

COMPANY REGISTRATION NUMBER 00621339

PRINCIPALITY HOLDINGS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2014



HOLLINGDALE POOLEY
Chartered Accountants & Statutory Auditor
Bramford House
23 Westfield Park
Clifton
Bristol
BS6 6LT

PRINCIPALITY HOLDINGS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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PRINCIPALITY HOLDINGS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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 investment property portfolio has been substantially fully let in both the current and proceeding years with stable and consistent company turnover in comparison with the previous financial year. It is expected that the rental revenues will continue to increase in the forthcoming year because of the desirability and excellent location of the residential accommodation created in prior years. The directors continue to view the company's performance as satisfactory in the current economic environment.

Principal risks and uncertainties

Tenant failure - the company keeps the tenant base under review at all times and maintains good relationships with all tenants. This in turn minimises the risk of a surprise exposure to credit and cash flow risks. The company subscribes to a monitoring service in respect of commercial tenants to ensure that potential issues surrounding credit worthiness are able to be identified early.

Interest rate changes - the company's principle borrowings are charged at a fixed margin of 1.21% over LIBOR. The company manages the associated liquidity risk by ensuring that sufficient funds are available to meet quarterly payments.

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 property portfolio is comprised of good quality secondary commercial properties.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £182,659. The directors have not recommended a dividend.

PRINCIPALITY HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

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.

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

Price risk- the group'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 account are credit checked in line with credit insurance guidelines.

Liquidity risk- in order to maintain liquidity, the group uses medium term finance to ensure that sufficient funds are available for ongoing operations and future developments. The group's principle borrowings are charged at a fixed margin of 1.21% over LIBOR.

Cash flow risk- the group hold long term tenancy agreements with tenants and receives rent quarterly and monthly in advance, therefore, minimising cash flow risk.

DIRECTORS

The directors who served the company during the year were as follows:

Mr P J F Breach

Mrs J Breach

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 year.

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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

PRINCIPALITY HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

AUDITOR

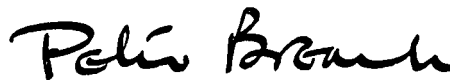
Hollingdale Pooley have been re-appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
First Floor
7 Park Street
Bristol
BS1 5NF

Signed on behalf of the directors



Mr P J F Breach

Director

Approved by the directors on 23 September 2014

PRINCIPALITY HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PRINCIPALITY HOLDINGS LIMITED
YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Principality Holdings Limited for the year ended 31 March 2014. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit 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.

PRINCIPALITY HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PRINCIPALITY HOLDINGS LIMITED *(continued)*
YEAR ENDED 31 MARCH 2014

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.

Bramford House
23 Westfield Park
Clifton
Bristol
BS6 6LT

23 September 2014

PHILIP BARRY (Senior Statutory
Auditor)
For and on behalf of
HOLLINGDALE POOLEY
Chartered Accountants
& Statutory Auditor

PRINCIPALITY HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
TURNOVER	2	638,176	614,259
Cost of sales		<u>113,412</u>	<u>153,749</u>
GROSS PROFIT		524,764	460,510
Administrative expenses		433,705	272,379
Other operating income	3	<u>(24,871)</u>	<u>(36,048)</u>
OPERATING PROFIT	4	115,930	224,179
Non operating exceptional item	7	(167,212)	—
Profit on available-for-sale investments (fixed assets)		<u>281,518</u>	<u>—</u>
		230,236	224,179
Income from fixed asset investments	8	705	(4,934)
Interest receivable and similar income	9	39,502	38,158
Interest payable and similar charges	10	<u>(79,234)</u>	<u>(95,058)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		191,209	162,345
Tax on profit on ordinary activities	11	8,550	5,779
PROFIT FOR THE FINANCIAL YEAR		<u>182,659</u>	<u>156,566</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 17 form part of these financial statements.

PRINCIPALITY HOLDINGS LIMITED

BALANCE SHEET

31 MARCH 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	12	228,631	275,721
Investments	13	9,115,909	9,562,713
		<u>9,344,540</u>	<u>9,838,434</u>
CURRENT ASSETS			
Debtors	14	4,295,120	4,239,792
Cash at bank and in hand		457,976	7,623
		<u>4,753,096</u>	<u>4,247,415</u>
CREDITORS: Amounts falling due within one year	15	<u>3,398,610</u>	<u>3,266,576</u>
NET CURRENT ASSETS		<u>1,354,486</u>	<u>980,839</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,699,026</u>	<u>10,819,273</u>
CREDITORS: Amounts falling due after more than one year	16	3,991,395	4,295,298
PROVISIONS FOR LIABILITIES			
Deferred taxation	18	3,903	2,906
		<u>6,703,728</u>	<u>6,521,069</u>
CAPITAL AND RESERVES			
Called-up equity share capital	21	180,000	180,000
Revaluation reserve	22	6,205,331	6,505,331
Profit and loss account	22	318,397	(164,262)
SHAREHOLDERS' FUNDS	22	<u>6,703,728</u>	<u>6,521,069</u>

These accounts were approved by the directors and authorised for issue on 23 September 2014, and are signed on their behalf by:



MR P J F BREACH



MRS J BREACH

Company Registration Number: 00621339

The notes on pages 8 to 17 form part of these financial statements.

PRINCIPALITY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

Basis of accounting

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.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

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.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 20% - 33% Straight Line
Short Leasehold Property - amortised over the period of the lease

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Investment properties

Investment properties are stated at their open market value 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 & loss reserve.

PRINCIPALITY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES *(continued)*

Hire purchase agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

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 at 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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2014	2013
	£	£
United Kingdom	<u>638,176</u>	<u>614,259</u>

PRINCIPALITY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

3. OTHER OPERATING INCOME

	2014	2013
	£	£
Management charges receivable	<u>24,871</u>	<u>36,048</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	2014	2013
	£	£
Depreciation of owned fixed assets	49,570	53,405
Auditor's remuneration - audit of the financial statements	3,960	3,960
Auditor's remuneration - other fees	<u>1,170</u>	<u>1,170</u>

The exceptional income during the prior year comprised of monies recovered after the year end, which is in debtors, in respect of a loan to Coffee Republic plc which had been previously written off.

	2014	2013
	£	£
Auditor's remuneration - audit of the financial statements	<u>3,960</u>	<u>3,960</u>

Auditor's remuneration - other fees:

- Other services	<u>1,170</u>	<u>1,170</u>
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5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2014	2013
	No	No
Number of administrative staff	<u>5</u>	<u>5</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	272,656	175,060
Social security costs	37,008	21,713
Pensions paid to former employees	<u>50,000</u>	<u>-</u>
	<u>359,664</u>	<u>196,773</u>

PRINCIPALITY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Remuneration receivable	103,250	12,292
Value of company pension contributions to money purchase schemes	50,000	—
	<u>153,250</u>	<u>12,292</u>

7. NON OPERATING EXCEPTIONAL ITEM

The exceptional expenditure during the year of £167,212 related to costs incurred within Mauretania Estates Ltd in prior years. It included the satisfaction of an overdraft of £150,000, which was subject to a cross guarantee by Principality Holdings Ltd.

8. INCOME FROM FIXED ASSET INVESTMENTS

	2014 £	2013 £
Income from other fixed asset investments	705	(4,934)

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £	2013 £
Bank interest receivable	35,000	35,065
Other similar income receivable	4,502	3,093
	<u>39,502</u>	<u>38,158</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Interest payable on bank borrowing	79,234	95,058

11. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20% (2013 - 24%)	10,482	2,930
Over/under provision in prior year	(2,929)	—
Total current tax	7,553	2,930
Deferred tax:		
Origination and reversal of timing differences	997	2,849
Tax on profit on ordinary activities	<u>8,550</u>	<u>5,779</u>

PRINCIPALITY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

11. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2013 - 24%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>191,209</u>	<u>162,345</u>
Profit on ordinary activities by rate of tax	38,242	38,963
Expenses not deductible for tax purposes	581	995
Capital allowances for period in excess of depreciation	2,089	3,470
Utilisation of tax losses	(62,087)	(36,523)
Tax chargeable at lower rates	-	(586)
Adjustments to tax charge in respect of previous periods	(2,930)	-
Provision against amounts due from subsidiary	33,442	-
Franked investment income	(141)	-
Movement on deferred tax account	-	(2,672)
Sundry tax adjusting items	<u>(1,643)</u>	<u>(717)</u>
Total current tax (note 11(a))	<u>7,553</u>	<u>2,930</u>

(c) Factors that may affect future tax charges

There is an unprovided deferred taxation liability in respect of unrealised chargeable gains at 31 March 2013. 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 £444,000 (31 March 2013 - £437,000).

The company has trading losses carried forward of £nil (2013 - £nil). There is a deferred tax liability of £3,903 (2013 - deferred tax liability of £2,848).

12. TANGIBLE FIXED ASSETS

	Short Leasehold Property £	Fixtures & Fittings £	Total £
COST OR VALUATION			
At 1 April 2013	290,601	233,413	524,014
Additions	-	2,480	2,480
At 31 March 2014	<u>290,601</u>	<u>235,893</u>	<u>526,494</u>
DEPRECIATION			
At 1 April 2013	79,915	168,378	248,293
Charge for the year	29,060	20,510	49,570
At 31 March 2014	<u>108,975</u>	<u>188,888</u>	<u>297,863</u>
NET BOOK VALUE			
At 31 March 2014	<u>181,626</u>	<u>47,005</u>	<u>228,631</u>
At 31 March 2013	<u>210,686</u>	<u>65,035</u>	<u>275,721</u>

PRINCIPALITY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

13. INVESTMENTS

	Shares in group undertakings and part. interests	Other invtmnts	Freehold and Leasehold Property	Total
	£	£	£	£
COST				
At 1 April 2013	178	9,770	9,552,765	9,562,713
Additions	-	-	3,295	3,295
Disposals	(99)	-	(450,000)	(450,099)
At 31 March 2014	<u>79</u>	<u>9,770</u>	<u>9,106,060</u>	<u>9,115,909</u>
NET BOOK VALUE				
At 31 March 2014	<u>79</u>	<u>9,770</u>	<u>9,106,060</u>	<u>9,115,909</u>
At 31 March 2013	<u>178</u>	<u>9,770</u>	<u>9,552,765</u>	<u>9,562,713</u>

The company owns 100% of the issued share capital of the companies listed below,

	2014 £	2013 £
Aggregate capital and reserves		
Great Western Arena Plc (dormant)	-	-
Mauretania Estates Limited (non trading)	(1,700,760)	(1,693,065)
Profit/(loss) for the year		
Great Western Arena Plc (dormant)	-	-
Mauretania Estates Limited (non trading)	(7,695)	(11,256)

Revaluations

The freehold land and buildings class of fixed assets was revalued on 28 June 2012 by Nick Rickford (RICS registered valuer) and David Stubbs (RICS registered valuer) of BNP Paribas Real Estate who are external to the company. The basis of the valuation was open market basis. This class of assets has a current value of £8,226,060 (2013 - £8,672,765) and a carrying amount at historical cost of £2,175,765 (2013- £2,322,471). The depreciation on this historical cost is £nil (2013 - £nil)

The last full valuation of freehold land and buildings was reflected in the accounts for the year ended 31 March 2014.

The long leasehold property class of fixed assets was revalued on 28 June 2012 by Nick Rickford (RICS registered valuer) and David Stubbs (RICS registered valuer) of BNP Paribas Real Estate who are external to the company. The basis of the valuation was open market basis. This class of asset has a current value of £880,000 (2013 - £880,000) and a carrying historical cost of £724,963 (2013 - £724,963). The depreciation on the historical cost is £nil (2013- £nil).

The last full valuation of long leasehold property was reflected in the accounts for the year ended 31 March 2014.

The directors' are satisfied that these valuations remain appropriate and prudent based on current market conditions.

PRINCIPALITY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

14. DEBTORS

	2014 £	2013 £
Trade debtors	85,077	18,900
Amounts owed by group undertakings	4,009,649	4,024,363
Other debtors	148,198	150,974
Prepayments and accrued income	52,196	45,555
	<u>4,295,120</u>	<u>4,239,792</u>

The debtors above include the following amounts falling due after more than one year:

	2014 £	2013 £
Amounts owed by group undertakings	<u>400,000</u>	<u>400,000</u>

15. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Bank loans	297,723	288,000
Trade creditors	65,111	92,488
Amounts owed to group undertakings	849,102	849,200
Amounts owed to undertakings in which the company has a participating interest	1,873,853	1,803,449
Other creditors including taxation and social security:		
Corporation tax	10,483	2,873
Other taxation and social security	10,947	6,620
Other creditors	213,766	189,294
	<u>3,320,985</u>	<u>3,231,924</u>
Accruals and deferred income	77,625	34,652
	<u>3,398,610</u>	<u>3,266,576</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2014 £	2013 £
Bank loans	<u>297,723</u>	<u>288,000</u>

16. CREDITORS: Amounts falling due after more than one year

	2014 £	2013 £
Bank loans and overdrafts	<u>3,991,395</u>	<u>4,295,298</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2014 £	2013 £
Bank loans and overdrafts	<u>2,800,503</u>	<u>3,143,298</u>

PRINCIPALITY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

16. CREDITORS: Amounts falling due after more than one year *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2014	2013
	£	£
Bank loans and overdrafts	<u>2,800,503</u>	<u>3,143,298</u>

17. PENSIONS

Defined contribution 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 £nil (2013 - £nil).

Contributions totalling £50,000 (2013 - £nil) were payable to the scheme at the end of the year and are included in creditors.

18. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2014	2013
	£	£
Provision brought forward	2,906	57
Profit and loss account movement arising during the year	<u>997</u>	<u>2,849</u>
Provision carried forward	<u>3,903</u>	<u>2,906</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014	2013
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>3,903</u>	<u>2,906</u>
	<u>3,903</u>	<u>2,906</u>

19. CONTINGENCIES

The company has guaranteed the bank borrowings of its subsidiary, Mauretania Estates Limited, which ceased trading in the year ended 31 March 2011. The amount guaranteed is £1,882 (2013 - £151,579).

PRINCIPALITY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

20. RELATED PARTY TRANSACTIONS

During the year the company entered into the following related party transactions

Farthingford Properties Limited

(A company controlled by P J F Breach)

During the year the company charged Farthingford Properties Limited management charges of £10,000 (2013-£10,000). Farthingford Properties Limited provided the company with an interest free loan which is repayable on demand. At the balance sheet date the amount due to Farthingford Properties Limited was £1,301,388 (2013-£1,265,171)

Nicolglen Limited

(A company controlled by P J F Breach and his immediate family) During the year the company provided Nicolglen Limited with an interest free loan which is repayable on demand. At the balance sheet date the amount due from Nicolglen Limited was £18,872 (2013-£20,782)

Stockmead Limited

(A company with Farthingford Properties Limited, which is controlled by P J F Breach, has an interest) During the year the company charged Stockmead Limited management charges of £10,000 (2013-£10,000) During the year the company had an interest free loan from Stockmead Limited which is repayable on demand. At the balance sheet date the amount due to Stockmead Limited was £572,465 (2012-£538,278)

Clifton Securities Partnership

(A limited trading partnership 75% owned by Principality Holdings Limited and 25% owned by J Breach) During the year the company incurred a loss of £6,579 (2013-£6,579) from Clifton Securities Partnership, which represented its share of the partnership's results for the year. The company also provided Clifton Securities Partnership with an interest free loan. At the balance sheet date the amount due from Clifton Securities Partnership was £nil (2013- £nil)

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

21. SHARE CAPITAL

Authorised share capital:

	2014 £	2013 £
180,000 Ordinary shares of £1 each	<u>180,000</u>	<u>180,000</u>

Allotted, called up and fully paid:

	2014 No	£	2013 No	£
Ordinary shares of £1 each	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>

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22. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital	Revaluation reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£
Balance brought forward	180,000	6,505,331	(320,828)	6,364,503
Profit for the year	—	—	156,566	156,566
Balance brought forward	180,000	6,505,331	(164,262)	6,521,069
Profit for the year	—	—	182,659	182,659
Other movements				
- transfer to/from revaluation reserve	—	—	300,000	300,000
Other	—	(300,000)	—	(300,000)
Balance carried forward	<u>180,000</u>	<u>6,205,331</u>	<u>318,397</u>	<u>6,703,728</u>

23. ULTIMATE PARENT COMPANY

The company is controlled by Ringable Limited a company registered in England & Wales. 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 financial statements can be obtained from The Company Secretary, Hawksworth Securities plc, 7 Park Street, Bristol, BS1 5NF.

The company was under the control of Mr P J F Breach, acting in concert with his immediate family, throughout the current and preceding year.