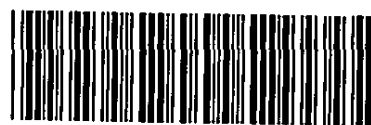


PINNACLE PSG HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
for the year ended 31 March 2012

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Company number 05735973

PINNACLE PSG HOLDINGS LIMITED

For the year ended 31 March 2012

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PINNACLE PSG HOLDINGS LIMITED

DIRECTORS' REPORT

For the year ended 31 March 2012

FINANCIAL STATEMENTS

The directors present their report and the financial statements for the year ended 31 March 2012 which have been prepared under the historical cost 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 profit for the year after taxation amounted to £988,000 (2011 loss £1,075,000) The directors do not recommend the payment of a dividend (2011 £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

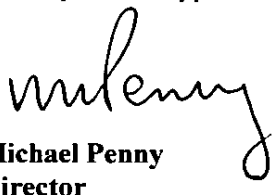
GA Blott
PMA Lloyd
MWH Penny
NH Euesden

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 12 July 2012



Michael Penny
Director

1st Floor
6 St Andrew Street
London
EC4A 3AE

PINNACLE PSG HOLDINGS LIMITED

DIRECTORS' REPORT

For the year ended 31 March 2012

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

We have audited the financial statements of Pinnacle PSG Holdings Limited for the year ended 31 March 2012 set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 10, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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 2012 and of its profit for the year then ended
- have been properly prepared in accordance with UK 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.

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



W Meredith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

12 July 2012

PINNACLE PSG HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
TURNOVER		-	-
Administrative expenses		(90)	-
Operating loss	2	(90)	-
Dividends receivable		2,000	-
Interest payable	3	(1,246)	(1,463)
Profit/(loss) on ordinary activities before taxation		664	(1,463)
Tax credit on profit/(loss) on ordinary activities	4	324	388
Profit/(loss) for the financial year	9	988	(1,075)

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 profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents

All the above amounts are attributable to continuing operations

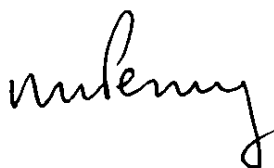
PINNACLE PSG HOLDINGS LIMITED
(Company Number 5735973)
BALANCE SHEET

As at 31 March 2012

		2012		2011	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	5		17,000		17,000
			17,000		17,000
CURRENT ASSETS					
Debtors		-		-	
		-		-	
CREDITORS: amounts falling due within one year	6	(188)		(2,267)	
Net current (liabilities)/ assets			(188)		(2,267)
Subordinated debt	7		(16,404)		(15,313)
Net assets/(liabilities)			408		(580)
CAPITAL AND RESERVES					
Attributable to equity interests					
Called up share capital	8		2,875		2,875
Profit and loss account	9		(2,467)		(3,455)
Total shareholders' funds/(deficit)	10		408		(580)

These financial statements were approved and authorised for issue by the board and were signed on its behalf on 12th July 2012

The notes on pages 6 to 10 form part of the financial statements



Michael Penny
Director

1st Floor
6 St Andrew Street
London
EC4A 3AE

PINNACLE PSG HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable Accounting Standards

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking, Pinnacle Regeneration Group Limited, includes the Company in its own published consolidated financial statements

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 PROFIT/LOSS

Auditors' remuneration for the audit of the Company was £2,000 (2011 £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

	2012	2011
	£'000	£'000
Interest on subordinated debt (see note 7)	1,246	1,463
	1,246	1,463

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of credit in the period

	2012	2011
	£'000	£'000
Current Tax		
United Kingdom corporation tax at 26% (2011 28%) on profit/(loss) for the year	-	-
Group relief receipt	(324)	(410)
Under provision in respect of prior years	-	22
Total current tax	(324)	(388)
Deferred Tax	-	-
Tax credit on profit/(loss) on ordinary activities	(324)	(388)

(b) Factors affecting tax (charge)/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:

	2012	2011
	£'000	£'000
Profit/(loss) on ordinary activities before tax	664	(1,463)
Profit/(loss) on ordinary activities before tax multiplied by standard rate of UK corporation tax of 26% (2011 28%)	173	(410)
Non taxable expenses	23	-
Non taxable income	(520)	-
Losses group relieved	324	410
Current tax credit for period	-	-

(c) Factors affecting tax credit for period

At 31 March 2012, trading losses of £1,251,000 (2011 £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

	Investment in subsidiary undertakings £'000	Total £'000
At 1 April 2011 & 31 March 2012	17,000	17,000

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

Company	Principal activity	Class of shares held	Holding %
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 CREDITORS:

	2012 £'000	2011 £'000
Amounts falling due within one year:		
Amounts owed to Group undertakings	188	2,267
	188	2,267

7 SUBORDINATED DEBT

	2012 £'000	2011 £'000
Subordinated debt at 1 April	15,313	18,109
Accrued interest	1,246	1,463
Repaid during the period	(155)	(4,259)
Subordinated debt at 31 March	16,404	15,313

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.

PINNACLE PSG HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

8 CALLED UP SHARE CAPITAL

The share capital of the Company is shown below

	2011 & 2012	
	Number	£'000
Allotted and fully paid		
£1 00 ordinary shares	2,874,750	2,875

9 RESERVES

	2012	2011
	£'000	£'000
At 1 April	(3,455)	(2,380)
Profit/(loss) for the financial year	988	(1,075)
At 31 March	(2,467)	(3,455)

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£'000	£'000
Profit/(loss) for the year after taxation	988	(1,075)
Net increase/(decrease) in shareholders' funds	988	(1,075)
Opening shareholders' (deficit)/funds	(580)	495
Closing shareholders' funds/(deficit)	408	(580)

11 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.

12 CASH FLOW STATEMENT

The Company is exempt from the requirement to prepare a cashflow statement under Financial Reporting standard No 1 on the grounds that the cashflows of the Company are consolidated into the cashflow statement presented by Pinnacle Regeneration Group Limited, the Company's ultimate parent company.

PINNACLE PSG HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

13 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 7 for further details regarding the subordinated debt)

At the year end Pinnacle PSG Holdings Limited owed £188,000 (2011 £2,267,000) to Pinnacle Regeneration Group Limited in respect of working capital provided to the company

14 ULTIMATE CONTROLLING PARTY

The immediate parent undertaking and ultimate parent company is Pinnacle Regeneration Group Limited who own 100 % of the ordinary share capital

Following a new equity injection into Pinnacle Regeneration Group Limited on 9th 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 1st Floor, 6 St Andrew Street, London, EC4A 3AE