

Registered number: 08449751

**YSC HOLDINGS LIMITED
(FORMERLY NEWINCCO 1232 LIMITED)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2015



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YSC HOLDINGS LIMITED

COMPANY INFORMATION

Directors	D Amos G Bains L Jones R Sharrock M Turner G Williams
Registered number	08449751
Registered office	50 Floral Street London WC2E 9DA
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

YSC HOLDINGS LIMITED

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YSC HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2015

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 30 April 2015.

Strategic review and future developments

The principal activity of the group remains the provision of Insight based Leadership Consultancy to Board members and senior leaders in national and global organisations.

During the year, we took the opportunity to consider our opportunities for future growth. The majority of our clients are global corporations, and emerging markets (India, Singapore, China, Hong Kong and South Africa) present great challenges to them. Our focus is to help them meet these needs by accelerating the development of their local leaders. YSC is well placed to do so given our expertise in identifying potential through the use of tools and frameworks. We are developing a range of adjacent services that mean we can meet the full range of client needs in this space, from identification through to the development and deployment of talent.

We are also placing focus on the US markets. Here, the combination of current low levels of market penetration, a talented Americas management team and an exciting set of economies present us with unrivalled opportunities. We have therefore hired dedicated business development professionals – a first for our business – and are considering targeted acquisitions of related businesses.

At the heart of YSC's strengths and the value we bring to our clients lie three core qualities: our ability to create great insights into leaders using a range of tools and psychological skills; our desire to make a measurable impact to our clients; and our professional independence. The latter presents us with major opportunities as the suppliers of executive search services, whose core business is threatened, to move into the areas of leadership development. We believe our independence from executive search presents us with a unique perspective on senior executive skills, benchmarking and advice to the boardroom.

Over the course of the forthcoming year, we will be undertaking a brand review to ensure that our distinctiveness is clear from all points of contact with our business: from website to consulting impact.

Finally, we remain committed to capturing and leveraging intellectual property (IP) that, in scale, can bring value to our clients and create new revenue streams for our company. We have created a new tool that measures a novel facet of potential and a diagnostic that assesses leadership resilience. Under the leadership of a global head of IP, we have over the course of the last year struck up a partnership with a business based in the US that will also enable us to disseminate content of a range of materials and tools to our clients on their platform.

Principal risks and uncertainties

The financial and non-financial performance of the Group is reviewed on a monthly basis by the Board. The directors utilise various Key Performance Indicators in order to measure the performance of the business. These include pipeline, revenues, utilisation, operating profit margin and debtor days. All KPIs are considered to be satisfactory.

In the opinion of the directors the principal risks faced by the business, other than economy-wide risks, are: the risk of significant client loss, failure to manage the pool of talent correctly, exchange rate fluctuations and cash flow management.

The Group seeks to manage the risk of losing clients by broadening the product offering and the service sectors in which the company operates. On an individual client level the company also ensures a high level of client satisfaction by close account management.

The products offered by the Group are continually reviewed by the directors of the Group, with new offerings often developed in conjunction with existing clients.

The Group values its employees highly and implements market appropriate policies to ensure high levels of employee retention. These remain under constant review.

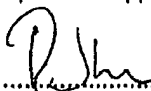
YSC HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 30 APRIL 2015**

The expansion of the international offices allows the performance of global contracts, whilst also developing new markets. Fees in the international offices are predominantly received in the local currency to match the cost base and to minimise exchange risk.

The business sectors in which the Group operate are regularly reviewed by the directors of the Group to ensure no over-reliance in one market area. Potential markets are also identified, allowing business development activity to source new clients.

This report was approved by the Board and signed on its behalf.


.....
R Sharrock
Director

Date: 13/10/2015

YSC HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2015

The directors present their report and the financial statements for the year ended 30 April 2015.

Principal activities

YSC Holdings Limited is the holding company for YSC, a global consultancy that provides insight based Leadership Consultancy to Board members and senior leaders in national and global organisations.

Results and dividends

The Group has performed in line with expectations for the year ended 30 April 2015 with turnover of £29.6m and operating profit of £3.1m. The profit and loss account is set out on page 8 and shows the Loss for the Year after deducting interest charges and taxation, which amounted to £0.23m (2014 - loss £0.05m).

Directors

The directors who served during the year were:

G Bains
P Ballman (resigned 30 September 2014)
A Houghton (resigned 30 September 2014)
S Jawa (appointed 24 September 2014 & resigned 30 April 2015)
L Jones
K Rowe (resigned 17 July 2015)
R Sharrock
M Turner
G Williams

Political and charitable contributions

During the year the company made charitable contributions of £1,494 (2014 - £12,060).

Equal opportunities

The company is committed to employment policies which follow best practice based on equal opportunities for all employees, irrespective of gender, race, nationality, colour, disability, marital status, sexual orientation, age or religion. All decisions relating to employment practices are objective, free from bias and based upon work criteria and individual merit. YSC's policy is to offer appropriate training and career development to disabled persons that are, as far as possible, identical to other employees and in line with best practice. In the event of a member of staff becoming disabled, the company makes every effort to continue employment, arrange appropriate retraining and offer opportunities for promotion.

Provision of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information.

YSC HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2015**

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf.



**D Amos
Director**

Date: 13 October 2015

YSC HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES

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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

YSC HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YSC HOLDINGS LIMITED

We have audited the financial statements of YSC Holdings Limited for the year ended 30 April 2015 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2015 and of the group's 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

YSC HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YSC HOLDINGS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 we require for our audit



Andrew Viner (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 14 OCTOBER 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

YSC HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2015**

	Note	2015 £000	2014 £000
TURNOVER	2	29,581	22,940
Cost of sales		<u>(15,763)</u>	<u>(13,369)</u>
GROSS PROFIT		13,818	9,571
Administrative expenses		<u>(10,746)</u>	<u>(7,381)</u>
OPERATING PROFIT	3	3,072	2,190
Interest receivable and similar income		13	5
Interest payable and similar charges	6	<u>(2,310)</u>	<u>(1,675)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		775	520
Tax on profit on ordinary activities	7	<u>(1,007)</u>	<u>(574)</u>
LOSS FOR THE FINANCIAL YEAR/PERIOD	17	<u>(232)</u>	<u>(54)</u>

All amounts relate to continuing operations.

The notes on pages 12 to 24 form part of these financial statements.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 APRIL 2015**

	2015 £000	2014 £000
LOSS FOR THE FINANCIAL YEAR/PERIOD	(232)	(54)
Translation differences on foreign currency net investments	<u>215</u>	<u>(293)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR/PERIOD	<u>(17)</u>	<u>(347)</u>

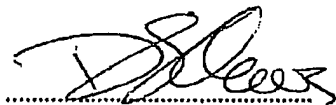
The notes on pages 12 to 24 form part of these financial statements.

YSC HOLDINGS LIMITED
REGISTERED NUMBER: 08449751

CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2015

	Note	2015 £000	2014 £000
FIXED ASSETS			
Intangible assets	9	25,009	26,385
Tangible assets	10	793	570
		<u>25,802</u>	<u>26,955</u>
CURRENT ASSETS			
Debtors	12	14,524	14,751
Cash at bank		7,832	6,475
		<u>22,356</u>	<u>21,226</u>
CREDITORS: amounts falling due within one year	13	<u>(12,146)</u>	<u>(12,746)</u>
NET CURRENT ASSETS		<u>10,210</u>	<u>8,480</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>36,012</u>	<u>35,435</u>
CREDITORS: amounts falling due after more than one year	14	<u>(28,360)</u>	<u>(27,766)</u>
NET ASSETS		<u>7,652</u>	<u>7,669</u>
CAPITAL AND RESERVES			
Called up share capital	16	30	30
Share premium account	17	3,585	3,585
Capital redemption reserve	17	(2,501)	(2,501)
Other reserves	17	6,902	6,902
Profit and loss account	17	(364)	(347)
SHAREHOLDERS' FUNDS	19	<u>7,652</u>	<u>7,669</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



D Amos
Director

Date: 13 October 2015

The notes on pages 12 to 24 form part of these financial statements.

YSC HOLDINGS LIMITED
REGISTERED NUMBER: 08449751

COMPANY BALANCE SHEET
AS AT 30 APRIL 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Investments	11		32,144		32,183
CURRENT ASSETS					
Debtors	12	127		2,667	
Cash at bank		33		53	
		<u>160</u>		<u>2,720</u>	
CREDITORS: amounts falling due within one year	13	<u>(4,746)</u>		<u>(4,523)</u>	
NET CURRENT LIABILITIES			<u>(4,586)</u>		<u>(1,803)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,558</u>		<u>30,380</u>
CREDITORS: amounts falling due after more than one year	14		<u>(28,360)</u>		<u>(27,934)</u>
NET (LIABILITIES)/ASSETS			<u>(802)</u>		<u>2,446</u>
CAPITAL AND RESERVES					
Called up share capital	16		30		30
Share premium account	17		3,585		3,585
Profit and loss account	17		<u>(4,417)</u>		<u>(1,169)</u>
SHAREHOLDERS' (DEFICIT)/FUNDS	19		<u>(802)</u>		<u>2,446</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



D Amos
Director

Date: 13 October 2015

The notes on pages 12 to 24 form part of these financial statements.

YSC HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2015**

	Note	2015 £000	2014 £000
Net cash flow from operating activities	20	4,889	(664)
Returns on investments and servicing of finance	21	(299)	(352)
Taxation		(1,356)	(1,388)
Capital expenditure and financial investment	21	(473)	(93)
Acquisitions and disposals	21	-	(19,791)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		2,761	(22,288)
Financing	21	(1,404)	28,763
INCREASE IN CASH IN THE YEAR		1,357	6,475

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 APRIL 2015**

	2015 £000	2014 £000
Increase in cash in the year	1,357	6,475
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	1,404	(28,117)
MOVEMENT IN NET DEBT IN THE YEAR	2,761	(21,642)
Net debt at 1 May 2014	(21,642)	-
NET DEBT AT 30 APRIL 2015	(18,881)	(21,642)

The notes on pages 12 to 24 form part of these financial statements.

YSC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of YSC Holdings Limited and all of its subsidiary undertakings ('subsidiaries') using the acquisition method of accounting.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used into line with those used by the group.

All inter-company transactions and balances between group enterprises are eliminated on consolidation.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Income is recognised in the profit and loss account over the period in which the client receives the benefit of the service.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	Over term of the lease
Fixtures and fittings	-	10% per annum
Office equipment	-	33.33% per annum
Furniture	-	12.5% per annum

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

YSC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1. ACCOUNTING POLICIES (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

The results of overseas operations are translated into sterling using the average rates of exchange during the year and the balance sheet translated into sterling at rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of subsidiary undertakings are taken to reserves.

1.10 Pensions

The company contributes to personal pension schemes on behalf of certain employees. The cost of these contributions is charged to the profit and loss account in the period to which they relate.

1.11 Employee share ownership plan

The cost of the company's shares held by EBT is deducted from the shareholders' funds in the group balance sheet. Any cash received by the EBT on disposal of the shares it holds is also recognised directly in shareholders' funds. Other assets and liabilities of EBT (including borrowings) are recognised as assets and liabilities of the group.

1.12 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received.

YSC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1. ACCOUNTING POLICIES (continued)

1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim and final equity dividends are recognised when approved by shareholders at a shareholders meeting.

1.14 Financial liabilities and equity

Financial liabilities and equity instruments are initially measured at the amount of net proceeds received. Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

2. TURNOVER

A geographical analysis of turnover is as follows:

	2015 £000	2014 £000
United Kingdom	14,993	12,724
Rest of Europe, Middle East and Africa	2,190	1,325
Americas	7,653	5,324
Asia Pacific	4,745	3,567
	<u>29,581</u>	<u>22,940</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015 £000	2014 £000
Amortisation - intangible fixed assets	1,376	1,124
Depreciation of tangible fixed assets:		
- owned by the group	250	196
Auditor's remuneration	161	97
Auditor's remuneration - non-audit	172	295
Operating lease rentals:		
- property	1,197	868
Difference on foreign exchange	63	212
	<u> </u>	<u> </u>

YSC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2015 £000	2014 £000
Wages and salaries	14,667	10,945
Social security costs	1,038	759
Other pension costs	576	407
	<u>16,281</u>	<u>12,111</u>

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

	2015 No.	2014 No.
Consultants	92	74
Administration	95	81
	<u>187</u>	<u>155</u>

5. DIRECTORS' REMUNERATION

	2015 £000	2014 £000
Remuneration	<u>1,340</u>	<u>1,034</u>
Company pension contributions to money purchase schemes	<u>26</u>	<u>41</u>

During the year retirement benefits were accruing to four directors (2014 - six) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £268 thousand (2014 - £219 thousand).

6. INTEREST PAYABLE

	2015 £000	2014 £000
On bank loans and overdrafts	480	257
On other loans	1,585	1,217
Preference share dividend	245	201
	<u>2,310</u>	<u>1,675</u>

YSC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

7. TAXATION

	2015	2014
	£000	£000
Analysis of tax charge in the year/period		
Current tax (see note below)		
UK corporation tax charge on profit for the year/period	423	238
Adjustments in respect of prior periods	(56)	-
	<u>367</u>	<u>238</u>
Double taxation relief	(233)	(192)
	<u>134</u>	<u>46</u>
Foreign tax on income for the year/period	894	412
Foreign tax adjustments in respect of prior periods	(67)	-
	<u>961</u>	<u>458</u>
Deferred tax		
Origination and reversal of timing differences	52	116
Adjustment in respect of prior periods	(6)	-
	<u>46</u>	<u>116</u>
Total deferred tax (see note 15)	<u>46</u>	<u>116</u>
Tax on profit on ordinary activities	<u><u>1,007</u></u>	<u><u>574</u></u>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.8% (2014 - 22.9%). The differences are explained below:

	2015	2014
	£000	£000
Profit on ordinary activities before tax	<u>775</u>	<u>520</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.8% (2014 - 22.9%)	161	119
Effects of:		
Fixed asset differences	11	7
Expenses not deductible for tax purposes	550	120
Capital allowances for year/period in excess of depreciation	(70)	22
Adjustments to tax charge in respect of prior periods	(56)	-
Adjustments to overseas tax charge in respect of prior periods	(67)	-
Foreign tax	352	117
Other short term timing differences	80	73
	<u>961</u>	<u>458</u>
Current tax charge for the year/period (see note above)	<u><u>961</u></u>	<u><u>458</u></u>

YSC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the period amounted to £3.248m.

9. INTANGIBLE FIXED ASSETS

	Goodwill £000
Group	
Cost	
At 1 May 2014 and 30 April 2015	27,509
Amortisation	
At 1 May 2014	1,124
Charge for the year	1,376
At 30 April 2015	2,500
Net book value	
At 30 April 2015	25,009
At 30 April 2014	26,385

10. TANGIBLE FIXED ASSETS

	Leasehold improvements £000	Fixtures and fittings £000	Office equipment £000	Total £000
Group				
Cost				
At 1 May 2014	447	104	215	766
Additions	24	122	327	473
Foreign exchange movement	(26)	28	27	29
At 30 April 2015	445	254	569	1,268
Depreciation				
At 1 May 2014	61	24	111	196
Charge for the year	80	30	140	250
Foreign exchange movement	(3)	9	23	29
At 30 April 2015	138	63	274	475
Net book value				
At 30 April 2015	307	191	295	793
At 30 April 2014	386	80	104	570

YSC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

11. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £000
Cost or valuation	
At 1 May 2014	32,183
Impairment	(39)
At 30 April 2015	32,144
Net book value	
At 30 April 2015	32,144
At 30 April 2014	32,183

Details of the principal subsidiaries can be found under note number 27.

12. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Due after more than one year				
Preference shares held by EBT	2,452	2,452	-	-
Due within one year				
Trade debtors	6,148	6,371	-	-
Corporation tax repayable	625	231	1	-
Other debtors	567	3,163	125	2,667
Prepayments and accrued income	4,694	2,450	1	-
Deferred tax asset (see note 15)	38	84	-	-
	14,524	14,751	127	2,667

**13. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans and overdrafts	1,600	1,600	1,600	1,600
Trade creditors	1,073	939	34	22
Amounts owed to group undertakings	-	-	2,500	1,270
Other taxation and social security	346	588	-	-
Other creditors	1,380	2,510	612	1,588
Accruals and deferred income	7,747	7,109	-	43
	12,146	12,746	4,746	4,523

YSC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

14. CREDITORS:
Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Loan notes	18,747	18,747	18,747	18,747
Bank loans	3,378	4,782	3,378	4,782
Accruals and deferred income	3,247	1,249	3,247	1,417
Preference shares	2,988	2,988	2,988	2,988
	<u>28,360</u>	<u>27,766</u>	<u>28,360</u>	<u>27,934</u>

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Between one and two years				
Bank loans	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
Between two and five years				
Bank loans	<u>1,778</u>	<u>3,182</u>	<u>1,778</u>	<u>3,182</u>

Issue costs of £622,294 have been deducted from the loan balance outstanding and are being amortised over the term of the debt.

15. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
At beginning of year/period	84	200	-	-
(Charge for)/released during the year (P&L)	(46)	(116)	-	-
At end of year/period	<u>38</u>	<u>84</u>	<u>-</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Origination and reversal of timing differences	31	84	-	-
Adjustments in respect of prior periods	7	-	-	-
	<u>38</u>	<u>84</u>	<u>-</u>	<u>-</u>

YSC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

16. SHARE CAPITAL

	2015 £	2014 £
Shares classified as capital		
Allotted, called up and fully paid		
3,585,209 (2014 - 3,585,209) A Ordinary shares of £0.0005 each	1,793	1,793
2,492,528 (2014 - 2,492,528) B Ordinary shares of £0.01 each	24,925	24,925
308,047 (2014 - 308,047) C Ordinary shares of £0.001 each	308	308
1,581,346 (2014 - 1,581,346) D Ordinary shares of £0.001 each	1,581	1,581
170,090 (2014 - 170,090) E Ordinary shares of £0.007996 each	1,360	1,360
	<hr/>	<hr/>
	29,967	29,967
	<hr/>	<hr/>
Shares classified as debt		
Allotted, called up and fully paid		
2,988,137 (2014 - 2,988,137) Preference shares of £0.00001 each	30	30
	<hr/>	<hr/>

In accordance with FRS 25 the 2,988,137 preference shares of £0.0001 each are presented as a liability on the Group and Company balance sheets.

EMI share option scheme

At 30 April 2015 the following share options were outstanding in respect of the ordinary shares:

Date of grant	Number & class of shares	Period of option	Price per share
4 October 2013	565,299 E ordinary shares	4 October 2013 - 3 October 2023	£0.007996
4 October 2013	147,232 D ordinary shares	4 October 2013 - 3 October 2023	£1.339026

The company uses the Black-Scholes model to calculate the fair value of options on grant date. The key inputs are listed below.

Equity - settled	2015
Options pricing model used	Binomial
Weighted average contractual life (periods)	10 Periods
Expected volatility	20%
Expected dividend yield	0%
Risk free interest rate	2.5%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices for a selected number of comparable listed businesses over the last three periods.

The company did not enter into any share based payment transactions with parties other than employees during the current period.

YSC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015

17. RESERVES

Group	Share premium account £000	Investment in own shares £000	Merger reserve £000	Profit and loss account £000
At 1 May 2014	3,585	(2,501)	6,902	(347)
Loss for the financial year	-	-	-	(232)
Other movements	-	-	-	215
At 30 April 2015	<u>3,585</u>	<u>(2,501)</u>	<u>6,902</u>	<u>(364)</u>

Company	Share premium account £000	Profit and loss account £000
At 1 May 2014	3,585	(1,169)
Loss for the financial year	-	(3,248)
At 30 April 2015	<u>3,585</u>	<u>(4,417)</u>

18. INVESTMENT IN OWN SHARES

The Employee Benefit Trust (EBT) was established in 2004 to provide for the future obligations of the company for shares awarded under the Share Ownership Plans detailed in note 16. At 30 April 2015 147,232 ordinary D shares held by the EBT are under option to employees.

	Shares held in Trust Number	Nominal Value £	Cost £
At 1 May 2014 and 30 April 2015	<u>1,581,346</u>	<u>1,581</u>	<u>2,500,950</u>

YSC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015	2014
	£000	£000
Group		
Opening shareholders' funds	7,669	-
Loss for the financial year/period	(232)	(54)
Shares issued during the year/period	-	10,517
Purchase of ESOP shares	-	(2,501)
Other recognised gains/(losses) during the year/period	215	(293)
	<u>7,652</u>	<u>7,669</u>
 Closing shareholders' funds	 <u>7,652</u>	 <u>7,669</u>
 Company	 2015	 2014
	£000	£000
Opening shareholders' funds	2,446	-
Loss for the financial year/period	(3,248)	(1,169)
Shares issued during the year/period	-	3,615
	<u>(802)</u>	<u>2,446</u>
 Closing shareholders' (deficit)/funds	 <u>(802)</u>	 <u>2,446</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The loss for the year/period dealt with in the accounts of the company was £3.25m (2014 - £1.17m).

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015	2014
	£000	£000
Operating profit	3,072	2,190
Amortisation of intangible fixed assets	1,376	1,124
Depreciation of tangible fixed assets	250	196
Decrease/(increase) in debtors	575	(3,422)
Decrease in creditors	(600)	(752)
Movement on foreign exchange	216	-
	<u>4,889</u>	<u>(664)</u>
 Net cash inflow/(outflow) from operating activities	 <u>4,889</u>	 <u>(664)</u>

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015	2014
	£000	£000
Returns on Investments and servicing of finance		
Interest received	13	5
Interest paid	(312)	(357)
	<u>(299)</u>	<u>(352)</u>
 Net cash outflow from returns on investments and servicing of finance	 <u>(299)</u>	 <u>(352)</u>

YSC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £000	2014 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(473)	(93)
	<u>2015</u> <u>£000</u>	<u>2014</u> <u>£000</u>
Acquisitions and disposals		
Issue of loan stock	-	(25,263)
Sale of ESOP shares	-	5,472
Net cash from acquisitions and disposals	<u>-</u>	<u>(19,791)</u>
	<u>2015</u> <u>£000</u>	<u>2014</u> <u>£000</u>
Financing		
Issue of ordinary shares	-	3,585
New secured loans	-	7,182
Repayment of loans	(1,404)	(800)
Issue of loan stock	-	18,747
Sale of ESOP shares	-	49
Net cash (outflow)/inflow from financing	<u>(1,404)</u>	<u>28,763</u>

22. ANALYSIS OF CHANGES IN NET DEBT

	1 May 2014 £000	Cash flow £000	Other non-cash changes £000	30 April 2015 £000
Cash at bank and in hand	6,475	1,357	-	7,832
Debt:				
Debts due within one year	(1,600)	1,404	(1,404)	(1,600)
Debts falling due after more than one year	(26,517)	-	1,404	(25,113)
Net debt	<u>(21,642)</u>	<u>2,761</u>	<u>-</u>	<u>(18,881)</u>

YSC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

23. OPERATING LEASE COMMITMENTS

At 30 April 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
Group	£000	£000
Expiry date:		
Within 1 year	188	11
Between 2 and 5 years	651	796
After more than 5 years	429	429

24. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with entities whose voting rights are 100% controlled by the group.

25. POST BALANCE SHEET EVENTS

There were no post balance sheet events requiring disclosure.

26. CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party by virtue of the fact that no individual shareholder has a majority shareholding.

27. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Nature of business
Young Samuel Chambers ("YSC") Limited	United Kingdom	100%	Business psychologists
Young Samuel Psychologists Pty Ltd	South Africa	100%	Business psychologists
YSC (Americas), Inc	USA	100%	Dormant company
YSC India Business Psychologists Private Limited	India	100%	Business psychologists
Young Samuel Chambers SA deMexico CV		100%	Business psychologists
YSC International Limited	United Kingdom	100%	Dormant company
YSC Brasil Consultoria Em Lideranca e Talento Limitada	Brazil	100%	Business psychologists
YSC Consulting Private Limited	Singapore	100%	Business psychologists
YSC (Shanghai) Management Consulting Co. Limited	China	100%	Business psychologists
YSC Limited	Canada	100%	Business psychologists