



Pinnacle Universal Limited

**Annual report and financial
statements**
for the year ended 31
December 2022



Registered Number 11103500

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DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2022.

The Report of the Directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions under Sections 415A (1) & (2) of the Companies Act 2006. The Company is also exempt from preparing a Strategic Report in accordance with Section 414B of the Companies Act 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a wholly owned subsidiary of Arbuthnot Latham & Co., Limited. The principal activity of the Company is to hold and develop land in the South East of England for strategic purposes.

The Company is a limited company domiciled and incorporated in England and Wales.

The Company made no profit during the year. In 2020 the Parent Company agreed to convert Pinnacle's outstanding loan into a capital contribution which is not repayable on demand. All subsequent expenditure is recognised as additional capital contributions.

The Company is funded by its parent Arbuthnot Latham & Co., Limited.

On 2 November 2022, The Company set up a wholly owned subsidiary, The Peacocks Management Company Limited, a Private company limited by guarantee without share capital. Its business is Residents property management on behalf of Pinnacle Universal Limited. The amount guaranteed was £1.

DIRECTORS

The Directors who served during the year under review and up to the date of approval of the financial statements were:

J R Cobb
S P Kelly
A A Salmon

DIVIDENDS

No dividends were paid during the year. The Directors do not recommend a final dividend.

GOING CONCERN

After making appropriate enquiries which assessed strategy, income and expenditure, ongoing parental funding and risk management, the directors are satisfied that the Company has adequate resources to continue in operation for the period of at least 12 months from the signing date of these financial statements.

The Company owns partially developed land that is currently in the process of being further developed with a view to selling off as individual residential properties. The Company is funded through capital contributions from the parent. The Company has no liabilities. The parent has pledged to provide further funding to the Company as its liabilities fall due in the form of capital contributions. As with any company placing reliance on the parent for financial support, the directors acknowledge that there is a reliance on the ultimate parent's ability to continue as a going concern. Details of the parent company's going concern assessment can be found in the directors' report on page 43 of the Arbuthnot Banking Group PLC Annual Report and Accounts.

The Company has adequate financial resources pledged through its parent. The financial statements are therefore prepared on the going concern basis.

POLITICAL DONATIONS

The Company made no political donations nor incurred any political expenditure during the year.

EVENTS AFTER THE BALANCE SHEET DATE

There were no significant post balance sheet events to report.

AUDITOR

A resolution for the re-appointment of Mazars LLP as auditor will be proposed at the forthcoming Annual General Meeting in accordance with section 487 of the Companies Act 2006.


STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

BY ORDER OF THE BOARD


James Cobb (Apr 21, 2023 11:51 GMT+1)

J R Cobb
Director

21 April 2023

Registered Number 11103500

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.


Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By order of the Board


James Cobb (Apr 21, 2023 11:51 GMT+1)

J R Cobb
Director

21 April 2023

Independent auditor's report to the members of Pinnacle Universal Limited

Opinion

We have audited the financial statements of Pinnacle Universal Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements

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and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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

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alternative but to do so.

Auditor's 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 auditor's 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance relate to the regulations and supervisory requirements of the Financial Conduct Authority (FCA), Anti-Money Laundering regulations (AML), General Data Protection Regulation (GDPR), and other laws and regulations, such as the Companies Act, 2006, that have a direct impact on the preparation of the financial statements, and UK tax legislation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to expected credit loss provision.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and

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- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Martin Orme


Martin Orme (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey,
London, EC4M 7AU
21 April 2023

STATEMENT OF FINANCIAL POSITION

| | Note | As at 31 December 2022 £ | As at 31 December 2021 £ |
|-------------------------------------|------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Due from parent company | | 1 | 1 |
| Inventory | 6 | 9,371,528 | 8,986,283 |
| Total assets | | 9,371,529 | 8,986,284 |
| EQUITY AND LIABILITIES | | | |
| Called up share capital | 7 | 1 | 1 |
| Other reserves | 8 | 9,371,528 | 8,986,283 |
| Total equity and liabilities | | 9,371,529 | 8,986,284 |

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 8 to 13 were approved by the Board of Directors on 21 April 2023 and are signed on its behalf by:


James Cobb (Apr 21, 2023 11:51 GMT+1)

J R Cobb

Director

21 April 2023

Registered Number 11103500

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

There were no Income Statement or Other Comprehensive Income movements during the current or prior year. As a result, no Statement of Comprehensive Income has been prepared.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

There were no cash movements in the current or prior year as all transactions were settled through the intercompany account with the parent, Arbuthnot Latham & Co., Limited, and the Company holds no cash. As a result, no Statement of Cash Flows has been presented.

The notes on pages 11 to 13 are an integral part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2022**

| | Called up share capital £ | Capital contribution £ | Total Equity £ |
|---|---|--------------------------------------|------------------------------|
| At 31 December 2020 | <u>1</u> | <u>5,167,559</u> | <u>5,167,560</u> |
| <i>Transactions with owners, recorded directly in equity</i> | | | |
| Contributions by owners | - | 3,818,724 | - 3,818,724 |
| At 31 December 2021 | <u>1</u> | <u>8,986,283</u> | <u>8,986,283</u> |
| Contributions by owners | - | 385,245 | - 385,245 |
| At 31 December 2022 | <u>1</u> | <u>9,371,528</u> | <u>9,371,529</u> |

The notes on pages 11 to 13 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Pinnacle Universal Limited is a company domiciled in the United Kingdom. The registered address of Pinnacle Universal Limited is 7 Wilson Street, London, EC2M 2SN.

2. BASIS OF PREPARATION

Statement of compliance

The Company's financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis of measurement

The Company financial statements have been prepared under the historical cost convention.

Functional and presentational currency

The functional and presentational currency of the Company is Pounds Sterling.

Going concern

After making appropriate enquiries which assessed strategy, income and expenditure, ongoing parental funding and risk management, the directors are satisfied that the Company has adequate resources to continue in operation for the period of at least 12 months from the signing date of these financial statements.

The Company owns partially developed land that is currently in the process of being further developed with a view to selling off as individual residential properties. The Company is funded through capital contributions from the parent. The Company has no liabilities. The parent has pledged to provide further funding to the Company as its liabilities fall due in the form of capital contributions. As with any company placing reliance on the parent for financial support, the directors acknowledge that there is a reliance on the ultimate parent's ability to continue as a going concern. Details of the parent company's going concern assessment can be found in the directors' report on page 36 of the Arbutnot Banking Group Annual Report and Accounts.

The Company has adequate financial resources pledged through its parent. The financial statements are therefore prepared on the going concern basis.

Accounting developments

The accounting policies adopted are consistent with those of the previous financial year.

3. ACCOUNTING POLICIES

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

3.1. Accounting for inventory

The Company owns land that is currently in the process of being developed with a view to selling off as individual residential properties. The land is currently held in the ordinary course of business with a view to develop and sell so is accounted for as inventory.

Inventory is measured at the lower of cost or net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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3.2. New standards and interpretations not yet adopted

There are no standards, interpretations and amendments to existing standards that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2022 or later periods, that will have any material impact on the Group's financial statements.

4. EXPENSES

There were no Income Statement or Other Comprehensive Income movements during the year. Fees payable to the Company's auditor for the audit of the Company's annual accounts are borne by the Parent Company and are not recharged to the company. The audit fee for the current year is £7,600 (2021: £6,500).

5. INTEREST IN SUBSIDIARIES

| | % Shareholding | Country of Incorporation | Principal activity |
|---|-------------------|-----------------------------|------------------------|
| The Peacocks Management Company Limited* | 100% | UK | Property Management |

*The Peacocks Management Company Limited was incorporated on 2 November 2022 as a subsidiary of Pinnacle Universal Limited as a Company limited by guarantee.

6. INVENTORY

| | As at 31 December 2022 £ | As at 31 December 2021 £ |
|-----------|-----------------------------------|-----------------------------------|
| Inventory | <u>9,371,528</u> | <u>8,986,283</u> |

On 29 October 2019 the Company received assets and liabilities from its fellow subsidiary Pinnacle Universal Limited, a company registered in the British Virgin Islands, through an asset transfer agreement. The consideration amounted to £4.2m. The increase during the subsequent years was due to costs in developing the land into individual residential properties.

7. SHARE CAPITAL

| | As at 31 December 2022 £ | As at 31 December 2021 £ |
|------------------------|-----------------------------------|-----------------------------------|
| 1 Ordinary share of £1 | <u>1</u> | <u>1</u> |

8. RESERVES

| | As at 31 December 2022 | As at 31 December 2021 |
|------------------------------|---------------------------------------|---------------------------------------|
| Capital Contribution reserve | 9,371,528 | 8,986,283 |

The capital contribution reserve relates to contributions from the parent company that are realised and available for distribution.

9. ULTIMATE CONTROLLING PARTY

The Company is a wholly-owned subsidiary of Arbuthnot Latham & Co., Limited, a company incorporated in Great Britain and registered in England. The Company regards Arbuthnot Banking Group PLC, a company registered in England and Wales, as the ultimate Parent Company. Sir Henry Angest, the Group Chairman and Chief Executive, has a beneficial interest in 56.3% of the issued Ordinary share capital of Arbuthnot Banking Group PLC and is regarded by the Company as the ultimate controlling party.

A copy of the consolidated financial statements of Arbuthnot Banking Group PLC may be obtained from the Secretary, Arbuthnot Banking Group PLC, Arbuthnot House, 7 Wilson Street, London, EC2M 2SN.

10 . NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

There were no significant post balance sheet events to report.