.

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 United Kingdom, as they apply to the financial statements of the Company for the year ended 30 April 2023.

4 BASIS OF PREPARATION

The Company 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 2023.

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

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

Building land and roads

Building land and roads is stated at the lower of cost and net realisable value less an appropriate proportion relating to plots sold in the case of estates in the course of development.

The Company assesses at each balance sheet date whether building land and roads is impaired in accordance with IAS 2 "Inventories". If any impairment has occurred then the write down is recognised as an expense in the Income Statement.

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 2023

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 enforceable right exists to set off current tax assets against current tax liabilities, the deferred income tax relates to the same taxation authority and that authority permits the 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 assesses 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.

NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2023 (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 2023

The Directors do not anticipate that the adoption of the remaining standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

* The effective dates stated here are those given in the original IASB/IFRIC standards and interpretations. As the Company has elected to prepare their financial statements in accordance with IFRS as adopted by the United Kingdom, the application of new standards and interpretations will be subject to them having been endorsed by the United Kingdom. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the Company's discretion to early adopt standards. It is expected that for a number of the standards standards above, United Kingdom adoption will not be in line with IASB adoption.

6 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

	2023 £	2022 £
The operating profit is stated after (crediting) / charging :		
Management charge payable to parent undertaking	9,815	12,858
Fair value increase in investment properties	-	(3,570,000)
Depreciation	26,043	23,555
Auditors' remuneration - audit fees	2,000	2,000
- taxation services	-	2,220

8 STAFF COSTS AND REMUNERATION OF DIRECTORS

Staff costs and directors' remuneration were not incurred during the years ended 30 April 2023 and 30 April 2022 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 2023 (continued)

9 FINANCE INCOME

	2023 £	2022 £
Group interest receivable	124,518	6,362
Bank interest receivable	30,043	6,884
Sundry interest receivable	276	-
	<hr/>	<hr/>
	154,837	13,246
	<hr/>	<hr/>

FINANCE COSTS

Lease interest payable	(4,207)	(4,519)
	<hr/>	<hr/>
	(4,207)	(4,519)
	<hr/>	<hr/>

10 TAXATION

The tax charge is made up as follows:

	2023 £	2022 £
Based on the profit for the year:		
Corporation tax at 19.49% (2022 : 19.00%)	179,632	123,136
	<hr/>	<hr/>
	179,632	123,136
Deferred tax: originating and reversal of temporary differences (note 21)	-	812,553
	<hr/>	<hr/>
Tax charge to the income statement	179,632	935,689
	<hr/>	<hr/>

ABBEE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL ACCOUNTS - 30 APRIL 2023 (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 19.49% (2022: 19.00%). The differences are reconciled below:

	2023 (% of profit before taxation)	2022
UK corporation tax rate	19.49	19.00
Effect of:		
Expenses not deductible for tax purposes	-	(0.02)
Other temporary differences - fair value adjustment of investment properties	-	(16.07)
Deferred tax	-	19.26
	<u>19.49</u>	<u>22.17</u>

11 DIVIDENDS

	2023 £	2022 £
On ordinary Equity Shares		
Paid ordinary dividend of 2,000.00 pence per issued ordinary share (2022: 21.6704)	<u>5,000,000</u>	<u>54,176</u>

12 INVESTMENT PROPERTIES

	2023 £	2022 £
Cost or fair value		
At 1 May	11,490,000	7,920,000
Revaluation	-	3,570,000
	<u>11,490,000</u>	<u>11,490,000</u>

(i) Fair value of the properties in the United Kingdom were determined by using market comparable information. Valuations performed by the valuers are based on active market prices, adjusted for the difference in nature, location or condition of the specific property. As at the date of revaluation of 30 April 2022, the properties' fair values are based on valuations performed by Glenny, Chartered Surveyors, an accredited independent valuer. The Directors have considered the valuation of the properties as at 30 April 2023 and are satisfied that the valuation as presented above represents the fair value of these properties at year-end.

(ii) Investment properties comprises:

	2023 £	2022 £
Trading properties:		
Freehold land and buildings	11,060,000	11,060,000
Long leasehold property	430,000	430,000
	<u>11,490,000</u>	<u>11,490,000</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:

	2023 £	2022 £
At 1 May	120,494	129,892
Depreciation	(26,043)	(23,555)
Lease modification	-	14,157
	<u>94,451</u>	<u>120,494</u>

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

14 TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
Amounts owed by group undertaking	-	222,428
Prepayments and accrued income	7,595	9,633
	<u>7,595</u>	<u>232,061</u>
Amounts owed by group undertakings are receivable from Abbey Group Limited and are unsecured and receivable on demand.		

15 INVENTORIES

	2023 £	2022 £
Building land	138,193,960	-
During the year, the Company purchased 1,369 land plots from a fellow subsidiary, Abbey Developments Limited, for a total consideration of £138,193,960.		

16 CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	294,511	3,974,184
The Company had no undrawn borrowing facilities at the year end (2022: £NIL)		

17 TRADE AND OTHER PAYABLES

	2023 £	2022 £
Amounts due to group undertaking	138,385,171	-
Trade creditors	25,891	-
Accruals and deferred income	155,609	19,686
Lease liability	25,793	25,793
	<u>138,592,464</u>	<u>45,479</u>
Included in amounts due to group undertaking is a loan from Gallagher Holdings Limited in the sum of £138,193,960 to fund the purchase of the land plots from Abbey Developments Limited as described in note 15. Interest is charged on this loan at 3% above the Bank of England base rate.		

18 INCOME TAX (RECEIVABLE) / PAYABLE

	2023 £	2022 £
Corporation tax	(206)	(35)

19 ISSUED CAPITAL

	Authorised, allotted and fully paid		
	2023 No.	2023 £	2022 No.
At 30 April			
Ordinary shares of £1 each	250,000	250,000	250,000

20 REVALUATION RESERVE

	2023 £	2022 £
The property revaluation reserve comprises :		
<i>Investment properties (note 12)</i>		
At 1 May and 30 April	3,584,775	3,584,775

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

21	DEFERRED TAXATION	2023 £	2022 £
	At 1 May	1,019,381	206,828
	Recognised in income statement	-	812,553
	At 30 April	1,019,381	1,019,381

22 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.

	2023 £	2022 £
At 1 May	123,748	132,668
Interest	4,207	4,519
Rental payments	(30,000)	(27,596)
Lease modification	-	14,157
At 30 April	97,955	123,748
Current	25,793	25,793
Non current	72,162	97,955

23 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;

		2023 £	2022 £
Investment properties (refer note 12)			
Commercial properties	Level 2	11,490,000	11,490,000

24 RELATED PARTY TRANSACTIONS

Abbey Group Limited is the company's immediate parent company and Abbey Limited 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:

		2023 £	2022 £
Rental income	M&J Engineers Limited	-	698,598
Rental income	Charles Wilson Engineers Ltd	897,428	-
Management charge	Abbey Group Limited	(9,815)	(12,858)
Finance income	Abbey Group Limited	124,518	6,362

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

27 APPROVAL OF FINANCIAL STATEMENTS

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