

**PINNACLE PSG HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**For the year ended 31 March 2018**

Company number 05735973

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**PINNACLE PSG HOLDINGS LIMITED**  
**CONTENTS**  
**For the year ended 31 March 2018**

	Page
Directors' report	1
Statement of directors' responsibilities in respect of the Financial Statements	2
Independent auditors' report to the members of Pinnacle PSG Holdings Limited	3
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

## **PINNACLE PSG HOLDINGS LIMITED**

### **DIRECTORS' REPORT**

**For the year ended 31 March 2018**

#### **FINANCIAL STATEMENTS**

The directors present their report and the audited financial statements of Pinnacle PSG Holdings Limited "the Company") for the year ended 31 March 2018.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is to act as a holding company for a number of operating subsidiaries.

#### **RESULTS AND DIVIDENDS**

The loss for the financial year amounted to £156,000 (2017: £198,000). The directors do not recommend the payment of a dividend (2017: £nil).

#### **SMALL COMPANIES EXEMPTION**

The directors have taken advantage of the exemption provided by section 414B of the Companies Act 2006 for the requirement to prepare a Strategic Report for the year.

#### **DIRECTORS**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

HA Saunders	(Resigned 30 <sup>th</sup> September 2018)
PMA Lloyd	
NH Euesden	
CM Hodson	(Appointed 30 <sup>th</sup> September 2018)

#### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

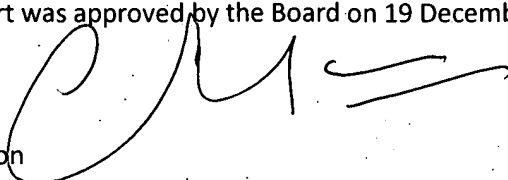
Each of the directors has confirmed that:

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **INDEPENDENT AUDITORS**

Under section 487 of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the Board on 19 December 2018.

  
CM Hodson  
Director

## **PINNACLE PSG HOLDINGS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

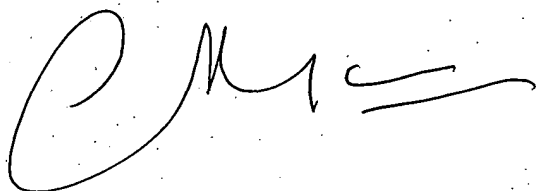
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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.

On behalf of the board.

CM Hodson  
Director

19 December 2018



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINNACLE PSG HOLDINGS LIMITED**  
For the year ended 31 March 2018

**Report on the audit of the financial statements**

**Opinion**

In our opinion, Pinnacle PSG Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern.**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINNACLE PSG HOLDINGS LIMITED**

For the year ended 31 March 2018

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINNACLE PSG HOLDINGS LIMITED**

For the year ended 31 March 2018

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

*Saira Choudhry*

Saira Choudhry (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
19 December 2018

**PINNACLE PSG HOLDINGS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 March 2018

	Note	2018	2017
		£000	£000
Dividends receivable		1,500	1,250
Interest receivable and similar income	3	374	292
Interest payable and similar expenses	4	(2,118)	(1,832)
Loss before taxation		(244)	(290)
Tax on loss	5	88	92
Loss and total comprehensive loss for the financial year		(156)	(198)

There are no recognised gains or losses for the financial year other than as stated in the profit and loss account and therefore no other comprehensive income statement has been presented.

All the above amounts are attributable to continuing operations.

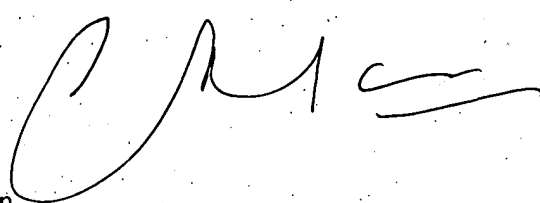
The notes on pages 9 to 14 form part of the financial statements.



**PINNACLE PSG HOLDINGS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2018**

		<b>31 March 2018</b>	<b>31 March 2017</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>NON-CURRENT ASSETS</b>			
Investments	6	<b>17,000</b>	17,000
<b>Total non-current assets</b>		<b>17,000</b>	17,000
<b>CURRENT ASSETS</b>			
Debtors	8	<b>10,238</b>	8,412
<b>Net current assets</b>		<b>10,238</b>	8,412
<b>NON-CURRENT LIABILITIES</b>			
Subordinated debt	9	<b>(26,268)</b>	(24,286)
<b>Net assets</b>		<b>970</b>	1,126
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	<b>2,875</b>	2,875
Profit and loss account		<b>(1,905)</b>	(1,749)
<b>Total equity</b>		<b>970</b>	1,126

These financial statements on pages 6 to 14 were approved by the board of directors on 19 December 2018 and signed on its behalf by:

  
CM Hodson  
Director

Company number: 05735973

The notes on pages 9 to 14 form part of the financial statements.

**PINNACLE PSG HOLDINGS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 March 2018

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2016	2,875	(1,551)	1,324
Loss for the financial year	-	(198)	(198)
Balance at 31 March 2017	2,875	(1,749)	1,126
Loss for the financial year	-	(156)	(156)
<b>Balance at 31 March 2018</b>	<b>2,875</b>	<b>(1,905)</b>	<b>970</b>

The notes on pages 9 to 14 form part of the financial statements.

**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year end 31 March 2018

**1 ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

**1.1 BASIS OF PREPARATION**

Pinnacle PSG Holdings Limited (the "Company") is a company incorporated and domiciled in 6 St Andrew Street, London, EC4A 3AE, Great Britain.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2015/16 Cycle) issued in July 2016 and effective immediately have been applied.

These financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using FRS 101.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency and prepared on the historical cost basis.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

As the consolidated financial statements of Pinnacle Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**1.2 GOING CONCERN**

Pinnacle PSG Holdings Limited has made a loss of £156,000 (2017: £198,000) during the year and has net assets of £970,000 (2017: £1,126,000) at the year end. The Company is a holding company and therefore non-trading. Its only liability is sub-ordinate debt which is held with the parent Company Pinnacle Group Limited, this will not be called if the Company is in financial difficulty. On this basis the Directors believe that the Company will have adequate resources to continue in operational existence for the foreseeable future.

**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year end 31 March 2018

**1.3 INVESTMENTS**

Fixed asset investments are stated at cost less any provision for impairment.

**1.4 FINANCIAL INSTRUMENTS**

Financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

*Trade and other receivables*

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

**1.5 FINANCING INCOME AND EXPENSES**

Financing expenses comprise interest payable using the effective interest method.

Interest income and interest payable is recognised in profit or loss as it accrues.

**1.6 TAXATION**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**1.7 DIVIDENDS**

Dividends are recognised as distributions to owners during the period in which the dividend is paid. Dividends are recognised in the statement of changes in equity.

**1.8 CONTRIBUTED EQUITY**

Ordinary shares are classified as equity.

**1.9 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and judgments within these financial statements.

**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year end 31 March 2018

**2 OPERATING LOSS**

Auditors' remuneration for the audit of the Company was £3,000 (2017: £2,000). The audit fee is borne by the Pinnacle PSG Group. During the year there were no non-audit services provided by the statutory auditors.

**3 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Intercompany interest receivable	<b>374</b>	<b>292</b>

**4 INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Interest on subordinated debt (see note 9)	<b>2,118</b>	<b>1,832</b>

**5 TAX ON LOSS**

(a) Analysis of credit in the period

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Current Tax		
Tax on loss for the year	-	-
Group relief receipt	<b>(85)</b>	<b>(48)</b>
Adjustments for prior year	<b>(3)</b>	<b>(44)</b>
Total current tax	<b>(88)</b>	<b>(92)</b>

(b) Factors affecting tax credit for period

The tax assessed in each year is the same as the standard rate of corporation tax in the UK. The differences are explained below:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Loss before tax	<b>(244)</b>	<b>(290)</b>
Loss before tax multiplied by standard rate of UK corporation tax of 19% (2017: 20%)	<b>(46)</b>	<b>(58)</b>
Non-deductible expenses	<b>246</b>	<b>260</b>
Non-taxable income	<b>(285)</b>	<b>(250)</b>
Prior year adjustments	<b>(3)</b>	<b>(44)</b>
Total tax credit for period	<b>(88)</b>	<b>(92)</b>

**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year end 31 March 2018**

**5 TAX ON LOSS (continued)**

Note on taxation:

The company has surrendered the benefit of tax losses to another group company for a consideration of £85k which will be receivable. No tax losses are, therefore, available for carry-forward.

(c) Factors affecting tax credit for period

A reduction in the UK corporation tax rate from 20% to 19% and subsequently to 17% was substantively enacted in September 2016 and will take effect from 1 April 2017 and 1 April 2020 respectively.

It has not yet been possible to quantify the fully anticipated effect of the further 2% rate reduction, although this will further reduce the Group's future current tax charge.

**6 INVESTMENTS**

	Investment in subsidiary undertakings £000
At 1 April 2017 & 31 March 2018	17,000

All subsidiary undertakings are registered in England and Wales and operate within the United Kingdom. The subsidiary undertakings during the year were:

Company	Principal activity	Class of shares held	Holding %
Pinnacle PSG Limited	Holding company	£1 Ordinary	100
Pinnacle Regeneration Limited	Dormant	£1 Ordinary	100

Pinnacle PSG Limited also holds investments in the following companies:

Company	Principal activity	Class of shares held	Holding %
Pinnacle Housing Limited	Housing management	£1 Ordinary	100
Pinnacle FM Limited	Facilities management	£1 Ordinary	100
Pinnacle Connect Limited	Maintenance Services	£1 Ordinary	100
Pinnacle Homecare Limited	Dormant	£1 Ordinary	100
Pinnacle Regeneration Group Limited	Dormant	£1 Ordinary	100

The registered address of the companies detailed above is First Floor, 6 St Andrew Street, London, EC4A 3AE.

As at 31 March 2018 (2017: £23,733,000) the net asset value of the subsidiaries is £25,868,000 against carrying value of £17,000,000 thus no impairment is required.

**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year end 31 March 2018

**7 DEFERRED TAXATION**

Deferred tax assets have not been recognised in respect of tax losses of £282,000 (2017: £282,000) because it is not probable that future taxable profits will be available against which the Group can utilise the benefits there from.

**8 DEBTORS**

	2018 £000	2017 £000
Amounts owed by Group undertakings	10,238	8,412

Amounts owed by group undertakings are unsecured, interest bearing 4.5%, have no fixed date of repayment and are repayable on demand.

**9 SUBORDINATED DEBT**

	2018 £000	2017 £000
Subordinated debt at 1 April	24,286	22,454
Accrued interest	1,982	1,832
Subordinated debt at 31 March	26,268	24,286

The subordinated debt is owed to Pinnacle Group Limited and was lent to the Company to enable it to purchase the interest in the share capital of its subsidiaries. Interest accrues on the subordinated debt at a rate of 8% per annum. Interest is rolled up into the debt every 6 months on 30 June and 31 December. The subordinate debt is repayable on demand.

**10 SHARE CAPITAL**

	Number of ordinary shares	
	2018	2017
Authorised		
Ordinary shares at 10p each	2,874,750	2,874,750
At 31 March	2,874,750	2,874,750
	2018	2017
	£000	£000
Called up and fully paid		
Authorised Ordinary shares at 10p each	2,875	2,875
Total	2,875	2,875

**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year end 31 March 2018**

**11 DIRECTORS' EMOLUMENTS**

No directors received any remuneration from the Company in the year (2017: £Nil). Their services were deemed to relate mostly to work carried out for other companies within the Pinnacle Group and their related costs are included within administration expenses of those companies.

**12 RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemptions available under IAS 24, 'Related Party Disclosures', not to disclose any transactions or balances with entities that are 100% controlled by the Company (please refer to note 9 for further details regarding the subordinated debt).

**13 PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking is Pinnacle Group Limited. Pinnacle Group Limited is the smallest group to consolidate these financial statements.

The ultimate parent undertaking and the largest group to consolidate these financial statements is TStar Pinnacle Limited. TStar Pinnacle Limited is owned by funds managed or advised by Starwood Capital Group (48%) and Tunstall Real Estate Asset Management (48%) with management and associates holding the balance.

The financial statements of Pinnacle Group Limited and TStar Pinnacle Limited are available from 1st Floor, 6 St Andrew Street, London, EC4A 3AE.

The ultimate controlling parties are Tunstall Pinnacle Holdco sarl and SOF-11 Pinnacle Lux sarl both incorporated in Luxembourg.

**14 SUBSEQUENT EVENTS**

There have been no subsequent events post year end.