

Pinac1 Solutions UK Limited

FINANCIAL STATEMENTS

for the year ended

30 September 2008

Pinacl Solutions UK Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr R J Bardwell
Mr N Sperring
Mr K M Socha
Mrs S M Davies
Mr G N Andrews

SECRETARY

Mr N Sperring

REGISTERED OFFICE

Perseus House
Carlton Court
St Asaph Business Park
St Asaph
Denbighshire
LL17 0JG

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Steam Mill
Steam Mill Street
Chester
CH3 5AN

Pinacl Solutions UK Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Pinacl Solutions UK Limited for the year ended 30 September 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of IT infrastructure solutions and building services for the enterprise market and public sector organisations.

REVIEW OF THE BUSINESS

Financial year end September 2008 saw the first full year of trading under the new group structure. The separation of the airport & security business out of Pinacl Solutions UK Ltd (Pinacl) into a newly formed company Sphere Security Limited (Sphere) has enabled Pinacl to focus on its core activity of Managed Services and systems integration projects.

Pinacl completed the year in profit, despite having to make substantial provision for a bad debt following Lehman Brothers going into administration. Pinacl had positive net assets at year end.

The market outlook for managed services remains strong and Pinacl is well positioned to take advantage of this as a vendor independent systems integrator for converged voice, data and video networking technologies. Pinacl also continues to build profitable new business in a number of vertical markets in both the public and private sectors including Health, Education, Local Authorities, Banking and Retail.

Other significant investments made in the 07/08 year included a new business system for improved financial reporting that went live in February 2008, the re-location to a new head office building in North Wales in April 2008, the recruitment of new experience and expertise into the two operating companies in the commercial and technology areas, and the strengthening of the Board by recruiting a non-executive director.

FUTURE DEVELOPMENTS

The objectives of the Group for the next 3 to 5 years are profitable growth and sustainability.

Increasing profitability will be achieved through productivity & efficiency using best management practice and highly skilled personnel in project and service management, a focus on winning profitable business where our operating companies have competitive advantage and containment of overhead costs both in the operating companies and at group level to ensure that costs as a percentage of revenue continue to decrease over this period.

Pinacl will continue to build on its strong position in the market place as an Information Technology and Communication systems managed services provider through combining innovative and cost effective technical solutions with proven delivery management experience and expertise. In its chosen market sectors of education, health, local authorities and banking/finance, Pinacl has a large number of blue chip customers and the markets remain buoyant for the products and services that Pinacl offers.

RESULTS AND DIVIDENDS

The profit for the year amounted to £58,517. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Detailed cash flow forecasts are prepared and reviewed by the company on a regular basis. Actual cash balances are confirmed daily.

The company utilises pre-agreed funding facilities against cash deficits.

Pinacol Solutions UK Limited

DIRECTORS' REPORT

DIRECTORS

The directors who served the company during the year were as follows:

Mr R J Bardwell	
Mr N Sperring	
Mr K M Socha	
Mrs S M Davies	
Mr G N Andrews	(Appointed 1 October 2007)
Mr M V Ferne	(Retired 5 November 2007)
Mr J R Beaseley	(Retired 5 November 2007)

RETIREMENT OF DIRECTORS

In accordance with the Articles of Association, Mr G N Andrews will retire from the board and, being eligible, will stand for re-appointment.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 proper accounting records that 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 requirements of the Companies Act 1985. 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.

Pinacl Solutions UK Limited

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

By order of the board



Mr N Sperring

Company Secretary

22.04.09

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINACL SOLUTIONS UK LIMITED

We have audited the financial statements on pages 6 to 16.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP

Registered Auditor

Chartered Accountants

Steam Mill

Chester CH3 5AN

15 May 2009

Pinacl Solutions UK Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2008

	<i>Notes</i>	2008 £	2007 £
TURNOVER			
Continuing operations		12,154,427	13,912,897
Discontinued operations		–	8,817,535
		<u>12,154,427</u>	<u>22,730,432</u>
Cost of sales	2	(9,118,555)	(19,344,337)
Gross profit		<u>3,035,872</u>	<u>3,386,095</u>
Other operating expenses (net)	2	(2,991,629)	(3,788,319)
OPERATING PROFIT/(LOSS):	4		
Continuing operations		44,243	351,768
Discontinued operations		–	(753,992)
		<u>44,243</u>	<u>(402,224)</u>
Interest receivable		<u>3,685</u>	<u>9,996</u>
		47,928	(392,228)
Interest payable and similar charges	8	(3,851)	(7,273)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>44,077</u>	<u>(399,501)</u>
Taxation	9	14,440	–
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>58,517</u>	<u>(399,501)</u>

The operating profit/(loss) for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.


Pinacl Solutions UK Limited

BALANCE SHEET


30 September 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Intangible assets	10	2,603,354	3,037,414
Tangible assets	11	5,359	231,024
		<u>2,608,713</u>	<u>3,268,438</u>
CURRENT ASSETS			
Stocks	12	16,145	50,039
Debtors	13	3,394,483	3,804,369
Cash at bank and in hand		1,289	426,957
		<u>3,411,917</u>	<u>4,281,365</u>
CREDITORS			
Amounts falling due within one year	14	3,135,780	5,038,231
NET CURRENT ASSETS/(LIABILITIES)			
		<u>276,137</u>	<u>(756,866)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>2,884,850</u>	<u>2,511,572</u>
CREDITORS			
Amounts falling due after more than one year	16	1,409,461	1,094,700
		<u>1,475,389</u>	<u>1,416,872</u>
CAPITAL AND RESERVES			
Called up share capital	20	1	1
Share premium account	21	3,140,294	3,140,294
Profit and loss account	22	(1,664,906)	(1,723,423)
SHAREHOLDERS' FUNDS			
	23	<u>1,475,389</u>	<u>1,416,872</u>

The financial statements on pages 6 to 16 were approved by the board of directors and authorised for issue on 22.04.09 and are signed on its behalf by:



Mr N Sperring
Director



Mr R J Bardwell
Director

Pinacl Solutions UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2008

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

The company meets its working capital requirements through support from group companies and from its bankers. The company's ability to continue trading is dependant upon the continued support of the group companies and its bankers. The support of the group companies and bankers is considered, by the directors, to be reliable for at least the next 12 months. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustment that would result from the withdrawal of support from the group companies.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

TURNOVER

The turnover and profit before tax are attributable to the principal activities of the company. The turnover shown in the profit and loss account represents sales to external customers at invoiced amounts together with the value of work carried out on long term contracts to the balance sheet date less value added tax and discounts allowed.

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as the contract progresses. Where the outcome of each long term contract can be assessed with reasonable certainty before its conclusion the profit is recognised in the profit and loss account as the difference between the attributable turnover and related costs for the contract. Attributable turnover is based on the state of completion with reference to the fair value of the goods or services provided as a proportion of the fair value of the contract. Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Turnover in respect of maintenance contracts is recognised over the period of the contract in equal monthly instalments.

RESEARCH AND DEVELOPMENT

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

GOODWILL

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 10 years straight line basis

Pinacl Solutions UK Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2008

1 ACCOUNTING POLICIES *(continued)*

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	varies between 0 - 10 years straight line basis
IT Equipment	-	varies between 1 - 3.5 years straight line basis

STOCKS

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

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. 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 profit.

Pinacl Solutions UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2008

1 ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

	Continuing operations £	Discontinued operations £	Total £
Year ended 30 September 2008			
Cost of sales	<u>9,118,555</u>	<u>-</u>	<u>9,118,555</u>
Administrative expenses	3,079,900	-	3,079,900
Other operating income (Note 3)	<u>(88,271)</u>	<u>-</u>	<u>(88,271)</u>
Net operating expenses	<u>2,991,629</u>	<u>-</u>	<u>2,991,629</u>
Year ended 30 September 2007			
Turnover	13,912,897	8,817,535	22,730,432
Cost of sales	10,680,410	8,663,927	19,344,337
Gross profit	<u>3,232,487</u>	<u>153,608</u>	<u>3,386,095</u>
Administrative expenses	2,964,234	907,600	3,871,834
Other operating income (Note 3)	<u>(83,515)</u>	<u>-</u>	<u>(83,515)</u>
Net operating expenses	<u>2,880,719</u>	<u>907,600</u>	<u>3,788,319</u>
Operating profit/(loss)	<u>351,768</u>	<u>(753,992)</u>	<u>(402,224)</u>

3 OTHER OPERATING INCOME

	2008 £	2007 £
Management charges receivable	-	83,515
Other operating income	<u>88,271</u>	<u>-</u>
	<u>88,271</u>	<u>83,515</u>

Pinacl Solutions UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2008

4 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2008	2007
	£	£
Amortisation of intangible assets	434,060	434,061
Depreciation of owned fixed assets	6,563	78,795
Auditor's remuneration		
- as auditor	16,000	19,000
- for other services	1,550	-
Operating lease costs:		
- Plant and equipment	102	2,279
Net profit on foreign currency translation	(46)	(1,907)
Operating lease - rent	-	116,675
Operating lease - motor vehicles	<u>227,685</u>	<u>311,219</u>

5 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2008	2007
	No	No
Number of Direct staff	85	137
Number of General & Admin staff	-	21
Number of Sales & Presales staff	8	9
Number of Marketing staff	-	2
	<u>93</u>	<u>169</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	3,314,885	6,422,294
Social security costs	364,637	683,204
Other pension costs	39,163	137,507
	<u>3,718,685</u>	<u>7,243,005</u>

6 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Emoluments receivable	110,777	509,072
Value of company pension contributions to money purchase schemes	9,931	35,347
	<u>120,708</u>	<u>544,419</u>

Pinacl Solutions UK Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 September 2008

6 DIRECTORS' EMOLUMENTS *(continued)*

Emoluments of highest paid director:

	2008	2007
	£	£
Total emoluments (excluding pension contributions)	99,306	145,769
Value of company pension contributions to money purchase schemes	9,931	6,800
	<u>109,237</u>	<u>152,569</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2008	2007
	No	No
Money purchase schemes	<u>1</u>	<u>5</u>

7 PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme. The pension charge for the year was £39,163 (2007: £137,507).

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
On other loans	<u>3,851</u>	<u>7,273</u>

9 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
Corporation tax	-	-
Refunds received from overpayments in prior year	(14,440)	-
Total current tax	<u>(14,440)</u>	<u>-</u>

A potential deferred tax asset of £380,548 based on assumed corporation tax rate of 28% on previous periods trading tax losses has not been recognised in the financial statements due to timing of expected future profits.

Pinacl Solutions UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2008

9 TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2007 - 30%), as explained below

	2008	2007
	£	£
Profit/(loss) on ordinary activities before taxation	<u>44,077</u>	<u>(399,501)</u>
Profit/(loss) on ordinary activities by rate of tax	12,342	(119,850)
Effects of:		
Expenses not deductible for tax purposes	7,785	12,587
Depreciation for period in excess of capital allowances	3,814	(11,321)
Utilisation of tax losses	(23,941)	118,584
Refunds received from overpayments in prior year	(14,440)	-
Total current tax (note 9(a))	<u>(14,440)</u>	<u>-</u>

10 INTANGIBLE FIXED ASSETS

	Goodwill
	£
Cost	
At 1 October 2007 and 30 September 2008	<u>4,339,407</u>
Amortisation	
At 1 October 2007	1,301,993
Charge for the year	434,060
At 30 September 2008	<u>1,736,053</u>
Net book value	
At 30 September 2008	<u>2,603,354</u>
At 30 September 2007	<u>3,037,414</u>

Pinacl Solutions UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2008

11 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	IT Equipment £	Total £
Cost			
At 1 October 2007	127,879	344,232	472,111
Additions	–	8,593	8,593
Transfers to other group companies	(124,210)	(333,597)	(457,807)
At 30 September 2008	<u>3,669</u>	<u>19,228</u>	<u>22,897</u>
Depreciation			
At 1 October 2007	77,515	163,572	241,087
Charge for the year	–	6,563	6,563
Transfers to other group companies	(73,846)	(156,266)	(230,112)
At 30 September 2008	<u>3,669</u>	<u>13,869</u>	<u>17,538</u>
Net book value			
At 30 September 2008	<u>–</u>	<u>5,359</u>	<u>5,359</u>
At 30 September 2007	<u>50,364</u>	<u>180,660</u>	<u>231,024</u>

12 STOCKS

	2008 £	2007 £
Stock	<u>16,145</u>	<u>50,039</u>

13 DEBTORS

	2008 £	2007 £
Trade debtors	1,116,628	1,985,763
Amounts owed by group undertakings	1,170,063	–
Other debtors	–	44,701
Prepayments and accrued income	1,107,792	1,773,905
	<u>3,394,483</u>	<u>3,804,369</u>

14 CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Other loans	–	21,201
Bank overdrafts	481,483	–
Trade creditors	957,856	1,593,499
Amounts owed to group undertakings	–	448,000
Corporation tax	–	7,171
Other taxation and social security costs	294,227	668,012
Other creditors	14,597	20,673
Accruals and deferred income	1,387,617	2,279,675
	<u>3,135,780</u>	<u>5,038,231</u>

The group has entered into a composite accounting agreement dated 13 August 2008. Under the terms of the agreement the bank is authorised to allow set-off of overdrafts against positive bank balances.

Pinacl Solutions UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2008

15 DEBENTURE

A debenture has been created for securing all monies due or which become due to the bank during the year. At the year end no such amount is owed.

16 CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Amounts owed to group undertakings	1,320,954	1,027,480
Accruals and deferred income	88,507	67,220
	<u>1,409,461</u>	<u>1,094,700</u>

The amount included in creditors falling due after more than one year is a loan from the parent company Perseus Pinacl Holding Limited. The loan has no repayment date and has no interest charged on the loan.

17 COMMITMENTS UNDER OPERATING LEASES

At 30 September 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	-	68,700	16,488	60,407
Within 2 to 5 years	-	102,320	-	250,812
	<u>-</u>	<u>171,020</u>	<u>16,488</u>	<u>311,219</u>

18 OTHER FINANCIAL COMMITMENTS

The bank loans and overdraft of the group are secured by way of an unlimited multilateral guarantee between Perseus Pinacl Holding Limited and Pinacl Solutions UK Limited dated 14/07/2005.

19 RELATED PARTY TRANSACTIONS

The directors have taken exemption in accordance with Financial Reporting Standard 8 not to disclose related party transactions with other group companies.

20 SHARE CAPITAL

	2008	2007
	£	£
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2008	2007
	£	£
Allotted, called up and fully paid:		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

Pinacl Solutions UK Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2008

21 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

22 PROFIT AND LOSS ACCOUNT

	2008	2007
	£	£
At 1 October 2007	(1,723,423)	(1,323,922)
Retained profit/(accumulated loss) for the financial year	58,517	(399,501)
At 30 September 2008	<u>(1,664,906)</u>	<u>(1,723,423)</u>

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit/(loss) for the financial year	58,517	(399,501)
Opening shareholders' funds	<u>1,416,872</u>	<u>1,816,373</u>
Closing shareholders' funds	<u>1,475,389</u>	<u>1,416,872</u>

24 ULTIMATE PARENT COMPANY

The company's immediate parent company is Perseus Pinacl Holding Limited, a company incorporated in England. It's ultimate parent undertaking and controlling interest is Perseus 2000 Expansion LLC, a company incorporated in the United States of America. No group accounts are prepared for this group, the largest group accounts prepared being Perseus Pinacl Holding Limited Group. Copies of the consolidated financial statements, incorporating those of Pinacl Solutions UK Limited are available from the holding company's registered office.

Pinacl Solutions UK Limited

MANAGEMENT INFORMATION

for the year ended 30 September 2008

The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on page 5.

Pinacl Solutions UK Limited
DETAILED PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2008

	2008	2007
	£	£
TURNOVER	12,154,427	22,730,432
COST OF SALES		
Materials	2,643,768	5,478,219
Direct costs	9,196	359,438
Labour costs	631,142	17,603
Direct salaries	2,537,663	4,977,226
Direct salaries NI	146,916	535,691
Direct salaries pension costs	28,617	80,048
Subcontract	1,577,991	6,197,940
Site Costs	1,542,835	1,677,076
Depreciation of plant and machinery	–	18,883
Depreciation of IT equipment	427	2,213
	<u>(9,118,555)</u>	<u>(19,344,337)</u>
Gross profit	3,035,872	3,386,095
OVERHEADS		
Administrative expenses	3,079,900	3,871,834
	<u>(44,028)</u>	<u>(485,739)</u>
OTHER OPERATING INCOME	88,271	83,515
OPERATING PROFIT/(LOSS)	44,243	(402,224)
Loan interest receivable	3,685	9,996
	<u>47,928</u>	<u>(392,228)</u>
Interest on other loans	3,851	7,273
PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>44,077</u>	<u>(399,501)</u>

Pinacl Solutions UK Limited

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT for the year ended 30 September 2008

	2008 £	2007 £
ADMINISTRATIVE EXPENSES		
Personnel costs		
Salaries	667,557	970,596
Directors salaries	109,665	474,472
Salaries NI	33,938	97,553
Directors NI	12,029	49,960
Salaries pension costs	615	22,112
Directors pension costs	9,931	35,347
	<u>833,735</u>	<u>1,650,040</u>
Establishment expenses		
Rent, rates and water	11,102	165,273
Insurance	–	171,724
IT equipment	30,573	50,109
	<u>41,675</u>	<u>387,106</u>
General expenses		
Motor expenses	307,681	375,859
Travel and subsistence	45,432	179,743
Telephone	66,593	202,733
Office expenses	8,304	59,454
Equipment leasing charges	102	2,279
Printing, stationery and postage	1,262	23,218
Cleaning and refuge	9	6,739
Staff training & welfare	82,480	144,837
Sundry expenses	22,869	107,656
MIS development	–	10,344
Advertising	53,982	45,146
Entertaining	3,528	17,148
Subscriptions	6,456	19,885
Management charges payable	1,079,387	–
Legal and professional fees	15,385	114,937
Auditors remuneration	16,000	19,000
Amortisation	434,060	434,061
Depn of plant and machinery	6,136	3,430
Depreciation of IT equipment	–	54,269
	<u>2,149,666</u>	<u>1,820,738</u>
Financial costs		
Bad debts written off	62,110	8,147
Bank charges	(7,240)	7,710
Foreign currency gains	(46)	(1,907)
	<u>54,824</u>	<u>13,950</u>
	<u>3,079,900</u>	<u>3,871,834</u>
OTHER OPERATING INCOME		
Management charges receivable	–	83,515
Other operating income	88,271	–
	<u>88,271</u>	<u>83,515</u>
INTEREST RECEIVABLE		
Loan interest receivable	3,685	9,996