

# **YSC Holdings Limited**

Report and Financial Statements

Year Ended

30 April 2019

Company Number 08449751



# YSC Holdings Limited

## Company Information

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<b>Directors</b>	E Pliner N Holgate S Gilpin R Morris E McDowall C Pelunsky T Breslin R Trasatti
<b>Registered number</b>	08449751
<b>Registered office</b>	50 Floral Street London WC2E 9DA
<b>Independent auditor</b>	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 2019**

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### **Introduction**

The directors present their strategic report of YSC Holdings Limited ("the company") and its subsidiaries (together "the group") and the audited financial statements for the year ended 30 April 2019.

### **Strategic review and future developments**

The principal activity of the YSC Holdings trading group remains the provision of Leadership Strategy to Board members and senior leaders in national and global organisations.

Our distinctiveness is founded in 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 value of our professional independence is evidenced by the increasing amount of work now undertaken within the private equity sector, and at Board level in large Corporate clients.

Working at senior levels in organisations gives us a unique perspective into the relationship between strategy and leadership – which we refer to as Leadership Strategy. We have built out five clear leadership strategy propositions in anticipation of and / or in response to our client system needs, and we continue to invest in this space to strengthen the uniqueness of our market position and to support high value work that creates additional opportunities.

Using cross-disciplinary, research-based and validated models of leadership (including potential, inclusive leadership and team dynamics) we address the human factors that are most likely to enable leaders to successfully achieve their commercial or organisational strategy.

We continue to invest in both our people and in the technology that supports our work. We completed the first full year of our Director Development Programme. We also created the new role of Chief Operations Officer (Edwina McDowall) to lead on our technology investments which have included the streamlining of management information and significant improvements to the day to day interactions with our clients. In July 2019 we announced a partnership with 10x Psychology to use their predictive psychometrics technology and a range of tailored products grounded in behavioural science to enhance the leadership insights and developments that we are able to provide to our clients.

Looking ahead, we are confident that these initiatives, coupled with our market positioning, will create further growth and strategic opportunities.

# YSC Holdings Limited

## Group Strategic Report (continued) for the Year Ended 30 April 2019

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### 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, margin operating profit 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 continuing to broaden the product offering and the service sectors in which the company operates. On an individual client level, the Group also ensures a high level of client satisfaction by close account management.

The products offered by the Group are continually reviewed by the directors, 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.

The development of the international offices allows the performance of global contracts, whilst potentially opening up new markets to the Group. 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 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.

  
.....  
N Holgate  
Director

Date: 11/10/2019

# **YSC Holdings Limited**

## **Directors' Report for the Year Ended 30 April 2019**

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The directors present their annual report and the audited financial statements for the year ended 30 April 2019.

### **Directors' responsibilities**

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

### **Results and dividends**

The profit for the year, after taxation, amounted to £6.28m (2018 - £3.10m).

The directors do not recommend the payment of a dividend. (2018 - £Nil).

### **Directors**

The directors who served during the year and up to the date of signing the financial statements were:

D Amos (resigned 27 November 2018)  
E Pliner  
R Robinson (resigned 30 June 2018)  
R Sharrock (resigned 1 May 2019)  
N Holgate (appointed 27 November 2018)  
S Gilpin (appointed 31 May 2018)  
R Morris (appointed 31 May 2018)  
E McDowall (appointed 4 June 2018)  
C Pelunsky (appointed 31 May 2018)

On 1 May 2019, T Breslin and R Trasatti were appointed as directors.

### **Political and charitable contributions**

During the year the group made charitable contributions of £4,000 (2018 - £2,000) and no political donations (2018 - £Nil).

# YSC Holdings Limited

## Directors' Report (continued) for the Year Ended 30 April 2019

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### Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

### Going concern

The directors, having made appropriate enquiries, have a reasonable expectation that the group has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. For this reason they continue to adopt the going concern basis in preparing the group's accounts. In adopting the going concern basis for preparing the financial statements, the directors have considered the group's principal risks and uncertainties and business review as set out in the strategic report

### Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 1 - 2. These matters relate to the principal activity and financial risk.

### Disclosure 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 the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

### 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.

  
.....  
N Holgate  
Director

Date: 11/10/2019

# YSC Holdings Limited

## Independent Auditor's Report to the Members of YSC Holdings Limited

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### Opinion

We have audited the financial statements of YSC Holdings Limited ("the parent company") and its subsidiaries ("the group") for the year ended 30 April 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2019 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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



# **YSC Holdings Limited**

## **Independent Auditor's Report to the Members of YSC Holdings Limited (continued)**

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### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

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

- adequate accounting records have not been kept 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 and explanations we require for our audit.

# YSC Holdings Limited

## Independent Auditor's Report to the Members of YSC Holdings Limited (continued)

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### Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 11/10/2019

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

# YSC Holdings Limited

## Consolidated Statement of Comprehensive Income for the Year Ended 30 April 2019

	Note	2019 £000	2018 £000
Turnover	4	42,831	38,853
Cost of sales		(21,775)	(19,859)
<b>Gross profit</b>		<b>21,056</b>	<b>18,994</b>
Administrative expenses		(13,939)	(16,571)
<b>Operating profit</b>	5	<b>7,117</b>	<b>2,423</b>
Interest receivable and similar income	9	23	43
Interest payable and similar charges	10	(9)	(475)
<b>Profit before taxation</b>		<b>7,131</b>	<b>1,991</b>
Taxation	11	(855)	1,113
<b>Profit for the financial year</b>		<b>6,276</b>	<b>3,104</b>
<b>Other comprehensive income</b>			
Currency translation differences		103	(394)
<b>Total comprehensive income for the year</b>		<b>6,379</b>	<b>2,710</b>

The notes on pages 16 to 35 form part of these financial statements.

**YSC Holdings Limited**  
Registered number: 08449751

**Consolidated Statement of Financial Position**  
as at 30 April 2019

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Intangible assets	12	19,511	20,887
Tangible assets	13	639	658
		<u>20,150</u>	<u>21,545</u>
<b>Current assets</b>			
Debtors	15	17,126	16,081
Cash and cash equivalents		9,938	9,134
		<u>27,064</u>	<u>25,215</u>
Creditors: amounts falling due within one year	16	(22,187)	(28,112)
<b>Net current assets/(liabilities)</b>		<u>4,877</u>	<u>(2,897)</u>
<b>Net assets</b>		<u><u>25,027</u></u>	<u><u>18,648</u></u>
<b>Capital and reserves</b>			
Share capital	19	31	31
Share premium account	20	6,427	6,427
Other reserves	20	6,902	6,902
Profit and loss account	20	11,667	5,288
		<u><u>25,027</u></u>	<u><u>18,648</u></u>

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

  
.....  
**N Holgate**  
Director

Date: 11/10/2019

The notes on pages 16 to 35 form part of these financial statements.

# YSC Holdings Limited

Registered number: 08449751

## Company Statement of Financial Position as at 30 April 2019

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Investments	14	32,144	32,144
<b>Current assets</b>			
Debtors	15	2,216	256
Cash and cash equivalents		986	2,408
		<u>3,202</u>	<u>2,664</u>
Creditors: amounts falling due within one year	16	(42,024)	(39,931)
<b>Net current liabilities</b>		<u>(38,822)</u>	<u>(37,267)</u>
<b>Net liabilities</b>		<u>(6,678)</u>	<u>(5,123)</u>
<b>Capital and reserves</b>			
Share capital	19	31	31
Share premium account	20	6,427	6,427
Profit and loss account	20	(13,136)	(11,581)
<b>Total equity</b>		<u>(6,678)</u>	<u>(5,123)</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £1,555,000 (2018 - £1,773,000)

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

  
N Holgate  
Director

Date: 11/10/2019

The notes on pages 16 to 35 form part of these financial statements.

# YSC Holdings Limited

## Consolidated Statement of Changes in Equity for the Year Ended 30 April 2019

	Share capital	Share premium	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 May 2018	31	6,427	6,902	5,288	18,648
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	6,276	6,276
Currency translation differences	-	-	-	103	103
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,379</u>	<u>6,379</u>
<b>At 30 April 2019</b>	<u>31</u>	<u>6,427</u>	<u>6,902</u>	<u>11,667</u>	<u>25,027</u>

The notes on pages 16 to 35 form part of these financial statements.

## YSC Holdings Limited

### Consolidated Statement of Changes in Equity for the Year Ended 30 April 2018

	Share capital £000	Share premium £000	Investment in own shares £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 May 2017	30	3,591	(2,502)	6,902	2,578	10,599
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	3,104	3,104
Currency translation differences	-	-	-	-	(394)	(394)
<b>Total comprehensive income for the year</b>	-	-	-	-	2,710	2,710
Shares issued during the year	1	2,836	-	-	-	2,837
Investment in own shares movement	-	-	2,502	-	-	2,502
<b>At 30 April 2018</b>	<b>31</b>	<b>6,427</b>	<b>-</b>	<b>6,902</b>	<b>5,288</b>	<b>18,648</b>

The notes on pages 16 to 35 form part of these financial statements.

# YSC Holdings Limited

## Company Statement of Changes in Equity for the Year Ended 30 April 2019

	Share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
At 1 May 2018	31	6,427	(11,581)	(5,123)
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(1,555)	(1,555)
<b>At 30 April 2019</b>	<b>31</b>	<b>6,427</b>	<b>(13,136)</b>	<b>(6,678)</b>

## Company Statement of Changes in Equity for the Year Ended 30 April 2018

	Share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 May 2017	30	3,591	(9,811)	(6,190)
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(1,773)	(1,773)
Currency translation differences	-	-	3	3
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(1,770)</b>	<b>(1,770)</b>
<b>Contributions by and distributions to owners</b>				
Shares issued during the year	1	2,836	-	2,837
<b>At 30 April 2018</b>	<b>31</b>	<b>6,427</b>	<b>(11,581)</b>	<b>(5,123)</b>

The notes on pages 16 to 35 form part of these financial statements.



# YSC Holdings Limited

## Consolidated Statement of Cash Flows for the Year Ended 30 April 2019

	2019 £000	2018 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	6,276	3,104
<b>Adjustments for:</b>		
Amortisation of intangible fixed assets	1,377	1,376
Depreciation of tangible fixed assets	262	294
Loss on disposal of tangible assets	4	-
Gain on disposal of investment in own shares	-	(1,090)
Interest charged to the income statement	9	475
Interest credited to the income statement	(23)	(43)
Taxation charged/(credited) to the income statement	855	(1,113)
(Increase) in debtors	(1,655)	(1,498)
(Decrease)/increase in creditors	(5,906)	2,996
UK and foreign tax received/(paid)	(217)	(1,847)
Foreign exchange differences	63	(394)
<b>Net cash generated from operating activities</b>	<b>1,045</b>	<b>2,260</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1)	(2)
Purchase of tangible fixed assets	(264)	(223)
Disposals of tangible fixed assets	10	1
Interest received	23	43
Disposal of investment in own shares	-	5,929
<b>Net cash (used in)/generated from investing activities</b>	<b>(232)</b>	<b>5,748</b>
<b>Cash flows from financing activities</b>		
Repayment of bank loans	-	(13,713)
Repayment of loan notes	-	(6,653)
(Repayments to)/new loans from parent undertaking	-	13,202
Interest paid	(9)	(2,320)
Repayment of preference shares	-	(2,988)
Other issue of ordinary shares	-	2,837
<b>Net cash used in financing activities</b>	<b>(9)</b>	<b>(9,635)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>804</b>	<b>(1,627)</b>
Cash and cash equivalents at beginning of year	9,134	10,761
<b>Cash and cash equivalents at the end of year</b>	<b>9,938</b>	<b>9,134</b>

# YSC Holdings Limited

## Consolidated Statement of Cash Flows (continued) for the Year Ended 30 April 2019

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	2019 £000	2018 £000
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>9,938</u>	<u>9,134</u>

The notes on pages 16 to 35 form part of these financial statements.

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

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### 1. General information

YSC Holdings Limited is a private limited company, limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the Company Information page and the nature of the group's operations and its principal activities are set out in the strategic report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

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

#### Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### 2.3 Turnover

Turnover represents revenue (excluding VAT) earned under a wide variety of different contracts for the provision of consultancy services and online surveys. Revenue is recognised as the services are provided, and so for incomplete contracts, the recognised portion is the proportion of the project actually delivered in line with contractual obligations. Earned revenue that is not yet invoiced is included in debtors as accrued revenue, and payments made on account before the actual delivery of the consultancy are included in creditors as deferred revenue. Online surveys are recognised monthly for all surveys occurring that month.

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

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### 2. Accounting policies (continued)

#### 2.4 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the income statement over its useful economic life of 20 years. Estimates of useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business and the expected useful life of the cash generating units to which the goodwill is attributed.

#### 2.5 Tangible fixed assets

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

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Depreciation is provided on the following basis:

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

#### 2.6 Operating leases

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

#### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

#### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

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### 2. Accounting policies (continued)

#### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### 2.10 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

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

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

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

#### 2.11 Creditors

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

#### 2.12 Employee share ownership plan

The cost of the group's shares held by the ESOP is deducted from equity in the group and company balance sheets under the heading ESOP share reserve. Any cash received by the ESOP on disposal of the shares it holds is also recognised directly in equity. Other assets and liabilities of the ESOP (including borrowings) are recognised as assets and liabilities of the group.

# **YSC Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 30 April 2019**

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### **2. Accounting policies (continued)**

#### **2.13 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income within administrative expenses.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

#### **2.14 Finance costs**

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

#### **2.15 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

# **YSC Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 30 April 2019**

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### **2. Accounting policies (continued)**

#### **2.16 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 consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position 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. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the group keeping the scheme open or the employee maintaining any contributions required by the scheme).

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

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with fair value of goods and services received.

#### **2.17 Pensions**

##### **Defined contribution pension plan**

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

#### **2.18 Interest income**

Interest income is recognised in the income statement using the effective interest method.

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

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### 2. Accounting policies (continued)

#### 2.19 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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



# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to exercise judgement in applying the Group's accounting policies. Estimates and assumptions used in the preparation of the financial statements are continually reviewed as necessary.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill and fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Turnover is earned through the delivery of leadership consultancy services, psychological assessments by consultants and follow up report delivery. The company also deliver training online. There is a key estimate around turnover recognition and to what extent revenue is earned at the year end. Management assess this through timecards and course delivery records, to confirm all courses delivered are either invoiced or accrued for.

Other key sources of estimation uncertainty

- Goodwill is amortised over its estimated useful life of 20 years, with no residual value. Its actual life is assessed annually. When assessing its estimated useful life, management consider factors such as the successful trading history of the Group, historical customer retention and company growth.

### 4. Turnover

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	18,619	16,197
Rest of Europe	2,814	2,374
Americas	13,365	11,672
Asia Pacific	7,111	6,216
Rest of the world	922	2,394
	<u>42,831</u>	<u>38,853</u>

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 5. Operating loss

The operating loss is stated after charging:

	2019 £000	2018 £000
Amortisation of intangible assets (see note 12)	1,377	1,376
Depreciation of tangible fixed assets (see note 13)	262	294
Exchange differences	87	117
Other operating lease rentals	1,716	1,508

### 6. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the group's auditor and its associates for the audit of the group's annual accounts	122	156
Fees payable to the group's auditor and its associates in respect of:		
All other services	142	222

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 7. Employees

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

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>	<b>Company 2019 £000</b>	<b>Company 2018 £000</b>
Wages and salaries	19,344	17,410	313	279
Social security costs	1,331	1,310	8	3
Cost of defined contribution scheme (see note 21)	803	747	-	-
	<b>21,478</b>	<b>19,467</b>	<b>321</b>	<b>282</b>

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

	<b>2019 No.</b>	<b>2018 No.</b>
Consultants	94	103
Other	125	119
	<b>219</b>	<b>222</b>

### 8. Directors' remuneration

The directors are considered to be the key management personnel and their remuneration is set out below:

	<b>2019 £000</b>	<b>2018 £000</b>
Directors' emoluments	2,002	1,195
Company contributions to defined contribution pension schemes	66	26
	<b>2,068</b>	<b>1,221</b>

During the year retirement benefits were accruing to 8 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £369,000 (2018 - £351,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,000 (2018 - £6,000).

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 9. Interest receivable and similar income

	2019 £000	2018 £000
Other interest receivable	23	43

### 10. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	-	854
Other loan interest payable	-	(551)
Preference share dividends	-	149
Other interest payable	9	23
	9	475

In the prior year, the negative amount of other loan interest payable of £551,000 was comprised of (i) an interest charge of £187,000 on the loan notes which was payable for the period from 1 May 2017 until the loan notes were fully repaid on 27 October 2017 and (ii) the release due to early repayment of an accrual of £738,000 in respect of the loan notes.

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 11. Taxation

	2019 £000	2018 £000
<b>Corporation tax</b>		
Current tax on profits for the year	148	(8)
Adjustments in respect of previous periods	-	(340)
	<u>148</u>	<u>(348)</u>
Double taxation relief	(148)	-
	<u>-</u>	<u>(348)</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	423	486
Foreign tax in respect of prior periods	(152)	158
	<u>271</u>	<u>644</u>
<b>Total current tax</b>	<u>271</u>	<u>296</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	533	(2,094)
Adjustment in respect of prior periods	57	107
Effect of tax rate change on opening balance	(6)	578
<b>Total deferred tax</b>	<u>584</u>	<u>(1,409)</u>
<b>Taxation on profit on ordinary activities</b>	<u>855</u>	<u>(1,113)</u>

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 11. Taxation (continued)

#### Factors affecting tax charge for the year

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

	2019 £000	2018 £000
Profit on ordinary activities before tax	7,131	1,991
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,355	378
Effects of:		
Expenses not deductible for tax purposes	475	1,249
Capital allowances for year in excess of depreciation	4	4
Income not taxable for tax purposes	(88)	(118)
Adjustments in respect of prior periods - deferred tax	20	-
Deferred tax not recognised	(157)	520
Effect of overseas tax rates	44	(572)
Foreign tax credits	(148)	12
Adjustments to tax charge in respect of prior periods	-	(340)
Adjustments to tax charge in respect of prior periods (overseas tax)	(111)	268
UK corporate tax rate change	-	129
Other short term timing differences	-	(15)
Other permanent timing differences	-	(2,616)
Foreign exchange differences	-	(14)
Adjustments to deferred tax average rates	(109)	-
Group relief claimed	(430)	-
Other	-	2
<b>Total tax charge for the year</b>	<b>855</b>	<b>(1,113)</b>

#### Factors that may affect future tax charges

The main rate of UK corporation tax will decrease from 19% to 17% for 1 April 2020. As these changes had not been substantially enacted at the statement of financial position date, their effects are not included in the financial statements.

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 12. Intangible assets

#### Group and Company

	Trademarks £000	Goodwill £000	Total £000
<b>Cost</b>			
At 1 May 2018	6	27,509	27,515
Additions	1	-	1
At 30 April 2019	7	27,509	27,516
<b>Amortisation</b>			
At 1 May 2018	-	6,628	6,628
Charge for the year	1	1,376	1,377
At 30 April 2019	1	8,004	8,005
<b>Net book value</b>			
At 30 April 2019	6	19,505	19,511
At 30 April 2018	6	20,881	20,887

The company has no intangible fixed assets.

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 13. Tangible fixed assets

#### Group

	Leasehold improvements £000	Fixtures and fittings £000	Office equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 May 2018	426	423	1,037	1,886
Additions	1	68	195	264
Disposals	-	(10)	(13)	(23)
Exchange adjustments	5	9	4	18
At 30 April 2019	432	490	1,223	2,145
<b>Depreciation</b>				
At 1 May 2018	225	186	817	1,228
Charge for the year	57	52	153	262
Disposals	-	-	(9)	(9)
Exchange adjustments	2	8	15	25
At 30 April 2019	284	246	976	1,506
<b>Net book value</b>				
At 30 April 2019	148	244	247	639
At 30 April 2018	201	237	220	658

The company has no tangible fixed assets.



# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 14. Fixed asset investments

#### Company

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 May 2018	32,144
At 30 April 2019	32,144
<b>Net book value</b>	
At 30 April 2019	32,144
At 30 April 2018	32,144

Details of the parent company's subsidiaries are included in note 25.

### 15. Debtors

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Trade debtors	7,232	8,344	-	-
Amounts owed by group undertakings	2,352	600	1,775	-
Other debtors	456	330	75	28
Prepayments and accrued income	5,007	4,117	-	19
Tax recoverable	992	1,065	-	-
Deferred taxation (see note 18)	1,087	1,625	366	209
	<u>17,126</u>	<u>16,081</u>	<u>2,216</u>	<u>256</u>

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 16. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Trade creditors	1,529	1,606	37	68
Amounts owed to group undertakings	8,354	13,202	41,457	39,340
Corporation tax	491	510	-	-
Other taxation and social security	746	1,250	3	-
Other creditors	428	332	-	5
Accruals and deferred income	10,639	11,212	527	518
	<u>22,187</u>	<u>28,112</u>	<u>42,024</u>	<u>39,931</u>

### 17. Financial instruments

	Group 2019 £000	Group 2018 £000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>21,606</u>	<u>21,206</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(6,534)</u>	<u>(5,963)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise loans, trade creditors, other creditors and accrued expenses.

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 18. Deferred taxation

#### Group

	2019 £000
At 1 May 2018	1,625
Charged to the income statement	(584)
Foreign exchange	46
At 30 April 2019	<u>1,087</u>

#### Company

	2019 £000
At 1 May 2018	209
Charged to the income statement	157
At 30 April 2019	<u>366</u>

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Accelerated capital allowances	-	113	366	209
Tax losses carried forward	-	1,264	-	-
Other short term timing differences	1,087	248	-	-
	<u>1,087</u>	<u>1,625</u>	<u>366</u>	<u>209</u>

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 19. Share capital

	2019 £	2018 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
3,082,628,257 Ordinary shares of £0.000010 each	<u>30,826</u>	<u>30,826</u>

### 20. Reserves

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Capital redemption reserve

This includes the capital redemption reserve representing amounts transferred from share capital on redemption of issued shares and the share option reserve, being the cumulative charge in respect of share options issued to employees.

#### Other reserves

ESOP share reserve represents the cost of the shares of the Company held by the Employee Share Ownership Plan (ESOP) trust for the purpose of long-term incentive schemes for employees.

#### Merger Reserve

Merger reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 21. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £803,000 (2018 - £747,000). Contributions totalling £93,000 (2018 - £171,000) were payable to the fund at the reporting date.

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 22. Commitments under operating leases

At 30 April 2019 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>
Not later than 1 year	<b>1,617</b>	1,439
Later than 1 year and not later than 5 years	<b>2,733</b>	3,856
Later than 5 years	-	63
	<b><u>4,350</u></b>	<b><u>5,358</u></b>

### 23. Related party transactions

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that the subsidiaries party to the transactions are wholly owned members of the group.

### 24. 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.

# YSC Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2019

### 25. Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country	Holding	Principal activity
Young Samuel Psychologists Pty Ltd*	South Africa	100%	Leadership consultancy
YSC (Americas), Inc*	USA	100%	Dormant company
YSC India Business Psychologists Private Limited*	India	100%	Leadership consultancy
Young Samuel Chambers SA de CV*	Mexico	100%	Leadership consultancy
Young Samuel Chambers ("YSC") Limited	United Kingdom	100%	Leadership consultancy
YSC Brasil Consultoria Em Lideranca e Talento Limitada*	Brazil	100%	Leadership consultancy
YSC Consulting Private Limited*	Singapore	100%	Leadership consultancy
YSC (Shanghai) Management Consulting Co.Limited*	China	100%	Leadership consultancy
YSC Limited*	Canada	100%	Leadership consultancy

\*Indirect holding

The registered office of Young Samuel Chambers ("YSC") Limited is the same as YSC Holdings Limited and is shown on the company information page.

The registered office of Young Samuel Psychologists Pty Ltd is 4 The High Street, Melrose Arch, Gauteng 2076, Johannesburg, SA

The registered office of YSC (Americas), Inc is 295 Madison Avenue, 19th Floor, New York NY 10017, USA

The registered office of YSC India Business Psychologists Private Limited is Level 12, Platina, Plot no C-59, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India

The registered office of Young Samuel Chambers SA de CV is Moliere No 50, Col. Polanco.CP 11550, Del. Miguel Hidalgo, CDMX, Mexico City

The registered office of YSC Brasil Consultoria Em Lideranca e Talento Limitada is Rua Funchal, 418-35 Andar, Vila Olimpia Sao Paulo, State of Sao Paulo, CEP 04551-060, Brazil

The registered office of YSC Consulting Private Limited is 8 Marina Boulevard, Level 11 Tower 1 Marina Bay Financial Centre, Singapore 018981

The registered office of YSC (Shanghai) Management Consulting Co. Limited is 17-112 Tower B, China Overseas International Centre, No. 838 South Huangpi Road, Shanghai, 200025

The registered office of YSC Limited is 295 Madison Avenue, 19th Floor, New York NY 10017, USA.