



Pinnacle Universal Limited

**Annual report and financial statements
for the year ended 31 December 2020**

Registered Number 11103500



Contents

Directors' Report	1
Statement of Director's Responsibilities	3
Independent Auditor's Report	4
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Cash Flows	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Pinnacle Universal Limited

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2020.

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 principle 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. During 2019 the Parent Company transferred the assets on a property development through an intercompany loan. In 2020 the Parent Company agreed to convert Pinnacle's outstanding loan into a capital contribution which will not be repayable.

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

DIRECTORS

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

S P Kelly
A A Salmon
J R Cobb (appointed July 2020)

DIVIDENDS

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

GOING CONCERN

The Company owns land that is currently in the process of being developed with a view to selling off as individual residential properties. The Company is funded through intercompany parental funding. During the year the intercompany liability was converted to equity and at 31 December 2020 the Company had no liabilities. The parent has pledged to provide funding to the Company as its liabilities fall due.

The Company has adequate financial resources pledged through its parent. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully. 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.

Pinnacle Universal Limited

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.

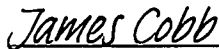
STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

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 1, 2021 19:24 GMT+1)

J R Cobb
Director

1 April 2021

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 Financial Reporting Standards ("IFRSs") in conformity with the requirements of the Companies Act 2006 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 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

James Cobb (Apr 1, 2021 19:24 GMT+1)

J R Cobb
Director
1 April 2021

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 2020 which comprise: Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result for the year then ended; and
- have been properly prepared in accordance with international accounting standards in conformity 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 entity'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 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.

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 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 there is a material misstatement in 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 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Pinnacle Universal Limited

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 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.

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 with laws and regulations related to UK tax legislation, 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 preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Directors' and 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 manual journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to expected loss provision.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and

Pinnacle Universal Limited

- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

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
- 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.

GR Simpson

Greg Simpson (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House, St Katharine's Way

London, E1W 1DD

1 April 2021

Pinnacle Universal Limited

STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2020 £	As at 31 December 2019 £
ASSETS			
Due from parent company		1	1
Inventory	6	5,167,559	4,217,546
Total assets		5,167,560	4,217,547
EQUITY AND LIABILITIES			
Called up share capital	5	1	1
Other reserves	8	5,167,559	-
LIABILITIES			
Due to parent company	7	-	4,217,546
Total equity and liabilities		5,167,560	4,217,547

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 1 April 2021 and are signed on its behalf by:

James Cobb
James Cobb (Apr 1, 2021 19:24 GMT+1)

J R Cobb
Director

1 April 2021

Registered Number 11103500

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
DECEMBER 2020**

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 2020

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.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Capital contribution £	Total Equity £
At 31 December 2018	<u>1</u>	<u>-</u>	<u>1</u>
At 31 December 2019	<u>1</u>	<u>-</u>	<u>1</u>
<i>Transactions with owners, recorded directly in equity</i>			
Contributions by owners	<u>-</u>	<u>5,167,559</u>	<u>5,167,559</u>
At 31 December 2020	<u>1</u>	<u>5,167,559</u>	<u>5,167,560</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 Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

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

The Company owns land that is currently in the process of being developed with a view to selling off as individual residential properties. The Company is funded through intercompany parental funding. During the year the intercompany liability was converted to equity and at 31 December 2020 the Company had no liabilities. The parent has pledged to provide funding to the Company as its liabilities fall due.

The Company has adequate financial resources pledged through its parent. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully. 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.

3.2. Financial assets and financial liabilities

IFRS 9 requires financial assets and liabilities to be measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through the profit and loss ("FVTPL"). Liabilities are measured at amortised cost or FVTPL. The company classifies financial assets and financial

Pinnacle Universal Limited

liabilities in the following categories: financial assets and financial liabilities at FVTPL; FVOCI, financial assets and liabilities at amortised cost and other financial liabilities. Management determines the classification of its financial instruments at initial recognition.

A financial asset or financial liability is measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issue with the exception of financial assets at FVTPL where these costs are debited to the Income Statement.

3.3. 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 2021 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 £6,500 (2019: £5,000)

5. SHARE CAPITAL

	As at 31 December 2020 £	As at 31 December 2019 £
1 Ordinary share of £1	<u>1</u>	<u>1</u>

6. INVENTORY

	As at 31 December 2020 £	As at 31 December 2019 £
Inventory	<u>5,167,559</u>	<u>4,217,546</u>

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.

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

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 year was due to costs in developing the land into individual residential properties.

Pinnacle Universal Limited

7. AMOUNTS DUE TO PARENT COMPANY

	As at 31 December 2020 £	As at 31 December 2019 £
Due to parent company	-	4,217,546

In 2019 the Parent Company, Arbuthnot Latham & Co., Limited, transferred the assets on a property development through an intercompany loan. The consideration was agreed as the assumption by the Company of the indebtedness to Arbuthnot Latham & Co., Limited and amounted to £4.2m.

In 2020 the Parent Company agreed to convert Pinnacle's outstanding loan into a capital contribution which will not be repayable.

8. Reserves

	As at 31 December 2020 £	As at 31 December 2019 £
Capital contribution reserve	5,167,559	-

The Parent Company, Arbuthnot Latham & Co., Limited, converted the intercompany loan to a capital contribution of £5.2m (2019: £nil).

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 56.1% of the issued 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.