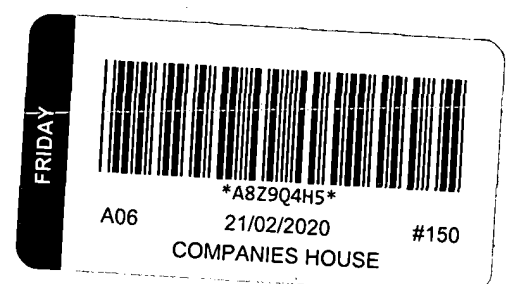


Registered number: 06033060

NSL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019



NSL LIMITED

COMPANY INFORMATION

Directors	M Hoskin G Hughes (resigned 12 March 2019) R J Shearer N J Coltman (resigned 31 August 2018)
Company secretary	Squire Patton Boggs Secretarial Services Limited
Registered number	06033060
Registered office	Rutland House 8th Floor 148 Edmund Street Birmingham B3 2JR
Independent auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	Lloyds Bank Plc 10 Gresham Street London EC2V 7AE
Solicitors	Squire Patton Boggs (UK) LLP 2 Park Lane Leeds LS3 1ES

NSL LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 33

NSL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2019

Introduction

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Principal activity

The principal activities of NSL Limited ("the company") during the period were managed through four UK business sectors.

- (1) Civil Parking Enforcement
- (2) DVLA Enforcement
- (3) Transportation back office processing
- (4) Airport transport services

Business review

The directors are satisfied with the performance of the business and of the group for the period. On a comparable twelve month basis revenue increased by 5.5% from £155m for the 12 months ending May 2018 to £164m for the 12 months ending May 2019. The group's key financial and other performance indicators are as follows:

	2019	2018
Turnover	£163.8m	£155.0m
Number of contracts	88	93

NSL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2019**

Principal risks and uncertainties

The directors have considered the effect of risk on the company's business. The principal risks considered are as outlined below:

Liquidity

In the directors' view, the company has adequate resources to continue in operational existence for the foreseeable future.

People

The company is reliant upon its key employees in order to maintain its competitive advantage. The company manages this risk through effective management, training and development, and the alignment of pay and benefits to market rates.

Regulatory environment

The company's services are subject to extensive legal and regulatory requirements laid down by the NHS, local and central government, and guidelines issued by the British Parking Association. Compliance with best practice is promoted through rigorous in-house training programmes. This is monitored through regular audit, review and inspections on each contract.

Competition

The company operates in a competitive industry and recognises that new competitors could possibly enter into its markets. There is no significant short term risk because of the long term nature of the company's contracts, it manages the long term risk by developing strong customer relationships backed by a consistent high quality service delivery.

Price

If inflation in labour costs exceeds the agreed inflationary uplifts of contracts then future contract profitability will decrease. The company has historically managed this through proactive engagement with colleagues in employment, their representatives (including trades union bodies) and clients.

This report was approved by the board on 20 December 2019 and signed on its behalf.



.....
R Shearer
Director

NSL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2019

The directors present their report and the financial statements for the year ended 31 May 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements 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;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £11,104,000 (2018 - £8,790,000).

The directors do not recommend a payment of a dividend (2018: £nil).

Going concern

The directors have considered forecast financial performance, recoverability of assets and financial liability for a period extending at least 12 months from the date of approval of these financial statements. The directors therefore have reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing these financial statements.

Directors

The directors who served during the year were:

M Hoskin
G Hughes (resigned 12 March 2019)
R J Shearer
N J Coltman (resigned 31 August 2018)

NSL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2019**

Future developments

2019/20 will focus on arriving new business opportunities both from existing and new clients into introduction of new service offerings for local and central Government clients.

Employee involvement

The company continues to involve its staff in the future development of the business. Information is provided to employees through newsletters, the group's intranet, and via regular memoranda from management.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 December 2019 and signed on its behalf.



R J Shearer
Director

NSL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSL LIMITED

Opinion

We have audited the financial statements of NSL Limited (the 'Company') for the year ended 31 May 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2019 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

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 Auditors' 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

NSL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSL LIMITED (CONTINUED)

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 this regard.

Opinion 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.

Matters on which we are required to report by exception

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 material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

NSL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSL LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Gary Jones (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
London
Date:

20 December 2019

NSL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2019**

	Note	2019 £000	2018 £000
Turnover	4	163,763	155,250
Gross profit		163,763	155,250
Administrative expenses		(152,144)	(143,721)
Operating profit	5	11,619	11,529
Interest receivable and similar income	9	24	8
Interest payable and expenses	10	(419)	(85)
Profit before tax		11,224	11,452
Tax on profit	11	(120)	(2,662)
Profit for the financial year		11,104	8,790
Other comprehensive income for the year			
Actuarial gains on defined benefit pension scheme		(1,310)	2,290
Movement of deferred tax relating to pension deficit		173	(389)
Other comprehensive income for the year		(1,137)	1,901
Total comprehensive income for the year		9,967	10,691

The notes on pages 11 to 33 form part of these financial statements.


The above results were derived from continuing operations.

NSL LIMITED
REGISTERED NUMBER: 06033060

BALANCE SHEET
AS AT 31 MAY 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	12	26,112	28,684
Tangible assets	13	4,652	4,782
Investments	14	3,733	3,733
		<u>34,497</u>	<u>37,199</u>
Current assets			
Debtors: amounts falling due after more than one year	15	2,133	2,087
Debtors: amounts falling due within one year	15	44,828	38,136
Cash at bank and in hand	16	17,153	12,940
		<u>64,114</u>	<u>53,163</u>
Creditors: amounts falling due within one year	17	(69,530)	(54,868)
Net current liabilities		<u>(5,416)</u>	<u>(1,705)</u>
Total assets less current liabilities		<u>29,081</u>	<u>35,494</u>
Creditors: amounts falling due after more than one year	18	(1,477)	(18,985)
Provisions for liabilities			
Other provisions	22	(2,396)	(1,268)
Net assets		<u><u>25,208</u></u>	<u><u>15,241</u></u>
Capital and reserves			
Called up share capital	23	1,481	1,481
Profit and loss account		23,727	13,760
		<u><u>25,208</u></u>	<u><u>15,241</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2019.



 R J Shearer
 Director

The notes on pages 11 to 33 form part of these financial statements.

NSL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2019

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 June 2017	1,481	3,069	4,550
Profit for the year	-	8,790	8,790
Other comprehensive income	-	1,901	1,901
At 1 June 2018	1,481	13,760	15,241
Profit for the year	-	11,104	11,104
Other comprehensive income	-	(1,137)	(1,137)
At 31 May 2019	1,481	23,727	25,208

The notes on pages 11 to 33 form part of these financial statements.

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

1. General information

NSL Limited ("the company") is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:
Rutland House, 8th Floor
148 Edmund Street
Birmingham
B3 2JR

The nature of the company's operations and its principal activities are set out in the Strategic report on pages 1 to 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

NSL Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The following principal accounting policies have been applied:

2.2 Related party disclosure exemption

The company has taken advantage of the exemption available under FRS 102, section 33.1A, not to disclose transactions with wholly-owned members of the Marston Group headed by Marston Corporate Limited.

2.3 Group financial statements

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because it is a wholly owned subsidiary of Marston (Holdings) Limited which prepares consolidated financial statements that are publicly available. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.4 Going concern

The directors have considered forecast financial performance, recoverability of assets and financial liability for a period extending at least 12 months from the date of approval of these financial statements. The directors therefore have reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing these financial statements.

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	20 years straight line
Computer software	-	3 to 5 years straight line

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- four to seven years
Fixtures and fittings	- four to ten years
Computer equipment	- three to five years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

2. Accounting policies (continued)

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Financial assets and liabilities

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

2. Accounting policies (continued)

2.18 Financial assets and liabilities (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, 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.

There were no significant estimates or judgements used in preparing these financial statements

4. Turnover

An analysis of turnover by class of business is as follows:

	Year ended 31 May 2019 £000	Year ended 31 May 2018 £000
Civil Parking Enforcement	117,265	110,439
DVLA enforcement	24,329	21,907
Transportation	17,196	19,078
Airport back office processing	4,659	3,826
Other	314	-
	<u>163,763</u>	<u>155,250</u>

All turnover arose within the United Kingdom.

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

5. Operating profit

The operating profit is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible assets owned by the company	2,356	2,710
Amortisation of intangible assets	3,583	3,698
Operating lease expense - plant and machinery	-	2,854
Operating lease expense - other operating lease costs	-	4,212
	<u> </u>	<u> </u>

6. Auditors' remuneration

	2019 £000	2018 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	55	55
	<u> </u>	<u> </u>

7. Employees

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	85,503	83,243
Social security costs	7,758	7,714
Cost of defined contribution scheme	1,649	2,617
	<u>94,910</u>	<u>93,574</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Operational	3,693	3,641
Administration	57	84
	<u>3,750</u>	<u>3,725</u>

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

8. Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £000	2018 £000
Emoluments	-	371
Pension contributions	-	30
	<u>-</u>	<u>401</u>

No director received remuneration in the period (2018: £371,000) nor was any pension contributions paid on their behalf (2018: £30,000).

All directors' cost were borne by another group company.

9. Interest receivable

	2019 £000	2018 £000
Other interest receivable	24	8
	<u>24</u>	<u>8</u>

10. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	350	85
Other interest payable	69	-
	<u>419</u>	<u>85</u>

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

11. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	120	2,662
	<u>120</u>	<u>2,662</u>
Total current tax	<u>120</u>	<u>2,662</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19 %). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	11,224	11,452
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19 %)	2,133	2,176
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	789	648
Adjustments to tax charge in respect of prior periods	(2,821)	(128)
Group relief	27	(45)
Tax rate changes	(8)	11
Total tax charge for the year	<u>120</u>	<u>2,662</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The Finance Act 2015 included changes which will affect the future tax charge. The rate of corporation tax will reduce to 17% from 1 April 2020. This will reduce the company's future tax charge accordingly. The deferred tax assets and liabilities at 31 May 2019 have been calculated based on these rates.

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

12. Intangible assets

	Computer software £000	Goodwill £000	Total £000
Cost			
At 1 June 2018	2,210	63,825	66,035
Additions	1,010	-	1,010
At 31 May 2019	3,220	63,825	67,045
Amortisation			
At 1 June 2018	1,340	36,011	37,351
Charge for the year	431	3,151	3,582
At 31 May 2019	1,771	39,162	40,933
Net book value			
At 31 May 2019	1,449	24,663	26,112
At 31 May 2018	870	27,814	28,684

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

13. Tangible fixed assets

	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 June 2018	3,162	2,832	4,982	10,976
Additions	449	352	1,426	2,227
At 31 May 2019	3,611	3,184	6,408	13,203
Depreciation				
At 1 June 2018	1,524	1,739	2,931	6,194
Charge for the year on owned assets	565	467	1,325	2,357
At 31 May 2019	2,089	2,206	4,256	8,551
Net book value				
At 31 May 2019	1,522	978	2,152	4,652
At 31 May 2018	1,638	1,093	2,051	4,782

14. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 June 2018	3,733
At 31 May 2019	3,733

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Holding
Project Centre Limited	United Kingdom	Design and consultancy	100%

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

15. Debtors

	2019 £000	2018 £000
Due after more than one year		
Deferred tax asset	2,133	2,087
	<u>2,133</u>	<u>2,087</u>
	2019 £000	2018 £000
Due within one year		
Trade debtors	14,976	13,470
Amounts owed by group undertakings	20,222	14,406
Other debtors	302	314
Prepayments and accrued income	9,328	9,946
	<u>44,828</u>	<u>38,136</u>

16. Cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	17,153	12,940
	<u>17,153</u>	<u>12,940</u>

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

17. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	3,818	3,354
Amounts owed to group undertakings	38,883	21,891
Corporation tax	1,178	2,596
Other taxation and social security	7,505	6,816
Other creditors	62	-
Accruals and deferred income	18,084	20,211
	<u>69,530</u>	<u>54,868</u>

The amount due to group undertakings are unsecured, are repayable on demand and interest free.

Included in other creditors is £62,000 (2018:£75,000) relating to pension contributions to be paid over to the relevant employee pension schemes within one month of the end of the financial period.

18. Creditors: Amounts falling due after more than one year

	2019 £000	2018 £000
Net obligations under finance leases and hire purchase contracts	1,477	694
Amounts owed to group undertakings	-	18,291
	<u>1,477</u>	<u>18,985</u>

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the balance sheet date.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £000	2018 £000
Within one year	-	(137)
Between 1-5 year	-	(616)
	<u>-</u>	<u>(753)</u>

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

20. Financial instruments

	2019 £000	2018 £000
Financial assets		
Financial assets measured at fair value through profit or loss	17,153	12,940
Financial assets that are debt instruments measured at amortised cost	41,999	36,301
	<u>59,152</u>	<u>49,241</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(51,066)</u>	<u>(52,115)</u>
Financial assets measured at fair value through profit or loss comprise...		
Financial assets that are debt instruments measured at amortised cost comprise...		
Financial liabilities measured at amortised cost comprise...		

21. Deferred taxation

	2019 £000	2018 £000
At beginning of year	2,087	2,087
Charged to profit or loss	46	-
At end of year	<u>2,133</u>	<u>2,087</u>
	2019 £000	2018 £000
Accelerated capital allowances	1,600	1,527
Tax losses carried forward	533	480
To be analysed	-	80
	<u>2,133</u>	<u>2,087</u>

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

22. Provisions

	General provision £000	Dilapidation s provision £000	Employee related £000	Total £000
At 1 June 2018	23	1,190	55	1,268
Charged to profit or loss	(22)	(160)	1,310	1,128
At 31 May 2019	1	1,030	1,365	2,396

23. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
14,812,491 (2018 - 14,812,490) Ordinary shares of £0.10 each	1,481	1,481

24. Commitments under operating leases

At 31 May 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Land and Buildings		
Not later than 1 year	3,779	3,628
Later than 1 year and not later than 5 years	9,369	7,771
Later than 5 years	2,664	208
	15,812	11,607
Vehicles		
Not later than 1 year	709	1,320
Later than 1 year and not later than 5 years	765	1,451
	1,474	2,771

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

25. Pension and other schemes

Prudential Platinum - NSL Limited

The Company sponsors Prudential Platinum - NSL Limited, a funded defined benefit pension scheme in the UK. The scheme is set up on a tax relieved basis as a separate trust independent of the Company and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

This scheme provides pensions and lump sums to members on retirement and to their dependants on death. Members who leave service before retirement are entitled to a deferred pension.

Active members of the scheme pay contributions at a rate depending on their benefit structure and the Company pays the balance of the cost as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

The scheme poses a number of risks to the Company, for example longevity risk, investment risk, interest rate risk, inflation risk and salary risk. The trustees are aware of these risks and use various techniques to control them. The trustees have a number of internal control policies including a risk register, which are in place to manage and monitor the various risks they face.

The scheme is subject to regular actuarial valuations, which are usually carried out every three years. The next actuarial valuation is due to be carried out with an effective date of 31 December 2018. These actuarial valuations are carried out in accordance with the requirements of the Pensions Act 2004 and so include deliberate margins for prudence. This contrasts with these accounting disclosures, which are determined using best estimate assumptions.

A formal actuarial valuation was carried out as at 31 December 2018. The results of that valuation have been projected to 31 May 2019 by a qualified independent actuary. The figures in the following disclosure were measured using the Projected Unit Method.

The amounts recognised in the balance sheet are as follows:

	31 May 2019	31 May 2018
	£000	£000
Present value of scheme liabilities	(9,558)	(9,327)
Fair value of scheme assets	10,649	10,240
Funded Status	<u>1,091</u>	<u>913</u>
Restiction on asset recognised	<u>(1,091)</u>	<u>(913)</u>
Net amount recognised at year end	<u>-</u>	<u>-</u>

The amounts recognised in comprehensive income are:

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in the employee benefits expense in the statement of comprehensive income. Remeasurements of the net defined benefit liability are included in other comprehensive income.

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

	31 May 2019	31 May 2018
Service Cost:	£000	£000
Current service cost (net of employee contribution)	240	309
Administration expenses	59	71
Net interest credit	(26)	(13)
 Charge recognised in P&L	 273	 367
 Remeasurements of the net liability:		
Return on scheme assets (excluding amount included in interest expense)	(163)	11
Loss/(gain) arising from changes in financial assumptions	141	(425)
Experience loss/(gain)	(94)	1
 Credit recorded in other comprehensive income	 (116)	 (413)
 Total defined benefit cost/(credit)	 157	 (46)
 The principal actuarial assumptions used were:		
	31 May 2019	31 May 2018
Liability discount rate	2.65%	2.65%
Inflation assumption - RPI	3.20%	3.30%
Inflation assumption - CPI Rate of increase in salaries	2.20%	2.30%
Rate of increase in salaries	2.90%	2.80%
 Revaluation of deferred pensions:		
In line with RPI	3.20%	3.30%
In line with CPI	2.20%	2.30%
 Increases for pensions in payment:		
RPI max 6%	2.90%	3.00%
 Proportion of employees opting for early retirement	0.00%	0.00%
Proportion of employees commuting pension for cash	0.00%	0.00%
 Mortality assumption - pre retirement	See below	See below
Mortality assumption - male post retirement	SAPS S2PMA CMI_2015_M 1.5% long term trend	SAPS S2PMA CMI_2015_M 1.5% long term trend
Mortality assumption - female post retirement	SAPS S2PFA CMI_2015_F	SAPS S2PFA CMI_2015_F
 Expected age at death of current pensioner at age 65:		
Male aged 65 at year end:	87.7	87.6
Female aged 65 at year end:	89.8	89.7
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end:	89.9	89.8

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

Female aged 45 at year end:	92.1	92.0
-----------------------------	------	------

Changes in the present value of assets over the period:

	31 May 2019	31 May 2018
	£000	£000
Fair value of assets at start of period	10,240	10,114
Interest income	286	261
Return on assets (excluding amount included in net interest expense)	163	(11)
Remeasurement in respect of asset ceiling	(1,091)	(913)
Contributions from the employer	335	348
Contributions from employees	18	27
Benefits paid	(334)	(428)
Administration expenses	(59)	(71)
Fair value of assets at end of period	<u>9,558</u>	<u>9,327</u>
Actual return on assets over the period	449	250

Changes in the present value of liabilities over the period:

	31 May 2019	31 May 2018
	£000	£000
Liabilities at start of period	9,327	9,595
Current service cost	240	309
Interest cost	260	248
Contributions from employees	18	27
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	141	(425)
Other experience items	(94)	1
Benefits paid	(334)	(428)
Liabilities at end of period	<u>9,558</u>	<u>9,327</u>

The split of the scheme's liabilities by category of membership is as follows:

	31 May 2019	31 May 2018
Active members	8,063	7,905
Deferred pensioners	1,100	1,015
Pensions in payment	394	407
	<u>9,558</u>	<u>9,327</u>

Average duration of the scheme's liabilities at the end of the period (years)	22	22
---	----	----

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

The major categories of scheme assets are as follows:

	31 May 2019 £000	31 May 2018 £000
Return seeking		
UK equities	1,395	1,440
Overseas equities	1,456	1,417
Diversified growth	1,162	1,185
Return seeking subtotal	<u>4,013</u>	<u>4,042</u>
Debt instruments		
Corporates	3,063	2,900
Index-linked	3,261	2,970
Debt instrument subtotal	<u>6,324</u>	<u>5,870</u>
Other		
Annuities	301	304
Cash	12	24
Other	312	328
Total market value of assets	<u><u>10,942</u></u>	<u><u>10,240</u></u>

The Scheme has no investments in the Company or in property occupied by the Company.

The Company expects to contribute £315,000 to the Scheme during year ending 31 May 2020

Sensitivity of the liability value to changes in the principal assumptions

If the discount rate was 0.1 percent higher (lower), the scheme liabilities would decrease by £205k (increase by £211k) if all the other assumptions remained unchanged.

If the inflation assumption was 0.1 percent higher (lower), the scheme liabilities would increase by £188k (decrease by £182k). In this calculation all assumptions related to the inflation assumption have been appropriately adjusted, that is the salary, deferred pension and pension in payment increases. The other assumptions remain unchanged.

If the salary increase assumption was 0.1 percent higher (lower), the scheme liabilities would increase by £20k (decrease by £20k) if all the other assumptions remained unchanged. If life expectancies were to increase (decrease) by 1 year, the scheme liabilities would increase by £335k (decrease by £345k) if all the other assumptions remained unchanged.

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

Local Government Pension Scheme - NSL Limited

NSL Limited participated in 22 local Funds of the Local Government Pension Scheme ("the Scheme") over the financial year. The LGPS is a funded multi-employer defined benefit pension scheme in the UK. Each LGPS Fund is administered by the Local Authority named as the 'Administering Authority'. The Administering Authority act in the interest of the Scheme and all relevant stakeholders, including the members and all the participating employers. The Administering Authority is also responsible for the investment of the Fund's assets. At the year-end NSL participated in 19 local Funds.

Pension benefits accrued prior to 31 March 2014 (31 March 2015 in Scotland) are based on members' service and their Final Pensionable Salary at retirement (or earlier leaving). Different accrual rates, cash entitlements and retirement ages apply to different tranches of benefits accrued prior to this date. Pension benefits accrued from 1 April 2014 (1 April 2015 in Scotland) are determined on a Career Average Revalued Earnings basis, with an accrual rate of 1/49ths. Members who leave service before retirement are entitled to a deferred pension and death & Ill-health benefits are provided by the Scheme.

Active members of the Scheme pay contributions as set out in LGPS Regulations. NSL Limited pay contributions to each Fund in which it participates at different rates, set each triennial valuation by the Fund Actuary and documented in the Rates and Adjustments certificate. The previous actuarial valuation was carried out as at 31 March 2016 (31 March 2017 in Scotland), following which contribution rates for the period from 1 April 2018 to 31 March 2021 were set (from 2019 to 2022 in Scotland). The next actuarial valuation takes place as at 31 March 2019 (31 March 2020 in Scotland), following which contribution rates from 1 April 2020 (1 April 2021 in Scotland) will be set. The Fund Actuaries are required to use prudent assumptions to value the liabilities and the costs of the Scheme whereas the approach to setting the accounting assumptions is prescribed in the accounting standards.

"The Scheme poses a number of risks to NSL Limited, for example longevity risk, investment risk, interest rate risk, inflation risk and salary risk. The Administering Authorities (to each Fund) are aware of these risks and use various techniques to control them.

In four of the local Funds in which NSL Limited participate, the terms of admission is on a 'pass-through' basis, whereby NSL Limited pays a fixed contribution rate during the period of the contract. At the end of the contract, any surplus or deficit reverts to the contract letting authority. As such, NSL Limited is only responsible for paying annual contributions detailed under the 'pass through' agreement (and the cost of any employer specific experience) so the value of the assets and liabilities in respect of these admission agreements is not included in this disclosure. This approach is consistent with that taken last year.

The figures in the following disclosure were measured using the Projected Unit Method.

The amounts recognised in the balance sheet are as follows:

	31 May 2019 £000	31 May 2108 £000
Defined benefit obligation	(23,785)	(25,366)
Fair value of scheme assets	22,420	25,311
Net defined benefit asset/(liability) recognised at year end	<u>(1,365)</u>	<u>(55)</u>

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

	31 May 2019 £000	31 May 2018 £000
Service cost:		
Current service cost (including expected administration expenses)	1,003	1,211
Past service cost and loss on settlements and curtailments	327	-
Net interest expense	26	52
Charge recognised in P&L	<u>1,356</u>	<u>1,263</u>
Remeasurements of the net liability:		
Return on scheme assets (excluding amount included in interest expense)	291	(1,095)
Gain arising from changes in financial assumptions	(78)	(911)
Loss arising from changes in demographic assumptions	-	22
Experience loss/(gain)	8	(226)
Charge/(credit) recorded in other comprehensive income	<u>221</u>	<u>(2,290)</u>
Total defined benefit cost/(credit)	<u>1,577</u>	<u>(1,027)</u>

The principal actuarial assumptions used were:

	31 May 2019	31 May 2018
Liability discount rate	2.65%	2.80%
Inflation assumption - CPI	2.20%	2.30%
Rate of increase in salaries (average)	1.5%	2.00%

Proportion of employees commuting pension for cash are per the assumption adopted at the previous valuation of the LGPS Funds.

The mortality assumptions at 31 May 2019 are as per the assumptions set by local Fund Actuaries at the previous valuation. Further details can be obtained on request.

Changes in the present value of assets over the period:

	31 May 2019 £000	31 May 2018 £000
Fair value of assets at start of period	25,311	23,481
Interest income	660	612
Return on assets (excluding amount included in net interest expense)	(292)	1,095
Assets distributed on settlements	(2,978)	-
Assets acquired in a business combination	-	-
Contributions from the employer	268	417
Contributions from employees	166	195
Contributions made in respect of unfunded benefits	-	-
Benefits paid	(715)	(489)
Unfunded benefits paid	-	-
Fair value of assets at end of period	<u>22,420</u>	<u>25,311</u>
Actual return on assets over the period	368	1,707

NSL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

Changes in the present value of liabilities over the period:

	31 May 2019 £000	31 May 2019 £000
Liabilities at start of period	25,366	24,980
Current service cost	1,003	1,211
Interest cost	686	664
Contributions from employees	166	195
Remeasurement gains:		
Actuarial gains and losses arising from changes in financial assumptions	(77)	(991)
Actuarial gains and losses arising from changes in demographic assumptions	-	22
Other experience items	8	(226)
Past service cost, including curtailments and settlements	(2,652)	-
Liabilities assumed on business combinations	-	-
Benefits paid	(715)	(489)
Unfunded benefits paid		
Liabilities at end of period	23,785	25,366

The split of the scheme's liabilities by category of membership is as follows:

	31 May 2019 £000	31 May 2018 £000
Active members	19,502	19,778
Deferred pensioners	2,932	3,160
Pensions in payment (funded)	1,351	2,427
	23,785	25,366

The major categories of scheme assets are as follows:

	31 May 2019 £000	31 May 2019 %
Return seeking		
UK Equities	2,152	10
Overseas Equities	9,083	41
Private Equity	1,762	8
Return seeking subtotal	12,997	58
Debt instruments		
Corporates	1,055	5
Gilts	1,169	5
Index Linked	1,049	5
Debt instrument subtotal	3,273	15
Other	-	-
Property	1,980	9
Hedge Funds	732	3
Cash	1,228	5
Infrastructure & commodities	1,335	6
Others	872	4
	-	-
Total market value of assets	22,417	100.00

NSL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

The asset split shown at the accounting date is based on the split of the each Fund's assets as at the most recent date this information was available.

The Scheme has no investments in NSL limited. The Company expects to contribute £0.15m to the Scheme during year ending 31 May 2020.

Sensitivity of the liability value to changes in the principal assumptions

If the discount rate was 0.5 percent lower, the scheme liabilities would increase by £2.5m if all the other assumptions remained unchanged.

If the salary growth assumption was 0.5 percent higher, the scheme liabilities would increase by £0.8m if all the other assumptions remained unchanged.

If the CPI inflation assumption was 0.5 percent higher, the scheme liabilities would increase by £1.6m if all the other assumptions remained unchanged.

If life expectancies were to increase by 1 year, the scheme liabilities would increase by £1.0m if all the other assumptions remained unchanged.

The sensitivities above have been determined based on the membership profile of NSL Limited at the most recent actuarial valuations.

26. Contingent liabilities

The company has given a number of performance and trade guarantees in the normal course of business. At 31 May 2019 the value of guarantees in place was £7.5m (2018: £7.7m)

27. Ultimate controlling party

Marston (Holdings) Limited is the immediate parent undertaking of NSL Limited. Marston (Holdings) Limited has included the company in its group financial statements, copies of which are available from its registered office - Rutland House, 148 Edmund Street, Birmingham, B3 2JR.

The largest group of undertakings for which group accounts have been drawn up is that headed by the ultimate parent company and controlling party as at 31 May 2019, Marston Corporate Limited. Consolidated accounts are available from Embassy House, 60 Church Street, Birmingham, B3 2DJ.