

PRINCIPAL ADVISORS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017



PRINCIPAL ADVISORS LIMITED

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PRINCIPAL ADVISORS LIMITED

COMPANY INFORMATION

Director	A Abashidze (appointed 6 April 2017)
Registered number	03895296
Registered office	4th Floor, Watson House 54 Baker Street London W1U 7BU

PRINCIPAL ADVISORS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report and the financial statements for the year ended 31 March 2017.

Director

The director who served during the year was:

E A C Spencer Churchill (resigned 6 April 2017)

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A Abashidze
Director



Date:

15/08/17

PRINCIPAL ADVISORS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover		75,121	168,520
Cost of sales		(30,750)	(145,020)
Gross profit		44,371	23,500
Administrative expenses		(500,540)	(236,736)
Other operating income	2	16,214	15,428
Operating loss		(439,955)	(197,808)
Loss on sale of investments		-	(67,501)
Interest receivable and similar income		-	318
Interest payable and expenses		(35,685)	(17,621)
Loss before tax		(475,640)	(282,612)
Loss for the financial year		(475,640)	(282,612)
Other comprehensive income for the year			
Total comprehensive income for the year		(475,640)	(282,612)

PRINCIPAL ADVISORS LIMITED
REGISTERED NUMBER: 03895296

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	4	4,635,565	4,635,565
Investment property	5	981,066	622,279
		<u>5,616,631</u>	<u>5,257,844</u>
Current assets			
Debtors: amounts falling due within one year	6	36,461	45,675
Cash at bank and in hand	7	27,327	114,008
		<u>63,788</u>	<u>159,683</u>
Creditors: amounts falling due within one year	8	(5,906,341)	(5,167,809)
Net current liabilities		<u>(5,842,553)</u>	<u>(5,008,126)</u>
Total assets less current liabilities		<u>(225,922)</u>	<u>249,718</u>
Net (liabilities)/assets		<u><u>(225,922)</u></u>	<u><u>249,718</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(225,924)	249,716
		<u><u>(225,922)</u></u>	<u><u>249,718</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A Abashidze
Director

Date: 15/03/17

The notes on pages 6 to 11 form part of these financial statements.

PRINCIPAL ADVISORS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	2	532,328	532,330
Comprehensive income for the year			
Loss for the year	-	(282,612)	(282,612)
At 1 April 2016	2	249,716	249,718
Comprehensive income for the year			
Loss for the year	-	(475,640)	(475,640)
At 31 March 2017	2	(225,924)	(225,922)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 12.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

1.2 Going concern

The financial statements have been prepared on a going concern basis. The director considers this to be appropriate and will ensure the company has appropriate funding during the next 12 months.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

1.4 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.7 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.10 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

PRINCIPAL ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.11 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2. Other operating income

	2017 £	2016 £
Net rents receivable	16,214	15,428
	<u>16,214</u>	<u>15,428</u>

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Director and employee	<u>2</u>	<u>2</u>

4. Fixed asset investments

	Other fixed asset investments £
Cost	
At 1 April 2016	4,635,565
At 31 March 2017	<u>4,635,565</u>
Net book value	
At 31 March 2017	<u>4,635,565</u>
At 31 March 2016	<u>4,635,565</u>

PRINCIPAL ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. Investment property

	Freehold investment property £
Valuation	
At 1 April 2016	622,279
Additions at cost	358,787
At 31 March 2017	981,066

The 2017 valuations were made by the director, on an open market value for existing use basis.

6. Debtors

	2017 £	2016 £
Other debtors	36,461	45,675
	36,461	45,675

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	27,327	114,008
	27,327	114,008

PRINCIPAL ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	714,886	714,886
Other taxation and social security	22,567	-
Other creditors	5,168,713	4,445,076
Accruals and deferred income	175	7,847
	<u>5,906,341</u>	<u>5,167,809</u>

9. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	27,327	14,008
Financial assets that are debt instruments measure at amortised cost	36,461	45,675
	<u>63,788</u>	<u>59,683</u>
Financial liabilities		
Financial liabilities measured at amortised cost	5,906,166	5,167,809
	<u>5,906,166</u>	<u>5,167,809</u>

Financial assets measured at fair value through profit or loss comprise of cash.

Financial assets measured at amortised cost comprise of other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other tax and social security, other creditors, accruals and deferred income.

10. Related party transactions

During the year the company repaid £9,238 to the director. The loan provided by the director incurs interest of 1.5%. Interest incurred in the year was £32,191. At the year end the balance due to the director was £1,598,582 (2016: £1,575,629).

Included with other creditors is £976,421 (2016: £976,421) an amount due to WIL Shares Limited a company with common directorships.

Also included with other creditors is £65,000 (2016: £Nil) an amount due to Theta Shares Limited a company with common directorships.

PRINCIPAL ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. Controlling party

The company's controlling party is A Abashidze.

12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.