

Company registration number 09614230 (England and Wales)

PINNACLE OPES ATHENIAN LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

PINNACLE OPES ATHENIAN LTD

COMPANY INFORMATION

Directors Mr M Bailey
Mr K E Smith
Ms S Emirali
Mr D S Lumsden (Appointed 6 October 2021)
Mr T D Pullman
Mr C S Young

Secretary Ms S L D Neill

Company number 09614230

Registered office Clere House
West Street
Burghclere
Newbury
RG20 9LB

Auditor Ensors Accountants LLP
Connexions
159 Princes Street
Ipswich
IP1 1QJ

PINNACLE OPES ATHENIAN LTD

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Profit and loss account	9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 27

PINNACLE OPES ATHENIAN LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Fair review of the business

The Company continued its principle activities throughout the current year. A fair review of the business has taken place under the Development and Performance heading below.

Principal risks and uncertainties

Management continually monitor the key risks facing the Company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the Company are as follows:

- **Economic downturn** – The company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties. Sales trends in its major markets are constantly reviewed to enable early action to be taken in the event of sales declining. The period covered by this report was still impacted by COVID restrictions which continued to bring uncertainty and risk to the economy, resulting in a significant downturn in many industries. As a result, the Directors continued to take a cautious approach to growth, but still pursue opportunities as they have arisen.
- **Competitor pressure** - The market in which the Company operates is considered to be relatively competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk through a focused recruitment process and benefits from a high employee retention ratio. The growth in recurring revenues in the area of Managed Services is supported by an Account Management Team who continue to grow and develop strong relationships with its key customers.

During the post balance sheet period the market has seen a consolidation in the market with competitors of the business being acquired by Renovus Capital Partners, a private equity firm specialising in different verticals including Professional Services. The consolidation activity has focused on US organisations and has had no adverse impact on Pinnacle business.

- **Reliance on key partners** – The Company's business could be seen to be dependent on relationships with a few key suppliers. A proportion of consulting revenues rely on the suppliers continuing to sell software. The Company manages this risk by increasing the number of direct client relationships delivering both consulting and managed services to these clients.
- **Loss of key personnel** – This would present significant operational difficulties for the Company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

PINNACLE OPES ATHENIAN LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Development and performance

The business recognises the importance of staff retention and development. As a professional services organisation the development and retention of staff is an important factor in customer satisfaction and the future growth of the business. To support the development of staff, the business has opened offices in strategic locations outside of London and continued to grow in each of these locations. Pinnacle has never been a 100% office based business, but there is a recognition that mentoring staff works better when people are co-located.

As reported in the profit and loss account. Turnover has shown a strong increase of 24.5%. This increase in revenue has been fuelled by investments made during accounting periods impacted by COVID as well as the continued investment in Account Management and Managed Services activities. The Directors have continued to closely manage indirect costs with overheads continuing to be suppressed as the economy has slowly started to recover from the impact of COVID. In particular, travel expenses continue to be lower than pre-COVID levels and key industry events and conferences were also cancelled during the year.

The balance sheet shows that the Company's net assets at the year-end has decreased from £3,967,528 to £2,925,626. This is due to a retention of profits in the business being paid out in the form of dividends.

The company generated cash from operations of £3,884,117 and invested in £79,188 Fixed assets. The company continues to be financed from operating cashflows – there have been no borrowing in the period or in any prior period.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non-financial key performance indicators as set out below:

- Profit ratios – Gross profit margin, net profit margin
- Activity ratios - Debtor days, creditor days
- Capital ratios – Total assets/total liabilities, gearing
- Consultant performance – Utilisation, realisation
- Staff retention

On behalf of the board

Mr M Bailey
Director

24 March 2023

PINNACLE OPES ATHENIAN LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activities of the company were the delivery of IT consultancy projects and services allowing their customers to implement and optimise the software they depend on.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £3,240,856. The directors do not recommend payment of a further dividend.

No preference dividends were paid.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Bailey	
Mr N Renfrew	(Resigned 31 December 2021)
Mr K E Smith	
Mr G Coates	(Resigned 31 December 2021)
Ms S Emirali	
Mr D S Lumsden	(Appointed 6 October 2021)
Mr T D Pullman	
Mr C S Young	

Financial instruments

The Company operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Company's activities. The Company's operations are financed through positive cash balances – the company has no bank or other forms of debt other than amounts due to group companies. In addition, the Company has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations. The company derives a growing percentage of income in different currencies, but overheads are mostly in sterling. The company does not look to use financial instruments to manage exchange rate gains and losses.

Future developments

The directors consider that the forthcoming financial year will be another year of unpredictable trading conditions. The aim of the Directors is to continue to implement the management policies to control the cost base, whilst continuing to invest in activities that are designed to broaden the client base. The directors plan to increase the investment in sales and marketing in the next financial year with a view to increasing the managed service client base.

Overall, the directors believe that the Company is well placed in terms of strategic and market position to maximise its ability to generate sales and satisfy customer demand, in spite of the difficult economic conditions currently facing the business.

Auditor

Ensors Accountants LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

PINNACLE OPES ATHENIAN LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr M Bailey
Director

24 March 2023

PINNACLE OPES ATHENIAN LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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 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.

PINNACLE OPES ATHENIAN LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PINNACLE OPES ATHENIAN LTD

Opinion

We have audited the financial statements of Pinnacle Opes Athenian Ltd (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 directors' 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 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 our 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.

PINNACLE OPES ATHENIAN LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PINNACLE OPES ATHENIAN LTD

Matters on which we are required to report by exception

In the 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 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, 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 these financial statements.

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

Our audit was designed to include tests of detail together with an assessment of the control environment to enable us to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud. This included work on areas where we consider there is a higher risk of fraud including revenue recognition, management override of systems and control, transactions with related parties and accounting estimates.

We also obtained an understanding of the legal and regulatory framework that the company operates in, through discussions with the directors and other management, and from our own knowledge and experience of the sector.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework both at the planning stage and throughout the audit;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud;
- reviewed and challenged accounting estimates to ensure no indication of management bias.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

PINNACLE OPES ATHENIAN LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PINNACLE OPES ATHENIAN LTD

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our 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.

Zoe Plowman
Senior Statutory Auditor
For and on behalf of Ensors Accountants LLP

30 March 2023

Chartered Accountants
Statutory Auditor

Connexions
159 Princes Street
Ipswich
IP1 1QJ

PINNACLE OPES ATHENIAN LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	as restated £
Turnover	3	11,963,092	9,605,611
Cost of sales		(7,809,445)	(5,617,008)
Gross profit		4,153,647	3,988,603
Administrative expenses		(1,598,099)	(1,693,406)
Operating profit	4	2,555,548	2,295,197
Interest payable and similar expenses	7	(1,000)	(55)
Intercompany liability written off	8	-	536,413
Profit before taxation		2,554,548	2,831,555
Tax on profit	9	(355,665)	(480,411)
Profit for the financial year		2,198,883	2,351,144

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PINNACLE OPES ATHENIAN LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	as restated £
Profit for the year	2,198,883	2,351,144
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,198,883</u>	<u>2,351,144</u>

PINNACLE OPES ATHENIAN LTD

BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		171,377		342,755
Other intangible assets	11		208,335		-
			<u>379,712</u>		<u>342,755</u>
Total intangible assets			379,712		342,755
Tangible assets	12		100,721		98,047
Investments	13		10,282		10,282
			<u>490,715</u>		<u>451,084</u>
Current assets					
Debtors	15	7,175,854		4,724,449	
Cash at bank and in hand		1,187,146		1,362,604	
			<u>8,363,000</u>		<u>6,087,053</u>
Creditors: amounts falling due within one year	16	<u>(5,905,165)</u>		<u>(2,552,797)</u>	
Net current assets			2,457,835		3,534,256
Total assets less current liabilities			<u>2,948,550</u>		<u>3,985,340</u>
Provisions for liabilities					
Deferred tax liability	17	22,924		17,812	
		<u>(22,924)</u>		<u>(17,812)</u>	
Net assets			<u>2,925,626</u>		<u>3,967,528</u>
Capital and reserves					
Called up share capital	19		13,063		13,044
Share premium account			152,062		152,062
Capital redemption reserve			88		36
Distributable profit and loss reserves			2,760,413		3,802,386
Total equity			<u>2,925,626</u>		<u>3,967,528</u>

The financial statements were approved by the board of directors and authorised for issue on 24 March 2023 and are signed on its behalf by:

Mr M Bailey
Director

Company Registration No. 09614230

PINNACLE OPES ATHENIAN LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Unaudited for the period ending 31 March 2020:						
	11,787	31,000	-	1,157,296	1,550,580	2,750,663
Balance at 1 April 2020						
Year ended 31 March 2021:						
Profit and total comprehensive income for the year	19	-	-	-	2,351,144	2,351,144
Issue of share capital	19	1,257	-	-	-	1,257
Dividends	10	-	-	-	(1,256,634)	(1,256,634)
Redemption of shares	19	-	36	-	-	36
Transfers		-	-	(1,157,296)	1,157,296	-
Balance at 31 March 2021	13,044	152,062	36	-	3,802,386	3,967,528
Year ended 31 March 2022:						
Profit and total comprehensive income for the year	19	-	-	-	2,198,883	2,198,883
Issue of share capital	19	19	-	-	-	19
Dividends	10	-	-	-	(3,240,856)	(3,240,856)
Redemption of shares	19	-	52	-	-	52
Balance at 31 March 2022	13,063	152,062	88	-	2,760,413	2,925,626

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Pinnacle Opes Athenian Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Clere House, West Street, Burghclere, Newbury, RG20 9LB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Pinnacle OA Holdings Ltd. These consolidated financial statements are available from its registered office, Clere House West Street, Burghclere, Newbury, United Kingdom, RG20 9LB.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue arising from IT consultancy projects and services billed on a time and materials basis is recognised in the period that the time was incurred.

Revenue arising from managed services contracts where an indiscriminate number of acts are performed over a specified period of time, is recognised on a straight line basis over the specified period unless there is evidence of a better method to measure the stage of completion.

Revenue arising from software subscription is spread evenly over the term of the subscription.

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of incorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Intangible fixed assets other than goodwill

Software assets are initially recognised at cost. After initial recognition, software assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software assets are amortised evenly over its estimated useful life of five years. The amortisation policy has been selected after consideration of industry standard policies in conjunction with the lengths of contracts in place with customers.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% on cost
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33% on cost
Computer equipment	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.18 Dividends payable

Dividends are accounted for when they are declared and paid with the exception of the B and C shares, that are calculated by reference to profit, as defined in the articles of association. These are accrued based on performance.

1.19 Business combination

At 31 March 2022 the trade and assets of fellow subsidiary companies Enable Business Solutions Limited and Enable Systems Limited were transferred to the company. For the year ended 31 March 2022 there has been no impact in the profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Principal activity	11,963,092	9,605,611
	<u>11,963,092</u>	<u>9,605,611</u>
	2022	2021
	£	£
Turnover analysed by geographical market		
UK	7,549,990	6,995,488
Europe	1,367,641	1,521,902
US and Other	3,045,461	1,088,221
	<u>11,963,092</u>	<u>9,605,611</u>

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	19,695	80,478
Fees payable to the company's auditor for the audit of the company's financial statements	16,345	11,500
Depreciation of owned tangible fixed assets	78,122	80,933
(Profit)/loss on disposal of tangible fixed assets	(460)	1,423
Amortisation of intangible assets	171,378	186,514
Operating lease charges	133,235	124,087
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Client services	67	57
Administration	13	7
Total	<u> 80 </u>	<u> 64 </u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	5,995,283	4,194,743
Social security costs	636,056	501,899
Pension costs	238,371	163,841
	<u> 6,869,710 </u>	<u> 4,860,483 </u>

6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	849,710	959,298
Company pension contributions to defined contribution schemes	13,680	12,490
	<u> 863,390 </u>	<u> 971,788 </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	153,000	148,500
Company pension contributions to defined contribution schemes	9,375	6,750
	<u> </u>	<u> </u>

7 Interest payable and similar expenses

	2022	2021
	£	£
Other interest	1,000	55
	<u> </u>	<u> </u>

8 Amounts written off investments

	2022	2021
	£	£
Other gains and losses	-	536,413
	<u> </u>	<u> </u>

Amounts written off investments are in relation to a dissolved subsidiary. The prior year adjustment is detailed in note 25.

9 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	497,294	524,039
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(141,629)	(43,628)
	<u> </u>	<u> </u>
Total tax charge	355,665	480,411
	<u> </u>	<u> </u>

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	2,554,548	2,831,555
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	485,364	537,995
Tax effect of expenses that are not deductible in determining taxable profit	3,884	8,896
Research and development tax credit	(116,742)	-
Fixed asset timing differences	28,349	35,438
Other timing differences	(45,190)	-
Credits not taxable	-	(101,918)
Taxation charge for the year	355,665	480,411

10 Dividends

	2022 £	2021 £
Final paid	3,240,856	1,256,634

11 Intangible fixed assets

	Goodwill £	Software £	Other intangibles £	Total £
Cost				
At 1 April 2021	922,670	-	-	922,670
Additions - business combinations	-	208,317	18	208,335
At 31 March 2022	922,670	208,317	18	1,131,005
Amortisation and impairment				
At 1 April 2021	579,915	-	-	579,915
Amortisation charged for the year	171,378	-	-	171,378
At 31 March 2022	751,293	-	-	751,293
Carrying amount				
At 31 March 2022	171,377	208,317	18	379,712
At 31 March 2021	342,755	-	-	342,755

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Intangible fixed assets (Continued)

Additions from business combinations have arisen from the hive across of the trade and assets of Enable Systems Ltd as at 31 March 2022.

12 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2021	11,976	240,769	252,745
Additions	33,263	45,925	79,188
Transfers	1,608	-	1,608
	<u>46,847</u>	<u>286,694</u>	<u>333,541</u>
At 31 March 2022	46,847	286,694	333,541
Depreciation and impairment			
At 1 April 2021	8,431	146,267	154,698
Depreciation charged in the year	6,727	71,395	78,122
	<u>15,158</u>	<u>217,662</u>	<u>232,820</u>
At 31 March 2022	15,158	217,662	232,820
Carrying amount			
At 31 March 2022	<u>31,689</u>	<u>69,032</u>	<u>100,721</u>
At 31 March 2021	<u>3,545</u>	<u>94,502</u>	<u>98,047</u>

13 Fixed asset investments

	Notes	2022 £	2021 as restated £
Investments in subsidiaries	14	<u>10,282</u>	<u>10,282</u>

The 2021 year has been re stated to remove the investment in Pinnacle International Consulting Inc that was dissolved on 29 January 2021.

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Athenian IT Developments Limited	United Kingdom	Ordinary	100.00
Opes Consulting Limited	United Kingdom	Ordinary	100.00

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Subsidiaries

(Continued)

The registered office of all companies registered in the United Kingdom is Clere House, West Street, Burghclere, Newbury, Hampshire, RG20 9LB, England.

These companies have taken exemption in section 480 of the Companies Act 2006 from the requirements in the Act for their individual accounts to be audited.

15 Debtors

	2022	2021
		as restated
Amounts falling due within one year:	£	£
Trade debtors	3,564,714	1,805,966
Unpaid share capital	85,296	142,316
Amounts owed by group undertakings	2,900,476	2,474,852
Other debtors	51,985	22,963
Prepayments and accrued income	312,825	241,642
	<u>6,915,296</u>	<u>4,687,739</u>
Deferred tax asset (note 17)	260,558	36,710
	<u>7,175,854</u>	<u>4,724,449</u>

Unpaid share capital is repayable within 4 years of the agreement date. £85,296 (2021: £142,316) was due after 1 year.

16 Creditors: amounts falling due within one year

	2022	2021
		as restated
	£	£
Trade creditors	201,346	186,448
Amounts owed to group undertakings	1,206,017	-
Corporation tax	631,823	212,528
Other taxation and social security	518,854	728,679
Dividends payable	-	431,033
Other creditors	48,437	19,227
Accruals and deferred income	3,298,688	974,882
	<u>5,905,165</u>	<u>2,552,797</u>

Amounts owed to group undertakings have been restated, see note 8 for details.

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Balances:				
Accelerated capital allowances	22,924	17,812	-	-
Short term timing differences	-	-	183,451	36,710
Losses carried forward	-	-	77,107	-
	<u>22,924</u>	<u>17,812</u>	<u>260,558</u>	<u>36,710</u>
				2022
Movements in the year:				£
Asset at 1 April 2021				(18,898)
Credit to profit or loss				(141,629)
Other				(77,107)
Asset at 31 March 2022				<u>(237,634)</u>

No material reversal of deferred tax liabilities or realisation of deferred tax assets is expected within the next 12 months.

Other movements relate to losses that have been brought into Pinnacle Opes Athenian by virtue of the hive across of Enable Business Solutions Ltd and Enable Systems Ltd.

18 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	238,371	163,841
	<u>238,371</u>	<u>163,841</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and not fully paid				
Ordinary of 10p each	103,726	103,726	10,372	10,372
B of 10p each	43,550	41,750	436	418
Ordinary A of 10p each	22,524	22,524	2,252	2,252
C of 1p each	180	140	2	1
	<u>169,980</u>	<u>168,140</u>	<u>13,062</u>	<u>13,043</u>

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Share capital (Continued)

	2022 Number	2021 Number	2022 £	2021 £
Preference share capital Issued and fully paid				
Preference of 10p each	8	8	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference shares classified as equity			1	1
			<u> </u>	<u> </u>
Total equity share capital			13,063	13,044
			<u> </u>	<u> </u>

The Ordinary and A Ordinary shares have full rights in the company with respect to voting, dividends and distributions.

The B and C Shares has full rights with regard to dividends and distributions but no rights in respect of voting. The C shares are redeemable in the circumstances set out in the articles.

All preference shares are non voting. The holders of the preference shares have the right to receive;

- A preference dividend
- The outstanding balance of the preference dividend (in priority to the other share classes)
- The nominal value of each preference share on winding up or return of capital.

All preference share dividends are determined by a 75% vote of the shareholders.

There are 22,524 of Ordinary A shares in issue. 16,487 are fully paid, 6,037 have unpaid share premium. The 180 C Shares in issue are all unpaid. The total of these is £85,296 and this is included in debtors.

20 Other reserve

	2022 £	2021 £
At the beginning of the year	-	1,157,296
Transfer of profits relating to prior periods	-	(1,157,296)
	<u> </u>	<u> </u>
At the end of the year	-	-
	<u> </u>	<u> </u>

£1,157,296 was allocated to other reserves to ear mark profits based on a proposed preference share dividend. This dividend was declared on the 30th September 2020.

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	-	14,300

22 Related party transactions

Transactions with Companies under common control

During the year the Company raised invoices of £9,299 (2021: £214,020) on behalf of Companies under common control.

Companies under common control raised invoices of £nil (2021: £239,913) on behalf of the Company.

The company made advances of £409,403 (2021: £434,513) to Companies under common control.

At the year end, an inter company debtor balance of £400,105 (2021: creditor £239,450) was outstanding and included within creditors.

23 Directors' transactions

Dividends totalling £47,520 (2021 - £662,930) were paid in the year in respect of shares held by the company's directors.

During the year, the Company loaned £nil (2021: £47,325) to two Directors. The loans are repayable within 4 years of the agreement dates and no interest is being charged on the loans. During the year, £6,297 (2021: £12,000) has been repaid to the Company.

24 Ultimate controlling party

On 18 February 2021, the Company's ultimate parent company became Pinnacle OA Holdings Ltd by virtue of the acquisition of the Company's ordinary shares and ordinary A shares. Pinnacle OA Holdings Ltd is the smallest and largest group for which consolidated accounts including Pinnacle Opes Athenian Ltd are prepared. The registered office of both Companies is Clere House West Street, Burghclere, Newbury, United Kingdom, RG20 9LB.

There is no ultimate controlling party of Pinnacle OA Holdings Ltd.

PINNACLE OPES ATHENIAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

25 Prior period adjustment

Reconciliation of changes in equity

	1 April 2020 £	31 March 2021 £
Adjustments to prior year		
Investment write off	-	(9,090)
Amounts owed to subsidiary written off	-	545,503
Total adjustments	-	536,413
Equity as previously reported	2,750,663	3,431,115
Equity as adjusted	<u>2,750,663</u>	<u>3,967,528</u>
Analysis of the effect upon equity		
Profit and loss reserves	-	536,413

Reconciliation of changes in profit for the previous financial period

	2021 £
Adjustments to prior year	
Investment write off	(9,090)
Amounts owed to subsidiary written off	545,503
Total adjustments	536,413
Profit as previously reported	1,814,731
Profit as adjusted	<u>2,351,144</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.