

Company registration number 09614230 (England and Wales)

**PINNACLE OPES ATHENIAN LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# PINNACLE OPES ATHENIAN LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr M Bailey Mr K E Smith Ms S Emirali Mr D S Lumsden Mr T D Pullman Mr C S Young
<b>Secretary</b>	Ms S L D Neill
<b>Company number</b>	09614230
<b>Registered office</b>	Clere House West Street Burghclere Newbury RG20 9LB
<b>Auditor</b>	Ensors Accountants LLP Connexions 159 Princes Street Ipswich IP1 1QJ

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# PINNACLE OPES ATHENIAN LTD

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# PINNACLE OPES ATHENIAN LTD

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present the strategic report for the year ended 31 March 2023.

### **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 quarterly.

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

- **Clients** – The company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify any signs of potential business downturns that could impact revenues. Law firm revenues and profits per partner trends in the Company's main markets are constantly reviewed to enable early action to be taken in the event of any deterioration. In such circumstances clients will tend to focus on cost reduction through operational efficiency and automation. These are areas where the Company is ideally positioned to assist through its consulting and managed services offerings and so would mitigate against any decrease in new implementation work.

The Company has continued its focus on recurring revenue income through multiyear managed services engagements and this has allowed the Company higher visibility on income going forward. The Directors continued to take a realistic approach to growth but were still able to 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 people and business to competitors. The company manages this risk through ensuring that it employs and retains the best talent to deliver consistently strong consulting services. It maintains high retention ratios of its employees by remunerating fairly and providing a good working environment.
- **Partner Relationships & Cloud Strategy** – Relationships with key suppliers have continued to strengthen during the year. As our partners focus their strategy on the cloud, we have continued to invest in the skill sets required to support this strategy. The Company enjoys strong relationships with its key partners to ensure that its hiring policy is in line with anticipated demand and the Directors maintain open communications with the leadership teams of its main partners.

### **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 23.0%. This increase in revenue has been fuelled by investments made during previous periods as well as the continued investment in Account Management and Managed Services activities.

The balance sheet shows that the Company's net assets at the year-end has increased from £2,925,626 to £6,344,509.

# **PINNACLE OPES ATHENIAN LTD**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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### **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**

12 October 2023

# **PINNACLE OPES ATHENIAN LTD**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2023***

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The directors present their annual report and financial statements for the year ended 31 March 2023.

### **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.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **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 K E Smith  
Ms S Emirali  
Mr D S Lumsden  
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**

The auditor, Ensors Accountants LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **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.

# **PINNACLE OPES ATHENIAN LTD**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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### **Medium-sized companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr M Bailey  
**Director**

12 October 2023

# **PINNACLE OPES ATHENIAN LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2023***

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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

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#### Opinion

We have audited the financial statements of Pinnacle Opes Athenian Ltd (the 'company') for the year ended 31 March 2023 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 2023 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**

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### **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.

# **PINNACLE OPES ATHENIAN LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF PINNACLE OPES ATHENIAN LTD**

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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.

All audit team members were made aware of the applicable laws and regulations, as well as potential fraud risks during the planning stage of the audit and this was discussed at the audit team planning meeting. It was therefore determined that team members all had the relevant awareness and competence to identify any instances of non-compliance or fraud.

There are, however, inherent limitations to our above audit procedures. Auditing standards only require us to enquire of the directors and management regarding non-compliance with laws and regulations, as well as review regulatory and legal correspondence (if there is any). It is therefore possible that instances of non-compliance could be missed, particularly where the law in itself is far removed from any financial transactions.

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**

13 October 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 2023

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	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	14,711,472	11,963,092
Cost of sales		(8,658,304)	(7,809,445)
<b>Gross profit</b>		<u>6,053,168</u>	<u>4,153,647</u>
Administrative expenses		(2,124,414)	(1,598,099)
<b>Operating profit</b>	<b>4</b>	<u>3,928,754</u>	<u>2,555,548</u>
Interest receivable and similar income	<b>7</b>	5,437	-
Interest payable and similar expenses		1,000	(1,000)
<b>Profit before taxation</b>		<u>3,935,191</u>	<u>2,554,548</u>
Tax on profit	<b>8</b>	(516,308)	(355,665)
<b>Profit for the financial year</b>		<u><u>3,418,883</u></u>	<u><u>2,198,883</u></u>

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 2023***

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	3,418,883	2,198,883
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>3,418,883</u>	<u>2,198,883</u>

# PINNACLE OPES ATHENIAN LTD

## BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	10		-		171,377
Other intangible assets	10		18		208,335
Total intangible assets			18		379,712
Tangible assets	11		102,683		100,721
Investments	12		10,282		10,282
			112,983		490,715
<b>Current assets</b>					
Debtors	14	8,631,481		7,175,854	
Cash at bank and in hand		2,848,673		1,187,146	
		11,480,154		8,363,000	
<b>Creditors: amounts falling due within one year</b>	15	(5,224,213)		(5,905,165)	
<b>Net current assets</b>			6,255,941		2,457,835
<b>Total assets less current liabilities</b>			6,368,924		2,948,550
<b>Provisions for liabilities</b>					
Deferred tax liability	16	24,415		22,924	
			(24,415)		(22,924)
<b>Net assets</b>			6,344,509		2,925,626
<b>Capital and reserves</b>					
Called up share capital	18		12,625		13,063
Share premium account			152,062		152,062
Capital redemption reserve			526		88
Distributable profit and loss reserves			6,179,296		2,760,413
<b>Total equity</b>			6,344,509		2,925,626

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 12 October 2023 and are signed on its behalf by:

Mr M Bailey  
Director

Company registration number 09614230 (England and Wales)

# PINNACLE OPES ATHENIAN LTD

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

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021</b>		13,044	152,062	36	3,802,386	3,967,528
<b>Year ended 31 March 2022:</b>						
Profit and total comprehensive income		-	-	-	2,198,883	2,198,883
Issue of share capital	18	19	-	-	-	19
Dividends	9	-	-	-	(3,240,856)	(3,240,856)
Redemption of shares	18	-	-	52	-	52
<b>Balance at 31 March 2022</b>		13,063	152,062	88	2,760,413	2,925,626
<b>Year ended 31 March 2023:</b>						
Profit and total comprehensive income		-	-	-	3,418,883	3,418,883
Redemption of shares	18	(438)	-	438	-	-
<b>Balance at 31 March 2023</b>		12,625	152,062	526	6,179,296	6,344,509

# PINNACLE OPES ATHENIAN LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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### 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 2023

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### 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.

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# PINNACLE OPES ATHENIAN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 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 2023

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### 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 2023

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**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 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.

# PINNACLE OPES ATHENIAN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies (Continued)

#### 1.16 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.

#### 1.17 Dividends payable

Dividends are accounted for when they are declared and paid. In the prior year the company had B and C share classes, whereby dividends were calculated by reference to profit, as defined in the articles of association. These were accrued based on performance. Following the capital restructuring in the year, these share classes are no longer in existence.

#### 1.18 Business combination

In the prior year 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 was 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

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Principal activity	14,711,472	11,963,092
	<u>14,711,472</u>	<u>11,963,092</u>
	2023	2022
	£	£
<b>Turnover analysed by geographical market</b>		
UK	8,727,674	7,549,990
Europe	1,129,515	1,367,641
US and Other	4,854,283	3,045,461
	<u>14,711,472</u>	<u>11,963,092</u>
	2023	2022
	£	£
<b>Other revenue</b>		
Interest income	5,437	-
	<u>5,437</u>	<u>-</u>

# PINNACLE OPES ATHENIAN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(127,524)	19,695
Fees payable to the company's auditor for the audit of the company's financial statements	24,540	16,345
Depreciation of owned tangible fixed assets	67,830	78,122
Profit on disposal of tangible fixed assets	(50)	(460)
Amortisation of intangible assets	379,694	171,378
Operating lease charges	175,400	133,235
	<u>                    </u>	<u>                    </u>

### 5 Employees

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

	2023	2022
	Number	Number
Client services	92	67
Administration	10	13
Total	<u>          </u>	<u>          </u>
	<u>                    </u>	<u>                    </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	6,996,283	5,995,283
Social security costs	818,897	636,056
Pension costs	324,299	238,371
	<u>                    </u>	<u>                    </u>
	<u>8,139,479</u>	<u>6,869,710</u>

### 6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	974,309	849,710
Company pension contributions to defined contribution schemes	85,542	13,680
	<u>                    </u>	<u>                    </u>
	<u>1,059,851</u>	<u>863,390</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2022 - 2).

# PINNACLE OPES ATHENIAN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 6 Directors' remuneration (Continued)

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

	2023	2022
	£	£
Remuneration for qualifying services	173,625	153,000
Company pension contributions to defined contribution schemes	21,020	9,375
	<u>          </u>	<u>          </u>

### 7 Interest receivable and similar income

	2023	2022
	£	£
<b>Interest income</b>		
Interest on bank deposits	5,437	-
	<u>          </u>	<u>          </u>

### 8 Taxation

	2023	2022
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	700,463	497,294
Adjustments in respect of prior periods	(151,898)	-
	<u>          </u>	<u>          </u>
Total current tax	548,565	497,294
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(32,257)	(141,629)
	<u>          </u>	<u>          </u>
Total tax charge	516,308	355,665
	<u>          </u>	<u>          </u>

# PINNACLE OPES ATHENIAN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 8 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:

	2023 £	2022 £
Profit before taxation	3,935,191	2,554,548
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	747,686	485,364
Tax effect of expenses that are not deductible in determining taxable profit	-	3,884
Adjustments in respect of prior years	(151,898)	-
Research and development tax credit	-	(116,742)
Fixed asset timing differences	-	28,349
Other timing differences	(79,480)	(45,190)
Taxation charge for the year	516,308	355,665

### 9 Dividends

	2023 £	2022 £
Final paid	-	3,240,856

### 10 Intangible fixed assets

	Goodwill £	Software £	Other intangibles £	Total £
<b>Cost</b>				
At 1 April 2022 and 31 March 2023	922,670	208,317	18	1,131,005
<b>Amortisation and impairment</b>				
At 1 April 2022	751,293	-	-	751,293
Amortisation charged for the year	171,377	208,317	-	379,694
At 31 March 2023	922,670	208,317	-	1,130,987
<b>Carrying amount</b>				
At 31 March 2023	-	-	18	18
At 31 March 2022	171,377	208,317	18	379,712

# PINNACLE OPES ATHENIAN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 11 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2022	46,847	286,694	333,541
Additions	7,744	62,048	69,792
Disposals	(1,317)	(54,473)	(55,790)
At 31 March 2023	<u>53,274</u>	<u>294,269</u>	<u>347,543</u>
<b>Depreciation and impairment</b>			
At 1 April 2022	15,158	217,662	232,820
Depreciation charged in the year	12,777	55,053	67,830
Eliminated in respect of disposals	(1,317)	(54,473)	(55,790)
At 31 March 2023	<u>26,618</u>	<u>218,242</u>	<u>244,860</u>
<b>Carrying amount</b>			
At 31 March 2023	<u>26,656</u>	<u>76,027</u>	<u>102,683</u>
At 31 March 2022	<u>31,689</u>	<u>69,032</u>	<u>100,721</u>

### 12 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	13	<u>10,282</u>	<u>10,282</u>

### 13 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 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

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.

# PINNACLE OPES ATHENIAN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Debtors	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	3,643,262	3,564,714
Unpaid share capital	-	85,296
Amounts owed by group undertakings	4,117,794	2,900,476
Other debtors	265,831	51,985
Prepayments and accrued income	310,288	312,825
	<u>8,337,175</u>	<u>6,915,296</u>
Deferred tax asset (note 16)	294,306	260,558
	<u><u>8,631,481</u></u>	<u><u>7,175,854</u></u>

Unpaid share capital is repayable within 4 years of the agreement date. £42,343 (2022: £85,296) was due after 1 year.

15 Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	200,772	201,346
Amounts owed to group undertakings	1,328,365	1,206,017
Corporation tax	4,362	631,823
Other taxation and social security	598,180	518,854
Other creditors	30,884	48,437
Accruals and deferred income	3,061,650	3,298,688
	<u>5,224,213</u>	<u>5,905,165</u>

### 16 Deferred taxation

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

	Liabilities 2023	Liabilities 2022	Assets 2023	Assets 2022
Balances:	£	£	£	£
Accelerated capital allowances	24,415	22,924	-	-
Short term timing differences	-	-	294,306	183,451
Losses carried forward	-	-	-	77,107
	<u>24,415</u>	<u>22,924</u>	<u>294,306</u>	<u>260,558</u>

# PINNACLE OPES ATHENIAN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 16 Deferred taxation (Continued)

	2023 £
<b>Movements in the year:</b>	
Asset at 1 April 2022	(237,634)
Credit to profit or loss	(32,257)
Asset at 31 March 2023	<u>(269,891)</u>

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

### 17 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>324,299</u>	<u>238,371</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.

### 18 Share capital

	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary of 10p each	126,250	103,726	12,625	10,372
B of 10p each	-	43,550	-	436
Ordinary A of 10p each	-	22,524	-	2,252
C of 1p each	-	180	-	2
	<u>126,250</u>	<u>169,980</u>	<u>12,625</u>	<u>13,062</u>
<b>Preference share capital Issued and fully paid</b>				
Preference of 10p each	-	8	-	1
	<u>-</u>	<u>8</u>	<u>-</u>	<u>1</u>
Preference shares classified as equity			<u>-</u>	<u>1</u>
<b>Total equity share capital</b>			<u>12,625</u>	<u>13,063</u>

# PINNACLE OPES ATHENIAN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 18 Share capital

(Continued)

Throughout the year the company underwent capital restructuring and simplifying its capital structure.

The following transactions have taken place:

- B, C and preference shares have been bought back and cancelled by the company.
- A ordinary shares have been reclassified as Ordinary shares.

At the balance sheet date the company only had ordinary share capital in issue. Ordinary shares have full rights in the company with respect to voting, dividends and distributions.

### 19 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:

	2023	2022
	£	£
Within one year	48,598	-
	<u>48,598</u>	<u>-</u>

### 20 Related party transactions

#### Transactions with Companies under common control

During the year the Company raised invoices of £Nil (2022: £9,299) on behalf of Companies under common control.

At the year end, an inter company debtor balance of £263,701 (2022: £400,105) was outstanding and included within creditors.

### 21 Directors' transactions

Dividends totalling £0 (2022 - £47,520) were paid in the year in respect of shares held by the company's directors.

During the year, the Company loaned £nil (2022: £nil) 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, £29,028 (2022: £6,297) has been repaid to the Company.

### 22 Ultimate controlling party

The Company's ultimate parent company is Pinnacle OA Holdings Ltd by virtue of its 100% shareholding in the company. 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.

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.