

For immediate release

30 June 2010

Final Results 2010

Abbeycrest plc (“Abbeycrest” or the “Group”), a leading international jewellery designer, manufacturer and distributor, announces its final results for the year ended 28 February 2010.

Financial Highlights:

- Revenue, after strategic withdrawal from lower margin activities, of £39.7m (2009: £53.1m)
- Return to profitability:
 - Operating profit, including an exceptional gain of £1.5m (2009: exceptional cost £8.2m), of £2.4m (2009: loss of £7.1m)
 - Pre-tax profit, before exceptionals, of £55,000 (2009: loss of £1.0m)
 - Pre-tax profit, after exceptionals, of £1.6m (2009: loss of £10.1m)
 - Basic profit per share of 3.2p (2009: loss per share 36.6p)
- Fundraising in September 2009, primarily to reduce debt, raised £1.85m (net of share placement expenses)
- Agilo £1.75m and HMRC £1.6m (gross) repaid in full
- Year-end net debt reduced by 30% to £5.6m (2009: £8.0m)
- Increasing gold price creating pressure on working capital funding

Operational Highlights:

- Essentials division - operating margins strengthened to 5.7% (2009: 4.2%)
- Brands division - still in early stages of brand development; revenue increased by 8%
- Board strengthened, post year end, with appointment of new Non-executive Directors

Simon Ashton, Executive Chairman, said: “Market conditions remain challenging and whilst we are pleased with the progress of the turnaround, there is still a great deal to do within the business. Our ‘Essentials’ and ‘Brands’ divisions are at very different stages of development but our main focus now with both is to generate top-line growth. Managing our exposure to any further increases in the gold price, given the clear impact of this variable on working capital funding, also remains key. As we approach the key Christmas trading period, we maintain our belief that the Group is now much better positioned to capitalise on the opportunities in the global jewellery market.”

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Chairman's Statement

The year to 28 February 2010 was one of consolidation for Abbeycrest, concluding the 'Straight Edge' and embedding the 'Leading Edge' initiatives outlined in last year's Chairman's Statement. We entered the year facing a continuing downturn in our markets and requiring the support of our stakeholders to implement a range of initiatives. Notwithstanding the challenges presented by a rapidly rising gold price, discussed further below, we have successfully realigned our business, focused on our Essentials and Brands divisions, raised equity to reduce gearing and strengthened our Board with the appointment of two additional Non-executive Directors.

Results

As anticipated, Group revenue absorbed the impact of the first full year of our withdrawal from lower margin, working capital intensive business streams, reducing to £39.7m (2009: £53.1m). Pre-tax profit before exceptional items, however, improved from a loss of £1.0m to a profit of £55,000. Pre-tax profit after exceptional items, which included a £1.5m gain arising from the grant of an option to break the lease over the Group's former head office in September 2011, was £1.6m (2009: loss £10.1m).

In September 2009, the Group completed an equity fundraising, raising proceeds of approximately £1.85m (net of share placement expenses). The proceeds were used primarily to reduce net debt, which, by the year-end, stood at £5.6m (2009: £8.0m). No dividends are payable.

Strategy

The Business and Financial Review section details the current position of the Group and the progress we have made. As well as the positive trends in profitability and net debt, I would like to highlight the following:

- Our Essentials division, which serves volume markets with mainstream precious metal jewellery products, has been transformed into a leaner, more focused operation. The division delivered an operating profit before exceptional items of £1.6m (2009: £1.7m) on reduced turnover of £27.2m (2009: £41.5m). The decrease in turnover reflects our decision to withdraw from elements of our legacy activities referred to above, particularly in the UK. This withdrawal resulted in the division's operating margins strengthening to 5.7% for the year (2009: 4.2%). In Europe and the Rest of the World, we generated revenue increases of 5% and 21% respectively over the previous year. Our focus during the current year is to continue this growth in overseas markets, whilst consolidating our position in the UK marketplace.
- Our Brands division, which operates in the design-led, higher-end jewellery sector with branded jewellery collections, delivered an 8% increase in revenue to £12.5m (2009: £11.5m). Operating profit, before exceptional items, remained broadly static at £0.41m (2009: £0.42m), reflecting the lag between investment and return during the early stages of brand creation. Building brands on a limited marketing budget is challenging, however, this remains a key tenet of our strategy. We are exploring resourceful, imaginative and cost effective ways in which to develop and market new branded collections through our Global Edge and Brown & Newirth operations.

Notwithstanding the progress we have made, our business remains exposed to fluctuations in the gold price. At 28 February 2010, the average price stood at £636 per ounce (2009: £507 per ounce), an increase of 25% over the year. At 17 June 2010, the price had increased by a further 31% since the year-end to £835 per ounce. These increases have had a clear impact on consumer demand, with hallmarking of gold in the UK falling by over 30% during the year under review. As we have adjusted some of our product design to reflect the movement in demand towards silver and mixed metals, this has reduced our monetary selling prices and margins on these items.

The increase in the gold price also added to the working capital requirements of the Group, creating funding pressures. We continue to work closely with our customers and bankers to address this matter. As detailed in note 1b to the financial statements, the Directors anticipate that the Group will breach its profit covenants with Burdale Financial Limited ("Burdale") at 30 June 2010 and has not yet agreed covenants for the full 12 months from the date of this statement. Management is in discussions with Burdale to re-set the covenants up to 30 June 2011 and is confident of a successful outcome. Based on current forecasts, the Group will also be required either to extend its current borrowing facilities or reduce its working capital funding requirement by £0.6m in September 2010. The Directors are currently exploring a number of viable options at their disposal to achieve this. Further information regarding these uncertainties are disclosed in notes 1b and 1c.

Fundraising

In September 2009, the Group raised £2.25m, approximately £1.85m net of expenses, through a placing of 40,300,000 new ordinary shares with existing and new investors at a price of 5 pence per share and 4,625,000 ordinary shares which were issued in settlement of (i) a £100,000 fee payable to Moorgarth in relation to deeds of variation of the Group's leases of its former head office site at Wilmington Grove and (ii) £131,250 of lump sum loan interest charges due to Agilo Master Fund ("Agilo"). The net proceeds of the placing have been used primarily to reduce the Group's borrowings.

Repayment of loans

On 26 February 2010, Abbeycrest paid Agilo £950,000 in full and final settlement of all amounts due, releasing all related security over the Group's assets. All amounts owing to HMRC, under the "time to pay arrangement" disclosed in last year's annual report, were paid in full during the year.

Grant of share options

In March 2010, the Board announced proposals to implement a share option scheme for Directors and senior management, which was subsequently approved by shareholders at a General Meeting of the Company held on 14 April 2010. Details of the initial grants awarded to the Directors following the General Meeting are set out in the Remuneration Committee Report.

Board Changes

Since the year end, the Board has been strengthened by the appointment of two new Non-executive Directors, Sarah Carpin and Kathryn Davenport. Sarah, aged 47, is a specialist jewellery and watch consultant with international experience in magazine publishing, market research and trend forecasting. Kathryn, aged 40, is a qualified solicitor and Company Secretary with significant experience in company administration, corporate governance and UK Listing Authority compliance. Their combined experience expands the skillset of the Board and will be greatly valued as the Company moves out of the turnaround stage and into growth.

Graham Partridge, Group Finance and Operations Director, who tendered his resignation in May 2010, is currently working his six month notice period. The Board has identified a suitable candidate for the role and will make a further announcement at the appropriate time.

Outlook

Market conditions remain challenging and whilst we are pleased with the progress of the turnaround, there is still a great deal to do within the business. Our 'Essentials' and 'Brands' divisions are at very different stages of development but our main focus now with both is to generate top-line growth. Managing our exposure to any further increases in the gold price, given the clear impact of this variable on working capital funding, also remains key. As we approach the key Christmas trading period, we maintain our belief that the Group is now much better positioned to capitalise on the opportunities in the global jewellery market.

Simon Ashton
Chairman
29 June 2010

Business and Financial Review

Group Revenue

The table below analyses revenue for the Group by geographical market and operating segment for the periods indicated:

	12 months ended 28 February 2010 £'000	12 months ended 28 February 2009 £'000
Revenue (all continuing operations)	39,663	53,052
<i>Analysis of revenues by geographic market</i>		
UK	19,178	35,272
Rest of Europe	6,782	6,433
Rest of the World	13,703	11,347
	-----	-----
Total	39,663	53,052
	=====	=====
<i>Analysis by operating segment</i>		
Brands	12,478	11,542
Essentials	27,185	41,510
	-----	-----
Total	39,663	53,052
	=====	=====

The reduction in revenue in the period ending 28 February 2010 of 25% in overall terms was the result of the Group's Straight Edge programme and its plan to withdraw from certain UK based, low margin high volume business. Competition was also strong in all the Group's global markets as a result of the worldwide economic downturn which, coupled with increasing gold and precious metal prices, is affecting demand for the Group's principal products.

However, despite this background, the Group was able to grow its revenue in the Rest of Europe by 5% and in the Rest of the World by 21%, particularly in the Australian market.

The Brands division was able to increase revenue by 8% in the period ending 28 February 2010, reflecting growth in the existing brands Company and the launch of the new Brands businesses.

Operating profit and margins

The table below analyses operating profit and margins for the Group and by operating segment for the periods indicated:

	Group 12 months ended 28 February 2010 £'000	Brands 12 months ended 28 February 2010 £'000	Essentials 12 months ended 28 February 2010 £'000	Group 12 months ended 28 February 2009 £'000	Brands 12 months ended 28 February 2009 £'000	Essentials 12 months ended 28 February 2009 £'000
EBITDA before exceptional items	1,775	547	2,288	2,026	558	2,539
<i>Less</i>						
Depreciation of tangible fixed assets	747	136	611	789	102	687
Amortisation of intangible fixed assets	122	-	122	162	41	121
Operating profit before exceptional items	906	411	1,555	1,075	415	1,731
Exceptional items – operating costs	1,500	-	-	(8,191)	-	(4,132)
Operating profit/(loss)	2,406	411	1,555	(7,116)	415	(2,401)
EBITDA margins before exceptional items	4.5%	4.4%	8.4%	3.8%	4.8%	6.1%
Operating margins before exceptional items	2.3%	3.3%	5.7%	2.0%	3.6%	4.2%

Group EBITDA margin increased during the year to 4.5% from 3.8% reflecting a strong performance from the Essentials division which increased its EBITDA margin to 8.4% from 6.1% through the reduction in low margin business, coupled with a strong performance in the Australian market offset by the Brands division's small decrease from 4.8% to 4.4%.

This performance fed through to the Group's operating margins before exceptional items which increased to 2.3% from 2.0%, again reflecting the strong performance by the Essentials division which increased its operating margin to 5.7% from 4.2%, again through the reduction in low margin business coupled with a strong performance in the Australian market, partially offset by the Brand division's small decrease from 3.6% to 3.3%.

Exceptional costs

The table below provides a breakdown of exceptional operating costs incurred during the periods indicated:

	12 months ended 28 February 2010 £'000	12 months ended 28 February 2009 £'000
Cost of stock reduction programme	-	(2,386)
Cost of Abbeycrest International restructuring	1,500	(5,805)
Total exceptional operating costs	1,500	(8,191)

Exceptional operating costs incurred during the year ended 28 February 2009 comprise:

- (i) Restructuring costs incurred by Abbeycrest International, including redundancy-related costs and a substantial onerous lease provision arising from the decision to vacate the Company's premises in Leeds; and

- ii) A stock clearance and liquidation programme associated with Abbeycrest International's strategic withdrawal from relationships with certain of its UK customers as part of the downsizing of the operation in Leeds.

The Group benefited from a write back of exceptional operating costs for the year ended 28 February 2010 of £1.5m as a result of the agreement with its landlord to grant an option to break the lease at the Group's former Head Office premises at Wilmington Grove in Leeds, in September 2011.

Profit/(loss) attributable to equity shareholders

The table below analyses the profit/(loss) attributable to equity shareholders for the periods indicated:

	12 months ended 28 February 2010 £'000	12 months ended 28 February 2009 £'000
Operating profit/(loss)	2,406	(7,116)
Finance Income	-	6
Finance costs – exceptional	-	(956)
Finance costs – non-exceptional	(851)	(2,065)
	-----	-----
Profit/(loss) before taxation	1,555	(10,131)
Tax on profit/(loss)	-	(58)
	-----	-----
Profit/(loss) for the year attributable to equity shareholders	1,555	(10,189)
	=====	=====

The Group achieved an operating profit of £2.4m for the period ended 28 February 2010 compared to a loss of £7.1m for the period ended 28 February 2009, benefiting from the write back of exceptional costs.

The Group incurred no exceptional finance costs during the period ended 28 February 2010. The Group announced on 17 March 2009, that it had renegotiated its UK asset backed finance facilities. This resulted in £1.0m of arrangement fees and associated legal costs of an exceptional nature being incurred during the year ended 28 February 2009.

The Group significantly reduced its non-exceptional finance costs during the year ended 28 February 2010 to £0.9m from £2.1m as a result of its continued reduction of net debt and the effective management of its working capital against a background of continuously increasing gold prices.

Cash flows

The table below analyses the Group's cash flows for the periods indicated:

	12 months ended 28 February 2010 £'000	12 months ended 28 February 2009 £'000
Net cash generated from operations	1,796	6,026
Share based payment	230	-
Net finance costs	(851)	(2,059)
Tax paid	(65)	(160)
Net capital expenditure and development expenditure	(370)	(497)
Issue of shares	1,620	306
Net proceeds from bank borrowings and finance leases	(2,888)	(3,223)
Leased gold facility movement	859	(1,241)
	-----	-----
Net increase/(decrease) in cash	331	(848)
Cash and cash equivalents at beginning of year	(118)	730
	-----	-----
Cash and cash equivalents at end of year	213	(118)
	=====	=====

The Group has continued to generate significant inflows of cash from operations throughout each period covered by the table above, attributed primarily to the actively managed reduction of working capital levels (primarily stock and trade debtors) across the Group. This is despite the impact of the inexorable increase in the price of gold which has increased during the period to an average monthly level of £636 per ounce an increase of over 25% from the average monthly level of £507 per ounce in the prior year. As a consequence, net finance costs have reduced again during the period to £0.9m compared to £2.1m in the prior period.

Abbeycrest's operations are traditionally seasonal in nature, with sales peaking in the run-up to the Christmas trading season. Accordingly, peak working capital investment traditionally occurs between September and November, with the build-up in inventories unwinding and translating into peak sales during the months immediately before Christmas.

Net Investment expenditure

	12 months ended 28 February 2010 £'000	12 months ended 28 February 2009 £'000
Expenditure on plant and equipment	284	441
Expenditure on computer software	89	56
	-----	-----
Capital expenditure	373	497
	=====	=====

The majority of capital expenditure incurred during the periods in the table above was on equipment for Abbeycrest Thailand's Lamphun facility. During the current period Abbeycrest Thailand's major investment was in a gold recovery line which has contributed to a further reduction in both operating costs and working capital. All the Group's operations are well-equipped, however, the Group will continue to invest as projects with appropriate paybacks are proposed.

Capital resources

The table below analyses the Group's net debt position for the periods indicated:

	12 months ended 28 February 2010 £'000	12 months ended 28 February 2009 £'000
<i>Borrowings – current</i>		
Bank overdrafts	280	217
Bank loans	2,997	5,773
Leased gold	2,563	1,704
Obligations under hire purchase contracts	80	117
<i>Borrowings – non-current</i>		
Bank loans falling due in more than one year but not more than two years	-	-
Obligations under hire purchase contracts	176	251
	-----	-----
Total borrowings	6,096	8,062
<i>Less</i>		
Cash and cash equivalents	(493)	(99)
	-----	-----
Net debt	5,603	7,963
	=====	=====

The net debt outstanding as at 28 February 2010 was £5.6m, a decrease of £2.4m from £8.0m as at 28 February 2009.

The Group continues to be reliant on secured, asset backed borrowings to finance its operations.

On 13 March 2009, Burdale Financial Limited (Burdale) formally agreed to renew the Group's secured asset backed borrowing facilities for a further two years, with an expiry date of 9 March 2011. Further to this, on 26 February 2010, Burdale agreed to extend these facilities by a further year to 9 March 2012. The facilities extended to the Group by Burdale are asset-based, revolving credit, with a maximum drawdown of £8m against inventory and trade debtors in the UK.

Debt facilities are also provided directly to Abbeycrest Thailand Limited by Siam Commercial Bank (SCB). The facility comprises an overdraft, packing credit, gold guarantees and letters of credit. Draw downs against the SCB facility at 28 February 2010 stood at £3.5m at the Sterling/Thai Baht exchange rate as at that date. The borrowings are secured principally against the Lamphun facility's land and buildings and the Bangkok offices of Abbeycrest Thailand.

The loan owed to Agilo Master Fund Limited which stood at £1.75m at the beginning of the period has been satisfied in full during the period through the payment of two tranches, the first of £0.75m on 28 September 2009 and a second, in full and final settlement of £0.95m of all liabilities outstanding, on 26 February 2010.

The leased gold balance of £2.6m (2009:£1.7m) is a loan from the Bank of Nova Scotia denominated in gold. The loan is secured by a letter of credit from Burdale and SCB.

The Company also has a £0.25m, secured loan facility from Michael Lever due for repayment on 28 February 2011.

As detailed in the Chairman's Statement, the Directors anticipate that the Group will be in breach of its profit covenants with Burdale as at 30 June 2010. The Group will also be required to extend its current facilities or reduce the working capital funding requirement in September 2010. These matters are discussed further in note 1b to the financial statements.

Financial Risks and Uncertainties

Principal Risks Relating to the Group

The Group may be affected adversely by global economic conditions

The Group's operating and financial performance is influenced by the economic conditions of the regions in which it operates, particularly in the United Kingdom and continental Europe. The current debt position of certain Eurozone economies as well as the UK and the proposed debt reduction policies of their respective governments continues to create uncertainty and could lead to recession or limited growth and an increase in competition in the Group's core markets with a subsequent general reduction in business activity and a consequent loss of income for the Group. The ongoing global credit market conditions mean financial institutions continue to apply more stringent lending criteria and the availability of debt remains low by historical comparison, which may mean that it will remain more costly for the Group to raise funds to take advantage of opportunities. The continued uncertain state of global economic conditions may also have a material adverse effect on the Group's business, results of operations and overall financial condition.

The price volatility of some of the raw materials purchased by the Group, in particular gold, could have a material adverse effect on the Group and its ability to reflect raw material price movements in the Group's selling prices and in its finance headroom

The Group's profit is impacted by the price of the raw materials that it purchases, particularly gold and other precious metals. The prices of these raw materials are volatile and they are influenced by a number of external factors, such as conditions in the gold market, which are outside the Group's control. The price of gold and other precious metals has continued to rise almost inexorably during the period ended 28 February 2010. The Group has some ability to pass on higher input prices to its customers, but this ability is, to some extent, dependent upon market conditions and in any event may tend to lag behind the price input movements. There may be periods of time during which the Group is not able to recover fully increases in the cost of raw materials due to weakness in demand for its products or the actions of its competitors. During periods in which prices of raw materials fall, the Group may face demands from its customers to reduce its prices or experience falls in demand for its products whilst customers delay orders in anticipation of price reductions.

The Group during 2010 increased finance facilities by £1.3m with Siam Commercial Bank (SCB). However, the Group estimates that each £100 rise in the price of gold per ounce reduces its finance headroom by in excess of £0.4m. Given the adverse, increasing price movements in 2010 over and above the considerable adverse price increases experienced during 2009 much of the above increase in the facility has now been absorbed. There is no guarantee that SCB will further extend its facilities to take account of increases in the price of gold or other precious metals.

All of these factors could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Limitations on the Group's ability to fund its longer term financing requirements could affect the Group adversely

(i) Debt covenants

The Company's debt facilities provided by Burdale contain net worth, trading cash flow and EBITDA financial covenants tested quarterly and its facilities with Michael Lever also contain certain undertakings.

If the Company cannot meet its liabilities under the debt facilities, then the guarantees and security in place over the Group may be enforced.

The Company must manage its business and capital structure so that it is able to meet its debt covenants, whilst also ensuring it can meet its liabilities as they fall due. Should trading deteriorate further, the Company may be forced to take actions that it would not ordinarily take in order to ensure it meets its debt covenants.

(ii) SCB

Abbeycrest Thailand's debt facilities with SCB are currently being renegotiated. Under the terms of the current documentation, the terms of all of the facilities provided by SCB can be varied at any time. Were SCB to withdraw its facilities or make their terms onerous, this could affect Abbeycrest Thailand's ability to trade.

The Group is exposed to currency fluctuations which could impact its results, cash flow and/or financial condition materially

Currency risk arises from the possibility that fluctuations in foreign currency exchange rates will affect the value of the Group's assets and liabilities and its earnings. The Group's reporting currency is Pounds Sterling. However, through wholly-owned subsidiaries in Hong Kong and Thailand and sales offices in other territories, the Group has or will have operational exposure in US Dollars, Euros and Thai Baht (amongst other currencies) and capital expenditure cash flows may also be in currencies other than the functional currency of the Group's subsidiaries. As a result, the Group's profitability may be adversely impacted if the earnings and cash flows associated with these investments fall or cash outflows increase because of currency fluctuations against Pounds Sterling. When valuing investments that are denominated in currencies other than Pounds Sterling, the Group will be required to convert the values of such investments into Pounds Sterling based on prevailing exchange rates as at the end of the applicable accounting period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Group uses derivative financial instruments to manage the value of its earnings. To the extent that the Group's currency exposure remains un-hedged, these currency risks could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to interest rate fluctuations which could impact its results, cash flow and/or financial condition materially

The Group's interest-bearing assets and liabilities are subject to fluctuations in interest rates. Hence the Group's financial costs, financial condition and credit profile may be adversely affected by fluctuations in interest rates.

The Group is also exposed to movements in interest rates which affect the amount of interest paid on borrowings and the return on its cash investments. To the extent that any of the Group's interest rate exposure remains unhedged, adverse movements in interest rates could have a material adverse effect on the Group's business, results of operations and overall financial condition.

The Group's business may be affected by the default of counterparties in respect of monies owed to the Group

As a consequence of its normal operations, the Group often has significant amounts owed to it by its customers. In addition, the Group may hold large cash balances on deposit with financial institutions. In the current market environment, the Group's operating and financial performance may be impacted by increased exposure to the default of counterparties (including customers with bad debts), in particular if global economic conditions worsen which may, among other things, reduce the Group's cash flows.

There can be no assurance that the Group's policy to limit counterparty exposures by setting credit limits for each counterparty, where possible by reference to published credit ratings, will eliminate such exposure effectively and any such counterparty default may have a material adverse effect on the Group's business, results of operations and overall financial condition.

Trade credit insurance policies to insure the Group against credit risk of its customers or counterparties, in particular due to the current volatile market conditions, may not be available on reasonable terms or at all.

The occurrence of major operational problems could have a material adverse effect on the Group

The Group's revenues are dependent on the continued operations of its manufacturing facilities. Operational risks include equipment failure, failure to comply with applicable regulations and standards, raw material supply disruptions, labour force shortages or work stoppages, events impeding, or increasing the cost of, transporting the Group's products and natural disasters.

Any disruption of the manufacturing processes can either result in delivery delays, interrupt the production or even lead to a full cessation of production. If production is interrupted, customers may decide to purchase products from other suppliers. The resulting loss of revenue and the impact on the Group's relationships with its customers could be significant.

The occurrence of major operational problems may adversely affect the Group's business, financial condition, results of operations and prospects.

The Group monitors this risk through its internal control and reporting systems. Alternative sources of supply exist either through associated subsidiaries of the Group or other third party vendors.

The Group may be exposed to refinancing risks

To the extent that they have not been repaid by the due dates, the Group will be required to seek a refinancing of its debt facilities as they come to an end. The facility with Burdale is repayable on 9 March 2012 and the loan from Michael Lever matures on 28 February 2011. There can be no assurance that the Group will be able to obtain new finance on competitive terms or at all and, therefore, it may suffer a loss as a result of having to dispose of assets either at a time which is not of the Group's own volition and/or at a price which does not reflect the full value of the asset which might be achieved upon its maturity. A failure to obtain new finance could result in a member of the Group defaulting on its obligations which would have a material adverse effect on the Group.

Risks associated with the industry

The markets in which the Group operates are highly competitive with respect to price, geographic distinction, functionality, brand recognition and the effectiveness of sales and marketing

Due to pricing pressure, the Group may experience substantial fluctuations in future operating results. If the Group is unable to offset any reductions in average selling prices by increases in volumes and/or by decreases in operating expenses, the Group's turnover and profitability may be affected negatively.

Furthermore, competition could be intensified due to companies entering certain markets with new products or favourable cost structures or due to competitors establishing co-operative relationships or alliances among themselves or with third parties to increase the competitiveness of their products. Accordingly, in such events, the Group's sales, margins and/or market share may decrease. These and other competitive pressures may prevent the Group from competing successfully against current or future competitors. Such competitive pressures could have a significant impact on the Group's business, financial condition, results operations and prospects.

The Group monitors this risk through analysing market and competitive trends and seeks to strategically position the Group's operations in areas where prospects remain viable in the longer term.

The markets in which the Group operates experience seasonal variations in revenues and operating profits

Sales to the various sectors serviced by products from the Group vary greatly throughout the calendar year, influenced by the key Christmas selling season. As a result, the Group actively manages its cost base and investment decisions in line with forecast activity levels and prior experience. However, any shortfall in revenues during peak trading periods against those anticipated could have a significant impact on the Group's business, financial condition, results of operations and prospects.

The Group monitors this risk through its internal control and reporting systems and is attuned to react to short term fluctuations of demand through stringent control of costs and working capital.

Consolidated Income Statement

	Notes	Year to 28 February 2010 £'000	Year to 28 February 2009 £'000
Revenue	2	39,663	53,052
Operating costs		(37,257)	(60,168)
		-----	-----
Operating profit/(loss)		2,406	(7,116)
Finance income	4	-	6
Finance costs	4	(851)	(3,021)
		-----	-----
Profit/(loss) before taxation		1,555	(10,131)
Analysis of profit/(loss) before taxation			
Profit/(loss) before taxation and exceptional items		55	(984)
Exceptional items – operating costs	3	1,500	(8,191)
Exceptional items – finance costs	3	-	(956)
		-----	-----
Profit/(loss) before taxation		1,555	(10,131)
		-----	-----
Tax on profit/(loss)		-	(58)
		-----	-----
Profit/(loss) for the year attributable to equity shareholders of the Parent		1,555	(10,189)
		=====	=====
Profit/(loss) per share – basic and diluted	5	3.2p	(36.6)p

Consolidated Statement of Comprehensive Income

	Year to 28 February 2010 £'000	Year to 28 February 2009 £'000
Notes		
Profit/(loss) for the period	1,555	(10,189)
	-----	-----
Other comprehensive (costs)/income		
Cash flow hedges:		
Losses recognised directly in equity	-	(1)
Net investment hedges:		
Gains/(losses) recognised directly in equity	1,193	(1,445)
Exchange (losses)/gains on retranslation of foreign operations	(1,263)	3,086
	-----	-----
Other comprehensive (costs)/income	(70)	1,640
	-----	-----
Total comprehensive income/(costs) for the year attributable to equity shareholders of the Parent	1,485	(8,549)
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Consolidated Balance Sheet

	Notes	28 February 2010 £'000	28 February 2009 £'000
Assets			
Non-current assets			
Goodwill		1,866	1,880
Other intangible assets		358	398
Property, plant and equipment		4,240	4,677
Deferred tax assets		102	102
		-----	-----
		6,566	7,057
		-----	-----
Current assets			
Inventories		8,046	9,344
Trade and other receivables		5,982	10,703
Cash and cash equivalents		493	99
		-----	-----
		14,521	20,146
		-----	-----
Liabilities			
Current liabilities			
Borrowings		(5,920)	(7,811)
Trade and other payables		(3,896)	(9,010)
Corporation tax		-	(197)
		-----	-----
		(9,816)	(17,018)
		-----	-----
Net current assets		4,705	3,128
		-----	-----
Non-current liabilities			
Financial liabilities			
Borrowings		(176)	(251)
Provisions	6	(1,326)	(3,500)
		-----	-----
		(1,502)	(3,751)
		-----	-----
Net assets		9,769	6,434
		=====	=====
Shareholders' equity			
Share capital	7	3,371	2,922
Share premium account		7,066	5,665
Merger reserve		199	199
Cumulative translation reserves		2,354	2,424
Retained earnings		(3,221)	(4,776)
		-----	-----
Total shareholders' equity		9,769	6,434
		=====	=====

Consolidated Cash Flow Statement

		Year to 28 February 2010 £'000	Year to 28 February 2009 £'000
	Notes		
Cash flow from operating activities			
Profit/(loss) after tax		1,555	(10,189)
Tax charge		-	58
Depreciation and amortisation		874	951
Loss on sale of tangible fixed assets		-	199
Share based payment		230	-
Finance costs	4	851	2,059
Finance income	4	-	(6)
		-----	-----
		3,510	(6,928)
Decrease in inventories		1,298	6,568
Decrease in receivables		4,721	595
(Decrease)/increase in payables		(7,503)	5,785
Finance costs paid	4	(851)	(2,059)
Taxation paid		(65)	(160)
		-----	-----
Net cash inflow from operating activities		1,110	3,801
		=====	=====
Cash flow from investing activities			
Purchase of property, plant and equipment		(284)	(441)
Proceeds from sale of property, plant and machinery		3	-
Finance income received	4	-	6
Purchase of intangible fixed assets		(89)	(56)
		-----	-----
Net cash used in investing activities		(370)	(491)
		=====	=====
Cash flow from financing activities			
Issue of ordinary shares		1,620	306
Proceeds of borrowings		185	225
Repayment of borrowings		(2,776)	(3,288)
Leased gold facility movement		859	(1,241)
Capital element of finance lease rental payments		(297)	(160)
		-----	-----
Net cash used in financing activities		(409)	(4,158)
		=====	=====
Net increase/(decrease) in cash		331	(848)
Cash and cash equivalents at beginning of year		(118)	730
		-----	-----
Cash and cash equivalents at end of year		213	(118)
		=====	=====
Cash and cash equivalents comprise:			
Cash and cash equivalents in the balance sheet		493	99
Bank overdrafts		(280)	(217)
		-----	-----
		213	(118)
		=====	=====

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Merger reserve	Cumulative translation reserve	Hedging reserve	Retained earnings	Total
Balance at 1 March 2009	2,922	5,665	199	2,424	-	(4,776)	6,434
Profit for the period	-	-	-	-	-	1,555	1,555
Exchange losses on retranslation of foreign operations	-	-	-	(70)	-	-	(70)
Total comprehensive income for the period	-	-	-	(70)	-	1,555	1,485
Gross issue of share capital	449	1,797	-	-	-	-	2,246
Issue costs	-	(396)	-	-	-	-	(396)
Balance at 28 February 2010	3,371	7,066	199	2,354	-	(3,221)	9,769
	=====	=====	=====	=====	=====	=====	=====
	Share capital	Share premium	Merger reserve	Cumulative translation reserve	Hedging reserve	Retained earnings	Total
Balance at 1 March 2008	2,662	5,619	199	783	1	5,413	14,677
Loss for the period	-	-	-	-	-	(10,189)	(10,189)
Cash flow hedges:							
Losses recognised directly in equity	-	-	-	-	(1)	-	(1)
Exchange gains on retranslation of foreign operations	-	-	-	1,641	-	-	1,641
Total comprehensive income for the period	-	-	-	1,641	(1)	(10,189)	(8,549)
Issue of share capital	260	46	-	-	-	-	306
Balance at 28 February 2009	2,922	5,665	199	2,424	-	(4,776)	6,434
	=====	=====	=====	=====	=====	=====	=====

Notes to the financial statements

1. Basis of preparation

While the financial information included in the annual financial report announcement has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as endorsed for use in the European Union (IFRSs), this announcement does not contain sufficient information to comply with IFRSs.

a) Directors Responsibility Statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- Prepare a Director's Report and Director's Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. 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.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website (www.abbeycrest.co.uk) in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.

- The annual report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company, together with a description of the principal risks and uncertainties that they face.

The Directors' responsibilities pursuant to DTR4 were approved by the Chairman, S. Ashton.

b) Going concern

As described in the business and financial review the current economic environment is challenging. In spite of this, the Group has reported a profit before tax for the year ended 28 February 2010 and continues to improve working capital balances and reduce debt levels. However, the Group has been adversely affected by the significant rise in the gold price which has increased working capital balances above budgeted values and reduced demand for the Group's products.

The Group is anticipating a breach in its profit covenants with its senior UK borrowing provider as at 30 June 2010 and has not yet agreed covenants for the full 12 month period from the date of the balance sheet. Management are in discussions with the Group's senior UK borrowing provider to reset and extend covenants up to 30 June 2011. It is expected that covenants will be set that are achievable based on current forecasts.

Based on current forecasts the Group need to either extend the current facilities, or reduce the working capital requirement by £0.6m in September 2010, during the peak funding period. Management are currently exploring a number of viable options available to them to achieve this.

During the year the Group has successfully extended facilities with its senior UK borrowing provider by an extra year so that they will expire on 9 March 2012. Based upon the managed reduction of debt over the previous five years, the current balance sheet position of the Group, detailed Group forecasts, and on-going relationships with the Group's senior and junior lenders in the UK and Thailand respectively, the Directors are confident that appropriate and sufficient facilities will be in place during the peak funding period.

For the above reasons, the Directors have prepared the financial statements on a going concern basis. Should the Group not obtain sufficient financing or reduce working capital balances during the peak funding period and reset and agree achievable covenants up to June 2011, there exists material uncertainties which would cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not contain any adjustments which may be required if the Group was unable to continue as a going concern.

c) Statutory accounts and Auditors' emphasis of matter

The financial information set out in this announcement does not constitute the Group's statutory accounts for the years ended 28 February 2009 or 28 February 2010 within the meaning of Companies Act section 435, but is derived from those accounts. Statutory accounts for the year ended 28 February 2009 have been delivered to the Registrar of Companies and those for 28 February 2010 will be delivered following the Company's Annual General Meeting. Their report for the year end 28 February 2010 did not contain statements under S498(2) or (3) of the Companies Act 2006 and their report for the year ended February 2009 did not contain statements under s237(2) or (3) of the Companies Act 1985. Their report for 28 February 2009 and 28 February 2010 included reference to the material uncertainty in respect of the current borrowing facilities to which the auditors drew attention by way of emphasis of matter without qualifying their report.

d) Changes in accounting policies

Amendment to IAS 1 Presentation of Financial Statements: A Revised Presentation:

As a result of the application of this Amendment, the Group has elected to present two separate statements, an income statement and a statement of comprehensive income; previously it presented an income statement and the statement of recognised income and expense. In addition, a statement of changes in equity is now presented as a primary statement where previously the information was

included in a note. The Amendment does not change the recognition or measurement of transactions and balances in the financial statements.

Amendment to IFRS 8 Operating Segments:

The application of this Amendment has resulted in changes to the disclosure provided in respect of operating segments, primarily in note 2 to the financial statements including an analysis of results and assets by operating segment. The Amendment does not change the recognition or measurement of transactions and balances in the financial statements.

2) Segmental analysis

The Group has two main reportable segments:

- (i) Brands division – this division is the Group’s vehicle for increased penetration of higher value segments of the jewellery market. Its objective is to appeal to the most fashion conscious buyers through the creation of highly innovative branded jewellery collections and differentiated service propositions.
- (ii) Essentials division – this division represents the bulk of the retained historic business of Abbeycrest. Its role is to continue to exploit the Group’s supply capabilities across existing mainstream markets in much the same way as before; only with heightened consumer focus; product differentiation and account management. This is the Group’s foundation.

Factors that management used to identify the Group’s reportable segments

The Group’s reportable segments are strategic business units that offer different products. They are managed separately because each business requires different marketing strategies.

Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of EBITDA and profit or loss from operations before tax not including non-recurring losses, such as restructuring costs and goodwill impairment and also excluding the effects of share based payments.

Segment assets exclude tax assets used primarily for corporate purposes. Details are provided in the reconciliation from segment assets and liabilities to the Group.

The following shows the revenues and results by reportable segment for the year ended 28 February 2010:

	Brands division £'000	Essentials division £'000	Total £'000
Revenue	12,478	27,185	39,663
	-----	-----	-----
Segment result	411	1,555	1,966
	-----	-----	-----
Unallocated income			440
Finance costs			(851)

Profit before income tax			1,555

Tax charge			-

Profit for the period			1,555
			=====

Unallocated income relates to central costs and income, including exceptional items.

Operating profit margins

	Brands division £'000	Essentials division £'000	Unallocated £'000	Total £'000
EBITDA before exceptional items	547	2,288	(1,060)	1,775
<i>Less</i>				
Depreciation of tangible fixed assets	(136)	(611)	-	(747)
Amortisation of intangible fixed assets	-	(122)	-	(122)
	-----	-----	-----	-----
Operating profit before exceptional items	411	1,555	(1,060)	906
Exceptional items – operating costs	-	-	1,500	1,500
	-----	-----	-----	-----
Operating profit/(loss)	411	1,555	440	2,406
	=====	=====	=====	=====
EBITDA margin before exceptional items	4.4%	8.4%	-	4.5%
	-----	-----	-----	-----
Operating margin before exceptional items	3.3%	5.7%	-	2.3%
	-----	-----	-----	-----

Segmental assets as at 28 February 2010 were as follows:

	Brands division £'000	Essentials division £'000	Unallocated £'000	Reconciliation £'000	Total £'000
Total assets	12,942	19,501	14,035	(25,391)	21,087
	=====	=====	=====	=====	=====

The reconciling items relate to the elimination of intercompany balances of £17,486,000 and fixed asset investments of £7,905,000 on consolidation.

Non-current asset additions totalled £373,000 of which £169,000 related to the Brands division and £204,000 related to the Essentials division.

The following shows the revenues and results by reportable segment for the year ended 28 February 2009:

	Brands division £'000	Essentials division £'000	Total £'000
Revenue	11,542	41,510	53,052
Segment result	415	(2,401)	(1,986)
Unallocated costs			(5,130)
Finance income			6
Finance costs			(3,021)
Loss before income tax			(10,131)
Tax charge			(58)
Loss for the period			(10,189)

Unallocated costs relates to central costs and income, including exceptional items.

Operating profit margins

	Brands division £'000	Essentials division £'000	Unallocated £'000	Total £'000
EBITDA before exceptional items	558	2,539	(1,071)	2,026
<i>Less</i>				
Depreciation of tangible fixed assets	(102)	(687)	-	(789)
Amortisation of intangible fixed assets	(41)	(121)	-	(162)
Operating profit before exceptional items	415	1,731	(1,071)	1,075
Exceptional items – operating costs	-	(4,132)	(4,059)	(8,191)
Operating profit/(loss)	415	(2,401)	(5,130)	(7,116)
EBITDA margin before exceptional items	4.8%	6.1%	-	3.8%
Operating margin before exceptional items	3.6%	4.2%	-	2.0%

Segmental assets as at 28 February 2009 were as follows:

	Brands division £'000	Essentials division £'000	Unallocated £'000	Reconciliation £'000	Total £'000
Total assets	13,112	36,599	24,254	(46,762)	27,203

The reconciling items relate to the elimination of intercompany balances of £35,086,000 and fixed asset investments of £11,676,000 on consolidation.

Non current asset additions totalled £497,000 of which £90,000 related to the Brands division and £407,000 related to the Essentials division.

The Group operates from three main geographical regions: the United Kingdom, Thailand and Hong Kong.

	United Kingdom		Thailand		Hong Kong		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total revenue	14,630	26,740	20,242	20,260	4,791	6,052	39,663	53,052
Total assets by location	7,846	11,293	11,206	10,426	2,035	1,984	21,087	23,703

Total revenues are allocated based on the country of origin.

No customers represented more than 10% of the Group's revenue (2009: one customer, represented 17%).

Total assets are allocated based on where the assets are located.

3. Exceptional items

	2010	2009
	£'000	£'000
Exceptional items – operating costs		
Stock reduction programme	-	2,386
Cost of Abbeycrest International restructuring	(1,500)	5,805
	(1,500)	8,191
Exceptional items – finance costs		
Re-banking costs	-	956
Total exceptional items	(1,500)	9,147

Operating costs

Exceptional operating costs incurred during the year ended 28 February 2009 comprise:

- (i) Restructuring costs incurred by Abbeycrest International, including redundancy-related costs and a substantial onerous lease provision arising from the decision to vacate the Company's premises in Leeds; and
- (ii) A stock clearance and liquidation programme associated with Abbeycrest International's strategic withdrawal from relationships with certain of its UK customers as part of the downsizing of the operation in Leeds.

The Group benefited from a write back of exceptional operating costs for the period of £1.5m as a result of the agreement with its landlord to grant an option to break the lease at the Group's former Head Office premises at Wilmington Grove in Leeds, in September 2011.

Finance costs

The re-banking costs in 2009 relate to facility fees and associated legal costs.

4. Financing income and expense

	2010 £'000	2009 £'000
Finance costs		
- bank borrowings	(613)	(1,418)
- interest payable on leased gold facility	(17)	(39)
- bank charges	(221)	(1,564)
	-----	-----
Finance costs	(851)	(3,021)
	-----	-----
Finance income		
- bank deposit interest	-	6
	-----	-----
Net finance cost	(851)	(3,015)
	=====	=====

5. Profit/(loss) per share

The weighted average number of shares is as follows:

	2010 Number of shares	2009 Number of shares
Weighted average number of shares:		
For basic profit/(loss) per share	47,947,545	27,847,203
For diluted profit/(loss) per share	47,992,545	27,847,203
	2010 £'000	2009 £'000
Financial profit/(loss) for the year	1,555	(10,189)
	=====	=====
Profit/(loss) per share		
- basic and diluted	3.2p	(36.6)p

6. Provisions

	Onerous lease £'000
At 1 March 2009	3,500
Utilised in year	(674)
Released in the year	(1,500)

At 28 February 2010	1,326
	=====

The Group had a tenancy agreement for property at Wilmington Grove, Leeds which did not expire until June 2021. As part of the reorganisation of the UK business during the year ended 28 February 2009, a decision was made to vacate the premises and management considered the tenancy agreement to be onerous.

Management have negotiated a break clause for September 2011 and have reassessed the onerous lease provision.

Management have assessed the obligations under the tenancy agreement and associated unavoidable costs of £1.4m. Management have not included any income against the cash outflows due to the sublease potential being assessed as low. The net cash outflows have been discounted at a rate of 4.5% considered to be markets current assessment of the time value of money.

7. Called up share capital

The Company's share capital comprises the following shares:

	2010 No. of shares	2010 £'000	2009 No. of shares	2009 £'000
Authorised:				
Ordinary shares of 10p each	-	-	31,000,000	3,100
New ordinary shares of 1p each	100,000,000	1,000	-	-
Ordinary deferred shares of 9p each	29,217,691	2,630	-	-
	<u>129,217,691</u>	<u>3,630</u>	<u>31,000,000</u>	<u>3,100</u>
	=====	=====	=====	=====

	2010 No. of shares	2010 £'000	2009 No. of shares	2009 £'000
Allotted, called-up and fully paid:				
Ordinary shares of 10p each	-	-	29,217,691	2,922
New ordinary shares of 1p each	74,142,691	741	-	-
Ordinary deferred shares of 9p each	29,217,691	2,630	-	-
	<u>103,360,382</u>	<u>3,371</u>	<u>29,217,691</u>	<u>2,922</u>
	=====	=====	=====	=====

Share capital movements during the year:

	Ordinary shares of 10p each £'000	New ordinary shares of 1p each £'000	Ordinary deferred shares of 9p each £'000	Total £'000
Shares in issue at 1 March 2009	2,922	-	-	2,922
Share conversion on 23 September 2009	(2,922)	292	2,630	-
Shares issued on 24 September 2009	-	449	-	449
	-----	-----	-----	-----
Shares in issue as at 28 February 2010	-	741	2,630	3,371
	=====	=====	=====	=====

On 23 September 2009 each of the 29,217,691 issued ordinary shares of 10p each were sub-divided into 29,217,691 new ordinary shares of 1p each and 29,217,691 deferred shares of 9p each. Each of the 1,782,309 authorised but unissued shares of 10p each were sub-divided into 17,823,090 new ordinary shares of 1p each. The authorised share capital was further increased by the creation of 55,959,219 new ordinary shares of 1p each.

On the 24 September 2009 the Company successfully completed the placing of 40,300,000 new ordinary shares of 1p each at a price of 5p per share raising £2,015,000 before expenses. In addition 2,000,000 new ordinary shares of 1p each were issued at 5p per share to Moorgarth Investments Limited in full satisfaction of a fee payable for entering into a deed of variation for an operating lease. The Company also issued 2,625,000 new ordinary shares of 1p each to Agilo at an issue price of 5p each in full satisfaction of the lump sum interest charges accrued up to 31 August 2009.

In total, the Company raised £2,246,000 gross of expenses and incurred costs of £396,000 which have been deducted from the share premium account.

Details of classes of share capital

Holders of ordinary shares are entitled to attend and vote at General Meetings and, on a poll, each holder will have one vote per share. Ordinary shares rank pari passu with each other in respect of dividends and on a return of capital or a winding up.

Holders of deferred shares are not entitled to receive notice of or attend at any General Meetings. They are not entitled to receive a dividend. On a winding-up of the Company they are entitled to the amount paid up on that share but only after the payment of the capital paid up on each ordinary share of one pence in the share capital of the Company and the further payment of £10,000,000 on each such ordinary share. They are not entitled to receive a share certificate.

The Company has granted options, which at 28 February 2010 had not been exercised, in respect of ordinary shares exercisable between the following dates as set out below:

	Shares	Exercise price
Executive Share Option Scheme		
6 June 2003 – 6 June 2010	5,000	113p
24 May 2004 – 24 May 2011	40,000	102p
	-----	-----
	45,000	
	=====	

The additional disclosures required by IFRS 2 have not been given as the impact of the share based payments is not material to the results of the Group.

A reconciliation of option movements over the year to 28 February 2010 is shown below:

	2010		2009	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 March 2009	83,835	£0.79	113,235	£0.85
Expired	(38,835)	£0.52	(29,400)	£1.02
	-----	-----	-----	-----
Outstanding at 28 February 2010	45,000	£1.03	83,835	£0.79
	=====	=====	=====	=====

8. Related party transactions

Simon Ashton, Graham Partridge and Nick Hamley participated in the placing completed by the Company on 24 September 2009 on the same terms as the other placees. Under the Listing Rules, their respective participations in the placing constituted smaller related party transactions not requiring shareholder approval:

	Consideration £	No of shares Allotted
S. Ashton	50,000	1,000,000
G. Partridge	30,000	600,000
N. Hamley	20,000	400,000
	=====	=====

The full text of the 2010 Report and Accounts will be sent to shareholders and can be found on the Company's website at www.abbeycrest.co.uk.