

Registered number: 01674826

## Yell Studio Limited

Annual report for the year ended 31 March 2021



# **Yell Studio Limited**

## **Annual report for the year ended 31 March 2021**

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# **Yell Studio Limited**

## **Company information**

### **Directors**

Claire Miles  
Michael Ainslie (resigned 18 January 2021)  
Adam Hurst (appointed 18 January 2021)

### **Company secretary**

Christian Wells

### **Registered office**

3 Forbury Place  
Forbury Road  
Reading  
RG1 3YL

### **Registered number**

01674826

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
3 Forbury Place  
23 Forbury Road  
Reading  
RG1 3JH

All references to Hibu Group in this document are references to the ultimate parent company Hibu Group Limited. All references to the Group are references to Hibu Group and its consolidated subsidiaries.

All references to Owl Group in this document are references to the intermediate parent company Owl Finance Limited and its consolidated subsidiaries.

# **Yell Studio Limited**

## **Report of the directors for the year ended 31 March 2021**

The directors present their annual report and the audited financial statements of Yell Studio Limited (the "Company") for the financial year ended 31 March 2021. This report is prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act.

### **Principal activities**

The principal activity of the Company is advertising design and the provision of graphic design services to Yell Limited, the Company's intermediate parent undertaking.

### **Review of business and future developments**

The Company is technically incorporated and domiciled in England & Wales and is an integral part of the Group. The Company incurs costs in respect of the provision of graphic design services to Yell Limited. These costs are recharged to Yell Limited. The principal risk to the Company is the loss of income if Yell Limited ceases to reimburse the Company for the costs incurred. The directors of Yell Limited have no plans to change the current arrangement.

No significant changes to the activities of the Company are expected in the immediate future.

### **Results and dividends**

The Company's result for the financial year to 31 March 2021 was £nil (2020: profit of £12,000). The directors do not recommend the payment of a dividend (2020: £nil). The directors consider the result for the year and the financial position at 31 March 2021 to be satisfactory.

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties to which the business is subject, both external and internal, are fully discussed in the context of the Owl Group as a whole in the Strategic report of the Company's intermediate parent company, Owl Finance Limited. The key financial risk management objectives and policies are discussed further below.

### **Financial risk management**

The Company's operations expose it to a variety of risks including credit risk. As the Company's trading is with other fellow group undertakings and its operations are principally funded through intra-group loan arrangements it is not exposed directly to external risk factors such as liquidity risk. The Company would be exposed to interest rate risk only to the extent the intra-group loan arrangements carried interest on a floating rate basis. These risks are managed on a group-wide basis by the Company's ultimate parent undertaking Hibu Group Limited. Full disclosure on how these risks are managed is provided in the financial statements of that company.

The Owl Group has £214 million of senior secured notes and a £25 million revolving credit facility, of which £nil was drawn at 31 March 2021. The senior secured notes are not subject to any financial ratio maintenance covenants. The revolving credit facility is subject to a financial ratio maintenance covenant when £8.75m or more is drawn. The senior secured notes and revolving credit facility are secured on the assets of the Owl Group. Owl Finance Limited and all its subsidiaries, including the Company, are guarantors of the senior secured notes and the revolving credit facility.

The Company's operations do not expose it to other financial risks as all its trading is with fellow subsidiaries of Owl Finance Limited.

# **Yell Studio Limited**

## **Report of the directors for the year ended 31 March 2021**

### **Going concern**

The Company's net current liabilities and related negative net assets are tied to a provision for uncertain tax positions that, if crystallised, will ultimately have to be funded by Yell Limited. The COVID-19 pandemic and related lockdown in the UK had a material effect on the business of the Owl Group in the first part of the year ended 31 March 2021 but since then the results have largely stabilised and the Owl Group's financial forecasts indicate sufficient liquidity to meet all its financial obligations in the current financial year and the year ending 31 March 2023.

In accordance with guidance from the Financial Reporting Council and against the backdrop of uncertainty caused by the COVID-19 pandemic and the revenue trajectory of the two most recent financial years, Owl Group management has modelled an unlikely but possible downside scenario in which, if the recovery of the business faltered and went significantly into reverse with no mitigating cost reductions, the Owl Group would be unable to make its interest payments on the Senior Secured Notes as early as September 2022. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The directors of the Company have considered the implications of this and the risks set out in the Owl Finance Limited Strategic report for the year ended 31 March 2021 and, in particular, whether it is appropriate to prepare the financial statements of the Company on a going concern basis and the adequacy of the going concern disclosures made within the financial statements. In reaching a conclusion the directors reviewed forecasts of future performance that indicate that the Company and related party debtors should continue to generate sufficient cash flows to be able to repay liabilities as they fall due. The directors have concluded that although there is a material uncertainty regarding the Company's net current liabilities and the lack of certainty in relation to the potential longer-term effects of the COVID-19 pandemic on Owl Group's liquidity and hence the Company's ability to continue as a going concern, the Owl Group expects to have sufficient liquidity to meet its liabilities as they fall due for at least twelve months. The directors have consequently concluded that the going concern basis of accounting remains appropriate and that the financial statements do not require the adjustments that would result if the Company were unable to continue as a going concern.

### **Directors and their interests**

The directors who held office during the year and up to the date of approval of the financial statements are stated on page 1. None of the directors were remunerated for their services as directors of the Company (2020: none).

Article 88 of the Articles of Association of Hibu Group, the Company's ultimate holding company, permit Hibu Group, subject to the Companies Act 2006 and other applicable legislation, to indemnify any of the directors against any loss or liability in connection with any proven or alleged negligence, default, breach of duty or trust by him, in relation to Hibu Group or any of its subsidiaries. In December 2013 Hibu Group entered into deeds of indemnity in favour of its current and former executive and non-executive directors and officers of Hibu Group, its subsidiaries and any other companies to which Hibu Group or any of its subsidiaries has nominated or appointed any such person as a director or officer. The deeds of indemnity are qualifying third party indemnities for the purposes of section 234 of the Companies Act 2006, and were in force during the financial year and at the date of approval of these financial statements.

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

# Yell Studio Limited

## Report of the directors for the year ended 31 March 2021

### Statement of directors' responsibilities in respect of the financial statements (continued)

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; 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 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 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.

The directors are responsible for the maintenance and integrity of the company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board



Claire Miles

Director

Date: 30 June 2021

# **Yell Studio Limited**

## **Independent auditors' report to the members of Yell Studio Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Yell Studio Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 March 2021; the income statement, the statement of comprehensive income, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Material uncertainty related to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The Owl Finance Limited Group's forecasts indicate that it is not expected to encounter any liquidity issues at least for 12 months from the date of approval of these financial statements. The Directors believe that they are able to carry out the necessary measures and the Group expects to have sufficient liquidity to meet its liabilities as they fall due for at least twelve months following the approval of the financial statements. Accordingly, the Directors continue to adopt the going concern basis for accounting in preparing these financial statements. However, there are credible downside scenarios where, if the recovery of the business is slower than is expected due to the ongoing COVID-19 pandemic, then the Group would be unable to support the company in making its interest payments on the senior secured notes as early as September 2022. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **Yell Studio Limited**

## **Independent auditors' report to the members of Yell Studio Limited**

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Report of the directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Report of the directors**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the directors for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the directors.

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.



# **Yell Studio Limited**

## **Independent auditors' report to the members of Yell Studio Limited**

### **Auditors' responsibilities for the audit of the financial statements (continued)**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment law, bribery and corruption, tax legislation and data protection, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, omitting, advancing or delaying recognition of events and transactions that have occurred during the reporting period and management bias in accounting estimates or judgements to manipulate results. Audit procedures performed by the engagement team included:

- Discussions with management and internal legal counsel including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of meeting with the Board of Directors;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the treatment of unrecognised tax positions.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

# Yell Studio Limited

## Independent auditors' report to the members of Yell Studio Limited

### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Report of the directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Alex Hookway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
30 June 2021

# Yell Studio Limited

## Income statement for the year ended 31 March 2021

	Note	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Revenue	3	86	95
Cost of sales		(86)	(95)
<b>Gross profit</b>		-	-
Administrative expenses		-	-
<b>Operating result</b>	4	-	-
Other gains	6	-	13
<b>Result/profit before interest and taxation</b>		-	13
Finance costs	7	(1)	(2)
<b>(Loss)/profit before taxation</b>		(1)	11
Tax credit	8	1	1
<b>Result/profit for the financial year</b>		-	12

## Statement of comprehensive income for the year ended 31 March 2021

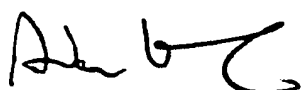
	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
<b>Result/profit for the financial year</b>	-	12
<b>Other comprehensive income for the year</b>	-	-
<b>Total comprehensive income for the year</b>	-	12

# Yell Studio Limited

## Statement of financial position at 31 March 2021

	Note	31 March 2021 £'000	31 March 2020 £'000
<b>Current assets</b>			
Trade and other receivables	9	2	1
<b>Total current assets</b>		<b>2</b>	<b>1</b>
<b>Current liabilities</b>			
Trade and other payables	10	(17)	(16)
Corporate income tax liabilities		(48)	(48)
<b>Total current liabilities</b>		<b>(65)</b>	<b>(64)</b>
<b>Net liabilities</b>		<b>(63)</b>	<b>(63)</b>
<b>Equity</b>			
Called up share capital	11	-	-
Accumulated losses		(63)	(63)
<b>Total shareholders' deficit</b>		<b>(63)</b>	<b>(63)</b>

The financial statements on pages 9 to 24 were approved by the Board of directors and were signed on its behalf on 30 June 2021 by:



Adam Hurst  
Director

Registered no. 01674826

# Yell Studio Limited

## Statement of changes in equity for the year ended 31 March 2021

2020	Called up share capital £'000	Accumulated losses £'000	Total Shareholder's deficit £'000
Balance at 1 April 2019	-	(75)	(75)
Profit for the financial year	-	12	12
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	12	12
<b>Balance at 31 March 2020</b>	-	(63)	(63)

2021	Called up share capital £'000	Accumulated losses £'000	Total Shareholder's deficit £'000
Balance at 1 April 2020	-	(63)	(63)
Result for the financial year	-	-	-
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
<b>Balance at 31 March 2021</b>	-	(63)	(63)

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 1. Basis of preparation and accounting policies

#### Entity information

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 "Reduced Disclosure Framework".

The Company is a private company, limited by shares and registered in England and Wales under registration number 01674826. Its registered office is at 3 Forbury Place, Forbury Road, Reading, Berkshire, RG1 3YL.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements in accordance with FRS 101:

- the requirements of IFRS 7 "Financial Instruments: Disclosures"
- the requirements of paragraphs 91-99 of IFRS 13 "Fair Value Measurement"
- the requirements of paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 79 (a)(iv) of IAS 1
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 "Presentation of Financial Statements"
- the requirements of IAS 7 "Statement of Cash Flows"
- the requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
- the requirements of paragraph 17 of IAS 24 "Related Party Disclosures"
- the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary that is a party to the transaction is wholly owned by such a member

#### Going concern

The financial statements have been prepared on a going concern basis. The Owl Group has £214 million of senior secured notes and a £25 million revolving credit facility, of which £nil was drawn at 31 March 2021. The senior secured notes are not subject to any financial ratio maintenance covenants. The revolving credit facility is subject to a financial ratio maintenance covenant when £8.75m or more is drawn. The senior secured notes and revolving credit facility are secured on the assets of the Owl Group. Owl Finance Limited and all its subsidiaries, including the Company, are guarantors of the senior secured notes and the revolving credit facility.

The Company's net current liabilities and related negative net assets are tied to a provision for uncertain tax positions that, if crystallised, will ultimately have to be funded by Yell Limited. The COVID-19 pandemic and related lockdown in the UK had a material effect on the business of the Owl Group in the first part of the year ended 31 March 2021 but since then the results have largely stabilised and the Owl Group's financial forecasts indicate sufficient liquidity to meet all its financial obligations in the current financial year and the year ending 31 March 2023.

In accordance with guidance from the Financial Reporting Council and against the backdrop of uncertainty caused by the COVID-19 pandemic and the revenue trajectory of the two most recent financial years, Owl Group management has modelled an unlikely but possible downside scenario in which, if the recovery of the business faltered and went significantly into reverse with no mitigating cost reductions, the Owl Group would be unable to make its interest payments on the Senior Secured Notes as early as September 2022. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 1. Basis of preparation and accounting policies (continued)

#### Going concern (continued)

The directors of the Company have considered the implications of this and the risks set out in the Report of the directors on pages 2 to 4 and, in particular, whether it is appropriate to prepare the financial statements of the Company on a going concern basis and the adequacy of the going concern disclosures made within the financial statements. In reaching a conclusion the directors reviewed forecasts of future performance that indicate that the Company and related party debtors should continue to generate sufficient cash flows to be able to repay liabilities as they fall due. The directors have concluded that although there is a material uncertainty regarding the Company's net current liabilities and the lack of certainty in relation to the potential longer-term effects of the COVID-19 pandemic on Owl Group's liquidity and hence the Company's ability to continue as a going concern, the Owl Group expects to have sufficient liquidity to meet its liabilities as they fall due for at least twelve months. The directors have consequently concluded that the going concern basis of accounting is appropriate and that the financial statements do not require the adjustments that would result if the Company were unable to continue as a going concern.

#### Principal accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below.

These policies have been consistently applied unless otherwise stated.

##### a. Revenue

Revenue, which excludes value added tax, comprises the value of services provided to Yell Limited, the Company's intermediate parent undertaking, for graphic design services, and is recognised as the service is provided.

##### b. Cost of sales

Cost of sales is the result of staff costs that are incurred in respect of providing graphic design services for Yell Limited.

##### c. Employee benefits

The Company expenses employee benefits as employees render the services that give rise to the benefits in accordance with IAS 19, "Employee Benefits".

The Company operated a defined benefit pension scheme for its employees employed before 1 October 2001 ('UKPP'), but that was closed to future accrual from 31 March 2011. The Company also offers membership to a defined contribution scheme to its employees.

All pension schemes are independent of the Company's finances. Actuarial valuations of the UKPP are carried out as determined by the trustees at intervals of not more than three years, the rates of contribution payable and the pension cost being determined on the advice of the actuaries, having regard to the results of these valuations. In any intervening years, the actuaries review the continuing appropriateness of the contribution rates. See Note 12 for a description of the associated risks.

The statement of financial position of Yell Limited includes the surplus or deficit in the defined benefit scheme taking assets at their year-end market values and liabilities at their actuarially calculated values discounted at the year-end AA corporate bond interest rates. The Company reports a surplus as an asset if the requirement of IFRIC 14 and any statutory requirements are satisfied. The terms of the trust specify that if any assets remain after all benefits have been provided in full, then benefits could be increased with consent of the principal employer, but that any assets then remaining will be paid to the employers.

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 1. Basis of preparation and accounting policies (continued)

#### c. Employee benefits (continued)

The cost of benefits accruing during the year in respect of current and past service is charged against operating profit. The expected return on the schemes' assets and the increase in the present value of the schemes' liabilities arising from the passage of time are included in other finance costs or income. Actuarial gains and losses on pension schemes are recognised immediately in the statement of comprehensive income.

Payments to the Company's defined contribution schemes are charged against profit or loss as incurred.

#### d. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. An allowance for doubtful debts is recognised on initial recognition of receivables, which is deducted from the gross carrying amount of the receivable. The allowance is calculated by reference to credit losses expected to be incurred over the lifetime of the receivable. Historical loss experience and informed credit assessment alongside other factors such as the current state of the economy and specific market issues are considered in estimating a loss allowance. Reasonable and supportable information that is relevant and available without undue cost or effort is considered in estimating a loss allowance. The loss is recognised in cost of sales.

#### e. Trade and other payables

Trade and other payables are initially recognised at fair value, which generally approximates to cost due to the short-term nature of these liabilities and subsequently measured at amortised cost using the effective interest rate method.

#### f. Financial assets and liabilities

Financial assets and liabilities are shown as loans or receivables when they are non-derivative financial assets or liabilities with fixed or determinable payments that are not quoted on an active market. Loans and receivables are classified as trade and other receivables or trade and other payables in the statement of financial position.

#### g. Current and deferred tax

The charge or credit for tax is based on the profit or loss for the period and takes into account deferred tax where transactions or events give rise to temporary differences between the treatment of certain items for tax and for accounting purposes. Provision is made in full for deferred tax liabilities. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the benefit can be realised. It is probable that future taxable profits will be available to the extent that reversing taxable temporary differences exist.

Current tax is provided at the amounts expected to be paid or recovered under the tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is measured at the rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax assets and liabilities are not discounted.

#### h. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.



# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 1. Basis of preparation and accounting policies (continued)

#### i. Standards that have become effective during the year

There were no new standards or interpretations adopted during the year. However, the following amendments to existing standards became effective, none of which were material to the Company:

- Amendments to IFRS 3, 'Business Combinations'. This amendment revised the definition of a business with a view to reducing complexity in determining whether a transaction constitutes a business combination.
- Amendments to IAS 1, 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. These amendments seek to clarify the explanation of the definition of material and ensure a consistent use of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting.
- Amendments to IFRS 9, 'Financial Instruments', IFRS 7 'Financial Instruments: Disclosure' and IAS 39, 'Financial Instruments: Recognition and Measurement'. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting.

### 2. Critical accounting estimates and judgments

In general, the Company's accounting policies under FRS 101 are consistent with those generally adopted by others operating within the same industry in the UK.

In preparing the Company's financial statements, the Company's management have made their best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality.

The Company regularly reviews these estimates and updates them when required. Actual results could differ from these estimates. Unless otherwise indicated, the Company does not believe there is a strong likelihood that materially different amounts would be reported related to the accounting policies described in note 1. The Company considers the following to be a description of the most significant estimates, which require the Company's management to make subjective and complex judgments, or matters that are inherently uncertain.

#### Tax

The determination of our obligation and expense for taxes requires an interpretation of tax law. Judgments and estimates are required to determine the appropriate amount of tax to provide for and any required disclosure around contingent tax liabilities at each period end.

The Company seeks appropriate, competent and professional tax advice before making any judgments on tax matters. Provisions for tax liabilities are estimated for existing matters under dispute with tax authorities, as well as for matters that it is considered may be disputed by them, where it is probable that a future liability will arise. The tax liability provided is management's best estimate, taking into account external advice, the anticipated position of the relevant tax authorities, and other factors. Whilst the Company believes that its judgments are prudent and appropriate, significant differences in actual experience may materially affect future tax charges.

The Company recognises deferred tax assets and liabilities arising from timing differences where it has a taxable benefit or obligation in the future as a result of past events. The Company records deferred tax assets to the extent that it believes they are more likely than not to be realised. Should the Company determine in the future that it would be able to realise deferred tax assets in excess of the recorded amount or that the liabilities are different than the amounts recorded, then the Company would increase or decrease income as appropriate in the period such determination was made.

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 2. Critical accounting estimates and judgments (continued)

#### Judgments made in assessing the effect of the COVID-19 pandemic on the financial statements

Judgment was exercised in evaluating the effect of the COVID-19 pandemic on the financial statements in the following areas:

- Estimates of Owl Group's future liquidity used in the going concern assessment, and
- Assumptions within our expected credit losses on trade and other receivables.

### 3. Revenue

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
<b>Analysis by category</b>		
Service charges	86	95
<b>Total revenue</b>	<b>86</b>	<b>95</b>

All revenue is generated solely in the United Kingdom.

### 4. Operating result

The result before taxation is stated after charging:

	Note	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Staff costs	5	86	95

Auditors' remuneration of £6,117 (2020: £5,939) was borne by Yell Limited, the Company's immediate parent company, and has not been recharged to the Company. Fees for non-audit services were £nil (2020: £nil).

### 5. Employees

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Average monthly number of employees:</b>		
<b>By activity:</b>		
Production	3	3
<b>Total</b>	<b>3</b>	<b>3</b>

	Note	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
<b>Staff costs during the year</b>			
Wages and salaries		70	78
Social security costs		6	7
Other pension costs	12	10	10
<b>Total staff costs</b>		<b>86</b>	<b>95</b>

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 5. Employees (continued)

#### Directors' remuneration

The directors did not receive remuneration for their services to the Company (2020: £nil).

### 6. Other gains

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Gain on release of loan due to parent company	-	13

The Company was released from its loan obligations with its immediate parent company during the prior year and recognised a gain of £13,000 during that period.

### 7. Finance costs

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Interest on provision for uncertain tax positions	(1)	(2)
<b>Total finance costs</b>	<b>(1)</b>	<b>(2)</b>

### 8. Tax credit

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
<b>Current tax:</b>		
Corporate tax credit for the year	(1)	(1)
<b>Total current tax credit</b>	<b>(1)</b>	<b>(1)</b>
<b>Deferred tax:</b>		
Current year deferred tax charge	-	-
<b>Total deferred tax charge</b>	<b>-</b>	<b>-</b>
<b>Total tax credit</b>	<b>(1)</b>	<b>(1)</b>

The tax credit for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
<b>(Loss)/profit before taxation</b>	<b>(1)</b>	<b>11</b>
(Loss)/profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	-	2
<b>Effects of:</b>		
Other tax deductible items	(1)	(1)
Non-taxable release of inter-company loans	-	(2)
<b>Tax credit</b>	<b>(1)</b>	<b>(1)</b>

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 8. Tax credit (continued)

The calculation of the Company's total tax charge involves consideration of certain items whose tax treatment cannot be ultimately determined until final resolution has been reached through negotiation with the relevant tax authorities. The Company has provided corporate income tax liabilities of £48,000 (2020: £48,000) in respect of open tax periods that have not yet been agreed by UK tax authorities. The final agreed liabilities may vary from the amounts provided as these are dependent upon the outcomes for each open period. The Company has limited control over the timing of the resolution of uncertain tax positions with tax authorities. Acknowledging this inherent unpredictability, and on the basis of currently available information, the Company does not expect material changes to occur to the level of provisions against uncertain tax positions during the next twelve months.

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probably. At 31 March 2021, the Company did not recognise deferred tax assets of £3,000 (2020: £3,000) in respect of £17,000 (2020: £16,000) of restricted interest expenses. The benefits in respect of restricted interest expenses do not time expire.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. The Finance Act 2021 was enacted on 10 June 2021. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that there would be no overall effect of the change on the tax credit for the year.

If the corporation tax rate increase had been substantively enacted by the balance sheet date, the effect would be to increase the unrecognised deferred tax asset for the year by £1,000 to £4,000.

### 9. Trade and other receivables

	31 March 2021 £'000	31 March 2020 £'000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	2	1
<b>Total</b>	<b>2</b>	<b>1</b>

Current amounts owed to fellow group undertakings are repayable at the discretion of Hibu Group and do not bear any interest.

### 10. Trade and other payables

	31 March 2021 £'000	31 March 2020 £'000
<b>Amounts falling due within one year</b>		
Accruals	17	16
<b>Total</b>	<b>17</b>	<b>16</b>

### 11. Called up share capital

	No. of shares of £1 each	£
<b>Allotted, called up and fully paid</b>		
At 1 April 2020	2	2
<b>At 31 March 2021</b>	<b>2</b>	<b>2</b>

All shares rank pari passu in all respects.

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 12. Pensions

The Company operates a defined benefit pension scheme ("UKPP" or "Plan") for employees of the Company employed before 1 October 2001, but the scheme was closed to future accrual from March 2011. The Company also operates a defined contribution scheme for the remaining employees of the Company. They are the only material schemes in the Company. The Company's income statement and statement of comprehensive income for the years ended 31 March 2021 and 2020 included the following charges.

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
<b>Amounts charged to operating result</b>		
Contributions payable in respect of defined contribution section	10	10
<b>Total contributions</b>	<b>10</b>	<b>10</b>

#### UKPP - Defined benefit sections

There are three defined benefit sections of the UKPP, which have been closed to new entrants since 1 October 2001. The Plan offers both pensions in retirement and death benefits to members. For the purpose of these financial statements, the full actuarial valuation at 5 April 2018, updated to 31 March 2021, showed a surplus of £84m. Pension benefits are based on years of qualifying service and final pensionable salary. With effect from 31 March 2011, the Plan was closed to future accrual. Active members at 31 March 2011 were granted leaving service benefits and offered membership in a new section of the defined contribution scheme. Subsequently the defined contribution sections were closed and a Mastertrust with L&G was put in place instead.

The Company is required to agree its contributions to the Plan with the trustees based on actuarial advice.

Such agreement must be reached in a way that complies with the UK Pensions Regulator's 'Scheme Specific Funding' guidance. Any failure to agree would result in the intervention of the Pensions Regulator and, possibly, an imposed settlement. The full funding valuation that has an effective date of 5 April 2018 was the most recent agreed full funding valuation at 31 March 2021.

#### Net surplus

Yell Limited is the sponsoring employer and management consider that it is not reasonably possible to allocate the assets and liabilities to individual entities. As such, the UKPP net surplus on the statement of financial position accounted for in Yell Limited represents the fair value of assets held to fund future benefit payments net of the present value of plan liabilities, as follows:

	At 31 March 2021 £'000	At 31 March 2020 £'000
Fair value of plan assets	684,901	665,133
Present value of plan liabilities	(601,136)	(505,980)
<b>Net surplus</b>	<b>83,765</b>	<b>159,153</b>

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 12. Pensions (continued)

#### Net surplus (continued)

The following amounts explain the movement in the pension provision:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Net surplus at 1 April	159,153	126,911
<b>Movement in year:</b>		
Contributions	-	327
Settlement costs	-	(8,400)
Past service credit / (cost)	35	(140)
Administration expenses	(2)	(3)
Net finance income	3,661	2,772
Actuarial (loss) / gain	(79,082)	37,686
<b>Net surplus at 31 March</b>	<b>83,765</b>	<b>159,153</b>

The full funding valuation with an effective date of 5 April 2018 concluded in November 2018 and showed no further contributions were required and deficit contributions ceased in late 2018.

Contributions of £nil (2020: £327,000), of which £nil (2020: £327,000) were in respect of benefit augmentations were made in the year to 31 March 2021.

#### Valuation assumptions

The UKPP net surpluses at 31 March 2021 and 31 March 2020 were based on the valuation at 5 April 2018 updated to 31 March 2021 and 31 March 2020, respectively. The updated valuations were carried out by professionally qualified independent actuaries using the following key assumptions:

	At 31 March 2021 %	At 31 March 2020 %
Discount rate	2.1	2.3
Expected return on assets	n/a	n/a
Pension increases linked to RPI	3.3	2.6
Pension increases linked to CPI	2.9	2.0

Assumptions regarding future mortality experience are set based on published statistics. The average life expectancy (in years) on retirement at age 60 of a member currently aged 45 is as follows:

	At 31 March 2021	At 31 March 2020
Male	28.6	28.6
Female	30.9	30.8

The average life expectancy (in years) on retirement at age 60 of a member currently aged 60 is as follows:

	At 31 March 2021	At 31 March 2020
Male	27.3	27.3
Female	29.5	29.4

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 12. Pensions (continued)

#### Assets

The UKPP assets are held in separate trustee administered funds that are invested in debt securities, liability driven investments, cash and a bulk annuity policy.

The trustees of the Plan are required to act in the best interest of the Plan's beneficiaries. The appointment of trustees to the Plan is determined by Yell Limited in accordance with the Plan's trust documentation, as modified by UK statute. An independent professional trustee and two other trustees are appointed by Yell Limited. Two further trustees are elected by the active members.

Asset values will increase and decrease as markets rise and fall. The trustees and management have an agreed strategy to mitigate the risk of having insufficient funds, if markets fall. The trustees hold a portfolio of corporate bonds, a bulk annuity policy that covers nearly all of the Plan's pensioners, liability driven investment funds plus a holding of cash.

The purpose of the bulk annuity policy and liability driven investment funds is to significantly reduce the volatility of the Plan's funding level by mitigating inflation, interest rate and longevity risks. These asset classes match the movements in interest rates and inflation closely. The trustees also work with management to ensure sufficient assets will be available to settle obligations in the long term.

The assets were:

	At 31 March 2021 £'000	Of which not quoted in an active market £'000	At 31 March 2020 £'000	Of which not quoted in an active market £'000
Secured finance	-	-	67,146	-
Bonds	203,901	-	84,286	-
Liability driven investments	253,504	-	269,660	-
Insurance contracts	190,468	190,468	169,502	169,502
Other	37,028	-	74,539	-
<b>Total assets at fair value</b>	<b>684,901</b>	<b>190,468</b>	<b>665,133</b>	<b>169,502</b>

Changes in the present value of the Plan's assets were as follows:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Opening fair value of plan assets	665,133	708,863
Interest on assets	15,092	15,266
Actuarial gain	22,703	9,752
Contributions by employer	-	327
Administration expenses	(2)	(3)
Benefits paid	(18,025)	(69,072)
<b>Closing fair value of plan assets</b>	<b>684,901</b>	<b>665,133</b>

The actuarial gain in the years ended 31 March 2021 and 2020 represents the difference between expected return on plan assets and the actual return on plan assets as follows:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Interest on plan assets	15,092	15,266
Actuarial gain	22,703	9,752
<b>Actual return on plan assets</b>	<b>37,795</b>	<b>25,018</b>

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 12. Pensions (continued)

#### Liabilities

The present value of the Plan's liabilities at the date of the statement of financial position are measured by discounting the best estimate of future cash-flows to be paid out by the Plan using the projected unit method. The projected unit method is an accrued benefits valuation method in which a scheme's liabilities make allowance for projected earnings. Changes in the present value of the defined benefit obligations were as follows:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Opening present value of plan liabilities	505,980	581,952
Past service (credit) / cost	(35)	140
Settlement cost	-	8,400
Interest cost	11,431	12,494
Actuarial loss / (gain)	101,785	(27,934)
Benefits paid	(18,025)	(69,072)
<b>Closing present value of plan liabilities</b>	<b>601,136</b>	<b>505,980</b>

The Company offered an enhanced transfer option to members of the UKPP during the year ended 31 March 2020, which if accepted resulted in a transfer of the members' liabilities and related assets from the Plan to an alternative pension arrangement. For each of the 119 members that transferred out, due to the assumptions underlying the enhanced transfer option, the size of the assets paid out exceeded the present value of the IAS 19 liability, giving rise to the £8,400,000 settlement cost in the year.

The actuarial loss in the year ended 31 March 2021 was primarily the result of an increase in the assumption for inflation and a decrease in the discount rate assumption. This was partially offset by inflationary increases applied to benefits during the year being lower than expected. In addition to this a change in the mortality assumption placed a slightly lower value on the liability value.

The actuarial gain in the year ended 31 March 2020 was primarily the result of a decrease in the assumption for inflation and by inflationary increases applied to benefits during the year being lower than expected. This was partially offset by a change in the mortality assumption and a reduction in the discount rate, which place a higher value on the liability value.

#### Profile of the Plan

The defined benefit obligation includes benefits for deferred members and current pensioners. Broadly, about 65% of the liabilities are attributable to deferred members and 35% to current pensioners. Note that the term "deferred members" refers to members of the UKPP who are yet to draw their pension.

The Plan duration is an indicator of the weighted average time until benefit payments are made. For the Plan as a whole, the duration is around 22 years reflecting the approximate split of defined benefit obligation between deferred members (duration around 25 years) and current pensioners (duration of 16 years).

#### Sensitivity analysis

The present value of the pension obligations at 31 March 2021 was calculated on the basis that the real interest rate at the balance sheet date was -1.4%, which is the difference between the discount rate and RPI inflation. The discount rate and expected inflation are determined by reference to specific types of debt instruments being traded in the open market. Increasing or decreasing the assumed discount rate by 0.1% per annum, respectively, would decrease or increase the present value of the pension liabilities by approximately £13,500,000. The effect on the market value of assets cannot be estimated because the values of the Plan's investments do not always change in line with variations in the discount rate however we can estimate that the value of the bulk annuity policy would decrease or increase by approximately £3,200,000 due to the assumed discount rate increasing or decreasing by 0.1% per annum respectively.



# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 12. Pensions (continued)

#### Sensitivity analysis (continued)

Similarly, the effect of increasing or decreasing the assumed inflation rate by 0.1% per annum, respectively, would increase or decrease the present value of the pension liabilities by approximately £13,000,000 and increase or decrease the value placed on the bulk annuity policy by approximately £3,000,000.

The present value of pension liabilities was determined on assumed life expectancies for men and women as set out in the assumptions above. Yell Limited estimates that an increase in life expectancy of one year for all members could have increased the present value of pension liabilities by approximately £25,600,000 and would increase the value of the bulk annuity policy by £8,700,000.

#### Risks associated with the Plan

Through its defined benefit pension plan the Company is exposed to a number of risks, the most significant of which are detailed below:

##### *Asset volatility*

The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit.

##### *Changes in bond yields*

A decrease in corporate bond yields will increase the Plan's liabilities, although this will be partially offset by an increase in the value of the Plan's bond and LDI holdings.

##### *Inflation risk*

The majority of the Plan's benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). However the total asset value is correlated with inflation, meaning that the surplus should be broadly protected against increases in inflation.

##### *Life expectancy*

The majority of the Plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in liabilities.

The Company and Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes an asset-liability matching policy that aims to reduce the volatility of the funding level of the Plan by investing in assets such as swaps that perform in line with the liabilities of the Plan so as to protect against inflation being higher than expected.

In addition, the trustees of the Plan purchased a bulk annuity policy (or "buy-in" policy) from Pensions Insurance Corporation (PIC) in respect of part of the liabilities of the Plan. The purchase price was £199,400,000. A buy-in policy is a single policy with a UK insurance company, which provides payments to the Plan that are intended to precisely match the payments made to a specified group of Plan members. The policy remains an asset of the Plan, and the obligation to pay the pensions remains an obligation of the Plan.

# Yell Studio Limited

## Notes to the financial statements for the year ended 31 March 2021

### 12. Pensions (continued)

#### *Life expectancy (continued)*

The policy covers most of the Plan's current pensioners, plus their survivors' pensions payable after death. It does not cover any members who have not yet begun to draw their pension. As a result, this buy-in policy significantly reduces the longevity risk to which the Plan is exposed, as well as inflation risks and risks associated with changes in bond yields.

A contingent liability exists in relation to the equalisation of Guaranteed Minimum Pensions ("GMPs"). In October 2018 the UK High Court has ruled that GMPs will need to be equalised. In November 2020 the UK High Court also ruled that GMPs will have to be equalised for past transfers out of the Plan.

The Plan's liabilities included liabilities in relation to the equalisation of Guaranteed Minimum Pensions ("GMPs"). In October 2018 the UK High Court ruled that GMPs will need to be equalised. In November 2020 the UK High Court also ruled that GMPs will have to be equalised for past transfers out of the Plan. This increases the defined benefit obligation of the Plan. The Company carried out calculations based on the Plan's benefits and profile to estimate the effect of allowing for GMP equalisation and allowed for this as a past service cost of £600,000 (£500,000 was allowed for in the 31 March 2019 figures for the October 2018 Court case, and an additional £105,000 was allowed for in the 31 March 2021 figures for the November 2020 Court case).

#### **Defined contribution scheme**

The pension cost in respect of this section represents contributions payable to the funds and amounted to £10,000 for the year ended 31 March 2021 (2020: £10,000). Outstanding contributions amounted to £nil at 31 March 2021 (2020: £nil).

### 13. Financial commitments, contingent liabilities and litigation

At 31 March 2021, there were no contingent liabilities or guarantees (2020: nil).

The Company is party to the security arrangements associated with the high-yield bonds issued in the prior year by a subsidiary of Owl Finance Limited. The bonds do not require specific financial ratio covenants but are secured on all the assets of Owl Finance Limited and its subsidiaries.

There are no capital or other commitments (2020: nil).

### 14. Controlling entity

The immediate parent undertaking is Yell Sales Limited. The ultimate holding company and controlling party at 31 March 2021 is Hibu Group.

The smallest group in which the financial statements of the Company are consolidated is Owl Finance Limited and the largest group in which the financial statements of the Company are consolidated is Hibu Group. The financial statements of Hibu Group and Owl Finance Limited are publicly available from 3 Forbury Place, Forbury Road, Reading, Berkshire, RG1 3YL.

### 15. Events after the end of the reporting year

There are no material post balance sheet events to report.