

**PINNACLE MAINTENANCE SERVICES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL  
STATEMENTS**

**For the year ended 31 March 2010**

**Company number 4765810**

# **PINNACLE MAINTENANCE SERVICES LIMITED**

**For the year ended 31 March 2010**

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**PINNACLE MAINTENANCE SERVICES LIMITED**  
**DIRECTORS' REPORT**

**For the year ended 31 March 2010**

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**FINANCIAL STATEMENTS**

The directors present their report and financial statements for the year ended 31 March 2010, which have been prepared under the historical cost convention and the accounting policies set out therein.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the business is to provide call handling services and contact centre services mainly to public sector clients.

During the year the brand name of the business was changed from Pinnacle Homecare to Pinnacle Connect. Compared to continuing operations in 2009, turnover in the business grew 7% year on year and operating profit grew by 5%.

Pinnacle Connect operates in a niche market, therefore the primary risk to the business is competition from large call centre businesses. Pinnacle Connect mitigates this risk by ensuring that it constantly meets the needs of its customers and looks to increase its performance through technological development. Pinnacle Connect expanded its sector base into employment & welfare services by delivering call handling services for another Group Company called Pinnacle People that delivers employment & welfare services for the Department of Work & Pensions.

**RESULTS AND DIVIDENDS**

The Company made an operating profit before exceptional items of £285,840 (2009: £658,167). The profit for the year after exceptional items and taxation amounted to £268,838 (2009: £551,515). The exceptional item in 2009 of £41,467 related to re-organisation costs. The directors do not recommend the payment of a dividend (2009: £nil).

**FINANCIAL INSTRUMENTS**

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

**PINNACLE MAINTENANCE SERVICES LIMITED**  
**DIRECTORS' REPORT**

**For the year ended 31 March 2010**

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**DIRECTORS**

The directors who served during the year were as follows:

NH Euesden  
PMA Lloyd  
GA Blott  
A Frith

**CORPORATE RESPONSIBILITY AND GOVERNANCE**

The Board of Directors recognises the importance of high standards of corporate responsibility and governance. This is evidenced through the following:

**Employees**

The Company's policy is one of equal opportunity in the selection, training, career development and promotion of employees regardless of age, gender, ethnic origin, religion and whether disabled or otherwise, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through the in house newspaper and newsletters, briefing groups and the distribution of the annual report.

**Health and Safety**

Pinnacle FM Limited recognises the importance of effective health and safety management and is committed to providing a secure, safe and healthy environment for both employees and residents. The Company has specific Health and Safety personnel who advise management and monitor activities to ensure appropriate levels are maintained.

**Our People**

The Company is fortunate to have at its core employees who share a common belief that prosperity for its stakeholders will be achieved through the delivery of excellent service. Our position in our markets is built on a perception that our people have respect for each other and our customers, and that from this respect comes a sustainable delivery capability. We will continue to strive to deliver for our people and for our clients for to succeed will be our most potent weapon in creating a valuable, sustainable and respected business.

**PINNACLE MAINTENANCE SERVICES LIMITED**  
**DIRECTORS' REPORT**

**For the year ended 31 March 2010**

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**DISCLOSURE OF INFORMATION PROVIDED TO AUDITORS**

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 auditors are 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 auditors are aware of that information.

**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;
- state whether applicable 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 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.

This report was approved by the Board on *8<sup>th</sup> December* 2010.



Alex Frith  
**Director**

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PINNACLE MAINTENANCE SERVICES LIMITED**

**For the year ended 31 March 2010**

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We have audited the financial statements of Pinnacle Maintenance Services Limited for the year ended 31 March 2010 which comprise the profit and loss account, 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 auditors' 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 auditors**

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 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**

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.

## **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 2010 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.

## **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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PINNACLE MAINTENANCE SERVICES LIMITED**

**For the year ended 31 March 2010**

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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 auditors

London, UK  
**8/12/** 2010

**PINNACLE MAINTENANCE SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT  
For the year 31 March 2010**

	Notes	2010			2009		
		Continuing £	Discontinued £	Total £	Continuing £	Discontinued £	Total £
<b>TURNOVER</b>		1,088,772	-	1,088,772	1,014,103	3,342,493	4,356,596
Raw materials and consumables		-	-	-	(27)	-	(27)
Other external charges		(35,869)	-	(35,869)	(3,570)	(1,967,125)	(1,970,695)
Staff costs	15	(241,309)	-	(241,309)	(246,676)	(756,820)	(1,003,496)
Depreciation of tangible fixed assets	7	(9,319)	-	(9,319)	(15,760)	(4,380)	(20,140)
Other operating charges		(516,435)	-	(516,435)	(475,811)	(228,260)	(704,071)
<b>Operating profit before exceptional items</b>	3	285,840	-	285,840	272,259	385,908	658,167
Exceptional items	4	-	-	-	-	(41,467)	(41,467)
<b>Operating profit after exceptional items</b>		285,840	-	285,840	272,259	344,441	616,700
Interest receivable and similar income	5	111,683	-	111,683	-	188,810	188,810
Interest payable and similar charges	5	(24,219)	-	(24,219)	(241)	(38,606)	(38,847)
<b>Profit on ordinary activities before taxation</b>		373,304	-	373,304	272,018	494,645	766,663
Tax on profit on ordinary activities	6	(104,466)	-	(104,466)	(76,240)	(138,908)	(215,148)
<b>Profit for the financial year</b>	12	268,838	-	268,838	195,778	355,737	551,515

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 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.

**PINNACLE MAINTENANCE SERVICES LIMITED**  
**(Company number 4765810)**  
**BALANCE SHEET**  
**as at 31 March 2010**

	Notes	2010		2009	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	7		10,207		19,526
<b>CURRENT ASSETS</b>					
Debtors	8	3,213,348		2,245,542	
Cash at bank		7,694		741,698	
				3,221,042	2,987,240
<b>CREDITORS:</b> amounts falling due within one year	9	(1,271,182)		(1,315,537)	
<b>Net current assets</b>			1,949,860		1,671,703
<b>Net assets</b>			1,960,067		1,691,229
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		10,000		10,000
Profit and loss account	12		1,950,067		1,681,229
<b>Total equity shareholders' funds</b>	13		1,960,067		1,691,229

These financial statements were approved and authorised for issue by the board and were signed on its behalf on *8<sup>th</sup> December* 2010.



Alex Frith  
**Director**

# PINNACLE MAINTENANCE SERVICES LIMITED

## NOTES TO THE ACCOUNTS

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### 1 ACCOUNTING POLICIES

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

#### **Going Concern**

Pinnacle Maintenance Services 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 Maintenance Services 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.

#### **Cashflow 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 psg Limited, the company's immediate parent company.

#### **Turnover**

Turnover represents fees receivable for the provision of call handling services and is recognised over the period for which the services are delivered.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight-line basis over its estimated useful life as follows:

Fixtures and equipment - 3 to 5 years  
Leasehold land and buildings – life of lease

#### **Stock - work in progress**

Work in progress is stated at the lower of cost and net realisable value. Cost comprises staff salary costs and expenses reimbursable by clients together with an appropriate proportion of overheads based on normal activity levels. Net realisable value represents estimated selling price after allowing for further costs expected to be incurred to completion.

#### **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 have not been discounted.

# PINNACLE MAINTENANCE SERVICES LIMITED

## NOTES TO THE ACCOUNTS

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### 1 ACCOUNTING POLICIES (continued)

#### Pension costs

The Pinnacle Regeneration Group operates a defined contribution pension scheme for eligible employees. The costs incurred are charged against income in the year in which the contributions are made.

#### Leases

Leasing agreements which transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the useful lives of the equivalent owned assets. Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

### 2 DISCONTINUED OPERATIONS

Discontinued operations relate to property maintenance service contracts sold to Just Housing (UK) Limited on 5 December 2008 and to the contracts within Equipe that were transferred to Equipe Regeneration Limited on 1 January 2009. Taxation is split proportionately by reference to the profit before taxation.

### 3 OPERATING PROFIT

is stated after charging:	2010 £	2009 £
Operating Leases – land and buildings	19,994	60,000
- hire of plant and machinery	17,993	11,152
Depreciation - owned assets	4,765	19,713
- leased assets	4,554	427
Auditor's remuneration – for audit services	7,500	9,750

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The auditor's remuneration has been accrued by Pinnacle PSG Limited and recharged to the Company through its intercompany account.

### 4 EXCEPTIONAL ITEMS

The exceptional item in 2009 related to re-organisation costs.

**PINNACLE MAINTENANCE SERVICES LIMITED**

**NOTES TO THE ACCOUNTS**

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**5 INTEREST RECEIVABLE AND PAYABLE**

**Interest receivable and similar income**

	<b>2010</b>	2009
	£	£
Inter group interest receivable	87,794	57,641
Interest receivable from bank deposits	23,889	131,169
	<hr/> 111,683	<hr/> 188,810

**Interest payable and similar charges**

	<b>2010</b>	2009
	£	£
Inter group interest payable	23,758	37,152
Bank charges	421	1,453
Finance leases	40	252
	<hr/> 24,219	<hr/> 38,847

**PINNACLE MAINTENANCE SERVICES LIMITED**

**NOTES TO THE ACCOUNTS**

**6 TAX ON PROFIT ON ORDINARY ACTIVITIES**

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

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Current Tax</b>		
United Kingdom corporation tax at 28% (2009: 28%) on profit for the year	-	-
Group relief payment	104,842	217,987
<b>Total current tax</b>	<b>104,842</b>	<b>217,987</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(376)	(2,839)
<b>Total deferred tax</b>	<b>(376)</b>	<b>(2,839)</b>
<b>Tax charge on profit on ordinary activities</b>	<b>104,466</b>	<b>215,148</b>

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

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

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	373,304	766,663
Profit on ordinary activities before tax multiplied by standard rate of UK Corporation tax of 28% (2009: 28%)	104,525	214,666
Expenses not deductible for taxation purposes	(59)	482
Depreciation charge in excess of capital allowances & other timing differences	376	5,639
Losses group relieved	(104,842)	(217,987)
Short term timing differences	-	(2,800)
<b>Current tax charge for year</b>	<b>-</b>	<b>-</b>

**PINNACLE MAINTENANCE SERVICES LIMITED**

**NOTES TO THE ACCOUNTS**

**7 TANGIBLE FIXED ASSETS**

	Leasehold land and Buildings £	Fixtures and Equipment £	Total £
<b>Cost</b>			
At 1 April 2009	9,279	83,510	92,789
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March 2010</b>	<b>9,279</b>	<b>83,510</b>	<b>92,789</b>
<b>Depreciation</b>			
At 1 April 2009	4,992	68,271	73,263
Charge for the year	1,559	7,760	9,319
Disposals	-	-	-
<b>At 31 March 2010</b>	<b>6,551</b>	<b>76,031</b>	<b>82,582</b>
<b>Net book value</b>			
<b>At 31 March 2010</b>	<b>2,728</b>	<b>7,479</b>	<b>10,207</b>
At 31 March 2009	4,287	15,239	19,526

Included within fixed assets are assets held under finance leases. These assets have a net book value of £nil (2009: £4,554) and depreciation charged for the year in relation to these assets amounted to £4,554 (2009: £427). Leased finance assets were disposed in the period with a cost of £nil (2009: £1,399) and the net book value £nil (2009: £nil). The finance leases are held in the name of Pinnacle Housing Limited and the liability for them is included within amounts owed to parent undertaking.

**8 DEBTORS: amounts falling due within one year**

	2010 £	2009 £
Trade debtors	122,440	161,941
Amounts owed by group undertakings	3,066,125	2,005,141
Prepayments and accrued income	15,690	47,600
Deferred tax asset (note 10)	9,063	8,717
Other taxes and social security	-	22,143
	<b>3,213,348</b>	<b>2,245,542</b>

**PINNACLE MAINTENANCE SERVICES LIMITED**

**NOTES TO THE ACCOUNTS**

**9 CREDITORS: amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	£	£
Trade creditors	51,690	27,159
Amounts owed to group undertakings	1,138,334	1,205,769
Other taxes and social security	22,321	-
Other creditors	20,406	55,172
Accruals and deferred income	38,431	27,437
	1,271,182	1,315,537

**10 DEFERRED TAX ASSETS**

Deferred taxation provided in the accounts is as follows:

	<b>2010</b>	<b>2009</b>
	£	£
Tax effect of timing differences because of:		
Excess of capital allowances over depreciation	9,093	8,717
Total deferred tax asset	9,093	8,717

The movement in the deferred taxation asset is as follows:

	<b>2010</b>	<b>2009</b>
	£	£
At 1 April	8,717	5,878
Credited to the profit and loss account	376	2,839
At 31 March	9,093	8,717

**11 CALLED UP SHARE CAPITAL**

	<b>2010</b>		<b>2009</b>	
	Number	£	Number	£
<b>Allotted, issued and fully paid</b>				
£1 ordinary shares	10,000	10,000	10,000	10,000

**12 RESERVES**

	<b>2010</b>	<b>2009</b>
	£	£
<b>Profit and loss accounts</b>		
At 1 April	1,681,229	1,129,714
Profit for the year	268,838	551,515
At 31 March	1,950,067	1,681,229

**PINNACLE MAINTENANCE SERVICES LIMITED**

**NOTES TO THE ACCOUNTS**

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities after tax for the year	268,838	551,515
Net increase in shareholders' funds	268,838	551,515
Opening shareholders' funds	1,691,229	1,139,714
Closing shareholders' funds	1,960,067	1,691,229

**14 FINANCIAL COMMITMENTS**

**Operating leases**

At 31 March 2010 the Company had annual commitments under non-cancellable operating leases as follows:

	<b>2010</b>		<b>2009</b>	
<b>Expiry date:</b>	<b>Land &amp; Buildings</b>	<b>Other</b>	<b>Land &amp; Buildings</b>	<b>Other</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Between one and five years	40,000	11,269	40,000	15,347
Over five years	-	-	20,000	-
	40,000	11,269	60,000	15,347

**15 EMPLOYEES**

**(1) Number of employees**

The average weekly number of persons (including directors) employed by the Company during the year was 7 (2009: 23).

**(2) Employment costs**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	213,888	848,598
Social security costs	22,291	117,907
Other pension costs	5,130	36,991
Non-exceptional employee costs	241,309	1,003,496
Exceptional re-organisation costs (see note 4)	-	41,467
<b>Total employee costs</b>	<b>241,309</b>	<b>1,044,963</b>

# PINNACLE MAINTENANCE SERVICES LIMITED

## NOTES TO THE ACCOUNTS

### 16 DIRECTORS EMOLUMENTS

	2010	2009
	£	£
Aggregate emoluments and benefits	-	206,793
Company pension contributions to money purchase scheme	-	20,550
	-	227,343

Retirement benefits under a money purchase pension scheme are accruing in respect of no directors, (2009: nil). The emoluments of the highest paid director in 2010 were £nil (2009: £79,792) with pension contributions of £nil (2009: £7,932).

GA Blott and PMA Lloyd 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 that company. N Euesden and A Frith are directors of Pinnacle PSG Limited. Their 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.

Exceptional costs of £nil (2009: £41,467) included in the profit and loss account relating to employment severance costs resulting from restructuring within the business include £nil (2009: £30,377) in respect of payments to directors. None of the balance related to the highest paid director

### 17 RELATED PARTIES

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 Pinnacle PSG Limited.

During the year the following amounts were receivable from related parties:

At the year end Pinnacle Maintenance Services Limited owed £1,033,492 (2009: £1,076,896) to Pinnacle Regeneration Group Limited in respect of working capital support provided to the Company. During the year Pinnacle Regeneration Group Limited charged the company £38,715 (2009: £nil) in respect of group services.

At the year end Pinnacle Maintenance Services Limited was owed £ nil (2009: owed to £128,529) by Pinnacle PSG Holdings Limited in respect of working capital support provided to the Company. Pinnacle PSG Holdings Limited owns 100% of the share capital of Pinnacle PSG Limited.

During the year Pinnacle Maintenance Services Limited charged Pinnacle People Limited, a subsidiary of Pinnacle Regeneration Group Limited, £140,727 (2009: £nil) for the supply of call centre services. Pinnacle People Limited charged Pinnacle Maintenance Services Limited £5,043 (2009:£nil) for the services of temporary staff.

During the year Pinnacle People Recruitment Limited, a subsidiary of Pinnacle Regeneration Group Limited, charged Pinnacle Maintenance Services Limited £51,936 (2009: £nil) for the services of temporary staff.

# PINNACLE MAINTENANCE SERVICES LIMITED

## NOTES TO THE ACCOUNTS

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### **17 RELATED PARTIES (continued)**

At the year end Pinnacle Maintenance Services Limited was due £7,242 (2009: £14,869) from Equipe Regeneration Limited, a 50% joint venture with John Laing Integrated Services Limited.

### **18 IMMEDIATE PARENT UNDERTAKING**

The immediate parent undertaking is Pinnacle PSG Limited. The ultimate parent undertaking is Pinnacle Regeneration Group Limited.

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

### **19 CONTINGENT LIABILITIES**

The Company has issued guarantees in favour of Bank of Scotland to support the indebtedness of Pinnacle Regeneration Group Limited and its subsidiaries. The exposure to this guarantee at the balance sheet date was £4,538,372 (2009: £5,426,563).