

**PINNACLE PSG HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**

**for the year ended 31 March 2011**

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**Company number 5735973**

# **PINNACLE PSG HOLDINGS LIMITED**

**For the year ended 31 March 2011**

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# **PINNACLE PSG HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

**For the year ended 31 March 2011**

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### **FINANCIAL STATEMENTS**

The directors present their report and the financial statements for the year ended 31 March 2011 which have been prepared under the historical convention and the accounting policies set out in note 1

### **PRINCIPAL ACTIVITY**

The principal activity of the Company is to act as a holding company for a number of operating subsidiaries

### **RESULTS AND DIVIDENDS**

The loss for the year after taxation amounted to £1,075,000 (2010 profit £526,000) The directors do not recommend the payment of a dividend (2010 £nil)

### **RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the Company are those related to the performance of the trade of the company's subsidiaries

### **DIRECTORS**

The directors during the period were as follows

GA Blott  
PMA Lloyd  
MWH Penny  
NH Euesden

### **DISCLOSURE OF INFORMATION TO THE AUDITOR**

Each of the directors has confirmed that

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This report was approved by the Board on

8th July

2011



**Michael Penny**  
**Director**

# **PINNACLE PSG HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

**For the year ended 31 March 2011**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 judgments and 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 PSG HOLDINGS LIMITED**  
**Independent Auditor's Report to the Members of Pinnacle PSG Holdings Limited**

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We have audited the financial statements of Pinnacle PSG Holdings Limited for the period ended 31 March 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its loss for the period 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**PINNACLE PSG HOLDINGS LIMITED**  
**Independent Auditor's Report to the Members of Pinnacle PSG Holdings Limited**

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**Matters on which we are required to report by exception**

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

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

**PKF(UK)LLP**

Andrew Huddleston (Senior statutory auditor)  
for and on behalf of PKF (UK) LLP, Statutory auditor

London, UK

**8/7/** 2011

**PINNACLE PSG HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 March 2011**

	Notes	2011 £'000	2010 £'000
<b>TURNOVER</b>		-	-
Administrative expenses		-	-
<b>Operating loss</b>	2	-	-
<b>Dividends receivable</b>		-	1,500
Interest payable	3	(1,463)	(1,353)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(1,463)</b>	147
Tax credit on (loss)/profit on ordinary activities	4	388	379
<b>(Loss)/profit for the financial year</b>	10	<b>(1,075)</b>	526

There are no recognised gains or losses for the financial year other than as stated in the profit and loss account and therefore no separate statement of total recognised gains and losses have been presented

There is no difference between the (loss)/profit on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents

All the above amounts are attributable to continuing operations

**PINNACLE PSG HOLDINGS LIMITED**  
**(Company Number 5735973)**  
**BALANCE SHEET**

As at 31 March 2011

		2011		2010	
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Investments	5		17,000		17,000
			<b>17,000</b>		<b>17,000</b>
<b>CURRENT ASSETS</b>					
Debtors	6	-		1,879	
				<b>1,879</b>	
<b>CREDITORS:</b> amounts falling due within one year	7	(2,267)		(275)	
<b>Net current (liabilities)/ assets</b>			<b>(2,267)</b>		<b>1,604</b>
Subordinated debt	8		(15,313)		(18,109)
<b>Net (liabilities)/ assets</b>			<b>(580)</b>		<b>495</b>
<b>CAPITAL AND RESERVES</b>					
<b>Attributable to equity interests</b>					
Called up share capital	9		2,875		2,875
Profit and loss account	10		(3,455)		(2,380)
Total shareholders' (deficit)/funds	11		<b>(580)</b>		<b>495</b>

These financial statements were approved and authorised for issue by the board and were signed on its behalf on *8th July* 2011

*Michael Penny*

**Michael Penny**  
**Director**



**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**1 ACCOUNTING POLICIES**

**Accounting convention**

These accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and in accordance with reporting requirements of the Companies Act 2006

The financial statements contain information about the Company as an individual undertaking, and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it, and its subsidiaries, are consolidated into the financial statements of Pinnacle Regeneration Group Limited, a company incorporated in England and Wales.

**Going Concern**

Pinnacle PSG Holdings Limited is part of the Pinnacle Regeneration Group and is exposed to the cross guarantee relating to the Group's bank facility of which further details are disclosed in the Pinnacle Regeneration Group Limited accounts. The Directors of Pinnacle PSG Holdings are content that the Group has sufficient resources for the guarantee not to be called on for a period of at least 12 months and have therefore adopted the going concern basis of preparation for these financial statements. No adjustments have been made to these financial statements in the event of the Group and Company not being a going concern.

The Directors of this company, having had regard to budgets and cash flow forecasts for Pinnacle PSG Holdings Limited for a period of at least 12 months from the date these financial statements were approved and authorised for issue are content that the Group will be able to provide the necessary level of support and have therefore adopted the going concern basis of preparation for these financial statements. No adjustments have been made to these financial statements in the event of the Company not being a going concern.

**Investments**

Fixed asset investments are stated at cost less any provision for impairment.

**Deferred taxation**

Provision is made for deferred taxation on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities are not discounted.

Deferred tax assets are recognised to the extent that the directors consider it more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

**2 OPERATING LOSS**

Auditors remuneration for the audit of the Company was £3,000 (2010: £3,000). The audit fee is borne by the ultimate parent company.

**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**3 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
Interest on subordinated debt (see note 8)	1,463	1,353
	<b>1,463</b>	1,353

**4 TAX ON (LOSS)/ PROFIT ON ORDINARY ACTIVITIES**

**(a) Analysis of credit in the period**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
<b>Current Tax</b>		
Tax on (loss)/profit for the period	-	-
Group relief receipt	410	379
Under provision in respect of prior years	(22)	-
<b>Total current tax</b>	<b>388</b>	379
<b>Deferred Tax</b>	-	-
<b>Tax credit on (loss)/profit on ordinary activities</b>	<b>388</b>	379

**(b) Factors affecting tax credit for period**

The tax assessed in each period varies from the standard rate of corporation tax in the UK in the relevant years. The differences are explained below:

	<b>2011</b>	2010
	<b>£'000</b>	£'000
(Loss)/profit on ordinary activities before tax	<b>(1,463)</b>	147
(Loss)/profit on ordinary activities before tax multiplied by standard rate of UK corporation tax of 28% (2010: 28%)	410	(41)
Non taxable income	-	420
Losses group relieved	(410)	(379)
<b>Current tax credit for period</b>	<b>-</b>	-

**(c) Factors affecting tax credit for period**

At 31 March 2011, trading losses of £275,000 (2010: £275,000) are available to carry forward to offset against future profits from the same trade. No deferred tax asset has been recognised in respect of these losses, as it is uncertain as to the timing and extent of the reversal of the asset.

**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**5 FIXED ASSET INVESTMENTS**

	<b>Investment in subsidiary undertakings £'000</b>	<b>Total £'000</b>
<b>At 1 April 2010 &amp; 31 March 2011</b>	<b>17,000</b>	<b>17,000</b>

All subsidiary undertakings are registered in England and Wales and operate within the United Kingdom. The principal subsidiary undertakings during the year were

<b>Company</b>	<b>Principal activity</b>	<b>Class of shares held</b>	<b>Holding %</b>
Pinnacle PSG Limited	Holding company	£1 Ordinary	100
Pinnacle Energy Solutions Limited	Energy solutions	£1 Ordinary	100

Pinnacle PSG Limited also holds investments in the following companies

Pinnacle Housing Limited	Housing management	£1 Ordinary	100
Pinnacle FM Limited	Facilities management	£1 Ordinary	100
Pinnacle Maintenance Services Limited	Maintenance Services	£1 Ordinary	100

**6 DEBTORS**

	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Amounts falling due within one year:</b>		
Amounts due from Group undertakings	-	1,879
	-	1,879

**7 CREDITORS:**

	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Amounts falling due within one year:</b>		
Amounts owed to Group undertakings	2,267	275
	<b>2,267</b>	<b>275</b>

**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**8 SUBORDINATED DEBT**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
Subordinated debt at 1 April	18,109	16,756
Accrued interest	1,463	1,353
Repaid during the period	(4,259)	-
Subordinated debt at 31 March	<b>15,313</b>	18,109

The subordinated debt is owed to Pinnacle Regeneration Group Limited and was lent to the Company to enable it to purchase the interest in the share capital of its subsidiaries. Interest accrues on the subordinated debt at a rate of 8% per annum. Interest is rolled up into the debt every 6 months on 30 June and 31 December.

**9 CALLED UP SHARE CAPITAL**

The share capital of the Company is shown below

	<b>2010 &amp; 2011</b>	
	<b>Number</b>	<b>£'000</b>
<b>Allotted and fully paid</b>		
£1.00 ordinary shares	2,874,750	2,875

**10 RESERVES**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
At 1 April	(2,380)	(2,906)
(Loss)/profit for the financial year	(1,075)	526
<b>At 31 March</b>	<b>(3,455)</b>	(2,380)

**11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
(Loss)/profit for the year after taxation	(1,075)	526
Net (decrease)/ increase in shareholders' funds	(1,075)	526
Opening shareholders' funds/(deficit)	495	(31)
Closing shareholders' (deficit)/funds	<b>(580)</b>	495

**PINNACLE PSG HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**12 DIRECTORS EMOLUMENTS**

GA Blott, PMA Lloyd and MWH Penny are directors of Pinnacle Regeneration Group Limited, the Company's ultimate parent undertaking. Their services were deemed to relate mostly to work carried out for Pinnacle Regeneration Group Limited and the related costs were therefore included in the administrative expenses of Pinnacle Regeneration Group Limited.

NH Euesden is a director of Pinnacle PSG Limited, a subsidiary of the Pinnacle PSG Holding Company. His services were deemed to relate mostly to work carried out for Pinnacle PSG Limited and the related costs were therefore included in the administrative expenses of Pinnacle PSG Limited.

**13 CASH FLOW STATEMENT**

The Company has not presented a cash flow statement since it has not been party, in either the current or previous year, to any cash transactions and does not have a bank account. All transactions are processed through intercompany balances and do not represent cash movements.

**14 RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemptions available under Financial Reporting Standard 8, 'Related Party Disclosures', not to disclose any transactions or balances with entities that are 100% controlled by the Company (please refer to note 8 for further details regarding the subordinated debt).

At the year end Pinnacle PSG Holdings Limited owed £2,267,000 (2010: £275,000) to Pinnacle Regeneration Group Limited in respect of working capital provided to the company.

**15 ULTIMATE CONTROLLING PARTY**

The immediate parent undertaking and ultimate parent company is Pinnacle Regeneration Group Limited, who own 85.4% of the ordinary share capital. The remaining 14.6% of the ordinary share capital is held by management.

Following a new equity injection into Pinnacle Regeneration Group Limited on 9<sup>th</sup> June 2011, Greenmark Enterprises Limited, New Hampshire Enterprises Limited and Agarwood Enterprises Limited, all incorporated in the British Virgin Islands, collectively have the right to appoint the majority of directors to the Board of Pinnacle Regeneration Group Limited. Pinnacle Regeneration Group Limited has no single controlling party.

These financial statements are consolidated into the financial statements of Pinnacle Regeneration Group Limited. The financial statements of the Company are available from 1<sup>st</sup> Floor, 6 St Andrew Street, London, EC4A 3AE.