

**PINNACLE PLACEMAKING LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**For the year ended 31 March 2018**

Company number 08777384

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**PINNACLE PLACEMAKING LIMITED**

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## **PINNACLE PLACEMAKING LIMITED**

### **DIRECTORS' REPORT**

For the year ended 31 March 2018

### **FINANCIAL STATEMENTS**

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

### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the Company is the development of new build residential properties followed by sale.

### **RESULTS AND DIVIDENDS**

The loss for the financial year amounted to £150,000 (2017: £26,000). The directors do not recommend the payment of a dividend.

### **DONATIONS**

No donations were made in the year (2017: £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 (2017: 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.

### **DIRECTORS**

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

PMA Lloyd  
HA Saunders  
CM Hodson

(Resigned 30 September 2018)  
(Appointed 30 September 2018)

**PINNACLE PLACEMAKING LIMITED**  
**DIRECTORS' REPORT**  
For the year ended 31 March 2018

**STATEMENT OF INFORMATION PROVIDED TO AUDITOR**

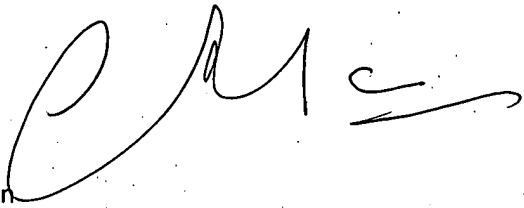
Each of the directors has confirmed that:

- (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 PLACEMAKING 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.

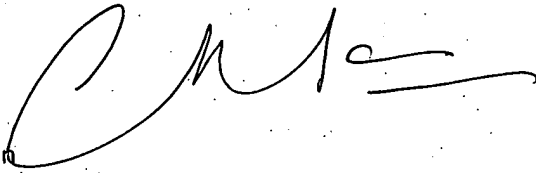
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure 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 AUDITORS' REPORT TO THE MEMBERS OF PINNACLE PLACEMAKING LIMITED**

For the year ended 31 March 2018

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

#### **Opinion**

In our opinion, Pinnacle Placemaking 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 AUDITORS' REPORT TO THE MEMBERS OF PINNACLE PLACEMAKING 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 3, 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 AUDITORS' REPORT TO THE MEMBERS OF PINNACLE PLACEMAKING 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 PLACEMAKING LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2018**

	Note	2018 £000	2017 £000
Revenue		20	20
Impairment of inventories	5	(122)	-
Other expenses		(2)	(3)
Operating (loss)/profit	2	(104)	17
Interest payable and similar expenses	3	(52)	(50)
Loss before taxation		(156)	(33)
Tax on loss	4	6	7
Loss for the financial period		(150)	(26)

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.

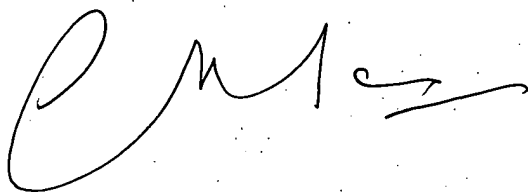
All the above amounts are attributable to continuing operations.

The notes on pages 10 to 14 form part of the financial statements.

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

	Notes	31 March 2018 £000	31 March 2017 £000
<b>Current assets</b>			
Inventories	5	950	1,072
Trade and other receivables	6	7	7
<b>Total current assets</b>		<b>7</b>	<b>1,079</b>
Trade and other payables	7	(1,163)	(1,135)
<b>Net current liabilities</b>		<b>(1,156)</b>	<b>(56)</b>
<b>Net liabilities</b>		<b>(206)</b>	<b>(56)</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	-	-
Profit and loss account		(206)	(56)
<b>Total equity</b>		<b>(206)</b>	<b>(56)</b>

These financial statements on pages 7 to 14 were approved by the board of directors on 19 December 2018 and signed on its behalf by:



CM Hodson  
Director

Company number: 08777384

The notes on pages 10 to 14 form part of the financial statements.

**PINNACLE PLACEMAKING 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	-	(30)	(30)
Loss for the financial year	-	(26)	(26)
Balance at 31 March 2017	-	(56)	(56)
Loss for the financial year	-	(150)	(150)
<b>Balance at 31 March 2018</b>	<b>-</b>	<b>(206)</b>	<b>(206)</b>

The notes on pages 10 to 14 form part of the financial statements.

**PINNACLE PLACEMAKING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 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 Placemaking 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 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**

The financial statements have been prepared on a going concern basis. The company has accumulated losses to date of £206,000 (2017: £56,000) and acts as a holding company for the investment in the Foxley Road site. The company is in a net liabilities position of £206,000 (2017: £56,000). The losses are as a result of intercompany interest charges on the acquisition financing and an impairment charge against the property asset. The company has the support of the parent company, Pinnacle Group Limited. 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.

**PINNACLE PLACEMAKING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2018

**1.3 FINANCIAL INSTRUMENTS**

Non-derivative financial instruments comprise trade and other receivables 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.

*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 INVENTORIES**

Inventories are measured at the lower of cost and net realisable value. Assets under the course of construction in respect of the development of land and buildings for future residential sale is initially held at cost. Future costs incurred on the development of the sites will be measured at cost.

**1.5 REVENUE**

Revenue represents fees from the rental of the building at the Foxley Road site. This is recognised on a monthly basis over the annual lease term.

**1.6 EXPENSES**

*Interest payable*

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

**1.7 TAXATION**

Tax on the profit or loss for the year comprises current 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.

**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. The impairment of inventory is a critical estimate in the preparation of these financial statements due to the material nature of the value involved in the context of the financial statements. An external valuations report was prepared to support the value of inventory in order to calculate the impairment to bring the assets down to its net realisable value pre sale.

**PINNACLE PLACEMAKING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2018

**2 OPERATING (LOSS)/PROFIT**

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

**3 INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2018</b> <b>£000</b>	2017 £000
Intercompany interest payable	<b>52</b>	50

**4 TAX ON LOSS**

(a) Analysis of credit in the period

	<b>2018</b> <b>£000</b>	2017 £000
Current Tax		
Group relief surrendered	<b>(6)</b>	(7)

(b) Factors affecting tax credit for period

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

	<b>2018</b> <b>£000</b>	2017 £000
Loss before taxation	<b>(156)</b>	(33)
Loss before taxation multiplied by standard rate of UK Corporation tax of 19% (2017: 20%)	<b>(30)</b>	(7)
Disallowed expenses	<b>24</b>	-
Total	<b>(6)</b>	(7)

Note on taxation:

The company has surrendered the benefit of tax losses to another group company for a consideration of £6,000 which will be receivable. No tax losses are, therefore, available for carry-forward.

(c) Factors affecting future tax charge

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 and reduce the Group's deferred tax asset accordingly.

**PINNACLE PLACEMAKING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2018

**5 INVENTORIES**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Assets under course of construction	<b>950</b>	<b>1,072</b>

In January 2015 the Company completed the purchase of a site in Foxley Road, London to develop for residential purposes. During the year, the decision was made to sell the development. An impairment charge of £122k has been applied to reduce its value to the lower of its cost and net realisable value.

**6 TRADE AND OTHER RECEIVABLES**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Other tax and social security	<b>7</b>	<b>7</b>
Total trade and other receivables	<b>7</b>	<b>7</b>

**7 TRADE AND OTHER PAYABLES**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<b>1,161</b>	<b>1,133</b>
Accruals and deferred income	<b>2</b>	<b>2</b>
Total trade and other payables	<b>1,163</b>	<b>1,135</b>

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

**8 SHARE CAPITAL**

	<b>Number of ordinary shares</b>	
	<b>2018</b>	<b>2017</b>
Authorised		
Ordinary shares at £1 each	<b>1</b>	<b>1</b>
At 31 March	<b>1</b>	<b>1</b>
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Called up and fully paid		
Authorised Ordinary shares at £1 each	<b>-</b>	<b>-</b>
Total	<b>-</b>	<b>-</b>

**PINNACLE PLACEMAKING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2018**

**9 DIRECTORS' EMOLUMENTS**

PMA Lloyd and HA Saunders (no longer a director) are directors of Pinnacle Group Limited, the Company's Group parent undertaking. Their services were deemed to relate mostly to work carried out for Pinnacle Group Limited and the related costs were therefore included in the administrative expenses of Pinnacle Group Limited.

**10 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 within the Pinnacle Group.

**11 PARENT UNDERTAKING AND CONTROLLING PARTY**

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

**12 SUBSEQUENT EVENTS**

The Foxley Road site was sold on 21 September 2018 for a consideration of £800,000. The difference in valuation since the year end is due to the change in market conditions up to the point of sale.