

PRINCIPAL ADVISORS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004



Company Registration No.: 3895296

PRINCIPAL ADVISORS LIMITED

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PRINCIPAL ADVISORS LIMITED

COMPANY INFORMATION

Directors Edward Spencer Churchill

Secretary Tim Woodcock

Company number 3895296

Registered office 1 Shepherds Place
London
W1Y 3RU

PRINCIPAL ADVISORS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2004

The director presents his report and financial statements for the year ended 31 March 2004.

Principal activities

The principal activity of the company is to provide the business and management consultancy services for company and individual.

Director and his interests

The director in office during the year ended 31 March 2004 and his beneficial interest in shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 March 2004	31 March 2003
Edward Spencer Churchill	2	2

Director's responsibilities

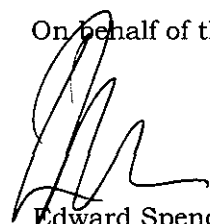
Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Edward Spencer Churchill

Director

18 January 2005

PRINCIPAL ADVISORS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004**

	Notes	2004 £	2003 £
Turnover	2	555,975	319,340
Cost of sales		(249,337)	(119,929)
Gross profit		306,638	199,411
Administrative expenses		(52,938)	(41,894)
Operating profit		253,700	157,517
Interest payable and similar charges		(997)	-
Profit on ordinary activities before taxation		252,703	157,517
Tax on profit on ordinary activities	3	(53,020)	(31,503)
Profit on ordinary activities after taxation		199,683	126,014
Retained profit brought forward		442,292	416,278
Dividends		-	(100,000)
Retained profit carried forward		641,975	442,292

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those included in the profit and loss account.

PRINCIPAL ADVISORS LIMITED**BALANCE SHEET AS AT 31 MARCH 2004**

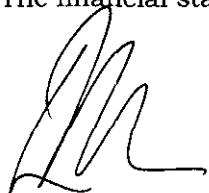
	Notes	2004 £	£	2003 £	£
Current assets					
Debtors	4	912,957		530,764	
Cash at bank and in hand		14,980		527,693	
			927,937		1,058,457
Creditors : Amounts falling due within one year	5	(285,960)		(616,163)	
Net assets			641,977		442,294
Capital and reserves					
Called up share capital	6		2		2
Profit and loss account			641,975		442,292
Shareholder's funds			641,977		442,294

In approving these financial statements as director of the company I hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) of the Companies Act 1985 requesting that an audit be conducted for the year ended 31 March 2004 and
- (c) that I acknowledge my responsibilities for:
- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for year ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 18 January 2005.



Edward Spencer Churchill
Director

PRINCIPAL ADVISORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004****1 Accounting policies****1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents amounts receivable for services net of value added tax.

1.3 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

Turnover is based on the value of services provided falling within the company's ordinary activities and is exclusive of value added tax. The turnover for the year relates to the United Kingdom.

3 Tax on profit on ordinary activities

	2004	2003
	£	£
U.K. corporation tax	53,020	31,503

4 Debtors

	2004	2003
	£	£
Trade debtors	58,750	27,105
Other debtors	854,207	503,659
Prepayments and accrued income	-	-
	<u>912,957</u>	<u>530,764</u>

5 Creditors: amounts falling due within one year

	2004	2003
	£	£
Trade creditors	64,832	69,720
Taxation	68,153	24,777
Director's current account	63,475	110,416
Accruals & deferred income	89,500	411,250
	<u>285,960</u>	<u>616,163</u>

6 Called up share capital

	2004	2003
	£	£
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

7 Transaction with director

An interest free loan subsisted between director and the company. During the year the company paid £46,941 making the balance due to him at 31 March 2004 of £63,475(2003: £110,416).