18 February 2014 **Company Registered No: 05259846**

Pinnacle Technology Group plc
("Pinnacle, the "Group" or the "Company")

FINAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

Pinnacle Technology Group plc (AIM: PINN) the AIM listed provider of converged technology solutions today announces its audited final results for the year ended 30 September 2013

HIGHLIGHTS

The highlights are as follows:-

- Following several years of rapid growth by acquisition, the year to September 2013 (FY13) was a year of consolidation and rationalisation. Completion of a strategic review in July 2013, resulted in a program to substantially reduce operating costs going forward, by reducing headcount and the number of office locations
- As a result of such measures, the Company has been trading around EBITDA neutral in the months following the September 2013 year end
- The Board and Senior Management team have been refreshed with the appointment of a new Non-Executive Chairman, Non-Executive Director and a new Chief Executive (from 3rd March 2014- see separate announcement).
- The Company has been successfully re-financed with the introduction of new, supportive institutional shareholders
- New partnerships have been formed with Gamma Telecom and Virgin Media to enhance our future offerings in the markets for mobile services and broadband connectivity
- Despite the trading loss, recurring and renewable revenues* increased to 85% (2012: 79%) and gross margin percentage increased to 32.1% (2012: 31.2%). During the year, liabilities, excluding deferred tax, reduced 40% to £2.97m (2012: 4.91m).

* Note: Recurring and renewable revenues relate to customers who have entered into ongoing or fixed term contracts with the group to supply services for a duration exceeding 1 month.

All Company announcements can be found at: www.pinn.uk.com

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Alan Bonner, Chief Executive

James Dodd, Non-Executive Chairman 0208 185 6393

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CHAIRMAN'S STATEMENT

Clearly, the year to September 2013 has been a very difficult one for the Pinnacle Technology Group. After the rapid growth by acquisition of previous years, the Company had been left with a high cost base, large and (at that time) uncertain liabilities and a severely stretched balance sheet with significant amounts outstanding to trade and other creditors.

Not surprisingly, these factors resulted in less-than-satisfactory financial results with revenues falling by 20.2% to £10.1m (2012: £12.7m) and pre-tax losses increasing to £(2.4m) (2012: loss of £1.1m). Happily, the fund-raising described later resulted in financial stability with year-end gross cash balances totalling £587,651 and a materially less-stressed balance sheet.

During the year, the management have worked conscientiously to address these problems. Balance sheet stability was recovered by the raising of some £2.95m equity finance mid-way through the financial year. Liabilities have been addressed to assume more normal levels and operating costs have been reduced by headcount and premises reductions.

Additionally, the Company has taken the first steps to regenerate growth in future. The strategy of cross-selling the Company's varied product portfolio into its extensive customer base has been formulated and is set for further development in the current year. Also, valuable new partnerships have been established with major new suppliers which will enhance product delivery henceforth.

Also, steps have been taken to consolidate the separate business entities into a coherent management and reporting structure.

The Board and senior management have been refreshed. Together with Dr Tom Black as fellow non-executive, I was appointed Chairman in March 2013. On 6 December 2013 Alan Bonner, Chief Executive, announced his intention to seek a successor. Accordingly, we are delighted to announce the appointment of Nicholas Scallan as the new Chief Executive with effect from 3rd March 2014. Nicholas has a distinguished career record with some of the best names in the industry and is well equipped to deliver the leadership needed to take the Company into the future.

The Board would like to express its gratitude to the outgoing Chief Executive, Alan Bonner, for his entrepreneurship in having built the Company from its start-up phase, to the extensive portfolio of products and skills it offers today. We look forward to Alan's continuing counsel and support as a major shareholder of the Company.

The Board would like to express its gratitude also to the staff for their loyalty and steadfast efforts during this challenging year, which have sown the seeds of progress for the future.

The Pinnacle Technology Group reflects in microcosm the changes sweeping the larger telecommunications and IT industries. The traditional markets for fixed and mobile voice and standard broadband connectivity are now largely mature resulting in falling revenues from these activities industry-wide. However, newer product areas such as WiFi, Ethernet, Fibre-optic Broadband connectivity and cybersecurity are experiencing rapid growth – product areas where Pinnacle already has established offerings.

Outlook

The Board notes the recent reports of improving business confidence in the UK and expects that this will feed through into increased demand across the range of Pinnacle's products and services. With our reinforced Board and senior management team, a significantly lower cost base and more focused product and service offerings, the Board is confident of delivering profitable growth in future, as our revised strategy takes hold.

We look forward to working with our customers, suppliers, shareholders and all our stakeholders to deliver value to all by smart strategy and superior execution.

James Dodd
Chairman
17 February 2014

STRATEGIC REPORT

a) BUSINESS REVIEW

Introduction

After several years of rapid growth, largely by acquisition, FY13 was a year of consolidation and rationalisation. At the same time, the Company adopted a more focused cross-selling strategy to increase product uptake amongst the large and diverse client base, resulting from the acquisitions of previous years. However, the penetration of cross-selling into accounts takes time, whilst the adverse effects of rationalisation are immediate. As a result, the reported revenue declined by 20.2% to £10.1m (2012: £12.7m) whilst pre-tax losses widened to £2.4m from £1.1m.

Looking at FY13, there are four significant factors to be borne in mind:-

First, FY12 revenues were boosted by a small number of large, high-profile events such as the 2012 London Olympic & Paralympic Games and the Queens Diamond Jubilee celebrations. Such one-off contracts were not available in 2013, thus contributing to the decline in revenue.

Second; the performance of RMS Managed IT Security Ltd ("RMS"), acquired in October 2011, fell well below expectations. It proved difficult to cross-sell additional solutions into the RMS large corporate customer base. As a result, in FY13 we saw IT Security revenues fall by 41% to £2.2m (2012: £3.7m). Furthermore, the required reduction in the acquired cost base down from £1.87m per annum to £0.80m per annum, incurred additional restructuring costs of £0.44m in FY12.

Third, the Company strategy of cross-selling its various products into the existing customer base proved more difficult than had been expected. A £401k expense in the salesforce during the year did not produce the revenues hoped for in FY13. In addition, revenue declined in all other product divisions primarily as a result of competitive pressure and regulatory changes.

Finally, as a result of acquisitions in previous years, the business had grown in terms of headcount and its associated cost base; the number of employees grew from 27 in 2011 and peaked at 87 in 2012. Forecasting a reduction in turnover following our FY13 interim results, we embarked on a strategic review. This resulted in a rationalisation of our product portfolio and a reduction in headcount during the year, to the year-end level of 58 with an additional associated cost of restructuring this year of £419k. Whilst we saw no positive benefits in the year to September 2013, we have successfully reduced our ongoing administrative expenses by £936k per annum and have a slimmer, more focused, solutions portfolio going forward.

Products and services by market segment

IT Services

Revenue from IT Services was £1,328,978 (2012: £1,456,063), representing 13% of revenues (2012: 11%) and a decrease of 8.7% compared with the previous year. However, business customers buying IT Services across Scotland increased 12% to 151 in the last 12 months (2012:135).

Pinnacle's IT Services proposition focuses on the design, implementation and ongoing maintenance of IT solutions to business customers based in Scotland and is a key part of Pinnacle's strategy to build out its IT capability – enabling faster delivery of our cloud services proposition. Customers who take IT Services are more likely to buy additional products from the Group's portfolio, which further strengthens our presence in the Scottish SME market.

IT Security

Revenue from IT Security was £2,199,986 (2012: £3,729,640), representing 22% of the group revenues for the year and a decrease of 41% compared with the previous year. This was a result of fierce competition in an increasingly commoditised industry and also of management actions to downsize our presence in response.

The IT Security industry delivers cyclical revenues, with software licences being tendered by customers for durations of between 1 and 5 years on a renewal basis. Despite the intense price competition in this segment of our business, we have still managed to win 78% of IT Security contracts as they tender for renewal each year, albeit in some cases at lower margin.

Our first year of trading in 2012 saw us secure £3.7m of IT Security revenues, including £0.6m relating to a small number of large public sector contracts. These contracts having been secured on a multi-year arrangement do not recur until 2014 and 2015. Post year-end, we closed the loss making subsidiary Aware Distribution Limited, to increase profitability going forward.

Cloud Services and Data Connectivity

Revenue from Cloud Services and Data Connectivity was £2,394,460 (2012: £2,930,336), representing 24% of revenues (2012: 23%). This 18% reduction is predominantly a result of the absence of revenues relating to data services at the one-off, high-profile events in 2012.

Sipswitch. The Company has continued to develop its hosted voice (VoIP) IP Telephony platform throughout the year, mirroring the services across our national network, thereby increasing resilience and capacity in the service. We have seen an 18% uptake during the year, increasing the number of telephone numbers and extensions using the platform to 4,383 (2012: 3,582) with average revenue per customer of £1,887 per annum (2012: £2,027).

Events. The Company continues to supply the majority of temporary voice and data services for ATOS and the BBC outside broadcasts. Whilst we have seen a slight reduction in the number of live outside broadcasts being aired by the TV networks overall in 2013, we have maintained our revenues in this market year on year - excluding the exceptional one-off revenues derived from the Queen's Diamond Jubilee and the London Olympics and Paralympics in 2012.

With the global adoption of smartphones and tablets, there is an increasing demand for public events to be streamed live over the internet. Post year-end, in November 2013, we were proud to be part of a world first, providing and managing the data network for the largest live streamed event, when the Red Bull Revolutions in Sound, was successfully streamed from 30 stages live across the world in high definition, from the London Eye on the South Bank of the Thames for Channel4.com.

Broadband. As our customers move away from traditional office-based IT products to more flexible cloud-based IP solutions, the requirement increases for dedicated data services at the customer premises, in order to transport data at higher bandwidth with guaranteed quality. Once in place, increased bandwidth to a customer site opens up the opportunity for clients to virtualise their servers in our data centres, which unlocks savings and efficiencies as they access services in the cloud.

To support the requirement for increased data bandwidth, in August 2013, we signed a new supply agreement with Virgin Media, which provides access to very competitive pricing for Ethernet and Leased Line connectivity, from 330 points of presence across the UK directly into our national network. With this exciting new partnership, we are offering a wide range of resilient on-net services to our clients, which is already securing new customer wins and complements our existing interconnect agreements with British Telecom and TalkTalk Business.

WiFi. The Company has developed great expertise in providing wireless voice and data services to television broadcasters and promoters of live events. As a result, we have delivered a permanent WiFi solution for business customers across Cheltenham and West Oxfordshire. By using existing data connections in our core network and a number of strategically placed wireless networking devices, we have successfully delivered speeds of up to 40Mb per user over a wireless cloud covering several miles in diameter. Whilst we have provided backhaul services for other wireless network providers in the past, this new venture sees us delivering services direct to end users in a geographical area that has poor bandwidth coverage.

Telecommunications Services

Revenue from Telecommunication Services was £3,699,497 (2012: £4,055,705), representing 36% of revenues (2012: 32%) and a decrease 8.8% compared with the previous year. As a group we continue to experience strong customer retention rates, but the fall in revenue this year can be explained by the impact of industry-wide regulatory price reductions in call costs to mobiles and other national rate calls. We welcome the regulatory price changes and whilst these reduce our retail price to customers, we have a degree of protection at the gross margin level as our wholesale prices also reduce commensurately.

Mobile

Revenue from mobile solutions was £515,760 (2012: £538,702), representing 5% of revenues (2012: 4%). This modest decrease of 4.3% compares favourably with revenue reductions reported by the majors in this increasingly mature industry.

A new Pinnacle Mobile product introduction for 2013, was our own Mobile Virtual Network Operator ("MVNO") offering, provided in partnership with Gamma Telecom plc, using the Vodafone network infrastructure. Whilst we continue to offer the services of Telefonica O2, Vodafone UK and Everything Everywhere on a direct basis to our business customers, we have complemented this with our own MVNO offering, which will allow us to offer unified fixed telephony, data and mobility services on a single invoice, under the Pinnacle brand.

b) FINANCIAL REVIEW

Income statement

As noted in the Business Review, revenue declined from £12.7m to £10.1m due to the absence of the one-off projects of 2012, the severe revenue shortfall at RMS and the modest decline in revenues across other product categories. However, the Company achieved a gross profit of £3.257m (2012: £3.960m) with gross margin increasing to 32.1% (2012: 31.2%).

	2013	**2012**
Gross Margin	3,256,677	3,960,322

Operating Expenses *		(4,025,780)	(3,675,768)
Adjusted EBITDA		**(769,103)**	**284,554**
Profit relating to bargain purchase of OCD		-	140,883
Profit relating to contingent consideration		-	90,000
EBITDA before exceptional costs and restructure costs		**(769,103)**	**515,437**
Amortisation of Intangible Assets		(391,165)	(464,960)
Depreciation		(187,751)	(153,049)
Exceptional costs relating to restructure		(419,536)	(564,292)
Impairment of intangible assets		(691,404)	(410,290)
Share based payments		(13,922)	(13,921)
Embedded fair value in convertible loan		18,529	(11,229)
Share of profit from associate		18,884	4,612
Operating Loss	2	**(2,435,468)**	**(1,097,692)**

* Note: Operating expenses shown exclude amortisation of intangible assets, depreciation, share of profits from associate and exceptional costs.

Notwithstanding the increased gross margin percentage, the decline in revenue and increased operating expenses due to the expansion of the sales force led to an Operating Loss for the year ending 30 September 2013 of £2.435m (2012: £1.098m) which can be analysed as follows:-

EBITDA
The EBITDA loss widened significantly in the second half, from a first half loss of £(84,004) to £(769,103) for the full year due to the increased costs of the salesforce, which totalled £401k during the year. However, in the second half of this financial year, the Board embarked on a strategic review of the Group and has taken robust actions to reduce on-going costs in recent months. As a result, the Group is now trading close to EBITDA breakeven on a monthly basis.

Amortisation of Intangible Assets
When the group makes an acquisition, goodwill represents the difference between the price paid for the acquisition and the fair value of the book assets acquired. For the majority of the historical acquisitions made this reflects the Directors assessment of future cashflows that we expect to receive from the customer base acquired.

As this ‘future cashflow’ feeds its way into the income statement from the acquired customers, in each subsequent financial year post acquisition, we make a charge to the income statement in the form of amortisation. Under accounting rules, the group has made a decision to charge all of its intangible assets to the income statement over a maximum period of ten years. In this year to 30 September 2013, we have charged £391k of amortisation to the income statement.

Depreciation
This figure for the regular depreciation of assets increased by 22.7% resulting from the expansion of the asset base following the previous years’ acquisitions.

Exceptional costs
As shown in the notes to the accounts, the exceptional costs were incurred relatively evenly across most reporting segments reflecting the group-wide reduction in operating costs in the face of declining revenues.

Impairment of Intangible Assets
Where the expected future cashflows from a customer base are lower than originally expected, we make an additional charge to the income statement in the form of impairment. In 2013, we have charged £691k to the income statement as impairment. This charge, whilst non-cash affecting, reflects the lower than originally expected performance from customer bases acquired in the acquisition of RMS Managed ICT Security Limited of £522k and MacLellan IT Limited of £169k.

Where expected future cashflows from a customer base are higher than originally expected, then we do not adjust the intangible assets upwards, but instead leave this benefit to enhance the future profit performance of the group. All other acquisitions made by the group, aside from the two above, are performing above initial expectations and thus contribute to the enhancement of shareholder value.

Balance Sheet

Investment

We entered FY13 with a severely stretched balance sheet. This situation was addressed by raising £300k, following the issue of new shares on 10 December 2012 and a further £2.65m, secured from a number of institutional investors, following the issue of new shares on 6 February 2013.

As detailed variously in this report, £1.432m of the investment received went into repayment of the liabilities in the acquired IT Security business. In addition, £237k went into the repair of our balance sheet, and £769k funded operating losses, of which £401k was spent on a new field based sales and sales management team.

Cash

As a result of our acquisitions and growth in 2012, our net cash balance at 30 September 2012 was negative. At 30 September 2013, as a result of the fund raise earlier in the year and after taking into account the substantial reduction in liabilities, the group had positive cash balances of £588k, available (2012: £129k) and reduced bank borrowings to £122k (2012: £145k).

£1.41m increase in Net assets, excluding intangible assets

As a result of the successful fund raise, the business has a much stronger balance sheet as we exited the 2013 financial year. Net assets, excluding intangible assets, increased by £1.41m showing negative £106k at 30 September 2013 (2012: -£1.52m).

£0.69m reduction in receivables and inventories

In 2012, the group retained £2.69m of working capital, which was held in receivables and inventories. By 30 September 2013, we had reduced our receivables, stock and inventories by 26% to £2.0m. This movement across the group generated positive cashflows of £526k through improved credit control procedures, and saw trade debtors days fall from 42 days in 2012 down to 38 days in 2013. We were also able to unlock £272k of cash by reducing stock and inventories during the year.

£1.94m reduction in liabilities, excluding deferred tax.

We were also able to substantially reduce the level of debt in the business as a result of cash from debtors and the funds raised. Excluding deferred tax, at the end of September 2012, the group had liabilities of £4.91m, including £2.86m owed to suppliers and creditors and £0.32m owed to invoice finance. By the end of September 2013, the liabilities had fallen to £2.97m, a reduction of £1.94m or 40% over the period.

Research and Development Assets

Whilst the Company partners with a number of vendors to aggregate services from other larger providers, we deliver real added value to our customers when we deliver services, skills and expertise from the staff that we employ and the systems and know-how we have developed internally.

Over the years, we have acquired our own voice over internet (VoIP) platform, a UK-wide national data network, a public telecommunications operator's (PTO) licence and various other 'unique' software applications that we can offer to our customers. We have continued to invest in our staff to enhance and develop these acquired software platforms, which underpin the services we offer to our customers. An additional £56k was invested in the software platform during the year.

Property Plant and Equipment

The Company has continued to invest and refresh our IT systems and infrastructure to support the business as it grows. As a people based business, the Company is not dependent on heavy asset investment to deliver service to our customers. During the year the Company invested £86k in additional fixed assets for the group. The Company continues to invest in systems and assets to support the growth of the business.

Stock

The Company does not need to carry a large amount of stock and spares to run our business. Given the fast moving nature of hardware and devices, we prefer to buy stock to order to support the IT service side of our business. This ensures best customer value and avoids losses associated with holding obsolete stock.

As part of the strategic review, we took the decision that Aware Distribution Limited ("Aware"), formerly a subsidiary of RMS, was a non-core part of our business and it was closed in October 2013. As Aware tended to hold disproportionate levels of stock this decision will further reduce our stock levels in future.

Asset Acquisitions

In February 2013, we acquired the broadband customer base and data network infrastructure of Able Internet Limited for the nominal sum of £20k. Whilst the consideration paid was insignificant, the acquisition added a small number of customers to the Group, but more importantly, we acquired a data centre presence in Edinburgh to service our customers on the East Coast of Scotland. In addition to extending the reach of our UK network, this small acquisition allowed us to materially increase the number of our Internet Protocol Version 4 ("IPv4") address ranges under ownership. This is very significant, as the world's IPv4 address ranges have now been exhausted.

No other asset acquisitions were made in the year.

Share Consolidation

At the AGM on March 26th 2013, our shareholders voted in favour of a 1 (new share) for 100 (old shares) share consolidation. This was completed on April 15th 2013 resulting in 31,948,077 Ordinary shares of £0.01.

Board Changes

As reported to the market on 08 January 2013, both Bill Allan and John Anderson decided to retire from the Board and did not be seek re-election at the AGM on March 26 2013, and were succeeded by Dr James Dodd as Non-Executive Chairman and Dr Tom Black, as Non-Executive Director. Subsequent to the September 2013 year end, on 6th December, the current Chief Executive, Alan Bonner, announced his intention to seek a successor, after 15 years since starting Pinnacle. Accordingly the Company is pleased to announce on 18th February 2014, the appointment of Nicholas Scallan as Chief Executive with effect from 3rd March 2014.

Nomad and Broker

On 03 Sep 2013 we announced that we had appointed N+1 Singer Advisory LLP ("N+1 Singer") as our nominated advisor and broker, replacing Zeus Capital Ltd. In recent years, N+1 Singer has grown rapidly to become one of the top 5 corporate advisory and broking businesses by number of clients in the UK middle and small cap markets.

A Possible Offer for the Company

On 03 Sep 2013, the Board of AIM listed, Coms plc, announced that it was considering a possible corporate transaction with Pinnacle that could result in an offer by Coms for the entire issued and to be issued ordinary share capital of Pinnacle being made.

On 05 Sep 2013, Pinnacle confirmed that it had since received a non-binding indicative offer. The Pinnacle Board believed that such an indicative offer was opportunistic and significantly undervalued the growth prospects of the Company. As such the Board of Pinnacle did not recommend the offer to its shareholders.

On 05 Sep 2013, The Board of Coms plc announced that, without a recommendation from the board of Pinnacle, it had no current intention to make an offer for Pinnacle.

Group Locations

Following the announcement of the Interim Results to 30 March 2013, the Board embarked on a strategic review of the Group and has taken robust actions to reduce on-going costs. One such area is the consolidation of Group properties under lease. As a result the Group:-

- Closed the data centre in Brighton and redeployed its network infrastructure between London, Glasgow and Edinburgh.
- Closed the large administration centre in Northampton, whose lease followed the previous acquisitions of Accent Telecom and Solwise Telephony, and relocated to offices of adequate size in Northampton.
- Closed the very large IT Security office in Stoke on Trent, whose lease we inherited following the acquisition of RMS, and relocated to better suited offices just off J16 of the M6, near Stoke on Trent.
- Closed the office in the Team Valley near Newcastle upon Tyne, which we inherited following the acquisition of an IP CCTV business in 2011.

This rationalisation of Company premises will deliver annual net savings of approximately £114k.

c) STRATEGIC REVIEW

Strategy and objectives

The Pinnacle Technology Group focuses on the business market for Telecommunications and IT services across the UK. We provide a wide range of converged managed solutions including IT Services, IT Security Solutions, Cloud and Data Connectivity, Telecommunications Services and Mobility Solutions to business enterprise and public sector customers.

Pinnacle's growth will be driven increasingly by cross-selling the elements of our converged managed services offering. The objective is to cross-sell the Group's services into our existing customer base, offering the full range of our products and services and thereby strengthening our customers' reliance on the Company.

Our business model

As a result of acquisitions, the group has accumulated a wide and varied portfolio of products. Some products and services within the portfolio are bought-in from other network and service providers and are re-sold to customers. Other services are generated from software, for which the Group owns and develops its own applications.

The group also manages three data-centre locations across the UK, which are connected via a resilient UK wide data network. The data centres and the data network connections combine to form our core network infrastructure, which is used to power many of the services that the Group offers. Our data centres allow us to offer customers co-located server space, hosted solutions, server virtualisation and other cloud-based services.

From each of the data centres, we interconnect to a wide range of national network providers such as Vodafone, British Telecom, Virgin Business and TalkTalk Business as well as a number of other internet peering partners and international carriers. These connections provide the Group with access to all of the telephone exchanges and points of presence of these major network partners and we use these to transport data in and out of the core network to our customer's premises.

From within our data centres, we provide customers with a number of key services:

- Remote Web/Mail filtering
- Private Secure VPN connections
- Hosted Voice over Internet platform (Sipswitch)
- Hosted Hotel Management software (Mainstay)
- Resilient CCTV monitoring connections with 3G/4G failover (Multilayer)
- Mobile Security and Mobile Device Management platforms
- Remote Data Backup solutions
- Internet Access
- Remote Hosted Desktop/Office365 applications

The group employs a number of technical staff, who have specialist skills in telecommunications, VoIP, data connectivity, WiFi solutions, mobility solutions, web applications, IT Services and IT Security. Other niche or specialist services are contracted in from a panel of approved external suppliers.

We combine the intellectual capital and know-how of our technical team, with our back-office staff and systems and package these with the services and products above, to deliver business customers a wide range of services, under single invoice with a single customer service team. These converged managed services underpin our principal business offering. This wide range of skills is deployed on an ongoing basis at customers premises or as a hosted service. The services are also delivered remotely as out-house solutions for TV production companies, event promoters and public sector organisations.

For the purpose of management reporting, we group these converged managed services into five key segments, which are reported in note 3 of the accounts.

- IT Services
- IT Security Solutions

- Cloud Services and Data Connectivity
- Telecommunication Services
- Mobility Solutions

Routes to market

The group uses direct marketing, e-shots, direct mail and telephone marketing to promote its products. The majority of these services are contracted in, on a campaign basis to promote specific products and services. The group also updates its website with latest developments for customers and uses social networking sites to inform customers of product developments.

The customer base for the group is split geographically into regions and also vertically by public and private sectors, industry and also by size of business. This allows us to focus and tailor business campaigns, services and products by customer segment.

In terms of our customer management strategy, the group also employs a number of internal account managers, who regularly contact and maintain a relationship with those business customers who prefer their account and contract renewals to be managed remotely. This team are responsible for contacting customers ahead of contract renewal dates and making regular contact throughout the contract term.

In addition to internal account management, the group also employs an external account management team, who cover a number of customer segments in specific geographic areas. The external team are on hand to take calls from customers but will also make regular appointments to visit customers at their site to review the services we provide.

To manage the products that we sell and the suppliers we buy from, the group also employs a number of product managers who have a particular expertise in one or more product segments. The product managers also support the internal and external account managers in preparing pricing, recommended solutions and quotations and advise the directors on developments in their product area.

Customers are allocated an internal account manager and an external account manager who combine to manage the customer relationship. The Group also provide customers with an online portal which allows them to interact with the Company, raise fault tickets, run analysis and download copy invoices. In line with customer preference, the group will continue to develop the services available to its customers online.

Whilst externally for historical reasons, the group operates using a number of brands and limited companies, collectively we market our services as Pinnacle. The Group operates a single back-office, operations and finance function to support all products and services. This includes the provisioning team, the IT helpdesk, the accounts and billing teams and the IT development team. As described above, the core network and the IT systems are also shared across all teams, products and services. The staff operate from five main locations in Northampton, Kelty, Paisley, Stoke-on-Trent and Glasgow.

A review of the business

Prior to September 2012, the group managed customers under the brand or limited company that they were acquired under. The internal and external account management teams were not integrated and customers were not organised by geography, spend, industry or segment.

As a consequence of the number of prior acquisitions, customers tended to be introduced to the group as a result of having purchased one or two products from one of the group subsidiaries.

Given the wide array of products and services available from the group, the directors set in place a strategy of increasing our sales capability and cross-selling multiple products into its existing customer base. Following the fund raise, the group set about recruiting a sales director, a marketing manager and additional internal and external account managers.

During this financial year, the Group commenced a program to segment its customer base and to consolidate its account management teams into a national salesforce, promoting all of the products and services that the Group offers to its existing customers.

The resulting loss before exceptional items in this financial year shows the increased short-term costs associated with pursuing this strategy. Whilst the number of customer interactions and meetings increased during the year as a result of the enlarged salesforce, the initial revenues generated were disappointing.

Whilst we saw some success in the number of small and medium enterprise customers who increased the quantity and range of products that they took from the Group, we were largely unsuccessful in promoting new products to the larger enterprise and corporate customers, who were mainly introduced to the business with IT Security products. Segregation of duties in these larger organisations meant that our existing customer contacts were focused mainly on IT Security matters and were not involved in other areas of the business such as telecommunications, data and mobility services. Whilst we gained some internal referrals to assist in these areas, our initial expectation of generating additional cross-sale revenues from larger customers was reduced.

We continue to experience high retention rates from existing customers in the small and medium business sectors. As technologies develop, we feel that the need for our products and services is greatest in this segment.

The introduction of faster and more widely available broadband solutions across the UK, coupled with increased confidence in business decision makers to host data and applications off-site in the cloud, means that the opportunity to supply hardware, IT consultancy, IT services, hosted services and IT security solutions as trusted advisors is strongest in the sub 1,000 employee customer segments.

Future developments

As part of the consolidation of the group brands and products into the Pinnacle offering, we will continue to review and simplify the group structure in terms of the number of trading subsidiaries that we operate. As we converge the business offerings and pursue our strategy of cross-selling, these legacy brands and subsidiaries become less relevant as we go forward.

We carried out a strategic review during the year, where each of the products and services that we provide were scrutinised. With limited resources and shared back-office functions, we need to focus our attention on the products and services that have the greatest customer demand. We will continue to focus on rationalising our product portfolio and to divert investments into those areas that offer best value for our shareholders and our customers. This focus will allow us to further develop our core competencies.

We will continue to invest and develop the services available to customers over the cloud. Where it proves to be beneficial, we will continue to invest in software development and applications where we retain intellectual property. This allows us to differentiate our products to customers and to better control service delivery.

Managing multiple services to a large number of business customers, across a number of different technologies, using a single back-office function requires integrated IT systems to reduce complexity and improve speed of response. We will continue to invest in our internal systems to improve service delivery and the information available to customers and the business alike.

We will continue to invest in our staff and our processes as we transition the business into a converged managed services provider. By reducing complexity and simplifying our processes and systems, we will improve our customer experience, which in turn will create additional capacity for new customers.

We look forward to the appointment of the new Chief Executive Officer and the knowledge and experience that he will bring as we move forward into the delivery and execution phase of our strategy.

Key Performance Indicators

We monitor a number of key performance indicators, using both financial and non-financial metrics, on a monthly basis. The most important of these are as follows:

- Revenue: £10.1m for the year under review (2012: £12.7m);
- Recurring and Renewable Revenues: 85% for the year under review (2012: 79%);
- Gross Profit: £3.3m for the year under review (2012: £4.0m);
- Gross Margin percentage: 32.1% of revenue (2012: 31.2%);
- Adjusted EBITDA: Negative £769k for the year under review (2012: positive £285k);
- Number of employees: 41 at 17 February 2014 following the recent restructure;
58 at 30 September 2013 (2012: 57); and
- Cash: £588k at 30 September 2013 (30 September 2012: £129k)

DIRECTORS' BIOGRAPHIES

Dr James Dodd, Non-Executive Chairman

Dr James Dodd was appointed as Non-Executive Chairman, succeeding Bill Allan.

A member of the Securities Institute and the Institute of Physics, James is currently a member of Oriel Securities' Advisory Board, providing advice and assistance to Oriel on developing its business and relationships. James also serves on the Board of the Apollo Submarine Cable System Ltd, the joint venture between Vodafone Group plc and Alcatel-Lucent SA.

James has over 30 years' experience in both public and private equity markets focusing on telecommunications and related technology industries. He has participated in many of the largest TMT financings including the privatisation of BT and other European PTTs, and the IPOs of a host of new operators such as Telewest, COLT, Orange, Energis etc. and a number of smaller IT IPO and venture fundings.

James was the Founder and Chairman of ETT, a data networking company which he led through several financing rounds and which was successfully acquired by Global Telecom and Technology Inc. (OTC BB: GTLT). From 2002 to 2012, James was Co-founder and a Managing Director of Anthem Corporate Finance, which successfully conducted a variety of M&A, and financing transactions in the TMT and other sectors.

Alan Bonner, Chief Executive Officer (resigning 26th March 2014)

Alan is the group's Chief Executive Officer. He founded Pinnacle Telecom plc in 1998. The business, including Pinnacle Mobile Limited and Sports Club Telecom Limited, reversed into Glen Group plc (later renamed Pinnacle Telecom Group plc) in June 2007. Pinnacle, based in Scotland, grew rapidly as a provider of solutions based telecoms services to the SME market. Alan has led the Company's vision and growth strategy delivering the extensive portfolio of products and skills it offers today. Alan announced on 6th December 2013 his intention to seek a successor.

Nicholas Scallan, Chief Executive Officer (Designate, assuming the role on 3rd March 2014)

Nicholas is Chief Executive Officer (Designate) of the Pinnacle Technology Group. Prior to joining Pinnacle, Nicholas was most recently Director of Customer Solutions at Virgin Media Business. He spent nine years at Virgin Media, holding a number of commercial and operational roles including P&L management of the data products portfolio, customer engineering, and has overseen a number of organisational restructuring activities. Before Virgin Media, Nicholas was at Energis, responsible for broadband, data and internet related programmes. In The Netherlands he held the position of Networks Director for Enertel NV, and was involved in the sale of the business to a Dutch venture capital group. He studied Electrical Engineering at the University of Strathclyde, is a Chartered Engineer and a member of the Institute of Engineering and Technology.

Dr Tom Black, Non-Executive Director

Dr Tom Black was appointed as Non-Executive Director, succeeding John Anderson.

Tom is co-founder and Executive Chairman of Digital Barriers plc, an AIM-listed business focused on the surveillance sector and which operates in the global Homeland Security Market. Prior to setting-up Digital Barriers in 2009, Tom spent over 20 years with Detica Group plc, following studies at the Universities of Strathclyde and Oxford. He joined the business in 1984 and was appointed Chief Executive in 1995. Tom then led the £12m management buyout of Detica in 1997 and the Group's flotation on the London Stock Exchange in April 2002. He then oversaw the acquisition of Detica by BAE Systems in 2008 for £538m. Tom is also a Non-Executive Director of Herald Investment Trust plc (an investor in Pinnacle Group), a Director of Grantdean Ltd and Vantage Racing Ltd, and a Trustee of the Black Family Charitable Trust.

CONSOLIDATED INCOME STATEMENT
for the year ended 30 September 2013

	Note	Year ended 2013 £	Year ended 2012 £
Revenue	2	**10,138,681**	**12,710,446**
Cost of sales		**(6,882,004)**	**(8,750,124)**
Gross profit		**3,256,677**	**3,960,322**
Operating expenses		**(5,692,145)**	**(5,058,014)**
Operating loss		**(2,435,468)**	**(1,097,692)**
Adjusted EBITDA		**(769,103)**	**284,554**
Profit relating to bargain purchase of OCD		-	140,883
Profit relating to contingent consideration		-	90,000
EBITDA before exceptional costs and restructure costs		**(769,103)**	**515,437**
Amortisation of Intangible Assets		(391,165)	(464,960)
Depreciation		(187,751)	(153,049)
Exceptional costs relating to acquisitions and restructure		(419,536)	(564,292)
Impairment of intangible assets		(691,404)	(410,290)
Share based payments		(13,922)	(13,921)
Embedded fair value in convertible loan		18,529	(11,229)
Share of profit from associate		18,884	4,612
Operating Loss	3	**(2,435,468)**	**(1,097,692)**
Interest receivable		**9,532**	**3,257**
Interest payable		**(13,326)**	**(21,123)**
Net Finance expense		**(3,794)**	**(17,866)**
Loss before tax		**(2,439,262)**	**(1,115,558)**
Taxation		**(270,081)**	**218,264**
Loss for the period from continuing operations attributable to the equity holders of the parent	2	**(2,709,343)**	**(897,294)**
Loss per share			
- basic and fully diluted	4	**(9.46p)**	**(4.18p)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2013

	Note	2013 £	2012 £
Non-current assets			
Intangible assets		1,825,317	2,907,886
Investments in Associated Companies		200,055	181,171
Property, plant and equipment		448,969	496,954
Deferred tax asset		-	508,100
Total non-current assets		2,474,341	4,094,111
Current assets			
Inventories		91,222	363,167
Trade and other receivables		1,920,179	2,334,145
Cash and cash equivalents		587,651	129,229
Total current assets		2,599,052	2,826,541
Total assets		5,073,393	6,920,652
Liabilities			
Short term borrowings		(174,719)	(261,781)
Trade and other payables		(1,483,256)	(2,178,867)
Other taxes and social security costs		(266,427)	(685,449)
Accruals and other payables		(999,474)	(1,574,251)
Total current liabilities		(2,923,876)	(4,700,348)
Non-current liabilities			
Long term borrowings		(47,005)	(211,702)
Deferred tax liability		(383,316)	(621,335)
Total liabilities		(3,354,197)	(5,533,385)
Net assets		1,719,196	1,387,267
Equity			
Share capital		6,886,166	5,825,055
Share premium account		6,309,792	4,343,553
Merger reserve		283,357	283,357
Other reserve		66,791	52,869
Fair value adjustment		(1,064,130)	(1,064,130)
Retained earnings		(10,762,780)	(8,053,437)
Total equity		1,719,196	1,387,267

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 September 2013

	Share Capital	Share premium	Merger Reserve	Other reserve	Fair Value	Retained earnings	Total
At 1 October 2011	5,667,056	4,044,052	283,357	38,948	(1,064,130)	(7,156,143)	1,813,140
Loss and total comprehensive loss for the period	-	-	-	-	-	(897,294)	(897,294)
Transactions with owners							
Share Issue	157,999	-	-	-	-	-	157,999
Share based payments	-	-	-	13,921	-	-	13,921
Premium on Share Issue		312,001					312,001
Expenses on Share Issue	-	(12,500)	-	-	-	-	(12,500)
Total Transactions with owners	157,999	299,501	-	13,921	-	-	471,421
Total movements	157,999	299,501	-	13,921	-	(897,294)	(425,873)
Equity at 30 September 2012	5,825,055	4,343,553	283,357	52,869	(1,064,130)	(8,053,437)	1,387,267
At 1 October 2012	5,825,055	4,343,553	283,357	52,869	(1,064,130)	(8,053,437)	1,387,267
Loss and total comprehensive loss for the period	-	-	-	-	-	(2,709,343)	(2,709,343)
Transactions with owners							
Share Issue	1,061,111	-	-	-	-	-	1,061,111
Share based payments	-	-	-	13,922	-	-	13,922
Premium on Share Issue	-	2,028,889	-	-	-	-	2,028,889
Expenses on Share Issue	-	(62,650)	-	-	-	-	(62,650)
Total Transactions with owners	1,061,111	1,966,239	-	13,922	-	-	3,041,272
Total movements	1,061,111	1,966,239	-	13,922	-	(2,709,343)	331,929
Equity at 30 September 2013	6,886,166	6,309,792	283,357	66,791	(1,064,130)	(10,762,780)	1,719,196

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 September 2013

	2013	2012
	£	£
Cash flows from operating activities		
Loss before taxation	(2,439,262)	(1,115,558)
Adjustments for:		
Depreciation	187,751	153,049
Amortisation	391,165	464,960
Impairment of intangible assets	691,404	410,290
Share of (profit)/loss from associate	(18,884)	(4,612)
Share option charge	13,922	13,921
Fair value adjustment for convertible loan	(18,529)	11,229
Bargain purchase of subsidiary	-	(140,883)
Contingent consideration in relation to acquisitions	-	(90,000)
Interest expense	3,794	17,867
Movements on deferred tax	-	(225,403)
(Payment)/Receipt of corporation tax	-	(16,956)
Increase/(decrease) in trade and other receivables	413,966	(13,652)
Increase in inventories	271,946	(33,250)
Increase/(decrease) in trade payables, accruals and other creditors	(1,449,555)	(23,053)
Net cash flow from operating activities	(1,952,282)	(592,051)
Cash flows from investing activities		
Acquisition of business assets, net of cash acquired	-	(356,943)
Purchase of property, plant and equipment	(141,634)	(132,871)
Sale of property, plant and equipment	1,821	-
Interest received	9,532	3,257
Net cash used in investing activities	(130,281)	(486,557)
Cash flows from financing activities		
Issue of shares	2,950,000	365,000
Receipt of invoice discount finance during the year	2,115,218	4,410,761
Repayment of invoice discount finance during the year	(2,389,018)	(4,093,687)
Repayment of convertible loans and bank loans	(15,096)	(15,290)
Expenses paid in connection with share issue	(62,650)	(12,500)
Payment of finance lease liabilities	(21,419)	(22,612)
Interest paid	(13,326)	(21,123)
Net cash from financing activities	2,563,709	610,459
Net (decrease)/increase in cash	481,146	(468,059)
Cash at bank and in hand at beginning of period	(15,628)	452,431
Cash at bank and in hand at end of period	465,518	(15,628)
Comprising:		
Cash at bank and in hand	587,651	129,229
Bank overdrafts	(122,133)	(144,857)
	465,518	(15,628)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Pinnacle Technology Group plc is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on the inside back cover of this report. The principal activity of the group is the provision of IT and telecommunications solutions to businesses in the United Kingdom. The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which each of the Group's subsidiaries operates.

The financial information presented in this preliminary announcement is extracted from, and is consistent with, the Group's audited financial statements for the year ended 30 September 2013. The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

The financial information set out above does not constitute the Company's statutory financial statements for the period ended 30 September 2013 or 30 September 2012 but is derived from those financial statements. Statutory financial statements for 2013 will be delivered following the Company's annual general meeting. The auditors have reported on those financial statements; their report was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The Group's results have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

This preliminary announcement has been agreed with the Company's auditors for release.

2. Segment Reporting

The chief operating decision-maker has been identified as the Chief Executive Officer ("CEO") of the Company. The CEO reviews the Group's internal reporting in order to assess performance and to allocate resources. The Directors present below the results for 2013 and revised 2012 comparisons, based on the reportable operating segments which remain unchanged from the prior year.

The Group currently has five reportable segments:

- IT Services – this segment provides IT support, consultancy, installation and hardware solutions to SME companies.
- IT Security Solutions – this segment provides a range of IT applications and consultancy services in order to secure data and assets for corporate and enterprise companies.
- Cloud Services and Data Connectivity – this segment provides leased lines, data connectivity, wireless solutions, data centre and hosting services, VoIP and other cloud based applications to business customers.
- Telecommunication Services – this sector covers a range of telecommunications services including calls, line rental and telephone system maintenance.
- Mobility Solutions – this segment provides a range of mobile services and solutions to SME companies.

Information regarding the operation of the reportable segments is included below. The CEO assesses the performance of the operating segments based on revenue and a measure of Earnings before Interest, Depreciation and Amortisation (EBITDA) before any allocation of Group overheads or charges for share based payments. Segments are measured below on this basis.

Recurring and renewable reporting segments refer to customers who have entered into ongoing or fixed term contracts with the group to supply services for a duration exceeding 1 month.

The CEO believes that such information is the most relevant in evaluating the results of the segment. The Group's EBITDA for the year has been calculated after deducting Group overheads from the EBITDA of the five segments as reported internally. The Group overheads include the cost of the Board, the costs of maintaining a listing on AIM, legal and professional fees, and the costs of shareholder communications including the costs of retaining a Nominated Advisor and a Broker.

The segment information is prepared using accounting policies consistent with those of the Group as a whole.

The performance of the Group is reviewed by the Chief Executive Officer on a segment basis and have been disclosed. All segments are continuing operations. No customer accounts for more than 10% of external revenues. Inter-segment transactions are accounted for using an arms-length commercial basis.

The majority of assets and liabilities of the Group are pooled centrally and are shared across all operating segments as required, based on demand over time. For this reason, apportionment of assets and liabilities cannot be measured accurately across segments and are therefore not disclosed.

2.1 Analysis of revenue	2013 £	2012 £
By operating segment		
IT Services	1,328,978	1,456,063
IT Security Solutions	2,199,986	3,729,640
Cloud Services and Data Connectivity	2,394,460	2,930,336
Telecommunication Services	3,699,497	4,055,705
Mobility Solutions	515,760	538,702
Continuing operations	10,138,681	12,710,446
Total revenue	10,138,681	12,710,446
By destination		
United Kingdom	10,138,681	12,710,446
Total revenue	10,138,681	12,710,446

By origin	2013 £	2012 £
Continuing operations		
Pinnacle Telecom plc	736,420	1,056,378
Accent Telecom UK Limited	4,019,338	4,234,176
Solwise Telephony Limited	1,155,210	1,678,634
Pinnacle Cloud Solutions Limited	1,957,890	1,217,211
RMS Managed ICT Security Limited	1,842,644	3,574,547
Other group companies	427,179	949,500
Total revenue	10,138,681	12,710,446
By recurring nature		
Recurring and Renewable - continuing operations	8,658,536	10,031,303
Non-Recurring - continuing operations	1,480,145	2,679,143
Total revenue	10,138,681	12,710,446

2.2 Analysis of net loss after tax

2.2.1 By business sector	2013 £	2012 £
IT Services		
Adjusted EBITDA	32,403	(101,764)
Depreciation	(23,619)	(13,438)
Amortisation	(69,118)	(102,522)
Impairment	(75,887)	-
Exceptional Items	(27,761)	(80,750)
Finance Costs	(951)	(740)
(Loss) / Profit from operations before tax	(164,933)	(299,214)
IT Security Solutions		
Adjusted EBITDA	(582,106)	145,688
Depreciation	(26,881)	(22,101)
Amortisation	(180,753)	(160,966)
Impairment	(531,198)	(280,902)
Exceptional Items	(100,627)	(264,766)
Finance Costs	(1,246)	(1,895)
(Loss) / Profit from operations before tax	(1,422,811)	(584,942)
Cloud Services and Data Connectivity		
Adjusted EBITDA	(67,528)	372,933
Depreciation	(74,323)	(96,309)
Amortisation	(86,921)	(93,281)
Impairment	(67,455)	(129,388)
Exceptional Items	(52,902)	(18,000)
Embedded Fair Value in Convertible Loan	18,529	-
Finance Costs	(2,072)	1,768
(Loss) / Profit from operations before tax	(332,672)	37,723
Telecommunication Services		
Adjusted EBITDA	(184,598)	508,802
Depreciation	(58,463)	(16,895)
Amortisation	(42,897)	(108,191)
Impairment	(16,864)	-
Exceptional Items	(221,669)	-
Finance Costs	(6,222)	(2,061)
(Loss) / Profit from operations after amortisation	(530,713)	381,656
Mobility Services		
Adjusted EBITDA	272	35,769
Depreciation	(4,463)	(4,306)
Amortisation	(11,475)	-
Exceptional Items	(16,579)	
Finance Costs	(608)	(274)
(Loss) / Profit from operations after amortisation	(32,853)	31,189
Head office	(225,361)	(463,706)
Continuing operations	(2,709,343)	(897,294)
Total losses	(2,709,343)	(897,294)

2.2.2 By destination

United Kingdom	(2,709,343)	(897,294)

2.2.3 By origin

	2013 £	2012 £
Pinnacle Telecom plc	(324,019)	(170,419)
Accent Telecom UK Limited	48,266	446,969
Solwise Telephony Limited	(155,484)	33,348
Pinnacle Cloud Solutions Limited	(375,672)	(139,136)
RMS Managed ICT Security Limited	(800,376)	(292,236)
Head Office and other group companies	(710,893)	(310,860)
Loss from continuing operations before exceptional items	(2,318,178)	(432,334)
Amortisation	(391,165)	(464,960)
Total losses	(2,709,343)	(897,294)

2.2.4 By recurring nature	2013 £	2012 £
Recurring and renewable - continuing operations	(2,279,556)	(423,062)
Non-Recurring - continuing operations	(38,622)	(9,272)
Profit from continuing operations before amortisation and discontinued	(2,318,178)	(432,334)
Amortisation	(391,165)	(464,960)
Total losses	(2,709,343)	(897,294)

2.2.5 Significant customer revenue

Pinnacle has a diverse and broad customer base, incorporating both public and private sector business customers, from a wide range of industry sectors, operating in the enterprise, corporate and SME markets. The group was not reliant upon any one single customer to contribute more than 10% of its revenue in the financial year to September 2013 or to September 2012.

3. Operating loss	2013 £	2012 £
Loss from operations is stated after charging:		
Depreciation of owned assets	(187,751)	(153,049)
Other operating lease rentals:		
– buildings	(141,302)	(133,246)
Auditors’ remuneration: - audit of parent company	(10,500)	(10,200)

- audit of subsidiary companies	(36,750)	(35,600)

4. Total and continuing loss per share	2013 £	2012 £
Loss attributable to ordinary shareholders	(2,709,343)	(897,294)
	Number	Number
Weighted average number of ordinary shares in issue	28,631,639	21,486,964
Basic and diluted loss per share (pence)	9.46p	4.18p

Both the basic and diluted earnings per share have been calculated using the net loss after taxation attributable to the shareholders of Pinnacle Technology Group plc as the numerator.

5. Post balance sheet events

Management Change planned

On 6 December 2013 the Board issued a trading update for the financial results to 30 September 2013. In the announcement Alan Bonner announced his intention to seek a successor for the Pinnacle Chief Executive role. In the announcement Alan Bonner was hopeful that the Board could soon appoint a new Chief Executive to help us achieve our objectives, ensuring a smooth transition in the best interests of our customers, staff and all other stakeholders.

Closure of Aware Distribution

On 31 October 2013, all trading activity in Aware Distribution Limited was ceased. As part of the strategic review carried out by the Group in July 2013, the retail software distribution business was deemed to be non-core and so the decision was taken to wind down all business activities with closure targeted for 31 October 2013. This objective was achieved and the business became dormant at 31 October 2013. Aware Distribution Limited contributed £427,179 of revenue in 2013 (2012: £155,093) and made an operating losses in 2013 of £101,511 (2012: £9,353).

6. Dividends

The Directors do not propose a dividend for the year ended 30 September 2013 (2012: £Nil).

7. Annual report and accounts

A copy of the Annual Report and Accounts for the year ended 30 September 2013 will be sent to shareholders at the beginning of March 2014 and copies will be available from the Company's register red office at 5 Fleet Place, London, EC4M 7RD or by visiting our website at **www.pinn.uk.com.**

8. Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of N+1 Singer Capital Markets Limited, 1 Bartholomew Lane, London EC2N 2AX on 26th March 2014 at 2:00pm.

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