

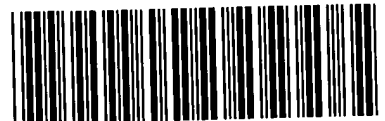
PINNACLE SPACES LIMITED

Registered number 07760630

ANNUAL REPORT

For the year ended 31 March 2020

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Directors' report

Financial statements

The directors present their annual report and the financial statements of Pinnacle Spaces Limited for the year ended 31 March 2020.

Principal activities and future developments

On 29th March 2012, the Company received approval from HM Government's Tenant Services Authority (TSA) (part of the Homes and Community Agency) to act as a profit-making registered provider for the provision of social housing. Following the purchase of an investment property in the previous financial year it is expected that the Company's activities will remain the same in the foreseeable future.

Results and dividends

The loss for the year after taxation amounted to £40,000 (2019: £nil). The Company did not pay a dividend during the year (2019: £nil). There are no further proposed dividends at the year end.

Donation

No political or charitable donations were made in the year (2019: £Nil).

Payment to suppliers

Settlements terms are agreed with suppliers as part of the contract terms and it is the Company's policy to pay in accordance with these terms. Other creditors are paid in accordance with invoice terms. Creditor days for the current year are approximately 0 days (2019: 0 days).

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.

Going concern

Pinnacle Spaces Limited is part of the Pinnacle Group. The Company has accumulated losses to date of £47,000 (2019: £7,000) and is in a net liability position.

As part of their review the directors have considered the implications of the current Coronavirus Pandemic on the going concern assumption. The economic impact on the business due to the Coronavirus Pandemic is subject to an unprecedented level of uncertainty with the full range of possible effects unknown. This could lead to future material adverse impacts on the activities of the Company due to factors outside the control of the Board. The Company has adopted flexible remote working practices and other measures to continue normal service levels and the directors have considered a range of financial outcomes to conclude that the Company have sufficient cash resources to continue its activities. As events evolve the directors will take all necessary measures to minimise where possible the negative economic impacts on the business.

Pinnacle Group Limited has indicated its willingness to financially support Pinnacle Spaces Limited for a period of at least 12 months from the date these financial statements were approved and authorised for issue by way of a letter of support.

On this basis the Directors believe that the Company will have adequate resources to continue in operational existence for the foreseeable future and meet its obligations as they fall due. As such the financial statements are prepared on a going concern basis.

Directors' report continued

Financial instruments

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

Directors

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

JL Saunders
OH Inskip
CM Hodson
C Kober (Appointed 2 December 2019)

Statement of information provided to auditors

Each of the directors has confirmed that:

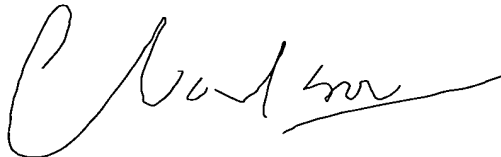
- (a) so far as they are aware, there is no relevant audit information of which the Company's auditors is unaware, and
- (b) they have taken all the steps that they ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors 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 has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved on behalf of the Board on 8th December 2020.



Christopher Hodson
Director

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.

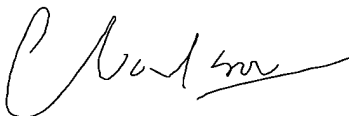
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

On behalf of the board



Christopher Hodson
Director
8th December 2020

Independent auditors' report to the members of Pinnacle Spaces Limited

Report on the audit of the financial statements

Opinion

In our opinion, Pinnacle Spaces Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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, which comprise: the statement of financial position as at 31 March 2020; the income statement, 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 where:

- 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.

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 2020 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, 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. This description forms part of our auditors' report.

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.



Diane Walmsley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 December 2020

**Income Statement
for the year ended 31 March 2020**

		2020	2019
		£000	£000
Revenue		5	-
Other operating expenses		(50)	-
Operating loss		(45)	-
Net Interest	4	(3)	-
(Loss)/Result before taxation		(48)	-
Tax on (Loss)/Result	5	8	-
(Loss)/Result for the financial year		(40)	-

There are no recognised gains or losses for the financial year (2019: nil) other than as stated in the profit and loss account and therefore no other comprehensive income statement has been presented (2019: nil).

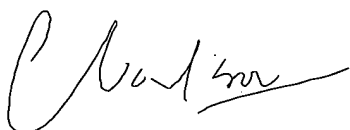
The notes on pages 10 to 16 form part of the financial statements.

Statement of Financial Position

As at 31 March 2020

		31 March 2020	31 March 2019
		£000	£000
NON-CURRENT ASSET			
Investment property	6	54	57
CURRENT ASSETS			
Trade and other receivables	7	8	-
Cash and cash equivalents		5	-
Total current assets		13	-
CURRENT LIABILITIES			
Trade and other payables	8	(114)	(64)
NET LIABILITIES		(47)	(7)
CAPITAL AND RESERVES			
Share capital	9	-	-
Accumulated Loss		(47)	(7)
Total equity		(47)	(7)

These financial statements on pages 7 to 9 were approved by the board of directors on 8th December 2020 and signed on its behalf by:



Christopher Hodson
 Director
 Company number: 07760630

The notes on pages 10 to 16 form part of the financial statements.

**Statement of Changes in Equity
for the year ended 31 March 2020**

	Share Capital	Accumulated loss	Total Equity
	£000	£000	£000
Balance at 1 st April 2018	-	(7)	(7)
Loss for the year	-	-	-
Balance at 31 st March 2019	-	(7)	(7)
Loss for the year	-	(40)	(40)
Balance at 31st March 2020		(47)	(47)

The notes on pages 10 to 16 form part of the financial statements.

Notes to the financial statements

1. Accounting Policies

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

1.1 Basis of Preparation

Pinnacle Spaces Limited (the "Company") is a private limited company incorporated and domiciled in the UK. The registered office is 21st Floor Euston Tower, 286 Euston Road, London NW1 3DP.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

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

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:

- Paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79 (a) (iv) of IAS 1; and
 - paragraphs 76 and 79(d) of IAS 40 Investment Property.
- The following paragraphs of IAS 1:
 - 10 (d) (statement of cash flows);
 - 10 (f), 40 A - D (requirement for a third statement of financial position);
 - 16 (statement of compliance with all IFRS);
 - 38 A (requirement for minimum of two primary statements, including cash flow statements);
 - 38 B - D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134 - 136 (capital management disclosures).
- a Cash Flow Statement and related notes;
- IFRS 9 'Financial instruments' and IFRS 15 'Revenue from Contracts with Customers' related disclosures; and
- 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).
- The requirement in IAS 24, 'Related party disclosures', to disclose related party transactions entered between two or more members of a group and key management compensation.

Notes to the financial statements continued

1.1 Basis of preparation continued

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; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

New and amended standards adopted by the Company

- IFRS 16 *Accounting for Leases*

The Company had to change its accounting policies and make certain adjustments following the adoption of these standards.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating leases – Incentives and SIC 27 Evaluating the Substance of transactions Involving the legal Form of a Lease.

IFRS 16 addresses the definition of a lease, recognition and measurement of leases, and it establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that it prescribes a single lessee accounting model that requires the recognition of a right of use asset and corresponding liability for all leases. The only exceptions are short-term (i.e. 12 months or less) and low-value leases.

Under IFRS 16, the right-of-use asset is depreciated in accordance with the requirements of IAS 16 *Property, plant and equipment* and will be tested for impairment in accordance with IAS 36 *Impairments of Assets*. The impairment testing process replaces the previous requirement to recognise a provision for onerous contracts.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. However, IFRS 16 has changed and expanded the disclosure required, in particular regarding how a lessor manages the risks arising from its residual interest in leased asset.

The Company adopted the standard from 1 April 2019. The Company adopted the modified retrospective approach. The Company will make use of the practical expedient available on transition to IFRS 16 to not reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 April 2019.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
 - variable lease payment that are based on an index or a rate;
 - the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- and
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate.

Notes to the financial statements continued

1.1 Basis of Preparation continued

The Company reviewed all its leasing arrangements in light of the new lease accounting rules in IFRS 16. The standard affected primarily the accounting for the Company's operating leases. There were no leases in operation that fell under IFRS 16.

The adoption of IFRS 16 does not have any impact for the Company.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

1.2 Going concern

Pinnacle Spaces Limited is part of the Pinnacle Group. The Company has accumulated losses to date of £47,000 (2019: £7,000) and is in a net liability position. These financial statements are prepared on a going concern basis. Pinnacle Group Limited has indicated its willingness to financially support Pinnacle Spaces Limited for a period of at least 12 months from the date these financial statements were approved and authorised for issue.

1.3 Non-derivate financial instrument

Non-derivative financial instruments comprise trade and other payables. Trade and other payables are recognised initially at fair value.

Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.4 Contributed equity

Ordinary shares are classified as equity.

1.5 Investment property

Investment property is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs.

The property will be depreciated on a straight line over 25 years.

1.6 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

1.7 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 judgements in these financial statements which are expected to have a significant impact.

Notes to the financial statements continued

2. Employees

Number of employees

The average monthly number of operational employees employed by the Company during the year was nil (2019: nil).

3. Auditor's remuneration

Auditors' remuneration for the audit of the Company was £2,100 (2019: £2,250). The audit fee is borne by the group parent company. During the year there were no non-audit services (2019: £Nil) provided by the statutory auditors.

4. Net Interest

	2020 £000	2019 £000
Intercompany interest payable	3	-
Total finance costs	3	-
Net interest	3	-

5. Tax on (Loss)/Result

(a) Analysis of credit in the year

	2020 £000	2019 £000
Current Tax		
Group relief receivable	(8)	-
Adjustment for previous years	-	-
Total current tax	(8)	-

Notes to the financial statements continued

5. Tax on loss/result continued.

(b) Factors affecting tax credit in the year

	2020 £000	2019 £000
Loss before taxation	(48)	-
Loss before taxation multiplied by standard rate of UK corporation tax of 19% (2019: 19%)	(9)	-
Deductible expenses	-	-
Disallowed expense	1	-
Adjustment for previous years	-	-
Total tax credit for the year	(8)	-

The company has surrendered the benefit of tax losses amounting to £8,000 to a fellow subsidiary undertaking without receiving any payment. This will be offset against intercompany. Therefore, no tax losses are available for carry-forward.

(c) Factors affecting future tax charge

The suspension of a proposed reduction in the UK corporation tax rate from 19% to 17% effective from 1 April 2020 was substantively enacted in March 2020. The UK corporation tax rate remains at 19%.

6. Investment property

	£000
Balance at 1 April 2019	57
Additions	-
Balance at 31 March 2020	57
Accumulated depreciation	
Balance at 1 April 2019	-
Charge for the year	3
Balance at 31 March 2020	3
Net Book Value	
At 31 March 2020	54
At 31 March 2019	57

7. Trade and other receivables

	2020 £000	2019 £000
Current tax receivable	8	-
	8	-

Notes to the financial statements continued

8. Trade and other payables

	2020 £000	2019 £000
Amounts owed to parent undertaking*	67	64
Accruals	47	-
	<u>114</u>	<u>64</u>

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

9. Share capital

	Number of ordinary shares 2020	2019
Authorised		
Ordinary shares at £1 each	1	1
At 31 st March	<u>1</u>	<u>1</u>

	2020 £000	2019 £000
Called up and fully paid		
Authorised Ordinary shares at £1 each	-	-
Total	<u>-</u>	<u>-</u>

10. Parent undertaking and controlling party

The immediate parent undertaking is Pinnacle Group Limited which owns 100% of the ordinary share capital of the Company. 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.

The financial statements of Pinnacle Group Limited and TStar Pinnacle Limited are available from 21st Floor Euston Tower, 286 Euston Road, London NW1 3DP.

11. Contingencies

The Company has issued guarantees in favour of Barclays Bank (2019: Barclays Bank) to support the indebtedness of Pinnacle Group Limited and its subsidiaries. The exposure to this guarantee at the balance sheet date was £Nil (2019: £Nil). There are no other contingencies as at 31 March 2020.

Notes to the financial statements continued

12. Directors' emoluments

No directors received any remuneration from the Company in the year (2019: £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 the administration expenses of those companies.

13. Subsequent events

There have been no subsequent events post year end.