

PSL Management Limited
Annual report and financial statements
for the year ended 30 April 2018

Registered number: 07890034



PSL Management Limited

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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').

Following the cessation of active trading in the IVA market and sale of the IVA book in 2016, the company has operated under the agreed arrangement with Payplan Bespoke Solutions Limited ('Payplan'), whereby the Company receives a share of the on-going fee income from the remaining active cases in the book. Revenue generated under this arrangement for the year totals £30,119 and is shown as a new income stream in the year, with the historic IVA revenue stream presented as a single discontinued operation line. The on-going fee income is expected to decline gradually as the IVA cases are completed.

The Company's primary focus is on managing the remaining corporate insolvency cases, with no intention of actively seeking new leads. As a result, on a continuing operations basis, total revenue for the year has decreased to £46,586 (2017: £50,509).

Profit after taxation has decreased to £15,404 (2017: £30,954) reflecting the reduction in active trading following the IVA sale. It is the director's intention to continue trading the Company until the remaining corporate cases and trail IVA cases have been completed.

Principle risks and uncertainties

Credit risk

As the Company is operating primarily under the on-going fee arrangement with Payplan, the Company's main credit risk exposure is in relation to the receipt of those on-going fees from Payplan which is dependent on the successful collection from the customer. However the risk is spread over a number of customers, and as the number of both IVA and corporate cases declines due to resolution, this in turn reduces the overall credit risk of the Company on the remaining outstanding cases.

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 maintains its quality assurance and compliance functions through a robust and effective risk framework.

KPI's

As the Company is no longer actively trading in the market and managing the remaining IVA and corporate cases, the Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

PSL Management Limited

Officers and professional advisors

Future developments

No significant changes are anticipated in the year ahead and there have been no significant events after the balance sheet date to make reference to here.

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

9th October 2018

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 2018.

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.

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 2018 (2017: £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.

Approved by the Board and signed on its behalf by



Mark Stringer – Director

9th October 2018

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of PSL Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Use of our report

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

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

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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

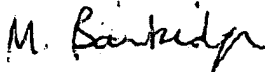
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters

Use of our report

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



Matthew Bainbridge FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Leeds, United Kingdom

9th October 2018

PSL Management Limited

Profit and loss account

For the period ended 30 April 2018

		<i>Re-presented (see note 1)</i>	
		2018	2017
	Note	£	£
Turnover	3	46,586	50,509
Cost of sales		-	-
Gross profit		<u>46,586</u>	<u>50,509</u>
Other operating expenses		(30,499)	(41,917)
Operating profit		<u>16,087</u>	<u>8,592</u>
Interest receivable/(payable) and similar charges	4	2,937	(92)
Profit on ordinary activities before taxation		<u>19,024</u>	<u>8,500</u>
Tax on profit on ordinary activities	8	(3,620)	(1,700)
Profit for the period from discontinued operations		-	24,154
Profit on ordinary activities after taxation attributable to equity holders of the Company		<u>15,404</u>	<u>30,954</u>

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 12 to 18 are an integral part of these financial statements.

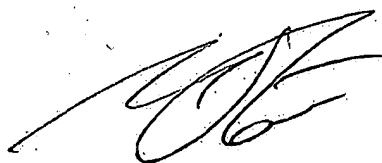
PSL Management Limited

Balance sheet

At 30 April 2018

	Note	2018 £	2017 £
Current assets			
Debtors	9	61,273	4,054
Cash at bank and in hand		18,246	66,836
		<u>79,519</u>	<u>70,890</u>
Creditors: Amounts falling due within one year	10	(23,503)	(30,328)
Net current assets		<u>56,016</u>	<u>40,562</u>
Net assets		<u>56,016</u>	<u>40,562</u>
Capital and reserves			
Called-up share capital	11	100	100
Profit and loss account		55,916	40,462
Shareholders' funds		<u>56,016</u>	<u>40,562</u>

The financial statements were approved by the board of directors and authorised for issue on 9th October 2018. They were signed on its behalf by:



Mark Stringer – Director

Company number: 07890034

The accompanying notes on pages 12 to 18 are an integral part of these financial statements.

PSL Management Limited

Statement of changes in equity

At 30 April 2018

	Called-up share capital £	Profit and loss account £	Total £
At 1 May 2016	100	9,509	9,609
Profit for the financial year	-	30,954	30,954
As at 30 April 2017	100	40,463	40,563
Profit for the financial year	-	15,404	15,404
As at 30 April 2018	100	55,867	55,967

The accompanying notes on pages 12 to 18 are an integral part of these financial statements.

PSL Management Limited

Notes to the financial statements (continued) For the year ended 30 April 2018

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.

Re-presentation of prior year financials

The directors have re-presented the FY17 figures to present discontinued operations as a single profit line rather than the 2-column approach adopted in the FY17 financial statements. Due to the discontinued operation contributing zero in the current year, the single line approach is deemed to better present the comparison between the FY18 and FY17 on a continued operation basis.

As a result, the FY17 column in the Profit and loss account has been re-presented to show only continuing operations on a financial statement line basis with profit from discontinued operations shown separately. In addition, applicable notes to the financial statements for FY17 have been re-presented to reflect only continuing operations.

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.

PSL Management Limited

Notes to the financial statements (continued) For the year ended 30 April 2018

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.

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)

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 2018

3. Turnover

	2018 £	Re-presented (see note 1) 2017 £
IVA services	30,119	-
Corporate insolvency services	16,467	50,509
	<u>46,586</u>	<u>50,509</u>

4. Finance costs (net)

	2018 £	Re-presented (see note 1) 2017 £
Interest payable on intercompany balances	-	92
Interest receivable	2,937	-
	<u>2,937</u>	<u>92</u>

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2018 £	2017 £
Auditor's remuneration- audit of financial statements	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:

	2018 Number	2017 Number
Administration	1	2
	<u>1</u>	<u>2</u>

PSL Management Limited

Notes to the financial statements (continued) For the year ended 30 April 2018

6. Staff costs (continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,790	28,393
Social security costs	68	1,627
Other pension costs	9	162
	<u>1,867</u>	<u>30,182</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 £ 8,185 (2017: £21,578).

8. Tax on profit on ordinary activities

	2018 £	Re-presented (see note 1) 2017 £
The tax charge comprises:		
Current tax:		
UK corporation tax	3,620	1,700
Adjustments in respect of prior periods	-	-
Total current tax	<u>3,620</u>	<u>1,700</u>
 Tax on profit on ordinary activities	 <u>3,620</u>	 <u>1,700</u>

PSL Management Limited

Notes to the financial statements (continued) For the year ended 30 April 2018

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:

	2018 £	Re-presented (see note 1) 2017 £
Profit on ordinary activities before tax	19,024	8,500
Tax on profit at standard UK tax rate of 19.00% (2017: 19.92 %)	3,620	1,700
Expenses not deductible for tax purposes	-	-
Adjustment to tax charge in respect of previous periods	-	-
Current tax charge for the year	3,620	1,700

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% (2017: 17%), being the rate substantively enacted at the balance sheet date.

9. Debtors

	2018 £	2017 £
Trade debtors	564	2,166
Other debtors	(3,552)	(1,154)
Amounts owed by Group undertakings	58,219	-
Prepayments	6,042	3,042
	61,273	4,054

PSL Management Limited

Notes to the financial statements (continued) For the year ended 30 April 2018

10. Creditors – amounts falling due within one year

	2018	2017
	£	£
Trade creditors	(540)	3,486
Taxation	3,621	11,730
Social security and other taxes	1,316	(4,617)
Amounts due to Group undertakings	-	-
Accruals and deferred income	19,106	19,729
	<u>23,503</u>	<u>30,328</u>

At the year ended 30 April 2018 £nil (2017: £25,970) 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

	2018	2017
	£	£
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 £45,500,000 (2017: £43,250,000).

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 (2017: £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 2018 was £9 (2017: £162).

PSL Management Limited

Notes to the financial statements (continued)

For the year ended 30 April 2018

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.