

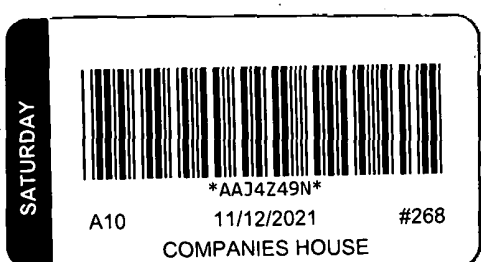
## Yukon Midco 2 Limited

Report and Financial Statements

Year Ended

30 April 2021

Company Number 11012277



## Yukon Midco 2 Limited

### Company Information

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<b>Directors</b>	N Holgate E Pliner
<b>Registered number</b>	11012277
<b>Registered office</b>	50 Floral Street London WC2E 9DA
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# Yukon Midco 2 Limited

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# Yukon Midco 2 Limited

## Strategic Report for the Year Ended 30 April 2021

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### Introduction

The directors present their strategic report for the Yukon group ("YSC", "Group"), of which Yukon Midco 2 Limited ("the Company") is a subsidiary, together with the audited financial statements for the year ended 30 April 2021.

### Strategic review and future developments

Yukon Midco 2 Limited is an Investment Company formed to hold the investment in Yukon Bidco 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, equity 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, operating profit margin 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 2 Limited**

### **Strategic Report (continued) for the Year Ended 30 April 2021**

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#### **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.

Despite being severely impacted at the start of the Covid-19 global pandemic, the Group's financial performance improved quickly and significantly through the financial year ended 30 April 2021. This was due to increased monthly client revenues through the second half of the year and mitigating actions taken to minimise on-going costs. The recovery in monthly client revenues was largely driven by the Group's ability to switch quickly and seamlessly to remote and virtual service delivery, made possible by previous investment into appropriate technology solutions.

Whilst the overall level of performance was below the prior year, the Group still generated significant positive cash flow, and was able to meet all of its revised financial covenants and repayment obligations. As a result of the positive recovery and significant level of cash generated, the Group was able to undergo a refinancing exercise in July 2021, increasing the level of long-term bank financing, and utilising excess cash within the business to repay a significant proportion of loan note debt.

Monthly client revenues have been sustained at pre-pandemic levels through the start of the year ending 30 April 2022, and the Group continues to hold a satisfactory level of cash. The Group have refinanced their loan facility on 29 July 2021 and have forecast for a period of 19 months, including considering downside scenarios, and no covenants are forecast to breach in any of these scenarios. 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 15 months from the date of authorisation of the company financial statements, should the Company not be able to meet its liabilities in this period.

#### **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 YSC's independent market positioning, will continue to create further growth and strategic opportunities.

The Group's plan for the next twelve months from the date of the financial statements continues to be one of organic growth from existing and new clients. 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 significantly.

The directors constantly assess the impact of Covid-19 and other macro-economic factors and will continue to respond in an agile manner.

# Yukon Midco 2 Limited

## Strategic Report (continued) for the Year Ended 30 April 2021

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### 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 YSC 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 2 Limited

### Strategic Report (continued) for the Year Ended 30 April 2021

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During the year ended 30 April 2021 the key decisions taken by the Board considered to be of strategic importance to the Group's stakeholders are as follows:

*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.

Of all the stakeholder groups, the employees were the most impacted by these decisions and they were frequently consulted at the whole company-level, at the operational team-level and individually, with consultations to offer the appropriate levels of home-working facilities and support.

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



E Pliner  
Director

Date: 27 Sept 2021

# **Yukon Midco 2 Limited**

## **Directors' Report for the Year Ended 30 April 2021**

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The directors present their report and the financial statements for the year ended 30 April 2021.

### **Principal activity**

Yukon Midco 2 Limited is an investment Company formed to hold the investment in Yukon Bidco Limited 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

### **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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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 £9,652 (2020 - loss of £8,246).

The directors do not recommend the payment of a dividend (2020 - £Nil).



## Yukon Midco 2 Limited

### Directors' Report (continued) for the Year Ended 30 April 2021

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#### Greenhouse gas emissions and energy consumption

The group takes very seriously its responsibilities to improve its energy efficiency and reduce its carbon footprint. We have already made significant reductions in the level of energy consumed, as outlined within the key points below.

- The annual quantity of emissions in the year was 28 tCO<sub>2</sub>e (2020: 42 tCO<sub>2</sub>e)
- The annual quantity of energy consumed was 121,192 kWh (2020: 170,645 kWh)
- Expressed in terms of office space, the annual emissions were 18.4 tCO<sub>2</sub>e per 1,000 square metres (2020: 27.5 tCO<sub>2</sub>e).
- Energy efficiency improvement measures undertaken in the year have included the continuation of our Cloud migration strategy. Moving hardware responsibly to the Cloud means that our offices benefit from reduced electricity and air conditioning use. The continued retirement of these site-based servers took place over the reporting period and the savings will not be realised in full until the next financial year.

The calculations were compiled independently by energy consultants following the 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standards. The energy data was collated using a mix of existing reporting mechanisms (ESOS Phase 2 for 2018/19) and benchmark data. These methodologies provided a continuous record of electricity and heat use within the buildings occupied by the group. This energy data was converted to carbon emissions using emission factors provided by the Department of Business, Energy and Industrial Strategy. The associated emissions are divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity, heating and cooling (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3). Energy and thermal data was not available for some of the Group's buildings as the energy is included within the service and rental charge. In these cases benchmark figures have been used to estimate the annual energy use. In buildings where electricity contracts are held or the supply is metered by the landlord, data prior to the ESOS Phase 2 reporting was unavailable and so estimates have been used.

#### 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 - 4. These matters relate to financial risk.

Please also refer to the strategic report and note 2.3 for going concern considerations.

#### 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

On 29 July 2021, the group completed a refinancing exercise whereby a new senior debt facility of £12.4m was provided by the group's existing banks on broadly similar terms to the pre-existing senior debt facilities, which when added to the group's own surplus cash resources was used to fund an early partial redemption of £20.9m of loan notes, covering both principal and accrued interest. The purpose of this refinancing exercise was to reduce the group's annual interest charge on favourable terms.

## Yukon Midco 2 Limited

Directors' Report (continued)  
for the Year Ended 30 April 2021

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### 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: 27 September 2021

# Yukon Midco 2 Limited

## Independent Auditor's Report to the Members of Yukon Midco 2 Limited

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### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2021 and of its loss 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.

We have audited the financial statements of Yukon Midco 2 Limited ("the Company") for the year ended 30 April 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Yukon Midco 2 Limited**

### **Independent Auditor's Report to the Members of Yukon Midco 2 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 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### **Other Companies Act 2006 reporting**

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

#### **Responsibilities of Directors**

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 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.

## Yukon Midco 2 Limited

### Independent Auditor's Report to the Members of Yukon Midco 2 Limited (continued)

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#### 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- We have identified and assessed the potential risks related to irregularities, including fraud, by considering the following:
  - Enquiries of management regarding : the compliance with laws and regulations; the detection and response to the risk of fraud and any knowledge of actual, suspected or alleged fraud; and the controls in place to mitigate risks related to fraud or non-compliance with laws and regulations;
  - Obtaining an understanding of the legal and regulatory framework in which the company operates. The key laws considered are international accounting standards in conformity with the Companies Act 2006 and the Companies Act 2006.
- We have responded to risks identified by performing procedures including the following:
  - Review of financial statements disclosures and testing to supporting documentation;
  - Enquiry of in-house management concerning actual and potential litigation and claims;
  - Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of misstatement due to fraud; and
  - Reading the minutes of meetings of those charged with governance.
- We have also considered the risk of fraud through management override of controls by:
  - Testing on a sample basis the appropriateness of journal entries and other adjustments; and
  - Assessing whether the judgements made in making accounting estimates are indicative of potential bias.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

## Yukon Midco 2 Limited

### Independent Auditor's Report to the Members of Yukon Midco 2 Limited (continued)

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#### 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.

DocuSigned by:

*Dan Laird*

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**Daniel Laird** (Senior Statutory Auditor)  
For and on behalf of **BDO LLP**, statutory auditor  
London  
United Kingdom

Date: 27/09/2021

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

## Yukon Midco 2 Limited

### Statement of Comprehensive Income for the Year Ended 30 April 2021

	Note	2021 £	2020 £
Administrative expenses		(9,652)	(7,736)
<b>Loss before tax</b>		<b>(9,652)</b>	<b>(7,736)</b>
Taxation	6	-	(510)
<b>Loss for the financial year</b>		<b>(9,652)</b>	<b>(8,246)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(9,652)</b>	<b>(8,246)</b>

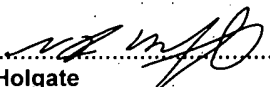
The notes on pages 15 to 22 form part of these financial statements.

**Yukon Midco 2 Limited**  
Registered number: 11012277

**Statement of Financial Position**  
as at 30 April 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	7	1	1
<b>Current assets</b>			
Debtors	8	48,015,203	48,015,203
Creditors: amounts falling due within one year	9	(48,048,022)	(48,038,370)
<b>Net current liabilities</b>		<b>(32,819)</b>	<b>(23,167)</b>
<b>Net liabilities</b>		<b>(32,818)</b>	<b>(23,166)</b>
<b>Capital and reserves</b>			
Share capital	10	1	1
Accumulated losses	11	(32,819)	(23,167)
		<b>(32,818)</b>	<b>(23,166)</b>

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

  
N Holgate  
Director

Date: 20 September 2021

The notes on pages 15 to 22 form part of these financial statements.



## Yukon Midco 2 Limited

### Statement of Changes in Equity for the Year Ended 30 April 2021

	Share capital £	Accumulated losses £	Total equity £
At 1 May 2020	1	(23,167)	(23,166)
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(9,652)	(9,652)
<b>At 30 April 2021</b>	<b>1</b>	<b>(32,819)</b>	<b>(32,818)</b>

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

	Share capital £	Accumulated losses £	Total equity £
At 1 May 2019	1	(14,921)	(14,920)
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(8,246)	(8,246)
<b>At 30 April 2020</b>	<b>1</b>	<b>(23,167)</b>	<b>(23,166)</b>

The notes on pages 15 to 22 form part of these financial statements.

# Yukon Midco 2 Limited

## Notes to the Financial Statements for the Year Ended 30 April 2021

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### 1. General information

Yukon Midco 2 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 2021 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

## **Yukon Midco 2 Limited**

### **Notes to the Financial Statements for the Year Ended 30 April 2021**

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

##### **2.3 Going concern**

Yukon Midco 2 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.

Despite being severely impacted at the start of the Covid-19 global pandemic, the Group's financial performance improved quickly and significantly through the financial year ended 30 April 2021. This was due to increased monthly client revenues through the second half of the year and mitigating actions taken to minimise on-going costs. The recovery in monthly client revenues was largely driven by the Group's ability to switch quickly and seamlessly to remote and virtual service delivery, made possible by previous investment into appropriate technology solutions.

Whilst the overall level of performance was below the prior year, the Group still generated significant positive cash flow, and was able to meet all of its revised financial covenants and repayment obligations. As a result of the positive recovery and significant level of cash generated, the Group was able to undergo a refinancing exercise in July 2021, increasing the level of long-term bank financing, and utilising excess cash within the business to repay a significant proportion of loan note debt.

Monthly client revenues have been sustained at pre-pandemic levels through the start of the year ending 30 April 2022, and the Group continues to hold a satisfactory level of cash. The Group have refinanced their loan facility on 29 July 2021 and have forecast for a period of 19 months, including considering downside scenarios, and no covenants are forecast to breach in any of these scenarios. 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 15 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. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.6 Creditors**

Short term creditors are measured at the transaction price.

# Yukon Midco 2 Limited

## Notes to the Financial Statements for the Year Ended 30 April 2021

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### 2. Accounting policies (continued)

#### 2.7 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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.

## Yukon Midco 2 Limited

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 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

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	<u>2,740</u>	<u>2,910</u>
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
All other services	<u>5,146</u>	<u>4,869</u>

#### 5. Employees

The average monthly number of employees during the year was 0 (2020 - 0).

## Yukon Midco 2 Limited

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 6. Taxation

	2021 £	2020 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	570	510
Adjustments in respect of prior periods	(570)	-
<b>Total deferred tax</b>	-	510
<b>Taxation on loss on ordinary activities</b>	-	510

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(9,652)	(7,736)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,834)	(1,470)
<b>Effects of:</b>		
Group relief surrendered	2,387	2,040
Adjustments in respect of prior period - deferred tax	(570)	(60)
Expenses not deductible for tax purposes	17	-
<b>Total tax charge for the year</b>	-	510

#### Factors that may affect future tax charges

The U.K. government announced in its budget on 3 March 2021 that the UK corporation tax main rate will increase from 19% to 25% with effect from 1 April 2023.

# Yukon Midco 2 Limited

## Notes to the Financial Statements for the Year Ended 30 April 2021

### 7. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 May 2020	1
	<hr/>
At 30 April 2021	1
	<hr/>
<b>Net book value</b>	
At 30 April 2021	1
	<hr/>
At 30 April 2020	1
	<hr/>

### 8. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	48,015,203	48,015,203
	<hr/>	<hr/>

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

	2021 £	2020 £
Trade creditors	-	793
Amounts owed to group undertakings	48,039,872	48,029,339
Accruals and deferred income	8,150	8,238
	<hr/>	<hr/>
	48,048,022	48,038,370
	<hr/>	<hr/>

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

# Yukon Midco 2 Limited

## Notes to the Financial Statements for the Year Ended 30 April 2021

### 10. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1.00	<u>1</u>	<u>1</u>

### 11. 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.

### 12. Post balance sheet events

On 29 July 2021, the group completed a refinancing exercise whereby a new senior debt facility of £12.4m was provided by the group's existing banks on broadly similar terms to the pre-existing senior debt facilities, which when added to the group's own surplus cash resources was used to fund an early partial redemption of £20.9m of loan notes, covering both principal and accrued interest. The purpose of this refinancing exercise was to reduce the group's annual interest charge on favourable terms.

### 13. Controlling party

As at 30 April 2021, the immediate parent undertaking was Yukon Midco 1 Limited, a Company registered in England and Wales.

The ultimate parent undertaking is 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 2 Limited

### Notes to the Financial Statements for the Year Ended 30 April 2021

#### 14. 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

\*Indirect holding

The registered office of Young Samuel Chambers ("YSC") Limited, YSC Holdings Limited and Yukon Bidco Limited is the same as the registered office of Yukon Midco 2 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 c/o 91 Springboard Business Hub Private Ltd, 2nd Floor, Kagalwala House Plot No 175, Vidyanagri Marg, Kalina, Santacruz East Mumbai 400098.

The registered office of Young Samuel Chambers SA de CV is Puebla 403, Oficina 108, Colonia Roma Norte, Alcaldia Cuauhtémoc, CP 06700, CDMX, Mexico.

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.