

PSL Management Limited
Annual report and financial statements
for the year ended 30 April 2017

Registered number: 07890034

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PSL Management Limited

Contents

	Page
Officers and professional advisors	1
Strategic report	2
Directors' report	3
Directors' responsibilities statement	5
Independent auditor's report	6
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

PSL Management Limited

Officers and professional advisors

Directors

K Stringer
P Stringer
M Stringer

Registered office

Norton House
Mansfield Road
Rotherham
S60 2DR

Principal Bankers

National Westminster Bank PLC
135 Bishopsgate
London
EC2M 3UR

Auditor

Deloitte LLP
Statutory Auditor
1 City Square
Leeds
LS1 2AL
United Kingdom

Legal Advisors

Gowling WLG
4 More London Riverside
London
SE1 2AU

PSL Management Limited

Strategic report

PSL Management Limited (the 'Company') provides Insolvency Services to both domestic and commercial clients within the UK. The majority of the Company's business relates to Individual Voluntary Arrangements ('IVAs').

Turnover for the year decreased to £169,470 (2016: £431,923) primarily due to lower levels of new IVA cases during the year. Consequently, profit before tax increased to £38,691 (2016: £15,966).

On 26 August 2016 the Company entered into an agreement with Payplan Bespoke Solutions Limited to collaborate in transferring the IVAs held in the Company, for an initial consideration received upon transfer of the cases and a share of ongoing fee income. The majority of the IVA cases were transferred to Payplan Bespoke Solutions by 15 November 2016. It is the directors' intention to continue trading the Company, focussing on the remaining corporate cases and other potential areas of new business, however future trading is expected to reflect lower levels of turnover and profit than previously earned.

Principle risks and uncertainties

Credit risk

The Company is exposed to credit risk via nominee fees which are collected over a period of time at the start of each customer's contract. However the risk is spread over a large number of customers and is not considered significant by the directors.

Liquidity risk

The Company's liquidity risk is managed by Norton Finance Group Limited ('the Group') and is referred to in the Group's consolidated financial statements.

Regulatory risk

The Company undertakes activities which are regulated by the Insolvency Practitioners Association, however the cessation of IVA trade reduces our exposure to regulatory risk. The Company continues to enhance its quality assurance and compliance functions as part of its ongoing focus on developing a robust and effective risk framework. The directors monitor a number of KPIs including turnover and profit before tax which are both referred to above.

Future developments

The decision of the United Kingdom to trigger Article 50 and commence the formal process of leaving the European Union adds uncertainty to the economic outlook, however no immediate impact on the Company's trading performance is anticipated. The situation will continue to be monitored carefully by the directors.

Approved by the Board and signed on its behalf by:

Mark Stringer – Director

14 December 2017

PSL Management Limited
Norton House
Mansfield Road
Rotherham
S60 2DR



PSL Management Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report, for the year ended 30 April 2017.

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1.

Future developments and events after the balance sheet date are referred to in the Strategic Report.

Financial risk management objectives and policies are referred to in the Group's consolidated financial statements.

Dividends

No dividends will be distributed for the period ended 30 April 2017 (2016: *£nil*).

Directors

The directors, who served throughout the period and thereafter, except as noted, were as follows:

K Stringer
P Stringer
M Stringer

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

PSL Management Limited

Directors' report (continued)

Approved by the Board and signed on its behalf by

A handwritten signature in black ink, appearing to be 'MS', written over a horizontal line.

Mark Stringer – Director

14 December 2017

PSL Management Limited
Norton House
Mansfield Road
Rotherham
S60 2DR

PSL Management Limited

Directors' responsibilities statement

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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of PSL Management Limited

We have audited the financial statements of PSL Management Limited for the year ended 30 April 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 April 2017 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.

Independent auditor's report to the members of PSL Management Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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.



Matthew Bainbridge FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Leeds, United Kingdom

14 December 2017

PSL Management Limited

Profit and loss account

For the period ended 30 April 2017

	Note	2017			2016		
		Continuing operations £	Discontinued operations £	Total £	Continuing operations £	Discontinued operations £	Total £
Turnover	3	50,509	118,961	169,470	41,108	390,815	431,923
Cost of sales		-	(618)	(618)	(9,718)	(29,100)	(38,818)
Gross profit		50,509	118,343	168,852	31,390	361,715	393,105
Other operating expenses		(41,917)	(165,934)	(207,851)	(37,886)	(336,585)	(374,471)
Profit on disposal of operations		-	78,000	78,000	-	-	-
Operating profit		8,592	30,409	39,001	(6,496)	25,130	18,634
Interest payable and similar charges	4	(92)	(218)	(310)	(254)	(2,414)	(2,668)
Profit on ordinary activities before taxation		8,500	30,191	38,691	(6,750)	22,716	15,966
Tax on profit on ordinary activities	8	(1,701)	(6,037)	(7,738)	1,350	(4,543)	(3,193)
Profit on ordinary activities after taxation attributable to equity holders of the Company		6,799	24,154	30,953	(5,400)	18,173	12,773

Other than the Profit recognised in the current and prior period shown above, there were no other recognised gains or losses and therefore no Statement of Other Comprehensive Income is shown.

The notes on pages 11 to 17 are an integral part of these financial statements.

PSL Management Limited

Balance sheet

At 30 April 2017

	Note	2017 £	2016 £
Current assets			
Debtors	9	4,054	56,084
Cash at bank and in hand		66,836	31,757
		<hr/>	<hr/>
		70,890	87,841
Creditors: Amounts falling due within one year	10	(30,328)	(78,232)
		<hr/>	<hr/>
Net current assets		40,562	9,609
		<hr/>	<hr/>
Net assets		40,562	9,609
		<hr/>	<hr/>
Capital and reserves			
Called-up share capital	11	100	100
Profit and loss account		40,462	9,509
		<hr/>	<hr/>
Shareholders' funds		40,562	9,609
		<hr/>	<hr/>

The financial statements were approved by the board of directors and authorised for issue on 14 December 2017. They were signed on its behalf by:



Mark Stringer – Director

Company number: 07890034

The accompanying notes on pages 11 to 17 are an integral part of this balance sheet.

PSL Management Limited

Statement of changes in equity

At 30 April 2017

	Called-up share capital £	Profit and loss account £	Total £
At 1 May 2015	100	(3,264)	(3,164)
Profit for the financial year	-	12,773	12,773
	<hr/>	<hr/>	<hr/>
As at 30 April 2016	100	9,509	9,609
Profit for the financial year	-	30,953	30,953
	<hr/>	<hr/>	<hr/>
As at 30 April 2017	100	40,462	40,562
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PSL Management Limited

Notes to the financial statements For the year ended 30 April 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

General information and basis of accounting

The Company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Norton Finance Group Limited, which may be obtained from the Company's registered offices. Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement, remuneration of key management personnel and related party transactions.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Taxation

Current tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

PSL Management Limited

Notes to the financial statements (continued)

For the year ended 30 April 2017

1. Accounting policies (continued)

Taxation (continued)

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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

Turnover

Turnover represents fees received on services provided under Individual Voluntary Arrangements (IVAs) and in relation to commercial insolvency services.

Turnover arising from nominee fees is recognised once approval for the arrangement or services has been obtained at the meeting of creditors, net of a provision for amounts not expected to be received on the basis of historic experience. Supervisory fees are recognised as the contractual entitlement arises.

All turnover arose within the UK.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

Due to the nature of the Company, no accounting judgements are deemed to be of a critical nature, or relying upon significant levels of estimation.

PSL Management Limited

Notes to the financial statements (continued) For the year ended 30 April 2017

3. Turnover

	2017 £	2016 £
IVA services	118,961	390,815
Corporate insolvency services	50,509	41,108
	<u>169,470</u>	<u>431,923</u>

4. Finance costs

	2017 £	2016 £
Interest payable on intercompany balances	310	2,668
	<u>310</u>	<u>2,668</u>

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2017 £	2016 £
Auditor's remuneration	3,000	3,000
Auditor's remuneration for non-audit work – tax compliance services	1,000	1,000
	<u>4,000</u>	<u>4,000</u>

6. Staff costs

The average monthly number of employees (excluding directors) was:

	2017 Number	2016 Number
Administration	2	6
	<u>2</u>	<u>6</u>

PSL Management Limited

Notes to the financial statements (continued) For the year ended 30 April 2017

6. Staff costs (continued)

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	28,393	108,832
Social security costs	1,627	7,986
Other pension costs	162	1,113
	<u>30,182</u>	<u>117,931</u>

7. Directors' remuneration

Directors are remunerated via a fellow Group subsidiary with their relevant costs recharged accordingly within the Group. Costs recharged to the Company in the current year totalled £21,578 (2016: £13,756)

8. Tax on profit on ordinary activities

	2017 £	2016 £
The tax charge comprises:		
Current tax:		
UK corporation tax	7,738	3,193
Adjustments in respect of prior periods	-	-
Total current tax	<u>7,738</u>	<u>3,193</u>
 Tax on profit on ordinary activities	 <u>7,738</u>	 <u>3,193</u>

PSL Management Limited

Notes to the financial statements (continued) For the year ended 30 April 2017

8. Tax on profit on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2017 £	2016 £
Profit on ordinary activities before tax	38,691	15,966
Tax on profit at standard UK tax rate of 19.92% (2016: 20.00%)	7,738	3,193
Expenses not deductible for tax purposes	-	-
Adjustment to tax charge in respect of previous periods	-	-
Current tax charge for the year	7,738	3,193

The Finance (No.2) Act 2015 reduced the rate of corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. A further rate reduction to 17% (with effect from 1 April 2020, replacing the 18% rate) was enacted in the Finance Act 2016. Deferred tax assets and liabilities in these accounts have been calculated at 17% (2016: 18%), being the rate substantively enacted at the balance sheet date.

9. Debtors

	2017 £	2016 £
Trade debtors	2,166	19,515
Other debtors	(1,154)	1,009
Amounts owed by Group undertakings	-	-
Prepayments	3,042	35,560
	4,054	56,084

PSL Management Limited

Notes to the financial statements (continued) For the year ended 30 April 2017

10. Creditors – amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,486	18,873
Taxation	11,730	3,183
Social security and other taxes	(4,617)	1,002
Amounts due to Group undertakings	-	48,771
Accruals and deferred income	19,729	6,403
	<u>30,328</u>	<u>78,232</u>

At the year ended 30 April 2017 £25,970 (2016: £860,867) of cash is held on behalf of clients in trust accounts and not included on the balance sheet.

11. Called-up share capital and reserves

	2017 £	2016 £
Allotted, called-up and fully-paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

The Company has one class of ordinary shares which carry no right to fixed income. The Company's other reserves are the profit and loss reserve representing cumulative profits and losses.

12. Contingent liabilities

There is an unlimited cross guarantee secured on the Company's assets to support the bank borrowings of fellow subsidiary Norton Home Loans Limited. The amount owing by that company at the balance sheet date was £43,250,000 (2016: £41,250,000).

13. Related party transactions

Advantage has been taken of the provisions of FRS 102 Section 33 "Related Party Disclosures" not to disclose transactions with Group companies. No other related party transactions are noted in the year (2016: £nil).

14. Employee benefits

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss for year ended 30 April 2017 was £162 (2016: £1,113).

PSL Management Limited

Notes to the financial statements (continued) For the year ended 30 April 2017

15. Controlling party

Norton Finance Group Limited (incorporated in the UK) is the ultimate parent company. Norton Finance Group Limited prepares consolidated accounts as the largest and smallest group to which the Company is a member. Copies of the Group financial statements are available to the public on request at the company's registered address, Norton House, Mansfield Road, Rotherham, S60 2DR. Mr K Stringer a director of Norton Finance Group Limited, and Mrs J S Stringer, both domiciled in the UK, control Norton Finance Group Limited as a result of controlling 75 per cent of the issued share capital of that company.