

Registered number: 03895296

PRINCIPAL ADVISORS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

WEDNESDAY



L7CF2QIX

LD5

15/08/2018

#90

COMPANIES HOUSE

PRINCIPAL ADVISORS LIMITED

CONTENTS

	Page
Company information	1
Director's report	2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Notes to the financial statements	6 - 12

PRINCIPAL ADVISORS LIMITED

COMPANY INFORMATION

Director	A Abashidze
Registered number	03895296
Registered office	2nd Floor 7 Portman Mews South London England W1H 6AY

PRINCIPAL ADVISORS LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The director presents his report and the financial statements for the year ended 31 March 2018.

Director

The director who served during the year was:

A Abashidze

Small companies note

In preparing this report, the director has 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:

8/8/18

PRINCIPAL ADVISORS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover		73,783	75,121
Cost of sales		8,658	(30,750)
Gross profit		82,441	44,371
Administrative expenses		(51,420)	(500,540)
Other operating income	2	37,317	16,214
Operating profit/(loss)		68,338	(439,955)
Interest payable and expenses		(34,480)	(35,685)
Profit/(loss) before tax		33,858	(475,640)
Tax on profit/(loss)		(3,189)	-
Profit/(loss) for the financial year		30,669	(475,640)
Other comprehensive income for the year			
Total comprehensive income for the year		30,669	(475,640)

PRINCIPAL ADVISORS LIMITED
REGISTERED NUMBER: 03895296

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	5	4,635,565	4,635,565
Investment property	6	981,066	981,066
		<u>5,616,631</u>	<u>5,616,631</u>
Current assets			
Debtors: amounts falling due within one year	7	81,098	36,461
Cash at bank and in hand	8	11,941	27,327
		<u>93,039</u>	<u>63,788</u>
Creditors: amounts falling due within one year	9	(5,904,923)	(5,906,341)
Net current liabilities		<u>(5,811,884)</u>	<u>(5,842,553)</u>
Total assets less current liabilities		<u>(195,253)</u>	<u>(225,922)</u>
Net liabilities		<u>(195,253)</u>	<u>(225,922)</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(195,255)	(225,924)
		<u>(195,253)</u>	<u>(225,922)</u>

The director considers 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 director acknowledges his 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: 8/8/18

The notes on pages 6 to 12 form part of these financial statements.

PRINCIPAL ADVISORS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	2	249,716	249,718
Loss for the year	-	(475,640)	(475,640)
At 1 April 2017	2	(225,924)	(225,922)
Profit for the year	-	30,669	30,669
At 31 March 2018	2	(195,255)	(195,253)

PRINCIPAL ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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.

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's 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 instrument 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.

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

PRINCIPAL ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies (continued)

1.7 Financial instruments (continued)

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 the 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 2018

1. Accounting policies (continued)

1.11 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2. Other operating income

	2018 £	2017 £
Net rents receivable	37,317	16,214
	<u>37,317</u>	<u>16,214</u>

3. Employees

Staff costs were as follows:

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

	2018 No.	2017 No.
Director and employee	<u>2</u>	<u>2</u>

PRINCIPAL ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	3,189	-
	<u>3,189</u>	<u>-</u>
Total current tax	<u>3,189</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>3,189</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	<u>33,858</u>	<u>(475,640)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	6,433	(95,128)
Effects of:		
Capital allowances for year in excess of depreciation	(55)	70
Utilisation of tax losses	(3,189)	3,243
Unrelieved tax losses carried forward	-	91,815
Total tax charge for the year	<u>3,189</u>	<u>-</u>

PRINCIPAL ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Fixed asset investments

	Other fixed asset investments £
Cost	
At 1 April 2017	4,635,565
At 31 March 2018	<u>4,635,565</u>
Net book value	
At 31 March 2018	<u>4,635,565</u>
At 31 March 2017	<u>4,635,565</u>

6. Investment property

	Freehold investment property £
Valuation	
At 1 April 2017	981,066
At 31 March 2018	<u>981,066</u>

The 2018 valuations were made by the director, on an open market value for existing use basis.

7. Debtors

	2018 £	2017 £
Trade debtors	44,277	-
Other debtors	36,821	36,461
	<u>81,098</u>	<u>36,461</u>

PRINCIPAL ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	11,941	27,327
	<u>11,941</u>	<u>27,327</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	715,911	714,886
Corporation tax	3,189	-
Other taxation and social security	6,908	22,567
Other creditors	5,158,527	5,168,713
Accruals and deferred income	20,388	175
	<u>5,904,923</u>	<u>5,906,341</u>

10. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	11,941	27,327
Financial assets that are debt instruments measure at amortised cost	81,098	36,461
	<u>93,039</u>	<u>63,788</u>
Financial liabilities		
Financial liabilities measured at amortised cost	5,901,734	5,906,341
	<u>5,901,734</u>	<u>5,906,341</u>

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

Financial assets measured at amortised cost comprise of trade and other debtors.

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

PRINCIPAL ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Related party transactions

During the year the company loaned a further £63,180 from the director. At the year end the balance due to the director was £1,661,762 (2016: £1,598,582).

Included with other creditors is £976,421 (2017: £976,421) an amount due to WIL Shares Limited a company with common directorships.

Included with other creditors is £Nil (2017: £65,000) an amount due to Theta Shares Limited a company with common directorships.

12. Controlling party

The company's controlling party is A Abashidze.