

Registration number 00621339

Principality Holdings Limited

Directors' report and financial statements

for the year ended 31 March 2011

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Principality Holdings Limited

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Principality Holdings Limited
Directors' report for the year ended 31 March 2011

The directors present their report and the financial statements for the year ended 31 March 2011

Directors of the company

The directors who held office during the year were as follows

P J F Breach

Mrs J Breach

A W Sprackman (resigned on 28 January 2011)

Principal activity

The principal activity of the company is that of operating on its own behalf as a property investment company. It also acts as a holding company for other property investment and share dealing companies.

Business review

Fair review of the business

The company's property portfolio has been substantially fully let in both the current and preceding years with only minor temporary voids. The directors regard this performance as satisfactory given the economic environment and market trends. The company has not had any bad debts in the current or preceding years and benefits from a good payment history.

Principal risks and uncertainties

Tenant failure - the company keeps its tenant base under review at all times and seeks to maintain good relationships with all tenants. This in turn minimises the risk of unexpected exposures to credit and cash flow risks.

Significant reversal of commercial property values on a national scale - this is a risk common to all property investment businesses. The directors have taken steps in past years to reduce the company's exposure by the strategic disposal of properties deemed as lower quality. This has ensured that the remaining portfolio is comprised of good quality secondary commercial properties.

Financial instruments

Objectives and policies

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk.

Principality Holdings Limited
Directors' report for the year ended 31 March 2011

..... *continued*

Price risk, credit risk, liquidity risk and cash flow risk

Price risk - the company's leases all include provision for regular upwards only rent reviews, thus minimising the company's exposure to price risk

Credit risk - the existing tenant base is kept under constant review and new customer accounts are credit checked in line with credit insurance guidelines

Liquidity risk - in order to maintain liquidity, the company uses medium term finance to ensure that sufficient funds are available for ongoing operations and future developments. The company's principal borrowings are charged at a fixed margin of 1.2% over LIBOR.

Cash flow risk - the company holds long term tenancy agreements with tenants and receives rent quarterly in advance therefore minimising cash flow risk.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

The auditors Milsted Langdon LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

28 September 2011

Approved by the board on _____ and signed on its behalf by _____

P J F Breach

P J F Breach
Director

Principality Holdings Limited

Statement of directors' responsibilities

The directors are responsible for preparing 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 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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 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. 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.

Independent auditors' report to the members of Principality Holdings Limited

We have audited the financial statements of Principality Holdings Limited for the year ended 31 March 2011, set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the members of
Principality Holdings Limited**

..... continued

Matters on which we are required to report by exception

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

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

Milsted Langdon LLP.

Mrs S Jenkins (Senior Statutory Auditor)
For and on behalf of
Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Bristol

30 September 2011

Principality Holdings Limited
Profit and loss account for the year ended 31 March 2011

	Note	2011 £	2010 £
Turnover		711,392	726,324
Cost of sales		<u>(302,229)</u>	<u>(121,619)</u>
Gross profit		409,163	604,705
Administrative expenses		(493,587)	(397,283)
Other operating income		<u>30,655</u>	<u>29,475</u>
Operating (loss)/profit	2	(53,769)	236,897
Other exceptional items		(85,151)	(1,434,334)
Dividends from group companies		-	348,033
Income from investments		470	1,321
Income from other fixed asset investments		20 000	54,909
Interest receivable and similar income	7	35,496	40,123
Interest payable and similar charges	8	<u>(101,860)</u>	<u>(129,209)</u>
Loss on ordinary activities before taxation		(184,814)	(882,260)
Tax on loss on ordinary activities	9	<u>(1,740)</u>	<u>(18,656)</u>
Loss for the financial year	17	<u><u>(186,554)</u></u>	<u><u>(900,916)</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

Principality Holdings Limited
(Registration number: 00621339)
Balance sheet at 31 March 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	11	8,168,848	7,881,975
Investments	12	9,948	9,948
		<u>8,178,796</u>	<u>7,891,923</u>
Current assets			
Debtors	13	4,260,398	4,070,698
Cash at bank and in hand		9,219	16,564
		<u>4,269,617</u>	<u>4,087,262</u>
Creditors amounts falling due within one year	14	(2,734,180)	(1,814,063)
Net current assets		<u>1,535,437</u>	<u>2,273,199</u>
Total assets less current liabilities		9,714,233	10,165,122
Creditors amounts falling due after more than one year	15	(4,899,440)	(5,163,775)
Net assets		<u>4,814,793</u>	<u>5,001,347</u>
Capital and reserves			
Called up share capital	16	180,000	180,000
Other reserves	17	4,805,331	4,805,331
Profit and loss account	17	(170,538)	16,016
Shareholders' funds		<u>4,814,793</u>	<u>5,001,347</u>

28 September 2011

Approved by the board and authorised for issue on

and signed on its behalf by

P J F Breach

P J F Breach
Director

Joan Breach

Mrs J Breach
Director

Principality Holdings Limited
Notes to the financial statements for the year ended 31 March 2011

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

The company has consistently applied all relevant accounting standards

The directors have taken advantage of the exemption in Financial Reporting Standard 1 (revised) from including a cash flow statement in these financial statements on the grounds that the company is a 100% subsidiary and its ultimate parent company publishes a consolidated cash flow statement

Turnover

Turnover consists of rental income

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows

Asset class	Amortisation method and rate
Goodwill	On acquisition

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation method and rate
Short leasehold property	amortised over the period of the lease
Leasehold property improvements	10% straight line
Fixtures, fittings and equipment	20% to 33 33% straight line
Motor vehicles	20% to 25% straight line

In accordance with SSAP 19 no depreciation is provided in respect of investment properties. This treatment may be a departure from the requirements of the Companies Act concerning the depreciation of fixed assets, but the accounting policy adopted is necessary for the financial statements to give a true and fair view

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... continued

Investment properties

Investment properties are stated at their open market valuation at the balance sheet date, valued by the directors

Surpluses or deficits arising on revaluation are taken to the revaluation reserve except in the case of deficits which are considered to be permanent which are taken to the profit and loss account. The revaluation reserve is not distributable.

On disposal of an investment property the profit or loss account includes the effect of comparing sales proceeds and the book value of the asset sold. Any previous revaluation surplus or deficit realised on disposal is transferred from the revaluation reserve to the accumulated profit and loss reserves.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Group accounts

The company was, at the end of the year, a wholly owned subsidiary of another company incorporated in the United Kingdom which prepares consolidated accounts that include the results of the company. As a result, the company in accordance with section 400 of the Companies Act 2006, is not required to produce, and has not published consolidated financial statements.

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... *continued*

2 Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2011 £	2010 £
Auditor's remuneration - The audit of the company's annual accounts	6,500	6,500
Loss on sale of listed investments	-	14,650
Depreciation of short leasehold property	62,140	40,345
Depreciation of other tangible assets	50,036	5,300
Management charges receivable	<u>(30,655)</u>	<u>(29,475)</u>

3 Auditor's remuneration

	2011 £	2010 £
Audit of the financial statements	6,500	6,500
Other fees to auditors		
Other services	<u>11,617</u>	<u>-</u>
	<u>18,117</u>	<u>6,500</u>

4 Exceptional items

	2011 £	2010 £
Other exceptional	<u>85,151</u>	<u>1,434,334</u>

The exceptional expense in the current and preceding year was comprised of the provision made against the debt due from Mauretania Estates Limited which is not considered recoverable

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... *continued*

5 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2011 No.	2010 No.
Administration and support	<u>4</u>	<u>5</u>

The aggregate payroll costs were as follows

	2011 £	2010 £
Wages and salaries	313,571	239,321
Social security costs	22,659	21,765
Staff pensions	<u>6,893</u>	<u>8,084</u>
	<u>343,123</u>	<u>269,170</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows

	2011 £	2010 £
Remuneration	153,239	165,040
Company contributions paid to money purchase schemes	6,893	8,004
Compensation for loss of office	<u>64,905</u>	<u>-</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2011 No.	2010 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

The compensation for loss of office is comprised of an ex gratia payment of £30,000, £2,250 being the net book value of the asset transferred and £32,655 being goodwill purchased and subsequently written off by the company

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... continued

7 Other interest receivable and similar income

	2011 £	2010 £
Interest from subsidiary undertakings	35,000	40,000
Bank interest receivable	496	123
	<u>35,496</u>	<u>40,123</u>

8 Interest payable and similar charges

	2011 £	2010 £
Bank interest payable	765	422
Interest on loans from group undertakings	-	7,305
Interest payable on loans	101,095	121,482
	<u>101,860</u>	<u>129,209</u>

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... *continued*

9 Taxation

Tax on loss on ordinary activities

	2011 £	2010 £
Current tax		
Adjustments in respect of previous years	-	(1,403)
Deferred tax		
Origination and reversal of timing differences	1,740	20,059
Total tax on loss on ordinary activities	<u>1,740</u>	<u>18,656</u>

Factors affecting current tax charge for the year

Tax on loss on ordinary activities for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 28% (2010 - 28%)

The differences are reconciled below

	2011 £	2010 £
Loss on ordinary activities before taxation	<u>(184,814)</u>	<u>(882,260)</u>
Corporation tax at standard rate	(51,748)	(247,033)
Capital allowances for period in excess of depreciation	4,482	146
Expenses not deductible for tax purposes	34,996	414,768
Franked investment income	(382)	(97,870)
Utilisation of tax losses	10,070	(20,204)
Adjustments to tax charge in respect of previous periods	-	(1,403)
Group losses utilised	<u>2,582</u>	<u>(49,807)</u>
Total current tax	<u>-</u>	<u>(1,403)</u>

Factors that may affect future tax charges

There is an unprovided deferred taxation liability in respect of unrealised chargeable gains at 31 March 2011. This liability has not been provided for as there is no intention to dispose of the investment properties in the foreseeable future. The tax would become payable if the investment properties were disposed of at their book values. The amount that may be payable/(recoverable) is £126,000 (31 March 2010 - £196,000).

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... continued

10 Intangible fixed assets

	Goodwill £	Total £
Cost		
Additions	<u>32,655</u>	<u>32,655</u>
At 31 March 2011	<u>32,655</u>	<u>32,655</u>
Amortisation		
Charge for the year	<u>32,655</u>	<u>32,655</u>
At 31 March 2011	<u>32,655</u>	<u>32,655</u>
Net book value		
At 31 March 2011	<u>-</u>	<u>-</u>

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... continued

11 Tangible fixed assets

	Freehold land and buildings £	Short leasehold property £	Long leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 April 2010	6,980,000	535,353	840,000	82,374	24,342	8,462,069
Additions	-	290,601	-	110,698	-	401,299
Disposals	-	-	-	-	(24,342)	(24,342)
At 31 March 2011	<u>6,980,000</u>	<u>825,954</u>	<u>840,000</u>	<u>193,072</u>	<u>-</u>	<u>8,839,026</u>
Depreciation						
At 1 April 2010	-	484,916	-	74,336	20,842	580,094
Charge for the year	-	62,140	-	48,786	1,250	112,176
Eliminated on disposals	-	-	-	-	(22,092)	(22,092)
At 31 March 2011	<u>-</u>	<u>547,056</u>	<u>-</u>	<u>123,122</u>	<u>-</u>	<u>670,178</u>
Net book value						
At 31 March 2011	<u>6,980,000</u>	<u>278,898</u>	<u>840,000</u>	<u>69,950</u>	<u>-</u>	<u>8,168,848</u>
At 31 March 2010	<u>6,980,000</u>	<u>50,437</u>	<u>840,000</u>	<u>8,038</u>	<u>3,500</u>	<u>7,881,975</u>

Revaluations

The freehold land and buildings class of fixed assets was revalued on 31 March 2011 by the directors, P J F and Mrs J Breach, who are internal to the company. The basis of this valuation was open market basis. This class of asset has a current value of £6,980,000 (2010 - £6,980,000) and a carrying amount at historical cost of £2,282,707 (2010 - £2,282,707). The depreciation on this historical cost is £nil (2010 - £nil).

The long leasehold property class of fixed assets was revalued on 31 March 2011 by the directors, P J F and Mrs J Breach, who are internal to the company. The basis of this valuation was open market basis. This class of asset has a current value of £840,000 (2010 - £840,000) and a carrying amount at historical cost of £724,963 (2010 - £724,963). The depreciation on this historical cost is £nil (2010 - £nil).

12 Investments held as fixed assets

	2011 £	2010 £
Shares in group undertakings and participating interests	178	178
Other investments	<u>9,770</u>	<u>9,770</u>
	<u>9,948</u>	<u>9,948</u>

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... continued

Shares in group undertakings and participating interests

	Shares in subsidiary undertakings £	Investment in limited trading partnership £	Total £
Cost			
At 1 April 2010	103	75	178
At 31 March 2011	103	75	178
Net book value			
At 31 March 2011	103	75	178

Other investments

	Unlisted investments £	Total £
Cost		
At 1 April 2010	9,770	9,770
At 31 March 2011	9,770	9,770
Net book value		
At 31 March 2011	9,770	9,770
At 31 March 2010	9,770	9,770

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... *continued*

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Pathred Limited	Ordinary	100%	Dormant
Delode Limited	Ordinary	100%	Dormant
Great Western Arena Plc	Ordinary	100%	Dormant
Mauretania Estates Limited	Ordinary	100%	Bar and restaurant

The profit for the financial period of Pathred Limited was £nil and the aggregate amount of capital and reserves at the end of the period was £100

The profit for the financial period of Delode Limited was £nil and the aggregate amount of capital and reserves at the end of the period was £nil

The profit for the financial period of Great Western Arena plc was £nil and the aggregate amount of capital and reserves at the end of the period was £2

The loss for the financial period of Mauretania Estates Limited was £101,700 and the aggregate amount of capital and reserves at the end of the period was (£1,676,979) On 28 June 2010 the bar and restaurant were closed and Mauretania Estates Limited is now dormant

Limited trading partnership

The company is a general partner holding a 75% interest in a share dealing partnership entitled Clifton Securities Partnership The value of the investment is £75 The other partner is a director of the company, J Breach (2010 A W Sprackman)

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... *continued*

13 Debtors

	2011	2010
	£	£
Trade debtors	126,170	1,292
Amounts owed by group undertakings	4,058,600	4,023,577
Other debtors	20,781	23,751
Deferred tax	57	1,797
Prepayments and accrued income	54,790	20,281
	<u>4,260,398</u>	<u>4,070,698</u>

Debtors includes £400,057 (2010 - £401,797) receivable after more than one year

This can be analysed as follows

	2011	2010
	£	£
Amounts owed by group undertakings	400,000	400,000
Deferred tax	57	1,797
	<u>400,057</u>	<u>401,797</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£
At 1 April 2010	1,797
Deferred tax charged to the profit and loss account	<u>(1,740)</u>
At 31 March 2011	<u>57</u>

Analysis of deferred tax

	2011	2010
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	57	1,797
	<u>57</u>	<u>1,797</u>

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... *continued*

14 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	33,585	-
Bank loans and overdrafts	267,064	277,147
Amounts owed to group undertakings	849,200	850,495
Amounts owed to participating interests	1,365,354	567,687
Other taxes and social security	4,041	6,928
Accruals and deferred income	214,936	111,806
	<u>2,734,180</u>	<u>1,814,063</u>

Creditors amounts falling due within one year includes the following liabilities on which security has been given by the company

	2011 £	2010 £
Loan	<u>267,064</u>	<u>277,147</u>

15 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Bank loans and overdrafts	<u>4,899,440</u>	<u>5,163,775</u>

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given by the company

	2011 £	2010 £
Loan	<u>4,899,440</u>	<u>5,163,775</u>

Included in the creditors are the following amounts due after more than five years

	2011 £	2010 £
After more than five years by instalments	<u>3,831,184</u>	<u>4,055,187</u>
	<u>3,831,184</u>	<u>4,055,187</u>

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... *continued*

16 Share capital

Allotted, called up and fully paid shares

	No	2011 £	No.	2010 £
180,000 Ordinary shares of £1 00 each	180,000	180,000	180,000	180,000

17 Reserves

	Investment property reserve £	Profit and loss account £	Total £
At 1 April 2010	4,805,331	16,016	4,821,347
Loss for the year	-	(186,554)	(186,554)
At 31 March 2011	4,805,331	(170,538)	4,634,793

The investment property reserve is made up of unrealised profits which are not distributable to the company's members

18 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Loss attributable to the members of the company	(186,554)	(900,916)
Net reduction to shareholders' funds	(186,554)	(900,916)
Shareholders' funds at 1 April	5,001,347	5,902,263
Shareholders' funds at 31 March	4,814,793	5,001,347

19 Pension schemes

Defined contributions pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £6,893 (2010 - £8,084)

Contributions totalling £nil (2010 - £nil) were payable to the schemes at the end of the year and are included in creditors

Principality Holdings Limited

Notes to the financial statements for the year ended 31 March 2011

..... continued

20 Contingent liabilities

The company has guaranteed the bank borrowings of its subsidiary, Mauretania Estates Limited, which has ceased trading in the year ended 31 March 2011. The amount guaranteed is £146,761 (2010 - £124,060).

21 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

The following transactions have taken place with companies under common control:

(i) Farthingford Properties Limited. Included under other operating income are management fees totalling £19,625 (2010: £19,475) from Farthingford Properties Limited. Included in other creditors is an amount owed by the company to Farthingford Properties Limited of £824,582 (2010: £89,687). The balance is interest free and repayable on demand.

(ii) Nicolglenn Limited. At 31 March 2011 Nicolglenn owed the company £20,781 (31 March 2010: £23,751) in respect of an interest free loan.

(iii) Stockmead Limited. At 31 March 2011 the company owed Stockmead Limited £540,773 (31 March 2010: £478,000) in respect of an interest free loan.

The company has funded the activities of Clifton Securities Partnership, a limited trading partnership 75% owned by Principality Holdings Limited and 25% owned by J Breach (2010: 25% owned by A W Sprackman). Included in debtors is the balance at 31 March 2011, due from Clifton Securities Partnership, of £101,006 (31 March 2010: £253,285). Interest is being charged on the outstanding balance at a rate of 1.2% over LIBOR. During the year ended 31 March 2011 the company has received income from Clifton Securities Partnership, representing its share of the partnership's profits, of £20,000 (2010: £54,909).

22 Control

The company is controlled by Hawksworth Securities plc, a company registered in England. The Hawksworth Securities plc group is the largest group the company is part of, and Hawksworth Securities plc is the only undertaking for which consolidated financial statements, which include the financial statements of Principality Holdings Limited, are drawn up.

Copies of Hawksworth Securities plc can be obtained from The Company Secretary, Hawksworth Securities plc, 7 Park Street, Bristol, BS1 5NF.

The company's immediate parent company is Ringable Limited, a company registered in England.

The company was under the control of Mr P J F Breach throughout the current and preceding year.