

Yukon Midco 1 Limited

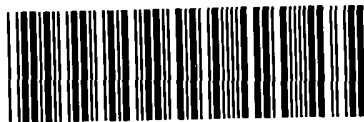
Report and Financial Statements

Year Ended

30 April 2020

Company Number 11011236

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Yukon Midco 1 Limited

Company Information

Directors	N Holgate E Pliner
Registered number	11011236
Registered office	50 Floral Street London WC2E 9DA
Independent auditor	BDO LLP 55 Baker Street London W1U 7 EU

Yukon Midco 1 Limited

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Yukon Midco 1 Limited

Strategic Report for the Year Ended 30 April 2020

Introduction

The directors present their strategic report for the Yukon group ("YSC", "Group"), of which Yukon Midco 1 Limited is a subsidiary, together with the audited financial statements for the year ended 30 April 2020.

Strategic review and future developments

Yukon Midco 1 Limited is an Investment Company formed to hold the investment in Yukon Midco 2 Limited and indirectly invest in the assets of the YSC Group of trading companies.

YSC's foundation was built from behavioural science, and the Group seamlessly blends the commercial context unique to client organisations with its knowledge of the latest methodologies in leadership assessment, development, analytics and inclusive leadership to ensure client people practices are aligned with their business strategy.

YSC largely focuses on the top five to ten percent of leaders within the organisations that it partners with globally. Through this partnership, leaders and organisations more mindfully, purposefully and intentionally make judgments, direct their drive and extend their influence to create transformational change.

YSC offers a number of leadership strategy services to enable the sustained success of client's commercial performance and creates unique solutions specific to each individual client leadership challenge. Such services include CEO succession planning and board effectiveness, executive assessment, leadership coaching and team development, identifying and developing potential, and diversity and inclusion services.

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.

In the opinion of the directors the principal risks faced by the business, other than economy-wide risks (such as the Covid-19 pandemic covered in more detail under Going concern below, Brexit and wider economic downturns), 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 Group 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 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.

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 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.

Yukon Midco 1 Limited

Strategic Report (continued) for the Year Ended 30 April 2020

Going concern

The Group meets its day to day working capital requirements through long term bank financing, a revolving credit facility and ongoing operating cashflows.

On 31 January 2020 the World Health Organisation declared a global pandemic due to the Covid-19 virus that has spread across the globe, causing different governments and countries to enforce restrictions on people movements, international travel and other precautionary measures. This has had a widespread impact economically, with many industries being heavily impacted, potential uncertainty around cash collection from clients and a more general need to reconsider whether budgets and targets previously set remain realistic in light of these events.

The performance of the Group was severely impacted by Covid-19 towards the end of the 30 April 2020 financial year, with revenue from some clients dropping significantly against original forecast projections. As a result a number of mitigating actions were implemented in order to protect existing client revenue, minimise on-going costs within the business and to maximise the cash available to sustain the Group as a going concern. Detailed reforecasting and stress testing was also undertaken in order to consider the likely future performance of the Group and how much forecasts would have to reduce by in order to cause cash or other constraints, and the likelihood of those scenarios occurring.

The business also reviewed the financial covenants around its bank and revolver facility financing to consider whether it was likely that a breach might occur. Whilst the Group has continued to hold a significant level of cash throughout the period through to the date of the financial statements, agreement was reached with the Group's lending banks to waive certain financial covenants, to defer one repayment for £750,000 due in April 2020 over the remaining life of the Group's facilities, and to rebase the future financial covenants to take account of the impact of Covid-19 on the Group. As a result, taking into account the reforecasting work undertaken, the directors have a reasonable expectation that the Group will not be in breach of any financial covenants for at least 12 months from the date the accounts were authorised for issue.

The level of monthly client revenues have subsequently started to increase, and the Group continues to hold a satisfactory level of cash. As a result, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date the accounts were authorised for issue. Therefore it is considered appropriate that the Group continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Future developments

The Group continually invests in its people, new services, enhancement of existing services and in its own bespoke technology solutions. The directors remain confident that these initiatives, coupled with the Group's independent market positioning, will continue to create further growth and strategic opportunities.

The Group's plan for the next 12 months from the date of the financial statements is one of organic growth from existing and new clients, whilst taking into account the impact of Covid-19 within certain clients and industries, and the potential for further economic downturns, whether driven by Covid-19, Brexit or broader economic factors. The Group is not dependent on any individual client, industry sector or geography. As a result the Group expects to be able to continue to grow in certain markets in order to partially offset the impact of those markets more impacted by Covid-19.

The directors continue to assess the impact of Covid-19, as the situation evolves. To date the Group has responded in an agile manner to mitigate the Covid-19 impact, and the directors will continue to consider and implement appropriate measures to align costs with client demand.

Yukon Midco 1 Limited

Strategic Report (continued) for the Year Ended 30 April 2020

Section 172 statement - engaging with stakeholders

The Section 172 statement has been prepared for the Yukon group and is consistent throughout.

The success of the Group is dependent on the support of all stakeholders. Building positive relationships with all stakeholders assists Yukon Midco 1 Limited in delivering long-term sustainable success.

The directors make decisions with a long-term view in mind and with the highest standards of conduct in line with Group policies. In order to fulfil their duties, the directors take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Where possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken.

Reports are regularly made to the Group Board by the directors about the strategy, performance and key decisions taken which provides the Board with assurance that proper consideration is given to stakeholder interests in decision-making.

At Group level, the Board is well informed about the views of stakeholders through the regular reporting and it uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process. Details of the Group's key stakeholders and how we engage with them are set out below.

Shareholders

As owners of our Group we rely on the support of shareholders and their opinions are important to us. We have an open dialogue with our shareholders through one-to-one meetings, and annual update meetings. Discussions with shareholders cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices. Shareholder feedback is regularly discussed by the Board and their views are considered as part of decision-making.

Colleagues

Our employees are key to our success and we wish them to be successful individually and as teams. There are many ways we engage with and listen to our people including colleague surveys, team and face-to-face meetings, internal communities and newsletters. Key areas of focus include health and well-being, development opportunities, pay and benefits. Regular reports about what is important to our employees are made to the Board ensuring consideration is given to colleague needs.

Clients

Our ambition is to deliver best-in-class service to our clients. We build strong lasting relationships with our clients and spend considerable time with them to understand their needs and views, and listen to how we can improve our services for them. We use this knowledge to inform our decision-making, for example to continuously develop and enhance our strategic offerings.

Suppliers

We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through individual meetings and regular feedback sessions. Key areas of focus will include innovation, product development and service levels. The Board recognises that relationships with suppliers are important to the Group's long-term success.

Financial Lenders

The Group is dependent on the support of a small number of financial lenders to provide the necessary long-term funding to enable the Group to fulfil its growth ambitions. Engagement with the lenders is through regular reporting on the performance of the Group, in addition to face-to-face update meetings several times each year. Lender feedback is regularly reported to and discussed by the Board.

Yukon Midco 1 Limited

Strategic Report (continued) for the Year Ended 30 April 2020

During the year ended 30 April 2020 the key decisions taken by the Board considered to be of strategic importance to the Group's stakeholders are as follows:

Appointment of new CEO

In May 2019 Eric Pliner (previously MD of YSC North America and Chief Commercial Officer) was appointed as the Group's new CEO, replacing Robert Sharrock, who remains as a consultant within the YSC European business. The Board ran an internal process to make the appointment. Given the nature of YSC's business and culture, this was considered to be the most appropriate route and in the best interests of the business, its shareholders and employees.

Covid-19 measures undertaken

The Group was quickly and severely impacted by Covid-19 from early March 2020. In order to best protect the interests of all Group stakeholders, the Board rapidly undertook a number of substantive measures. These included the temporary closure of all Group offices and remote working for all employees, significant reductions to operating costs wherever possible and changes to working hours.

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



.....
E Pliner
Director

Date: 7 March 2020

Yukon Midco 1 Limited

Directors' Report for the Year Ended 30 April 2020

The directors present their report and the financial statements for the year ended 30 April 2020.

Principal activity

Yukon Midco 1 Ltd is an investment Company formed to hold the investment in Yukon Midco 2 Ltd and indirectly invest in the assets of the YSC trading group of companies.

Directors

The directors who served during the year were:

N Holgate
E Pliner (appointed 1 May 2019)
R Sharrock (resigned 1 May 2019)

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 financial statements (in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies 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 loss for the year, after taxation, amounted to £1,890,183 (2019 - £1,886,283).

The directors do not recommend the payment of a dividend (2019 - £Nil).

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 page 1 - 4. These matters relate to financial risk.

Yukon Midco 1 Limited

Directors' Report (continued) for the Year Ended 30 April 2020

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'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's auditor is aware of that information.

Post balance sheet events

There were no significant events post the year end date.

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: 7 DECEMBER 2020

Yukon Midco 1 Limited

Independent Auditor's Report to the Members of Yukon Midco 1 Limited

Opinion

We have audited the financial statements of Yukon Midco 1 Limited ("the Company") for the year ended 30 April 2020 which comprise statement of comprehensive income, statement of financial position, statement of changes in equity and the 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 Company's affairs as at 30 April 2020 and of its loss for the period 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 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 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.

Yukon Midco 1 Limited

Independent Auditor's Report to the Members of Yukon Midco 1 Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the 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 and directors' report for the financial period 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Yukon Midco 1 Limited

Independent Auditor's Report to the Members of Yukon Midco 1 Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

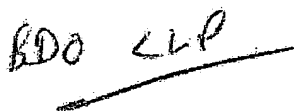
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAS (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located 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 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.



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

Date: 07/12/2020

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

Yukon Midco 1 Limited

Statement of Comprehensive Income for the Year Ended 30 April 2020

	Note	2020 £	2019 £
Administrative expenses		(11,315)	(42,407)
Operating loss		(11,315)	(42,407)
Interest payable and similar charges		(1,878,868)	(1,807,452)
Loss before tax		(1,890,183)	(1,849,859)
Taxation	6	-	(36,424)
Loss for the financial year		(1,890,183)	(1,886,283)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,890,183)	(1,886,283)

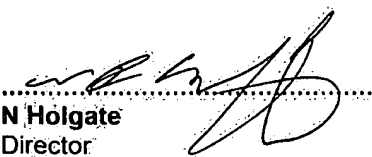
The notes on pages 13 to 21 form part of these financial statements.

Yukon Midco 1 Limited
Registered number: 11011236

**Statement of Financial Position
as at 30 April 2020**

	Note	2020 £	2019 £
Fixed assets			
Investments	7	1	1
Current assets			
Debtors	8	48,017,564	48,017,564
Creditors: amounts falling due within one year	9	(34,675,672)	(34,785,489)
Net current assets		13,341,892	13,232,075
Creditors: amounts falling due after more than one year	10	(18,000,000)	(16,000,000)
Net liabilities		(4,658,107)	(2,767,924)
Capital and reserves			
Share capital	12	1	1
Accumulated losses	13	(4,658,108)	(2,767,925)
		(4,658,107)	(2,767,924)

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


N Holgate
Director

Date: 7 October 2020

Yukon Midco 1 Limited

Statement of Changes in Equity for the Year Ended 30 April 2020

	Share capital	Accumulated losses	Total equity
	£	£	£
At 1 May 2019	1	(2,767,925)	(2,767,924)
Comprehensive loss for the year			
Loss for the year	-	(1,890,183)	(1,890,183)
At 30 April 2020	1	(4,658,108)	(4,658,107)

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

	Share capital	Accumulated losses	Total equity
	£	£	£
At 1 May 2018	1	(881,642)	(881,641)
Comprehensive loss for the year			
Loss for the year	-	(1,886,283)	(1,886,283)
At 30 April 2019	1	(2,767,925)	(2,767,924)

The notes on pages 13 to 21 form part of these financial statements.

Yukon Midco 1 Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

1. General information

Yukon Midco 1 Limited (the "Company") is a private Company limited by shares and is incorporated in the United Kingdom. The address of its registered office is 50 Floral Street, London WC2E 9DA. The nature of the Company's operations and principal activity are set out in the directors' 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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Yukon Topco Limited as at 30 April 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Yukon Midco 1 Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

2. Accounting policies (continued)

2.3 Going concern

Yukon Midco 1 Limited is a subsidiary of the Yukon group, ("the Group").

The Group meets its day to day working capital requirements through long term bank financing, a revolving credit facility and ongoing operating cashflows.

On 31 January 2020 the World Health Organisation declared a global pandemic due to the Covid-19 virus that has spread across the globe, causing different governments and countries to enforce restrictions on people movements, international travel and other precautionary measures. This has had a widespread impact economically, with many industries being heavily impacted, potential uncertainty around cash collection from clients and a more general need to reconsider whether budgets and targets previously set remain realistic in light of these events.

The performance of the Group was severely impacted by Covid-19 towards the end of the 30 April 2020 financial year, with revenue from some clients dropping significantly against original forecast projections. As a result a number of mitigating actions were implemented in order to protect existing client revenue, minimise on-going costs within the business and to maximise the cash available to sustain the Group as a going concern. Detailed reforecasting and stress testing was also undertaken in order to consider the likely future performance of the Group and how much forecasts would have to reduce by in order to cause cash or other constraints, and the likelihood of those scenarios occurring.

The business also reviewed the financial covenants around its bank and revolver facility financing to consider whether it was likely that a breach might occur. Whilst the Group has continued to hold a significant level of cash throughout the period through to the date of the financial statements, agreement was reached with the Group's lending banks to waive certain financial covenants, to defer one repayment for £750,000 due in April 2020 over the remaining life of the Group's facilities, and to rebase the future financial covenants to take account of the impact of Covid-19 on the Group. As a result, taking into account the reforecasting work undertaken, the directors have a reasonable expectation that the Group will not be in breach of any financial covenants for at least 12 months from the date the accounts were authorised for issue.

The level of monthly client revenues have subsequently started to increase, and the Group continues to hold a satisfactory level of cash. As a result, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date the accounts were authorised for issue. Therefore it is considered appropriate that the Group continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The Group have provided the Company with a letter of financial support for a period of at least 13 months from the date of authorisation of the company financial statements, should the Company not be able to meet its liabilities in this period.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Debtors

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

Yukon Midco 1 Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

2. Accounting policies (continued)

2.6 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.

2.7 Finance costs

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

2.8 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

2.9 Provision for liabilities

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

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

Yukon Midco 1 Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

2. Accounting policies (continued)

2.10 Current and deferred taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

There are no estimates and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets or liabilities within the financial year.

4. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	2,910	8,475
Fees payable to the company's auditor and its associates in respect of:		
All other services	15,789	4,238

5. Employees

The average monthly number of employees, including directors, during the year was 0 (2019 - 0).

Yukon Midco 1 Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

6. Taxation

	2020 £	2019 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	8,057	73,067
Adjustments in respect of prior periods	(7,209)	(36,643)
Effect of tax rate change on opening balance	(848)	-
Total deferred tax	-	36,424
Taxation on loss on ordinary activities	-	36,424

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(1,890,183)	(1,849,859)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(359,135)	(351,473)
Effects of:		
Expenses not deductible for tax purposes	295,656	161,405
Group relief surrendered	10,207	8,057
Deferred tax not recognised	61,329	235,919
Adjustments in respect of prior periods - deferred tax	(7,209)	(36,643)
Adjustments to deferred tax average rate	(848)	19,159
Total tax credit for the year	-	36,424

Factors that may affect future tax charges

The U.K. government announced in its budget on 11 March 2020 that the U.K. corporation tax main rate, which was due to decrease from 19.0% to 17.0% from 1 April 2020, will now remain at 19.0%. This will result in the U.K. corporation tax rate applicable to the Company remaining at 19.0% from 1 April 2020.

Yukon Midco 1 Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2019	1
At 30 April 2020	1
Net book value	
At 30 April 2020	1
At 30 April 2019	1

8. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	48,017,564	48,017,564

All amounts shown under debtors fall due for payment within one year.

Amounts owed from group undertakings are unsecured, interest free and repayable on demand.

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Loan notes	-	494,476
Trade creditors	1,668	2,806
Amounts owed to group undertakings	32,331,124	31,729,167
Accruals and deferred income	2,342,880	2,559,040
	34,675,672	34,785,489

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Yukon Midco 1 Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

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

	2020 £	2019 £
Loan notes	<u>18,000,000</u>	<u>16,000,000</u>

11. Loan Notes

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Loan Notes	-	494,476
Amounts falling due after more than 5 years		
Loan Notes	<u>18,000,000</u>	<u>16,000,000</u>

The Loan Notes are comprised of two different types of note. The first instrument, referred to as 'Investor Loan Notes' originally constituted £16,000,000 of unsecured redeemable loan notes repayable in 2027 and interest is payable at a rate of 10% per annum. There was an additional issue of £2,000,000 of these 'Investor Loan Notes' to the holders of the original 'Investor Loan Notes' on 27 March 2020 as payment in kind of £2,000,000 of interest that had accrued on the original loan notes. The newly issued loan notes were issued on identical terms to, and rank parri passu with, the original 'Investor Loan Notes'.

The second instrument, referred to as 'CT Bridging Loan Notes,' originally constituted £2,054,000 of unsecured redeemable loan notes repayable in 2027 with interest payable at a rate of 10% per annum. The second instrument however granted to the noteholder the option at any time after 27 October 2019 to convert any notes still outstanding into a combination of A1 ordinary shares and Investor Loan Notes in accordance with the terms set out in the Loan Note Instrument. A balance of £494,476 remained at 30 April 2019 and the rest of the loan notes were redeemed in full on 30 September 2019.

Yukon Midco 1 Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 ordinary share of £1.00	1	1

13. Reserves

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

Accumulated losses

Accumulated losses represents cumulative profits or losses, net of dividends paid and other adjustments.

14. Post balance sheet events

There were no significant events post the year end date.

15. Controlling party

As at 30 April 2020, the immediate and ultimate parent undertaking was Yukon Topco Limited, a Company registered in England and Wales.

A copy of the parent Company's financial statements can be obtained from 50 Floral Street, London, England, WC2E 9DA.

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.

Yukon Midco 1 Limited

Notes to the Financial Statements for the Year Ended 30 April 2020

16. Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Young Samuel Psychologists Pty Ltd*	Ordinary	100%	Leadership consultancy
YSC (Americas), Inc*	Ordinary	100%	Dormant company
YSC India Business Psychologists Private Limited*	Ordinary	100%	Leadership consultancy
Young Samuel Chambers SA de CV*	Ordinary	100%	Leadership consultancy
Young Samuel Chambers ("YSC") Limited*	Ordinary	100%	Leadership consultancy
YSC Brasil Consultoria Em Lideranca e Talento Limitada*	Ordinary	100%	Leadership consultancy
YSC Consulting Private Limited*	Ordinary	100%	Leadership consultancy
YSC (Shanghai) Management Consulting Co.Limited*	Ordinary	100%	Leadership consultancy
YSC Limited*	Ordinary	100%	Leadership consultancy
YSC Holdings Limited*	Ordinary	100%	Holding company
Yukon Bidco Limited*	Ordinary	100%	Investment company
Yukon Midco 2 Limited	Ordinary	100%	Investment company

*Indirect holding

The registered office of of Young Samuel Chambers ("YSC") Limited, YSC Holdings Limited, Yukon Bidco Limited and Yukon Midco 2 Limited is the same as the registered office of Yukon Midco 1 Limited and is shown on the company information page.

The registered office of Young Samuel Psychologists Pty Ltd is 35 Ferguson Road, Illovo, Sandton 2196, Johannesburg, South Africa.

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 Infinitus Suite 26007, 26F, 168 Hubin Road, Shanghai 200021.

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