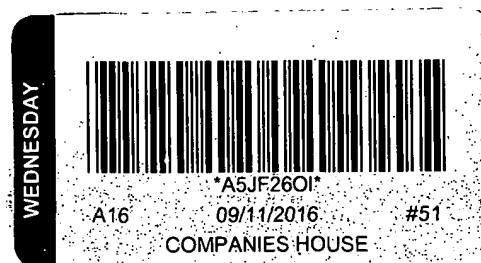


PINNACLE PSG HOLDINGS LIMITED

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

For the year ended 31 March 2016



Company number 05735973

PINNACLE PSG HOLDINGS LIMITED
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For the year ended 31 March 2016

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PINNACLE PSG HOLDINGS LIMITED

STRATEGIC REPORT

For the year ended 31 March 2016

Pinnacle PSG Holdings has acted as a holding company for the Pinnacle PSG Group for the financial year. It has not traded at any point in the financial year.

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

The strategic report for the Pinnacle PSG Group can be found within the consolidated financial statements of Pinnacle PSG Limited which are available from First Floor, 6 St Andrew Street, London, EC4A 3AE.

A handwritten signature in black ink, appearing to read 'NE', with a long horizontal flourish extending to the left.

Neil Euesden
Group Director of Operations
16 August 2016

PINNACLE PSG HOLDINGS LIMITED

DIRECTORS' REPORT

For the year ended 31 March 2016

FINANCIAL STATEMENTS

The directors present their report and the financial statements of Pinnacle PSG Holdings Limited "the Company") for the year ended 31 March 2016. During the year the Company adopted Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

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 £17,000 (2015: £266,000). The directors do not recommend the payment of a dividend (2015: £nil).

DIRECTORS

The directors during the period were as follows:

HA Saunders	(Appointed 1 October 2015)
PMA Lloyd	
MWH Penny	(Resigned 31 December 2015)
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.

AUDITOR

Under section 487 of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the Board on 16 August 2016.



Neil Euesden
Group Director of Operations

First Floor
6 St. Andrew Street
London
EC4A 3AE

PINNACLE PSG HOLDINGS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
For the year ended 31 March 2016

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), including FRS 101 *Reduced Disclosure Framework*.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINNACLE PSG HOLDINGS LIMITED

For the year ended 31 March 2016

We have audited the financial statements of Pinnacle PSG Holdings Limited for the year ended 31 March 2016 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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.

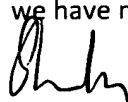
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report, 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.


Shaun Kirby (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London, E14 5GL
16 August 2016

PINNACLE PSG HOLDINGS LIMITED
STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2016

	Notes	2016	2015
		£000	£000
Dividends receivable		1,500	1,500
Interest receivable and similar income	3	215	141
Interest payable and similar charges	4	(1,698)	(1,566)
Profit on ordinary activities before taxation		17	75
Tax credit on profit on ordinary activities	5	-	191
Profit for the financial year		17	266

There are no recognised gains or losses for the financial year other than as stated in the profit and loss account and therefore no other comprehensive income statement has 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.

The notes on pages 8 to 12 form part of the financial statements.

PINNACLE PSG HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 March 2016

		31 March 2016	31 March 2015	1 April 2014
	Note	£000	£000	
FIXED ASSETS				
Investments	6	17,000	17,000	17,000
CURRENT ASSETS				
Debtors	8	6,778	5,063	3,231
Net current assets		6,778	5,063	3,231
NON-CURRENT LIABILITIES				
Subordinated debt	9	(22,454)	(20,756)	(19,190)
Net assets		1,324	1,307	1,041
CAPITAL AND RESERVES				
Attributable to equity interests				
Called up share capital		2,875	2,875	2,875
Profit and loss account		(1,551)	(1,568)	(1,834)
Total shareholders' funds		1,324	1,307	1,041

These financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 August 2016.



Neil Euesden
Group Director of Operations

Company number: 05735973

The notes on pages 8 to 12 form part of the financial statements.

PINNACLE PSG HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
As at 31 March 2016

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 st April 2014	2,875	(1,834)	1,041
Profit for the year	-	266	266
Balance at 31 st March 2015	2,875	(1,568)	1,307
Profit for the year	-	17	17
Balance at 31st March 2016	2,875	(1,551)	1,324

The notes on pages 8 to 12 form part of the financial statements.

PINNACLE PSG HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 March 2016

1 ACCOUNTING POLICIES

Pinnacle PSG Holdings Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 13.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;

As the consolidated financial statements of Pinnacle Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 April 2014 for the purposes of the transition to FRS 101 Adopted IFRSs.

1.1 MEASUREMENT CONVENTION

The financial statements are prepared on the historical cost basis.

1.2 GOING CONCERN

Pinnacle PSG Holdings Limited has made a profit of £17,000 (2015: £266,000) during the year and has net assets of £1,324,000 (2015: £1,307,000) at the year end. The Company is a holding company and therefore non-trading. It's only liability is sub-ordinate debt which is held with the parent Company Pinnacle Group Limited. On this basis the Directors believe that the Company will have adequate resources to continue in operational existence for the foreseeable future.

1.3 INVESTMENTS

Fixed asset investments are stated at cost less any provision for impairment which is deemed to be equal to fair value

PINNACLE PSG HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 March 2016

1.4 TAXATION

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 OPERATING PROFIT

Auditor's remuneration for the audit of the Company was £2,000 (2015: £2,000). The audit fee is borne by the overall group parent company.

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£000	£000
Intercompany interest receivable	215	141

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£000	£000
Interest on subordinated debt (see note 9)	1,698	1,566

PINNACLE PSG HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 March 2016

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of credit in the period

	2016	2015
	£000	£000
Current Tax		
Tax on profit for the year	-	-
Group relief receipt	(65)	(121)
Adjustments for prior year	65	(70)
Total current tax	-	(191)
Deferred Tax	-	-
Tax credit on profit on ordinary activities	-	(191)

(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:

	2016	2015
	£000	£000
Profit on ordinary activities before tax	17	75
Profit on ordinary activities before tax multiplied by standard rate of UK corporation tax of 20% (2015: 21%)	3	16
Non-deductible expenses	232	178
Non-taxable income	(300)	(315)
Prior year adjustments	65	(70)
Current tax credit for period	-	(191)

The Chancellor announced on 8th July 2015 that the UK corporation tax rate will reduce to 18% by 2020. A reduction in the rate from 20% to 19% will become effective on 6 April 2017 with a further reduction to 18% planned to take effect from 6 April 2020.

It has not yet been possible to quantify the fully anticipated effect of the further 2% rate reduction, although this will further reduce the Group's future current tax charge and reduce the Group's deferred tax asset accordingly.

PINNACLE PSG HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 March 2016

5 FIXED ASSET INVESTMENTS

	Investment in subsidiary undertakings £000
At 1 April 2015 & 31 March 2016	17,000

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

Company	Principal activity	Class of shares held	Holding %
Pinnacle PSG Limited	Holding company	£1 Ordinary	100
Pinnacle Regeneration Limited (formerly 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 Connect Limited	Maintenance Services	£1 Ordinary	100
Pinnacle Homecare Limited	Dormant	£1 Ordinary	100
Pinnacle Regeneration Group Limited (formerly Professional Advisory Services Limited)	Dormant	£1 Ordinary	100
Social Housing Regeneration Partnerships Limited	Dormant	£1 Ordinary	100

6 DEFERRED TAXATION

Deferred tax assets have not been recognised in respect of tax losses of £282,000 (2015: £282,000) because it is not probable that future taxable profits will be available against which the Group can utilise the benefits there from.

7 DEBTORS: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed by Group undertakings	6,778	5,063

PINNACLE PSG HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year end 31 March 2016

8 SUBORDINATED DEBT

	2016	2015
	£000	£000
Subordinated debt at 1 April	20,756	19,190
Accrued interest	1,698	1,566
Subordinated debt at 31 March	22,454	20,756

The subordinated debt is owed to Pinnacle 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 DIRECTORS EMOLUMENTS

No directors received any remuneration from the Company in the year (2015: £nil). Their services were deemed to relate mostly to work carried out for other companies within the Pinnacle Group and their related costs are included within administration expenses of those companies.

10 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions available under International Accounting Standard 24, 'Related Party Transactions', not to disclose any transactions or balances with entities that are 100% controlled by the Company (please refer to note 9 for further details regarding the subordinated debt).

11 PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Pinnacle Group Limited which owns 100 % of the ordinary share capital.

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

12 EXPLANATION OF TRANSITION TO FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016, the comparative information presented in these financial statements for the year ended 31 March 2015 and in the preparation of an opening FRS 101 balance sheet at 1 April 2014 (the Company's date of transition).

There have been no adjustments required in preparing the Company balance sheet under FRS 101 when compared to the old basis of accounting (UK GAAP).