

Registered number: 07760630

PINNACLE SPACES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

FRIDAY



ACF1LOY

A19

27/10/2023

#126

COMPANIES HOUSE

PINNACLE SPACES LIMITED

CONTENTS

	Page(s)
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Value for Money Metrics	4 - 5
Independent Auditors' Report	6 - 8
Statement of Profit or Loss	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 22

PINNACLE SPACES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the audited financial statements of Pinnacle Spaces Limited (the "Company") for the year ended 31 March 2023.

Principal activity

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 and management of social housing. It is expected that the Company's activities will remain the same in the foreseeable future.

Results and dividends

Building on our Registered Provider platform, during the year the Company entered into a number of new Management Leases with institutional investors to operate Affordable housing within residential communities. These long term leases, over 20+ years, provide much needed Affordable housing to applicants nominated by the respective Local Authority. This has necessitated the Company recognising these leases in the accounts as Right of Use assets in accordance with the reporting standards IFRS 16.

The loss for the year, after taxation, amounted to £88k (2022: loss of £27k).

No dividends were paid in the year or proposed at the year end (2022: £nil).

Going concern

Pinnacle Spaces Limited is part of Pinnacle Group Limited. The Company has made a loss of £88k (2022: £27k) during the year and has net liabilities of £204k (2022: £116k) at the year end.

As part of their review the directors have considered the implications of the current economic conditions on the going concern assumption. This has also included sensitivity analyses which take into account severe but plausible downsides. 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.

Donations

No political or charitable donations were made in the year (2022: £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 is 0 days (2022: 0 days).

PINNACLE SPACES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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.

Small companies exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Directors

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

J L Saunders
O H Inskip
C M Hodson
N P Wright

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be 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 October 2023 and signed on its behalf.



C M Hodson
Chief Financial Officer

PINNACLE SPACES LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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, 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 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 also 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.

PINNACLE SPACES LIMITED

**VALUE FOR MONEY METRICS
FOR THE YEAR ENDED 31 MARCH 2023**

The board has considered the latest annual financial benchmark information published by the Regulator of Social Housing. For the first time, this information includes a series of VFM metrics covering the 'value for money cost chain' areas of economy, efficiency and effectiveness. The published data relates to financial year 31 March 2023.

Metrics	Description	2023 Actual	2022 Actual
1	Reinvestment %	98.1%	0.0%
2	New Supply delivered %		
a.	New Supply delivered (Social housing units)	98.0%	0.0%
b.	New Supply delivered (Non-social housing units)	0.0%	0.0%
3	Gearing %	112.0%	418.4%
4	(EBITDA MRI) Interest Cover %	102.8%	0.0%
5	Headline social housing cost per unit	£918	£1,266
6	Operating Margin %		
a.	Operating Margin (social housing lettings only)	14.2%	-6.8%
b.	Operating Margin (overall)	14.2%	-6.8%
7	Return on capital employed (ROCE) %	3.8%	N/A

Metric 1 – Reinvestment %

The Reinvestment metric looks at the investment in properties (Existing stock and New Supply) as a percentage of the value of total properties held.

As at the 31st March 2023 the Company had 477 units (2022: 184 units) in its portfolio.

Metric 2 – New Supply delivered %

The New Supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.

A total of 293 units were added to the portfolio in the financial year to the 31st March 2023.

Metric 3 – Gearing %

The Gearing metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.

The Gearing ratio is made up of a mixture of financing from the Pinnacle Group and finance lease adjustments in respect of IFRS 16. There is no external third party financing as at the 31st March 2023.

Metric 4 (EBITDA MRI) Interest Cover %

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

PINNACLE SPACES LIMITED

**VALUE FOR MONEY METRICS
FOR THE YEAR ENDED 31 MARCH 2023**

The Interest payable is a combination of financing costs incurred on the Pinnacle Group funding and finance lease adjustments in respect of IFRS 16.

For the year ended 31st March 2022 the Interest cover % is disclosed as 0% given the operating deficit of £15k.

Metric 5 – Headline social housing cost per unit

The Headline social housing cost per unit metric assesses the headline social housing cost per unit as defined by the regulator.

Metric 6 – Operating Margin %

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business. In assessing this ratio, it is important that consideration is given to registered providers' purpose and objectives (including their social objectives).

The Company's Operating Margin has increased from -6.8% to 14.2% demonstrating improved financial efficiency.

Metric 7 – Return on capital employed (ROCE) %

The ROCE compares the operating surplus to total assets less current liabilities.

The Company's ROCE as at the 31st March 2023 is 3.8%. For the year ended 31st March 2022 the metric is disclosed as non-applicable due to an operating deficit and net liabilities.

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 2023 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, including 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 2023; the Statement of profit or loss and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to but were not limited to the Landlord & Tenants Act 1985, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, Taxation legislation, and the Housing and

Regeneration Act 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate financial results. Audit procedures performed by the engagement team included:

- Discussions with management and the legal counsel, including consideration of known or suspected instances of non-compliance;
- Identifying and testing journal entries meeting certain risk criteria, in particular any journal entries posted with unusual account combinations, journal entries containing unusual words and certain post-close journals;
- Reviewing board minutes and details of legal expenses incurred in the year; and
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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
23 October 2023

PINNACLE SPACES LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Revenue	4	618	220
Depreciation and amortisation	5	(93)	(2)
Administrative expenses		(438)	(233)
Operating profit/(loss)		87	(15)
Interest payable and similar expenses	9	(175)	(12)
Loss before taxation		(88)	(27)
Tax on loss	10	-	-
Loss for the financial year		(88)	(27)

There was no other comprehensive income for 2023 (2022: £Nil).

The notes on pages 12 to 22 form part of these financial statements.

PINNACLE SPACES LIMITED
REGISTERED NUMBER: 07760630

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Non-current assets			
Investment Property	11	2,633	49
Total non-current assets		<u>2,633</u>	<u>49</u>
Current assets			
Trade and other receivables	12	130	40
Cash and cash equivalents		150	205
Total current assets		<u>280</u>	<u>245</u>
Current liabilities			
Trade and other payables	13	(480)	(410)
Short-term lease liabilities	14	(124)	-
Net current liabilities		<u>(324)</u>	<u>(165)</u>
Non-current liabilities			
Long term lease liabilities	14	(2,513)	-
Net liabilities		<u>(204)</u>	<u>(116)</u>
Capital and reserves			
Share capital	15	-	-
Accumulated losses		(204)	(116)
Total equity		<u>(204)</u>	<u>(116)</u>

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

The financial statements on pages 9 to 11 were approved by the board on 19 October 2023 and were signed on its behalf by:

C M Hodson
Chief Financial Officer



The notes on pages 12 to 22 form part of these financial statements.

PINNACLE SPACES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £000	Accumulated losses £000	Total equity £000
At 1 April 2021	-	(89)	(89)
Loss for the year	-	(27)	(27)
At 31 March 2022	<u>-</u>	<u>(116)</u>	<u>(116)</u>
Loss for the year	-	(88)	(88)
At 31 March 2023	<u><u>-</u></u>	<u><u>(204)</u></u>	<u><u>(204)</u></u>

The notes on pages 12 to 22 form part of these financial statements.

PINNACLE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Pinnacle Spaces Limited (the "Company") is a private company, limited by shares, incorporated and domiciled in the United Kingdom. The registered address is 8th Floor Holborn Tower, 137-144 High Holborn, London, United Kingdom, WC1V 6PL.

2. Accounting policies

2.1 Basis of preparation of financial statements

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.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which

PINNACLE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions (continued)

is a party to the transaction is wholly owned by such a member

- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Impact of new reporting standards, amendments and interpretations

There were no impacts arising from new standards, interpretations and amendments effective or adopted early during this financial year.

2.4 Going concern

The Company has accumulated losses to date of £204k (2022: £116k) and has a position cash position at the year end of £150k (2022: £205k).

As part of their review the directors have considered the implications of the current economic conditions on the going concern assumption. This has also included sensitivity analyses which take into account severe but plausible downsides. 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.

2.5 Revenue recognition

Revenue represents fees receivable, excluding VAT. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it delivers the service to a customer. For long-term contracts revenue is recognised over the period the service is delivered. For contracts which span a number of years, the contracts have either discrete annual measurement periods or specific milestones and revenue is recognised accordingly. Revenue is recognised over time.

2.6 Interest receivable and similar income

This comprises of interest receivable on funds invested using the effective interest method.

2.7 Interest payable and similar expenses

This is comprised of interest payable on lease liabilities and loans and borrowings recognised in profit or loss using the effective interest method.

PINNACLE SPACES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.8 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.

2.9 Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

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.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.11 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.

2.12 Impairment of non financial assets

Non financial assets that are not ready to use are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

PINNACLE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.13 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.

3. 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.

4. Revenue

	2023	2022
	£000	£000
Rental income	56	-
Housing management	562	220
	<u>618</u>	<u>220</u>

The whole of the revenue is attributable to the provision of social housing. All revenue arose within the United Kingdom.

5.

Operating profit/(loss)

All costs are related to social housing activities other than Depreciation.

	2023	2022
	£000	£000
The operating profit/(loss) is stated after charging:		
Depreciation of owned assets	2	2
Depreciation of right of use assets	<u>91</u>	<u>-</u>

6.

Auditors' remuneration

	2023	2022
	£000	£000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<u>3</u>	<u>3</u>

The audit fee of £3k (2022: £3k) is borne by the parent company. During the year there were no non audit services provided by the statutory auditors (2022: none).

PINNACLE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Staff numbers

There were no employees during the year (2022: nil).

8. Directors' remuneration

No directors received any remuneration from the Company in the year (2022: £nil).

The remuneration of J L Saunders, C M Hodson, N P Wright and O H Inskip is paid by the parent company. No recharges are made to the Company and it is not possible to make an accurate apportionment of their remuneration. Their total remuneration is included in the aggregate of directors' remuneration disclosed in the consolidated financial statements of Pinnacle Group Limited.

9. Interest payable and similar expenses

	2023	<i>2022</i>
	£000	<i>£000</i>
Interest payable to group companies	38	<i>12</i>
Interest on lease liabilities	137	<i>-</i>
	<u>175</u>	<u><i>12</i></u>

10. Tax on loss

	2023	<i>2022</i>
	£000	<i>£000</i>
Total tax	<u>-</u>	<u><i>-</i></u>

PINNACLE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Tax on loss (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: *higher than*) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £000	2022 £000
Loss before tax	(88)	(27)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	(17)	(5)
Effects of:		
Group relief	17	5
Total tax	-	-

Factors that may affect future tax charges

The UK corporation tax rate as at 31 March 2023 is 19% (2022: 19%). In the 2023 Budget, the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25% from 1 April 2023. Deferred taxes at the balance sheet date have been measured using 25% and reflected in these financial statements.

PINNACLE SPACES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Investment property

	Right of use asset	Investment property owned	Total
	£000	£000	£000
Cost			
1 April 2022	-	57	57
Additions	2,677	-	2,677
At 31 March 2023	<u>2,677</u>	<u>57</u>	<u>2,734</u>
 Accumulated depreciation			
1 April 2022	-	8	8
Charge for the year	91	2	93
At 31 March 2023	<u>91</u>	<u>10</u>	<u>101</u>
 Net book value			
At 31 March 2023	<u>2,586</u>	<u>47</u>	<u>2,633</u>
At 31 March 2022	<u>-</u>	<u>49</u>	<u>49</u>

The rental income generated from the investment properties was £287k (2022: £5k). The direct operating expenses associated with the rental income was £259k (2022: £2k).

PINNACLE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Trade and other receivables

	2023 £000	2022 £000
Trade debtors	18	4
Other receivables	59	-
Prepayments and accrued income	53	36
Total trade and other receivables	130	40

13. Trade and other payables

	2023 £000	2022 £000
Amounts owed to group undertakings*	462	409
Taxation and social security	15	1
Accruals and deferred income	3	-
Total trade and other payables	480	410

*Amounts owed to group undertakings are unsecured, interest bearing at Barclays base rate + 4%, have no fixed date of repayment and are repayable on demand.

PINNACLE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Leases

Company as a lessee

The Company leases various properties. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions (incl. termination and renewal rights).

Lease liabilities are due as follows:

	2023 £000	2022 £000
Short term	124	-
Long term	2,513	-
	<u>2,637</u>	<u>-</u>

Contractual undiscounted cash flows are due as follows:

	2023 £000	2022 £000
Less than one year	237	-
Between one year and five years	947	-
More than five years	3,849	-
	<u>5,033</u>	<u>-</u>

PINNACLE SPACES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Leases (continued)

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2023	<i>2022</i>
	£000	<i>£000</i>
Interest expense on lease liabilities	137	-
Depreciation charge	91	-
	<u>91</u>	<u>-</u>

Lease cost and payments

	31 March	<i>31 March</i>
	2023	<i>2022</i>
	£000	<i>£000</i>
Cost		
Opening balance	-	-
Additions	2,677	-
Interest	137	-
	<u>2,814</u>	<u>-</u>
Payments		
Interest	137	-
Principal repayments	40	-
	<u>177</u>	<u>-</u>
Lease liabilities balance		
Cost	2,814	-
Repayments during the period	(177)	-
Balance at 31 March	<u>2,637</u>	<u>-</u>

PINNACLE SPACES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Share capital

	2023	2022
	£000	£000
Authorised, allotted, called up and fully paid		
1 (2022: 1) Ordinary share of £1	-	-
	<u> </u>	<u> </u>

16. 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 ultimate parent undertaking and the largest group to consolidate these financial statements is TStar Pinnacle Limited. The immediate parent entity of TStar Pinnacle Limited is TStar Pinnacle Lux S.à.r.l, which is incorporated in Luxembourg. The ultimate joint controlling parties are Tunstall Pinnacle Holdco S.à.r.l and SOF-11 Pinnacle Lux S.à.r.l, both incorporated in Luxembourg, and have an ownership interest of 50% each.

The financial statements of Pinnacle Group Limited and TStar Pinnacle Limited are available from 8th Floor Holborn Tower, 137-144 High Holborn, London, United Kingdom, WC1V 6PL.

17. Subsequent events

There have been no subsequent events post year end.