

REGISTERED NUMBER: 06679607 (England and Wales)

**Report of the Directors and
Unaudited Financial Statements for the Year Ended 30 September 2017
for
IPINNACLE LTD**

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for the year ended 30 September 2017

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Company Information
for the year ended 30 September 2017

DIRECTORS:

A N Matthewson
D R S Matthewson
M S Tuff

REGISTERED OFFICE:

c/o Rostrons
Yare House
62-64 Thorpe Road
Norwich
Norfolk
NR1 1RY

BUSINESS ADDRESS:

258 Waterloo Road
London
SE1 8RG

REGISTERED NUMBER:

06679607 (England and Wales)

ACCOUNTANTS:

Rostrons
Chartered Accountants
Yare House
62-64 Thorpe Road
Norwich
Norfolk
NR1 1RY

Report of the Directors
for the year ended 30 September 2017

The directors present their report with the financial statements of the company for the year ended 30 September 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2016 to the date of this report.

A N Matthewson
D R S Matthewson
M S Tuff

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A N Matthewson - Director

25 January 2018

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of iPinnacle Ltd

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of iPinnacle Ltd for the year ended 30 September 2017 which comprise the Income Statement, Statement of Financial Position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of iPinnacle Ltd, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of iPinnacle Ltd and state those matters that we have agreed to state to the Board of Directors of iPinnacle Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than iPinnacle Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that iPinnacle Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of iPinnacle Ltd. You consider that iPinnacle Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of iPinnacle Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Rostrons
Chartered Accountants
Yare House
62-64 Thorpe Road
Norwich
Norfolk
NR1 1RY

25 January 2018

Income Statement
for the year ended 30 September 2017

	Notes	30/9/17 £	£	30/9/16 £	£
REVENUE			3,809,125		3,083,706
Cost of sales			<u>2,045,051</u>		<u>1,479,629</u>
GROSS PROFIT			1,764,074		1,604,077
Administrative expenses			<u>1,864,741</u>		<u>1,466,402</u>
OPERATING (LOSS)/PROFIT	4		(100,667)		137,675
Income from shares in group undertakings		604,111		750,000	
Interest receivable and similar income		<u>290</u>		<u>-</u>	
			<u>604,401</u>		<u>750,000</u>
			503,734		887,675
Interest payable and similar expenses			<u>5,499</u>		<u>8,913</u>
PROFIT BEFORE TAXATION			498,235		878,762
Tax on profit			<u>4,514</u>		<u>43,430</u>
PROFIT FOR THE FINANCIAL YEAR			<u>493,721</u>		<u>835,332</u>

The notes form part of these financial statements

Statement of Financial Position
30 September 2017

	Notes	30/9/17 £	£	30/9/16 £	£
FIXED ASSETS					
Intangible assets	5		874,390		666,613
Property, plant and equipment	6		90,905		-
Investments	7		1,716,535		1,716,435
			<u>2,681,830</u>		<u>2,383,048</u>
CURRENT ASSETS					
Inventories		28,248		582	
Debtors	8	896,050		1,276,531	
Cash at bank and in hand		<u>195,838</u>		<u>114,823</u>	
		<u>1,120,136</u>		<u>1,391,936</u>	
CREDITORS					
Amounts falling due within one year	9	<u>1,573,069</u>		<u>1,670,643</u>	
NET CURRENT LIABILITIES			<u>(452,933)</u>		<u>(278,707)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,228,897</u>		<u>2,104,341</u>
CREDITORS					
Amounts falling due after more than one year	10		-		(199,525)
PROVISIONS FOR LIABILITIES			<u>(11,210)</u>		<u>-</u>
NET ASSETS			<u>2,217,687</u>		<u>1,904,816</u>
CAPITAL AND RESERVES					
Called up share capital			300		200
Retained earnings			<u>2,217,387</u>		<u>1,904,616</u>
SHAREHOLDERS' FUNDS			<u>2,217,687</u>		<u>1,904,816</u>

The notes form part of these financial statements

Statement of Financial Position - continued
30 September 2017

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 25 January 2018 and were signed on its behalf by:

A N Matthewson - Director

Notes to the Financial Statements
for the year ended 30 September 2017

1. STATUTORY INFORMATION

iPinnacle Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about iPinnacle Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Fixed asset investments in subsidiary undertakings are stated at cost less any provision for diminution in value.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered net of discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have substantially transferred to the buyer.

Revenue from services is recognised over the period when the service is provided and when the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity.

Goodwill

Purchased goodwill is stated at cost less amortisation. Amortisation is provided to write off the cost evenly over its estimated useful life of 10 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Notes to the Financial Statements - continued
for the year ended 30 September 2017

2. ACCOUNTING POLICIES - continued

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line

At the date of the statement of financial position, the company reviews the carrying value of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance of obsolete and slow moving items.

Cost is measured on a standard cost basis and includes purchase price, import duties and other costs incurred in bringing the inventories to their current location and condition.

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The company's liability for current tax is calculated using tax rates that have been enacted, or substantively enacted by the end of the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the statement of financial position. Unrelieved tax losses and other deferred tax assets are only 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the statement of financial position. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Notes to the Financial Statements - continued
for the year ended 30 September 2017

2. ACCOUNTING POLICIES - continued

Employee benefits

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

Termination benefits are recognised only when the company is demonstrably committed to terminate the employment of an employee or a group of employees before their normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives of the lease term, whichever is shorter.

The interest element of these obligations is charged to the income statement over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Lease incentives are allocated to the income statement over the lease term on a straight-line basis.

Financial instruments

Short-term debtors are measured at transaction price, less any impairment. The impairment loss is measured as the difference between an asset's carrying value and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Short-term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. EMPLOYEES AND DIRECTORS

The average monthly number of employees during the year was 32 (2016 - NIL) .

4. OPERATING (LOSS)/PROFIT

The operating loss (2016 - operating profit) is stated after charging:

	30/9/17	30/9/16
	£	£
Depreciation - owned assets	30,323	-
Goodwill amortisation	130,696	88,387

Notes to the Financial Statements - continued
for the year ended 30 September 2017

5. **INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
At 1 October 2016	755,000
Additions	<u>338,473</u>
At 30 September 2017	<u>1,093,473</u>
AMORTISATION	
At 1 October 2016	88,387
Charge for year	<u>130,696</u>
At 30 September 2017	<u>219,083</u>
NET BOOK VALUE	
At 30 September 2017	<u>874,390</u>
At 30 September 2016	<u>666,613</u>

6. **PROPERTY, PLANT AND EQUIPMENT**

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
Additions	32,061	95,586	127,647
Disposals	-	(6,419)	(6,419)
At 30 September 2017	<u>32,061</u>	<u>89,167</u>	<u>121,228</u>
DEPRECIATION			
Charge for year	8,017	22,306	30,323
At 30 September 2017	<u>8,017</u>	<u>22,306</u>	<u>30,323</u>
NET BOOK VALUE			
At 30 September 2017	<u>24,044</u>	<u>66,861</u>	<u>90,905</u>

Notes to the Financial Statements - continued
for the year ended 30 September 2017

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 October 2016	1,716,435
Additions	100
At 30 September 2017	<u>1,716,535</u>
NET BOOK VALUE	
At 30 September 2017	<u>1,716,535</u>
At 30 September 2016	<u>1,716,435</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/9/17 £	30/9/16 £
Trade debtors	461,391	379,785
Amounts owed from group undertakings	156,777	790,716
Other debtors	<u>277,882</u>	<u>106,030</u>
	<u>896,050</u>	<u>1,276,531</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/9/17 £	30/9/16 £
Bank loans and overdrafts	199,162	110,077
Trade creditors	265,177	139,384
Amounts owed to group undertakings	573,267	548,834
Taxation and social security	125,949	90,833
Other creditors	<u>409,514</u>	<u>781,515</u>
	<u>1,573,069</u>	<u>1,670,643</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30/9/17 £	30/9/16 £
Bank loans	<u>-</u>	<u>199,525</u>

Notes to the Financial Statements - continued
for the year ended 30 September 2017

11. SECURED DEBTS

The following secured debts are included within creditors:

	30/9/17	30/9/16
	£	£
Bank loans	<u>199,162</u>	<u>309,602</u>

Secured by a fixed and floating charge over the assets of the company.

12. OTHER FINANCIAL COMMITMENTS

The company had total commitments under non-cancellable operating leases over the remaining life of those leases of £9,267 (30/09/16 - £nil).

13. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 September 2017 and 30 September 2016:

	30/9/17	30/9/16
	£	£
A N Matthewson and D R S Matthewson		
Balance outstanding at start of year	-	-
Amounts advanced	415,209	-
Amounts repaid	(308,500)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>106,709</u>	<u>-</u>

Interest is charged at 2.75% per annum on the loan which was unsecured and had no fixed repayment terms.

14. RELATED PARTY DISCLOSURES

Key management personnel of the entity

During the year dividends were paid to the following parties:

	30/09/17	30/09/16
	£	£
Directors	<u>180,950</u>	<u>278,463.</u>

On 1 October 2016 iPinnacle Ltd acquired 100% of the share capital in Pinnacle Communications Limited in a share for share exchange. Pinnacle Communications Limited was a company wholly owned by the directors of iPinnacle 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.