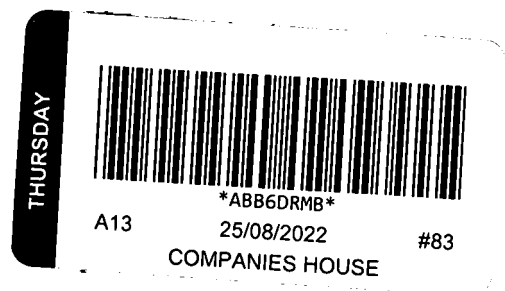


# Yell Holdco Limited

Annual Report and financial statements for the year ended 31 March 2022



# Yell Holdco Limited

## Annual Report for the year ended 31 March 2022

	Page(s)
Company information	1
Strategic report	2-10
Directors' report	11-12
Independent auditors' report	13-19
Group income statement	20
Group statement of comprehensive income	20
Group statement of financial position	21
Group statement of changes in equity	22
Group cash flow statement	23
Notes to the consolidated financial statements	24-57
Income statement (Company only)	58
Statement of financial position (Company only)	59
Statement of changes in equity (Company only)	60
Notes to the financial statements (Company only)	61-68

# Yell Holdco Limited

## **Directors**

Adam Hurst (resigned 1 July 2021, re-appointed 30 March 2022)

Claire Miles

David Anderson

Parminder Sandhu (appointed 30 March 2022)

Robert Hall (appointed 30 March 2022)

## **Company secretary**

Christian Wells (resigned 1 August 2021)

Paul Manwaring (appointed 1 August 2021)

## **Registered office**

3 Forbury Place

Forbury Road

Reading

Berkshire

England

RG1 3YL

## **Registered number**

12315720

## **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

3 Forbury Place

23 Forbury Road

Reading

Berkshire

RG1 3JH

All references to the Company in this document are references to Yell Holdco Limited. All references to the Group or the Yell Holdco Group are references to the Company and its consolidated subsidiaries.

All references to Yell in this document are references to the trading subsidiaries of the Company.

All references to Yell Group in this document are references to Yell Group Limited (formerly Hibu Group Limited), which was the ultimate parent company prior to 30 March 2022. All references to the Consolidated Yell Group are references to Yell Group and its consolidated subsidiaries.

# Yell Holdco Limited

## Strategic report for the year ended 31 March 2022

The directors present their strategic report for Yell Holdco Limited ("the Company") and its subsidiaries (together "the Yell Holdco Group" or "the Group"), for the year ended 31 March 2022.

### Principal activities

The Company heads a group of companies who provide managed digital marketing services to small and medium sized enterprises ("SME's") in the UK.

The Company is no longer consolidated in the Yell Group accounts and is no longer exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare and deliver consolidated group financial statements. As a result of the refinancing detailed below, the Company has become the ultimate holding company of the Group, and these financial statements are the largest group in which the Company is consolidated at 31 March 2022.

### Review of the business and future developments

The financial statements reflect the trading results of the Group for the year ended 31 March 2022 with unaudited, comparative results for the period from 14 November 2019 to 31 March 2021 following the change in control on 30 March 2022. This is the first set of consolidated financial statements and the prior year consolidated statements are unaudited as permitted by Companies Act 2006. In order to make the comparisons more relevant, the following commentary in the strategic report is on a pro forma basis, with prior period comparatives being for a 12 month period ended 31 March 2021. The Company is the owner and indirect parent of a group of companies with operations in the UK trading under the brand name 'Yell'.

Yell is the leading provider of managed digital marketing services to small and medium sized enterprises in the UK. It helps SMEs build and maintain a successful online presence, providing them with a range of opportunities with new and existing customers in an increasingly complex digital world. This is done by helping local businesses engage with customers through the Yell platform, the UK's leading online source of local business, and by offering a comprehensive range of digital marketing solutions. These solutions include website creation and hosting, social media, AdWords, video and display advertising campaigns.

With an increasing number of ways to search for, and choose, local businesses, Yell helps SMEs build an accurate and compelling online presence and helps them market that presence across a range of digital platforms, including Yell.com, third party search engines and social networks. Its mission is to maintain the leading platform connecting consumers to trusted local services and to extend its position as the leading provider of digital marketing services to all types of local businesses.

During the year, Yell continued to focus its resources on developing and enhancing its products and services, as part of the SET (Stabilise, Evolve and Transform) strategy launched in February 2020. The Key Performance Indicators (KPI's) of the business are revenue, customers, average revenue per customer, adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA" – see page 3), trading operating cash flow, and Yell platform visits.

The KPI's for the year ended 31 March 2022, with prior year comparatives, are summarised in the table below.

Year ended	31 March 2022	31 March 2021	2022 year on year movement	2022 year on year movement %
Revenue (£m)	117.6	121.8	(4.2)	(3.4)
Customers - monthly average over last twelve months ('000)	82.3	91.6	(9.3)	(10.2)
Customers at year end ('000)	78.9	86.2	(7.3)	(8.5)
Average revenue per customer (£)	1,412	1,309	103	7.9
Adjusted EBITDA (£m) <sup>(a)</sup>	24.0	22.2	1.8	8.1
Trading operating cashflow (£m) <sup>(a)</sup>	2.7	24.1	(21.4)	(88.8)
Yell platform visits – monthly average over last twelve months (m)	8.3	8.0	0.3	3.8

(a) Following the sale of the US business by the Yell Group in May 2021, Adjusted EBITDA and Trading Operating Cashflow have been redefined to include allocated Yell Group costs, which had previously been excluded from these measures. Prior year comparatives have been restated accordingly.

Revenue is generated from the sale of Yell platform and marketing products. Revenue was down 3.4% on the prior year, significantly better than the decline of 27% in the prior year, and (in line with the strategy noted above) included growth in Digital Marketing Services.

Average monthly visits to the Yell platform in the last 12 months increased by 3.8%. Average monthly usage from syndicated partnerships increased to 56.2m in the fourth quarter from 38.2m at the same point last year.

Customer numbers declined in the year but at a reduced rate over the prior year. While customer acquisitions were 9.1% lower, customer losses reduced by 34% compared to the prior year which had been adversely impacted by the first Covid-19 lockdown.

# Yell Holdco Limited

## Strategic report for the year ended 31 March 2022 (continued)

### Review of the business and future developments (continued)

Average revenue per customer ("ARPA") is revenue for each financial year divided by the average number of customers in the preceding twelve months. ARPA increased by 7.9% as customers reactivated their spend and businesses started to recover from the effects of Covid-19.

Visits to the Yell platform are sourced and audited by Adobe Analytics and include desktop and mobile visits but exclude any third party syndicated usage. Average monthly visits to the Yell platform increased to 8.3m (2021: 8.0m) with syndicated partnerships, with Apple, Bing and Amazon, also increasing to 53.1m (2021: 27.6m) average monthly usage. In both cases, significant reductions in the early part of the financial year due to Covid-19 were clawed back as consumer confidence began to return.

Adjusted EBITDA increased by £1.8m on the prior year predominantly due to the £4.2m decline in revenue being more than offset by £6.0m of lower costs due to the annualised impact of savings made during the prior year. Costs in the prior year were low at the start of the pandemic due to the number of staff on furlough and support from the government job retention scheme. The table below reconciles Adjusted EBITDA to operating profit.

#### Year ended 31 March

£m	2022	2021
Adjusted EBITDA	24.0	22.2
Restructuring costs and other exceptional costs <sup>(a)</sup>	(0.3)	(5.7)
Share-based payments <sup>(b)</sup>	(0.4)	0.1
Depreciation and amortisation <sup>(c)</sup>	(9.3)	(10.2)
<b>Operating profit</b>	<b>14.0</b>	<b>6.4</b>

(a) Restructuring costs are the costs associated with programmes that reduced headcount.

(b) Share-based payments are excluded from Adjusted EBITDA in accordance with the indenture for the Senior Secured Notes.

(c) Depreciation and amortisation include adjustments to carrying values for impairments and gains or losses on disposal.

Trading operating cash flow was £2.7m compared to £24.1m in the prior year. The reduction was primarily due to a working capital outflow of £13.3m in the current year compared to an inflow of £13.5m in the prior year. This change was partly offset by the impact of higher Adjusted EBITDA and lower restructuring payments in the current year, with primary components of the outflow including £7.0m of VAT that had been deferred under the Government's Covid-19 VAT deferral scheme, reductions in accruals and certain provisions, and increases in prepaid costs. Trading operating cash flow excludes working capital movements due to intercompany trading with the Yell Group (formerly Hibu Group), for which the Group received a net £1.2m cash reimbursement in the current financial year.

Trading operating cash flow is reconciled to cash generated from operating activities in the table below:

#### Year ended 31 March

£m	2022	2021
Trading operating cash flow	2.7	24.1
Yell Group intercompany working capital <sup>(d)</sup>	3.0	1.4
Add back: Purchase of property, plant, equipment and intangibles	7.1	6.6
<b>Cash generated from operating activities</b>	<b>12.8</b>	<b>32.1</b>

(d) Yell Group intercompany working capital comprises net amounts received by the Group primarily relating to reimbursement of costs incurred on behalf of Yell Group.

The Group's management continue to believe there is a strong market for its products and the Group continues to evolve the core product suite to meet future customer requirements. Progress against the SET strategy has resulted in stabilising Digital Marketing Services and moving into growth, and management continue to evolve the Yell platform. Progress to date has resulted in the strategy being refreshed at the end of this financial year to GET (Grow, Evolve, Transform).

On 30 March 2022, the Group agreed with the bondholders to an amendment of the terms of the Senior Secured Notes held by Yell Bondco plc. The existing liability of £214.0m was initially bifurcated into two tranches of £65.0m and £149.0m. The terms of the £65.0m tranche were amended to have a coupon rate of 8.75% and a maturity date of 31 March 2027 and all accrued interest relating to that tranche (£3.0m) was waived. The remaining £149.0m tranche was exchanged for the issue of ordinary shares in the Company and all interest accrued (£6.9m) relating to that tranche was waived by the bondholders. The modification of the Senior Secured Notes has been treated as a substantial modification, with a gross gain of £126.7m recognised on extinguishment of the old debt and total transaction costs of £2.9m expensed to the income statement, including £1.6m deferred financing fees relating to the original issue derecognised and a further £1.3m relating to the modification.

# Yell Holdco Limited

## Strategic report for the year ended 31 March 2022 (continued)

### Review of the business and future developments (continued)

The gross gain on extinguishment of the old debt comprised the release of the £149.0m liability offset by the fair value of the equity issued of £22.3m (see note 23).

At 31 March 2022 the face value and fair value of the Amended Senior Secured Notes was £65.0m (2021: £214.0m). The Group had net assets of £77.1m at 31 March 2022 (2021: net liabilities of £127.2m), the increase in net assets predominantly due to the refinancing, with a reduction in borrowings of £149.0m, as well as actuarial gain of £63.9m on the Pension Surplus.

### Environmental Reporting

The Group's greenhouse gas emissions for the year ended 31 March 2022 are set out in the table below:

Emission source	Year ended 31 March 2022 (kg CO <sub>2</sub> e)	Year ended 31 March 2021 (kg CO <sub>2</sub> e)
<b>Combustion of fuel and operation of facilities:</b>		
Gas	82,295	134,457
<b>Scope 1 greenhouse gas emissions</b>	<b>82,295</b>	<b>134,457</b>
<b>Energy purchased for own use:</b>		
Electricity	83,520	107,860
Business miles	7,977	5,731
<b>Scope 2 greenhouse gas emissions</b>	<b>91,497</b>	<b>113,591</b>
<b>Emissions created as an indirect consequence of the organisation's actions:</b>		
Business miles	19,034	15,623
<b>Scope 3 greenhouse gas emissions</b>	<b>19,034</b>	<b>15,623</b>
<b>Total</b>	<b>192,826</b>	<b>263,671</b>
<b>Intensity ratio: (kg CO<sub>2</sub>e / £100,000 UK Revenue)</b>	<b>164.0</b>	<b>216.5</b>
<b>Annual quantity of energy consumed: (kWh)</b>	<b>1.0m</b>	<b>1.2m</b>

The information given above has been prepared internally, using the Government's Environmental Reporting Guidelines and the emission factors taken from the UK Government GHG Conversion Factors 2021 (2021: UK Government GHG Conversion Factors 2020). The information provided is only for the Group's greenhouse gas emissions within the United Kingdom.

The Group, by the nature of its business, is a relatively low consumer of energy and, with the added limitations imposed by landlords' terms and conditions, there are relatively limited opportunities to significantly reduce its carbon footprint. The information presented reflects the continued effect of the pandemic on working practices during the year, particularly with regards to business mileage. Business mileage has increased compared to the prior year, mainly as a result of less COVID-19 lockdowns, however is still considerably lower than pre-pandemic levels. The Birmingham office was closed during the year, which caused a reduction in the gas usage. Considerable focus has been given during the year to working remotely and maintaining staff and customer safety. At the same time management has been looking at ways of reducing or removing single-use products. Yell acknowledges that Environmental and Social governance ("ESG") can facilitate long-term top-line growth, helps attract and retain talent, reduces costs, and forges a sense of trust amongst customers and consumers alike, as a result Yell is committed to developing an ESG strategy.

### Risk management and principal risks

The Consolidated Yell Group, into which the Yell Holdco Group was consolidated until 30 March 2022, and Yell Holdco Group have undertaken various activities within a risk management framework to ensure that risk and uncertainty are properly managed, appropriate internal controls are in place and effective risk mitigation plans are initiated where necessary.

- The directors have overall responsibility for establishing and maintaining the systems of internal control and risk management, and for reviewing their effectiveness. These systems are designed to manage risks within the risk appetite of the Yell Holdco Group and its investors, consider the interactive effects of risk events and increase the likelihood that strategic objectives are realised. The systems also provide reasonable, but not absolute, assurance against material misstatement or loss;

# Yell Holdco Limited

## Strategic report for the year ended 31 March 2022 (continued)

### Risk management and principal risks (continued)

- The Yell Holdco Group carries out regular risk assessments to identify and document key strategic, operational and financial risks. The Consolidated Yell Group had established a risk committee to encourage the consideration of risk when making commercial or strategic decisions and when allocating resources. The remit includes risk management and compliance with legislation affecting the businesses. The risk committee comprises executive management and monitored, reviewed and documented risks on a monthly cycle. A systematic approach is adopted that considers a broad spectrum of internal and external risk drivers, assesses the likelihood of risks occurring and the potential effect should they materialise, and where appropriate, risk mitigation plans are developed and monitored. These risks (and corresponding mitigation plans) have been discussed on a quarterly basis with the Audit Committee and Board of the Yell Group ("Yell Group Audit Committee" and "Yell Group Board", respectively) during the reporting periods covered by this report and up to the date of approval of this Annual Report. Following the loss of control of the Group by the Consolidated Yell Group on 30 March 2022, the risk committee continues to operate as part of the Yell Holdco Group;
- Internal audit plans are developed to assess controls and key mitigating actions. Items highlighted as part of this process are regularly discussed with the Audit Committee and senior management. During the year a third-party accounting firm were appointed to provide outsourced internal audit reviews;
- The Consolidated Yell Group designed and implemented appropriate financial reporting controls. The financial framework comprises processes that represent a set of coordinated tasks and activities, conducted by both people and IT systems, where significant classes of transactions are initiated, recorded, processed and reported. These processes and controls remain in place in Yell Holdco Group; and
- The Audit Committee receives quarterly reports on financial controls and updates the Board on any significant matters arising. In the Yell Group Board's view, the information it received was sufficient to enable it to monitor the effectiveness of the Yell Group's system of internal controls.

The risks that could have the most significant effect on the business are discussed below. Discussion of these risks is not an indication that the directors believe this list to be exhaustive nor is it indicative of the probability that one or more of these risks may be realised.

#### **Risk from: Increase in competition**

The Yell Holdco Group faces increased competition in its digital markets and could be affected by the actions of other competing companies, some of which have significant resources.

**Potential effect** – Increased competitive threats could emerge to impact our existing digital and future strategy.

**Mitigation:** The Yell Holdco Group has a strong asset in its sales force and ongoing customer relationships. Actions include continuing to invest in the Yell Holdco Group's digital product offering, developing the new strategy and promoting the brand to help drive direct usage.

#### **Risk from: Economic environment uncertainty**

Economic uncertainty and tight credit markets can lead to small and medium-sized entities spending less money on advertising. The Yell Holdco Group's customers can be affected by UK economic uncertainties related to inflation, such as fuel price volatility, and cost of living increases, which have been further impacted by the ongoing situation in Ukraine and Russia. These risks together give rise to economic uncertainty in the markets in which the Yell Holdco Group operates. Demand for the Yell Holdco Group's products could also be affected by changing market trends or market perception of the Yell Holdco Group's products.

**Potential effect** – All of the above factors could lead to increased bad debt, cancellations, and reduced customer spend, which would adversely impact trading and execution of strategy.

**Mitigation:** The Yell Holdco Group has previously implemented cost reduction programmes to manage margins and moved to a largely variable cost model that allows it to better manage fluctuations in demand. Further interventions include a review of credit policy, a review of lead sources for prospects and assessment of lead indicators to proactively assist and retain customers.

#### **Risk from: Dependence on IT and Data**

The Yell Holdco Group is dependent on effective IT systems to maintain efficient and effective operations. Cyber security is important because the Yell Holdco Group is dependent upon the uninterrupted and secure operation of its computer systems and databases. Cyber criminals use increasingly sophisticated means of attack, including phishing emails.

# Yell Holdco Limited

## Strategic report for the year ended 31 March 2022 (continued)

### Risk management and principal risks (continued)

#### Risk from: Dependence on IT and Data (continued)

**Potential effect** – Lost revenue and profits or cash, asset impairments, breach of legislation or damage to reputation could result if there were a catastrophic failure of the IT systems or if cyber criminals are successful in an attack.

**Mitigation:** The Yell Holdco Group is focusing resources on key, locally managed IT systems and increasingly using cloud services to mitigate the risk of owning and maintaining its own systems. The Yell Holdco Group has in place disaster recovery plans to replicate the data stored on its business-critical computer systems and maintains firewalls and cyber security controls, which are tested on a regular basis both internally and by third-party experts. The Yell Holdco Group carries out recurring internal ethical phishing attacks to raise employee awareness of the risks posed by external attacks backed up by remedial training. The Yell Holdco Group Board regularly discusses the security over IT systems and data thereon, review progress against action plans to remediate any shortcomings in security that have been identified by third-party experts and review the steps taken to comply with the EU's General Data Protection Regulation.

#### Risk from: Failure to attract and retain key talent

The success of the Yell Holdco Group is in part dependent upon the continued service of its key management personnel and its ability to attract, motivate and retain suitably qualified employees. Due to the continuing level of change and market challenges that the business faces, the risk of key people leaving the business remains high and recruiting replacements can be challenging, however the Holdco Group has benefited from a strong Human Resources (HR) strategy during the financial year to minimise risk. Employee retention continues to be a key focus.

**Potential effect** - An internal loss of market, industry or financial expertise could lead to lost revenue and profits or damage to reputation.

**Mitigation:** The company continues to focus on an ongoing manager capability programme, a review of career paths beyond sales and the use of targeted pay rises where appropriate.

#### Risk from: UK pension fund

The Yell Holdco Group's pension obligations are backed by assets invested across the broad investment market.

There is a risk that the value of the fund assets may not be sufficient to meet the liabilities of the fund. This could arise if, for example, the fund investments fell in value due to market conditions, the fund investments did not deliver sufficient returns, or the fund liabilities grew faster than expected due to improved longevity of life. Various different actuarial methods are available for valuing pension scheme liabilities and legislation can require the use of specific methods in some circumstances (for example the insurance buy out basis applies if debts are triggered under s75 Pensions Act 1995). These methods can result in liability figures substantially higher than those reported in the Yell Holdco Group's financial statements. There is a theoretical risk that could prevent the Company receiving a refund of the pension surplus on winding up if the Trustees used their discretionary powers.

**Potential effect** - The Yell Holdco Group could incur higher debt costs if it had to fund a large deficit, thus stressing the business' ability to meet its debt obligations.

**Mitigation:** The scheme is closed to further accrual. Yell Holdco Group's management team and the trustee directors of the UK Pension Fund regularly review the scheme funding on various actuarial bases (including the buy-out basis) and at least triennially on a technical funding basis in accordance with legislation. Following agreement of the full actuarial valuation of the scheme at 5 April 2021, the trustee directors and management have agreed that no further funding is necessary to satisfy pension obligations at this time and will assess the position again when the next full actuarial valuation of the scheme at 5 April 2024 takes place. The trustee directors and management work together to mitigate the risk of having insufficient funds. The strategy currently includes an asset-liability matching policy that aims to reduce the volatility of the funding level of the pension plan by investing in assets such as swaps that perform in line with the liabilities of the plan so as to protect against inflation being higher than expected and the purchase of a bulk annuity policy and liability-driven investment funds to significantly reduce the volatility of the pension plan's funding level by mitigating inflation, interest rate and longevity risks. Management have satisfied themselves that the Company, as sponsor of the pension plan, has an unconditional right to the refund of surplus assets in the event of the pension plan winding up.

Yell Holdco Group's objectives when managing capital are to safeguard its ability to continue as a going concern. Yell Holdco Group manages its capital structure and makes adjustments when required by changes in economic conditions or risk characteristics of underlying assets.



# Yell Holdco Limited

## Strategic report for the year ended 31 March 2022 (continued)

### Risk management and principal risks (continued)

#### Financial risk management

The Yell Holdco Group's overall risk management programme focuses on the strategic and operational risks of its operations and the markets in which it operates and seeks to manage potential adverse effects on financial performance. Yell Holdco Group's activities expose it to a variety of financial risks including liquidity, credit risk, the effects of changes in foreign currency exchange and interest rates.

#### Default and credit risk

The maximum exposure to credit risk at the balance sheet date is the carrying value of receivables and cash and cash equivalents held by financial institutions. All cash and cash equivalents were held by institutions with credit ratings of 'A' or higher at 31 March 2022. Concentrations of credit risk with respect to trade receivables are limited due to the Yell Holdco Group's customer base being large, geographically diverse and unrelated. Furthermore, all customers are subject to credit assessment at the point of sale. Those customers that do not meet the credit requirements are required to pay in advance for their services. The Yell Holdco Group does not hold any collateral as security.

#### Liquidity risk

The primary role of the treasury function is to ensure that adequate liquidity is available to meet funding requirements as they arise and that financial risk arising from the business' underlying operations is effectively identified and managed by or on behalf of the directors. The treasury function is not a profit centre, and its objective is to manage risk at optimum cost. The treasury function conducts its operations as directed by the Yell Holdco Group Board. Transactions that would be speculative in nature are expressly forbidden. The Yell Holdco Group has not entered into any derivative transactions during the years under discussion and did not have any derivatives at 31 March 2022.

#### Interest rate cash flow risk

During the year, the Group cancelled its revolving credit facility, which was the only mechanism under which it would be exposed to interest rate driven fluctuations or variability in interest payments.

#### S.172 Statement

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors' statement required under section 414CZA of the Companies Act 2006.

During the year under review the Yell Holdco Group entered into negotiations with its Bondholders in order to restructure the Yell Holdco Group's balance sheet. The successful negotiations, with effect from 30 March 2022, resulted in the Bondholders converting £149 million of the existing Bond Notes (held in Yell Bondco plc) into equity in Yell Holdco Limited (the "Company"). The existing Bondholders now own 95% of the issued share capital of the Company.

The directors are reminded of their S.172 duties at the start of each Board meeting and whilst the Company falls outside of the requirements to adopt and formally report on its principles of corporate governance, the Yell Holdco Group has an established governance framework, which it reviews periodically.

The Board receives regular and ongoing regulatory updates that relate to the Yell Holdco Group and the business tabled at its meetings.

#### Principal decisions

We define principal decisions as both those that are material to the Yell Holdco Group, but also those that are significant to our stakeholders.

In making the following principal decisions the Board considered the outcome of its stakeholder engagement below as well as the need to maintain a high standard of business conduct and the need to act fairly between members of the Company.

During the year, the principal decisions taken were:

1. Approval of the financial restructure of the Yell Holdco Group.
2. Approval of budgets, bonus targets and incentive plans.
3. Approval of a revisited and refreshed strategy.
4. Amendment to and recommended approval to shareholders of the Articles of Association of the Company, as a result of the financial restructure.

Details of the key stakeholders and how we engage with them are set out below.

# Yell Holdco Limited

## Strategic report for the year ended 31 March 2022 (continued)

### S.172 Statement (continued)

#### Investors

As owners of the Yell Holdco Group, we rely on the support of our shareholders and their opinions are important to us. The Company is 95% owned by a set of institutional investors and funds. Through our engagement activities, we strive to obtain stakeholder buy-in to our strategic objectives and update on progress against them. Shareholders consented to the restructure of the Bond Notes and ultimate capital and ownership structure in March 2022.

There is regular engagement with shareholders and bondholders throughout the year, to keep them well informed on how the business works, trends in performance and opportunities and risks. These take the form of both quarterly results presentation calls where these stakeholders can ask questions of the directors or follow up with emails, and also meetings between individual major investors and the Chairman, CEO and CFO, as well as members of senior management in order to seek views on various topical matters.

How the Group manages its cash is a further area where the views of the shareholders are routinely considered.

#### Our People

Yell Limited ("Yell") is the main operating company within the Yell Holdco Group and delivers the strategy on behalf of the Board.

We define our people as employees who are paid through the Yell payroll.

An engaged and motivated workforce is critical to the delivery of Yell Holdco Group objectives. Engagement levels also affect voluntary staff churn.

Our people are a good barometer of employee confidence in the strategy and optimism for the future. The Yell Holdco Group directors consider employee churn rates on a regular basis and the local initiatives to reduce this turnover and retain employees in the Yell Holdco Group. The Remuneration Committee and Board ensures that incentive plans are designed to promote the success of the Yell Holdco Group and are appropriate to retain employees and are aligned to the interests of the shareholders.

The safety and wellbeing of our people is very important to the Yell Holdco Group and we make every effort to ensure that our employees are safe and secure.

Since the start of the COVID-19 pandemic in March 2020, we continued to follow Government advice in each country. During the period of FY22, this has included providing additional hand hygiene stations, observing social distancing and avoiding visits to customers when this was the prevailing advice. The majority of our employees are enabled to work from home either on a permanent bases or on a hybrid basis. All employees have been supplied with webcams to ensure they are able to have face to face contact with their managers and their colleagues.

In recognition of the effects on mental health from COVID-19 restrictions, and following employee feedback, all managers have been trained in mental health awareness and mental health first aiders ("MHFA") have been selected and formally trained. Access to MHFA and our employee assist programme are regularly publicised.

An annual employee survey was run in November 2021 to provide insight into how employees view working at Yell, the strategy, engagement and culture. The results showed improvements in engagement, belief in our strategy, and support for development as a result of action taken based on the results of the survey run in the prior year.

The results of all engagement surveys are reported on Yell's intranet and are reviewed in detail with all managers. As a result of feedback, and also to deliver the overall business objectives, the people plans for FY23 include a continued focus on personal development and upskilling in digital capability.

Yell also operates a regular employee forum, the People Panel, as well as focus groups, which creates a two-way communications channel between the business and our people on a number of initiatives including, business-wide projects, product updates, wellbeing and charity fundraising, whilst ensuring that everyone has the opportunity to raise concerns and voice their and their team's opinions.

Live, interactive, all hands, business update webinars are held by the management and CEO with open question and answer sessions and, following feedback from employees, these have been supplemented in larger functional groups by interactive sessions with the SLT leader on a fortnightly basis.

Yell operates a whistleblowing service, and all incidents are investigated and reported to the Yell Holdco Group Audit Committee and ultimately the main Yell Holdco Group Board.

# Yell Holdco Limited

## Strategic report for the year ended 31 March 2022 (continued)

### S.172 Statement (continued)

#### Our People (continued)

Yell is committed to supporting the principle of equality, diversity and inclusion and opposes all forms of unlawful or unfair discrimination on the grounds of colour, race, nationality, ethnic or national origins, gender, gender reassignment, marital/civil partnership status, disability, part-time or fixed-term status, parental responsibilities, age, sexual orientation, religion or belief, political opinion.

Yell's aim is to recruit, train and promote the best person for the job, to make full use of the talents and resources of all its people and to create a working environment free from unlawful discrimination, victimisation, and harassment in which all individuals are treated with dignity and respect.

All employees are made aware of the requirements of the Yell Equality and Diversity Code of Practice and are obliged to co-operate to ensure that it is adhered to.

Yell's Gender Pay Gap report can be found on: <https://about.yell.com/legal>

#### Customers

Our customers and the service we provide to them are the constant focus of our business. Customer Obsession is one of 5 core values introduced to the UK organisation from April 2020.

We run customer satisfaction measures across our operation, with direct customer feedback, and this forms part of the remuneration of all our customer-facing employees. We run a regular Customer Panel to create a two-way communication channel between the business and our customers on our customer-facing initiatives including products and services. Direct customer feedback allows us to further shape our strategic propositions.

Brand Net Promoter Score, or "NPS", has remained broadly consistent at +47 in March 2021 and +45 in March 2022.

#### Suppliers

It is important to us that we have a strong relationship with our suppliers. Our suppliers are crucial to the business services we provide and are fundamental to the quality of our products, our brand and reputation.

We strive to ensure that our suppliers are aligned to our strategic objectives and we maintain and develop these relationships through senior management engagement where appropriate for key suppliers, quarterly business reviews and supplier conferences.

Each year we publish the supplier payment practices data, which is also reported to the Yell Holdco Group Board, so that our suppliers can be confident of our payment culture.

Each supplier commits to adhere to the Yell Code of Ethics for Suppliers and the Modern Slavery regulations, which can be found on the Yell Holdco Group website – <https://about.yell.com>

#### Pension

The Yell Holdco Group has invested a considerable amount of company resource in funding and has close engagement with the governing of our pension schemes for our employees and we want all our employees to have appropriate tools to review their personal plans for and throughout their retirement. Yell senior management regularly attend the meetings of the Pension Trustee Board ("PTB") for our legacy defined benefit ("DB") scheme and the governance meetings for the current defined contributions ("DC") scheme.

A main focus for the Yell Holdco Group is to ensure adequate ongoing funding for the DB scheme and there is regular communication between the PTB and the Yell representatives to review and feedback on investment strategy. The funding position is communicated annually to the DB members in addition to regular newsletters from the PTB.

#### Community

The Group understands the importance for brand reputation and employee engagement of being a responsible business within our communities. During the year Yell engaged with social representatives on opportunities to increase inclusiveness alongside an events calendar to promote charities that are important to employees. Yell provides support for charitable events inside working hours and on our premises with an increased use of charitable donations rather than cash prizes for staff.

# Yell Holdco Limited

## Strategic report for the year ended 31 March 2022 (continued)

### S.172 Statement (continued)

#### Environment

The Yell Holdco Group recognises its responsibility to act in the interests of the environment and to reduce its carbon footprint wherever possible. COVID-19 restrictions and extended remote working has had a positive effect on the environment with reduced spend on consumables and work-related travel. An ESG working committee has been established and made up of employees from across Yell. The committee's main function is to establish a Yell ESG Framework and Policy for ultimate approval by the Yell Holdco Group Board. Further details on how the Yell Holdco Group has regard for the environment are reported on page 4.

#### Government and Regulators

We engage with the Government and regulators where appropriate to communicate our views to policy makers relevant to our business. Key areas of focus are compliance with laws and regulations, health and safety and data protection. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.

#### Going Concern

The Group has £65.0m of Senior Secured Notes at 31 March 2022. The Senior Secured Notes are not subject to any financial ratio maintenance covenants and are secured on the assets of Owl Finance Limited and all its subsidiaries. Owl Finance Limited and all its subsidiaries are guarantors of the Senior Secured Notes. The Company is excluded as a guarantor of the Senior Secured Notes, and the Senior Secured Notes are not secured on the assets of the Company.

Group management have modelled an unlikely but possible downside scenario in which negative external factors such as another pandemic or a decline in the wider macroeconomy have an impact and cause the business's performance to significantly reverse. In this scenario, the Group would not default on interest payments on the Senior Secured Notes and retain sufficient liquidity to meet all its financial obligations for at least 18 months from the statement of financial position date.

The directors of the Company have considered the risks set out above and, in particular, whether it is appropriate to prepare the financial statements of the Group and Company on a going concern basis and the adequacy of the going concern disclosures made within the financial statements. The directors have concluded that the Group and Company expects to have sufficient liquidity to meet its liabilities as they fall due for at least twelve months. The directors have consequently concluded that the going concern basis of accounting remains appropriate and that the financial statements do not require the adjustments that would result if the Company were unable to continue as a going concern.

On behalf of the Board



Claire Miles

Director

1 July 2022

# Yell Holdco Limited

## Directors' report for the year ended 31 March 2022

The directors present their report and the audited financial statements for the Company for the year ended 31 March 2022. The financial statements comprise the audited consolidated financial statements of the Company and its subsidiaries on pages 20 to 57 and the financial statements of the Company on pages 58 to 68.

### Dividends

There were no dividends paid during the year ended 31 March 2022 (2021: £nil).

### Directors

The directors who held office during the year and up to the date of signing the financial statements are stated on page 1. Details of directors' remuneration can be found in note 26 to the consolidated financial statements.

### Strategic report

The Company is required by the Companies Act 2006 to set out the development and performance of the business of the Yell Holdco Group during the year ended 31 March 2022, the position of the Yell Holdco Group at 31 March 2022 and a description of the principal risks and uncertainties facing the Yell Holdco Group. Supplementary information about these risks and uncertainties may also be found in notes 1, 13, 15 and 16. By reference to the strategic report, which can be found on pages 2 to 10, the following information is given:

- Principal activities;
- Review of the business and future developments;
- Environmental reporting;
- Risk management and principal risks;
- Customer and supplier engagement; and
- Going concern.

### Directors qualifying indemnity provisions

Article 96 of the Articles of Association of Yell Holdco Limited, the Group's ultimate holding company, permit the Company, subject to the Companies Act 2006 and other applicable legislation, to indemnify any of the directors, former directors or secretary of the Company against any loss or liability in connection with any proven or alleged negligence, default, breach of duty or trust by them, in relation to the Company or any of its subsidiaries.

### Employees

The Group, inclusive of the Company, has a Recruitment and Selection Policy that states that we are committed to the employment of people with disabilities. Moreover, we guarantee an interview to people with disabilities who meet the minimum selection criteria for any vacancy.

Our Equal Opportunities Policy contains a code of good practice on disability that states that an individual who becomes disabled whilst in employment will receive support to ensure, wherever possible, they are able to continue in their role. This will involve whatever reasonable adjustments can be made on consultation with the individual. Alternatively, in consultation with the individual, other positions will be considered where the individual's skills and abilities match the requirements of the role, making reasonable adjustments where appropriate.

We will ensure that training and career development is equally available to people with disabilities, tailored where practicable for their specific needs.

An extensive range of communication and consultative arrangements are instigated by the Company such as the intranet, various printed publications and live briefings. These help to ensure that employees are kept fully informed about developments in the Company, including the Company's financial performance.

Management encourage employee participation in the Company's performance via the Company's bonus and commission schemes. In addition, each department elects a representative to the Company's people panel, which meets regularly with senior management to discuss a wide variety of issues.

### Information provision to employees

The Yell Holdco Group seeks feedback from its people on a wide range of topics through day-to-day contact and team meetings.

Each year the Yell Holdco Group makes a significant investment in employee communications to ensure that everybody knows and understands the Group's objectives, to ensure everyone is kept up-to-date with progress against its strategic initiatives, and to ensure comprehensive communication of local news.

Further information regarding the engagement with the Group's employees is given in the strategic report (see S.172 Statement).

# Yell Holdco Limited

## Directors' report for the year ended 31 March 2022 (continued)

### Forward looking statements

The financial information in the strategic report should be read in conjunction with the audited financial statements. Readers are cautioned that forward-looking statements are not guarantees of future performance and involve risks and uncertainties. The discussion of estimated amounts generated from the sensitivity analyses is forward-looking and also involves risks and uncertainties. Caution should be exercised in relying on these analyses. Actual results may differ materially from those in forward-looking statements.

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

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

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

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

### Statement of disclosure of information to auditors

At the date of signing their report, so far as each director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware. The directors have taken necessary steps to make themselves aware of relevant audit information and to establish that the auditors are aware of that information.

### Independent auditors

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

On behalf of the Board



Claire Miles  
Director  
1 July 2022

# Yell Holdco Limited

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

### Report on the audit of the financial statements

#### Opinion

In our opinion:

- Yell Holdco Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2022 and of the group's profit, the company's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the group and company only statement of financial position as at 31 March 2022; the group and company only income statements, the group statement of comprehensive income, the group cash flow statement, and the group and company only statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

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

#### Independence

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

#### Our audit approach

##### Overview

##### Audit scope

- Yell Holdco Limited is a private company incorporated under the laws of England and Wales.
- The Group's headquarters are in the United Kingdom, which is where Group management resides.
- We identified 1 reporting unit which, in our view, required a full scope audit based on its size and risk. In addition, we determined that audit procedures over certain accounts or balances were required over two further reporting units to provide sufficient overall Group coverage of particular financial statement line items.
- In addition to the work performed over the in-scope reporting entities, there is work performed by the Group audit engagement team. The Group consolidation, financial statement disclosures and a number of complex items, prepared by the finance function, were audited by the Group engagement team. These included external borrowings, impairment assessments, share-based payments, taxation, going concern and central adjustments recorded as part of the consolidation process.
- Reporting units where audit procedures were performed accounted for 99% of Group revenue and 100% of Group profit before tax; and 100% of Group total assets.

##### Key audit matters

- Provision for impairment of trade receivables (group)
- Valuation of defined benefit pension scheme liabilities (group)
- Valuation and presentation of debt (group)
- Valuation and presentation of equity (group)
- Impairment of investments in subsidiaries (parent)

# Yell Holdco Limited

## *Independent auditors' report to the members of Yell Holdco Limited (continued)*

### Report on the audit of the financial statements (continued)

#### Our audit approach (continued)

##### Materiality

- Overall group materiality: £1,118,000 based on 1% of total revenues.
- Overall company materiality: £473,920 based on 2% of total assets.
- Performance materiality: £838,500 (group) and £355,440 (company).

##### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

##### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As a result of this being the first time that a consolidation has been required at a Yell Holdco Limited level, key audit matters have been included for the first time this year.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Provisions for impairment of trade receivables (group)</i></p> <p>Refer to notes 1 and 13 to the group consolidated financial statements for the directors' disclosure of the related accounting policies, judgements and estimates.</p> <p>As at 31 March 2022 the Group's trade receivables gross balance amounted to £6.9 million. A provision is recorded to adjust the balance to its expected recoverable amount. The Group has a provision for impairment of trade receivables of £1.8 million held at the balance sheet.</p> <p>The valuation of this provision requires management to make significant assumptions when assessing the future cash flows expected to be recovered from these receivables using an expected credit loss model; including considering historical experience of customer payment behaviour, new market information and other current information available.</p> <p>Our audit procedures focussed on the risk that the assumptions used by management could result in a material misstatement of the provision.</p>	<p>We focused on assessing the appropriateness of the judgements and estimates used in the Group's calculation of the provision for impairment of trade receivables. We have:</p> <ul style="list-style-type: none"> <li>• assessed the methodology used to estimate the recoverability of trade receivables and the assumptions used by management and recalculated the valuation of the provisioning required;</li> <li>• tested a sample of trade receivable balances through agreement to pre year-end invoicing and post year-end cash receipt, as appropriate;</li> <li>• challenged management regarding the appropriateness of receivable provisioning by assessing recoverability with reference to subsequent cash received and the Group's historical experience of actual trade receivable write offs; and</li> <li>• assessed the overall adequacy of provisions for impairment of trade receivables.</li> </ul> <p>Based on the evidence obtained, we concluded that management's approach to the expected credit loss is in line with IFRS standards and that the provision for impairment of trade receivables recorded is adequate and appropriate.</p>
<p><i>Valuation of defined benefit pension scheme assets and liabilities (group)</i></p> <p>Refer to notes 1 and 28 to the group consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates.</p> <p>The Group has a defined pension benefit plan in the UK with a net retirement benefit surplus of £149.4 million which is significant in the context of the balance sheet of the Group.</p>	<p>In respect of the defined benefit pension plan, we received and read the report issued to the directors by the actuary. With the assistance of our own actuarial experts, we evaluated the assumptions made in relation to the valuation of the pension liabilities and assets.</p>



# Yell Holdco Limited

## Independent auditors' report to the members of Yell Holdco Limited (continued)

### Report on the audit of the financial statements (continued)

#### Our audit approach (continued)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of defined benefit pension scheme assets and liabilities (group) (continued)</i></p> <p>In particular, the valuation of the pension liabilities included within the net retirement benefit surplus requires significant levels of judgement and technical expertise in choosing appropriate assumptions.</p> <p>The assumptions used to value the pension liabilities can be found on page 54 within note 28 to the consolidated financial statements.</p> <p>The directors employ actuarial experts to assist them in identifying appropriate assumptions and valuing the assets and liabilities in the scheme. We have focused on this area because changes in a number of key assumptions (particularly discount rates, mortality and inflation) can have a material impact on the calculation of the net retirement benefit surplus.</p>	<p>In particular, we tested the assumptions around discount rates, mortality and inflation by comparing them to our independently developed benchmarks. We noted that the discount rate assumption was towards the middle of the range of these benchmarks with the mortality and inflation assumptions towards the prudent end of the range. We determined that this stance was consistent both with the expert actuarial advice received by the directors and the range position at which assumptions were established in prior years.</p> <p>We independently confirmed the values of the underlying assets held in the scheme with the asset managers or to independent third party sources.</p> <p>Overall, we consider the judgements taken and assumptions made by the directors to be supportable and appropriate.</p>
<p><i>Valuation and presentation of debt (group)</i></p> <p>Refer to notes 1 and 20 to the group consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates.</p> <p>As at 31 March 2022, the Company holds debt in the form of Senior Secured Notes at an interest rate of 8.75%, which are listed on the International Stock Exchange, at a carrying value of £65.0 million.</p> <p>Judgement is required in the valuation of the debt instrument on initial recognition to ensure that it is measured at fair value.</p> <p>Management has performed an assessment of coupon rates achieved by comparable companies to determine that the rate of 8.75% is a fair market value on an arm's length basis.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> <li>Assessed the methodology applied by management in determining the comparable companies to include in the assessment;</li> <li>challenged the data included in the assessment to ensure the consideration of credit ratings on coupon interest rates;</li> <li>tested a sample of comparator companies from management's assessment to confirm that the group's profile does not align to those companies issuing debt with higher coupon rates; and</li> <li>Assessed the appropriateness of management's disclosures of the valuation of the debt in the financial statements.</li> </ul> <p>Based on the evidence obtained, we concluded that management's approach to determining the 8.75% coupon rate is as a fair market value on an arm's length basis is appropriate.</p>
<p><i>Valuation and presentation of equity (group)</i></p> <p>Refer to notes 1 and 23 to the group consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates.</p> <p>As at 30 March 2022, the Company issued 18,999,983 Class A shares with a nominal value of £0.000001 in exchange for loan notes previously held in the Company. The fair value of the shares issued was £22,325,000.</p> <p>Judgement is required in determining the fair valuation of the shares, which are based on management's calculated value of the business, which is based on an enterprise valuation methodology.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> <li>Assessed the methodology applied by management in determining the value of the business at 30 March 2022;</li> <li>Challenged the data included in the enterprise valuation model, including the comparable companies used by management to determine their EBITDA multiplier;</li> <li>We assessed the appropriateness of the EBITDA value included in management's calculation in comparison to the actual performance in FY22; and</li> <li>Assessed the appropriateness of management's disclosures of the valuation of the equity in the financial statements.</li> </ul> <p>Based on the evidence obtained, we concluded that management's approach to determining the fair value of the fair equity issued is supportable and appropriate.</p>

# Yell Holdco Limited

## *Independent auditors' report to the members of Yell Holdco Limited (continued)*

### Report on the audit of the financial statements (continued)

#### Our audit approach (continued)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Impairment of investments in subsidiaries (parent)</i></p> <p>Refer to notes 1 and 5 to the company financial statements for the directors' disclosure of the related Accounting policies, judgements and estimates.</p> <p>As at 31 March 2022, the Company holds investments in subsidiaries of £23.5 million. Management has considered the continuing performance of the underlying UK trading business and have performed an updated impairment assessment. No further provision for impairment was recognised in the year.</p> <p>Judgement is required in the impairment assessment, particularly around the methodology applied.</p> <p>Management has utilised a fair value less cost to sell model, in testing for possible impairment of the investment in subsidiaries and amounts receivable from subsidiary undertakings, with the fair value of the underlying business determined using the enterprise value, based on an EBITDA multiplier as at the balance sheet date.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> <li>critically assessed management's assessment of whether an indication of impairment exists;</li> <li>evaluated the methodology applied by management for impairment review and assessed whether this is in line with the accounting standard;</li> <li>challenged the data included in the enterprise valuation model, including the appropriateness of the comparable companies used by management and their respective EBITDA multipliers;</li> <li>assessed the appropriateness of the EBITDA value included in management's calculation in comparison to the actual performance in FY22; and</li> <li>tested the calculation of the cost of disposal included in the model by management; and</li> <li>assessed the appropriateness of management's disclosures of the valuation of the equity in the financial statements.</li> </ul> <p>We concluded that management's approach to the impairment reviews and accounting treatment is in line with the accounting standard and that the provision recorded is required and appropriate.</p>

#### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group's accounting process is performed centrally by one finance function at the Group's head office. The function maintains the accounting records and controls for all of the entities with individual entities consolidated through an integrated consolidation system.

In establishing the overall Group audit strategy and plan, we determined the type of work that needed to be performed at the reporting units. For each reporting entity we determined whether we required an audit of their reported financial information ("full scope"). There was one reporting entity (based in the United Kingdom, which was audited by the Group Engagement Team) where a full scope audit was required as it was determined to be individually financially significant because it individually contributed more than 15% of the Group's revenues. In addition, we determined that audit procedures over certain accounts or balances were required over two further reporting units to provide sufficient overall Group coverage of particular financial statement line items.

In addition to the work performed over the in-scope reporting entities, there is work performed by the Group audit engagement team. The Group consolidation, financial statement disclosures and a number of complex items, prepared by the finance team, were audited by the Group engagement team. These included external borrowings, impairment assessments, share-based payments, taxation, going concern and central adjustments recorded as part of the consolidation process.

Reporting units where audit procedures were performed accounted for 99% of Group revenue and 100% of Group profit before tax; and 100% of Group total assets. Our audit scope provided sufficient appropriate audit evidence as a basis for our opinion on the Group financial statements as a whole. As a result of its structure and size, the Group also has a number of small reporting entities that make up the remaining portion of the key coverage metrics. These small reporting units are covered by the work performed by the Group audit engagement team, where we perform analytical review procedures. Those not subject to analytical review procedures were individually, and in aggregate, immaterial. This gave us the evidence we needed for our opinion on the financial statements as a whole.

# Yell Holdco Limited

## ***Independent auditors' report to the members of Yell Holdco Limited (continued)***

### **Report on the audit of the financial statements (continued)**

#### **Our audit approach (continued)**

##### **How we tailored the audit scope (continued)**

The Company's accounting process is performed by the finance function, who maintain the Company's own accounting records and controls.

All of the work is performed by the group engagement team. This includes the financial statement disclosures and complex items, prepared by the finance function such as investments and intercompany.

##### **Materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
<i>Overall materiality</i>	£1,118,000	£473,920
<i>How we determined it</i>	1% of total revenues	2% of total assets
<i>Rationale for benchmark applied</i>	Based on the benchmarks used in the annual report, total revenue is the primary measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark	We believe that total assets is deemed the most appropriate basis for materiality as the company is a holding company. It does not trade and only recognises intercompany interest amounts and recharges in the income statement. The key financial performance indicator of the company is therefore the value of its investments in the UK business, hence total assets is the appropriate benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £1,062,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £838,500 for the group financial statements and £355,440 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £55,900 (group audit) and £109 (company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

#### **Conclusions relating to going concern**

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 group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

# Yell Holdco Limited

## ***Independent auditors' report to the members of Yell Holdco Limited (continued)***

### **Report on the audit of the financial statements (continued)**

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

#### **Strategic report and Directors' report**

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 year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

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

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

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

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

##### **Auditors' responsibilities for the audit of the financial statements**

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

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

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

# Yell Holdco Limited

## ***Independent auditors' report to the members of Yell Holdco Limited (continued)***

### **Report on the audit of the financial statements (continued)**

#### **Responsibilities for the financial statements and the audit (continued)**

##### **Auditors' responsibilities for the audit of the financial statements**

Audit procedures performed by the engagement team included:

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

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

##### **Use of this report**

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

#### **Other required reporting**

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

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

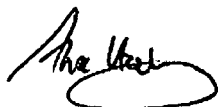
- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified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

We have no exceptions to report arising from this responsibility.

#### **Other matters**

##### **Unaudited prior period financial statements**

The financial statements for the period ended 31 March 2021, forming the corresponding figures of the financial statements for the year ended 31 March 2022, are unaudited.



**Alex Hookway (Senior Statutory Auditor)**  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
1 July 2022

# Yell Holdco Limited

## Group income statement

For the year ended 31 March 2022

£m	Note(s)	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
<b>Revenue</b>	2	<b>117.6</b>	159.8
Net impairment losses on financial assets – trade receivables	13	(1.2)	(4.6)
Cost of sales		(60.2)	(80.4)
<b>Gross profit</b>		<b>56.2</b>	74.8
Administrative expense (including exceptional costs of £0.3m; 2021: £15.4m)		(42.2)	(67.8)
<b>Operating profit</b>	3	<b>14.0</b>	7.0
Total gain on modification of Senior Secured Notes	7	133.7	–
Other finance income	7	1.8	4.1
Finance costs	7	(19.5)	(27.0)
Net finance income / (costs)	7	116.0	(22.9)
<b>Profit / (loss) before tax</b>		<b>130.0</b>	(15.9)
Tax credit / (charge)	8	2.8	(3.4)
<b>Profit / (loss) for the year / period</b>		<b>132.8</b>	(19.3)

## Group statement of comprehensive income

For the year ended 31 March 2022

£m	Note(s)	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
<b>Profit / (loss) for the year / period</b>		<b>132.8</b>	(19.3)
<b>Other comprehensive income / (expense):</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Net actuarial gain / (loss) on defined benefit pension scheme	28	63.9	(18.3)
Tax effect of net (gain) / loss not recognised in the Group Income Statement	8,28	(12.2)	3.4
Effect of change in UK tax rate not recognised in the Group Income Statement	8,28	(2.5)	(2.0)
<b>Total other comprehensive income / (expense)</b>		<b>49.2</b>	(16.9)
<b>Total comprehensive income / (expense) for the year / period</b>		<b>182.0</b>	(36.2)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

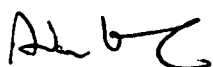
# Yell Holdco Limited

## Group statement of financial position at 31 March 2022

£m	Note(s)	2022	Unaudited 2021
<b>Non-current assets</b>			
Intangible assets	9	5.8	6.3
Property, plant and equipment	10	5.6	6.8
Retirement benefit surplus	28	149.4	83.8
Trade and other receivables	13	1.7	1.0
<b>Total non-current assets</b>		<b>162.5</b>	<b>97.9</b>
<b>Current assets</b>			
Trade and other receivables	13	13.8	13.8
Corporate income tax assets		1.0	0.2
Cash and cash equivalents	14	20.5	30.4
<b>Total current assets</b>		<b>35.3</b>	<b>44.4</b>
<b>Total assets</b>		<b>197.8</b>	<b>142.3</b>
<b>Current liabilities</b>			
Corporate income tax liabilities		(1.0)	(5.8)
Trade and other payables	17	(20.9)	(33.4)
Lease liabilities	19	(1.7)	(2.0)
Provisions for liabilities	18	–	(1.1)
<b>Total current liabilities</b>		<b>(23.6)</b>	<b>(42.3)</b>
<b>Net current assets</b>		<b>11.7</b>	<b>2.1</b>
<b>Non-current liabilities</b>			
Borrowings	16,20	(65.0)	(211.0)
Deferred tax liabilities	11	(26.6)	(9.4)
Trade and other payables	17	(0.1)	(0.4)
Lease liabilities	19	(4.2)	(5.5)
Provisions for liabilities	18	(1.2)	(0.9)
<b>Total non-current liabilities</b>		<b>(97.1)</b>	<b>(227.2)</b>
<b>Total liabilities</b>		<b>(120.7)</b>	<b>(269.5)</b>
<b>Net assets / (liabilities)</b>		<b>77.1</b>	<b>(127.2)</b>
<b>Equity</b>			
Called up share capital	22	–	–
Other reserves	25	51.9	2.3
Retained earnings / (accumulated losses)		25.2	(129.5)
<b>Total equity</b>		<b>77.1</b>	<b>(127.2)</b>

Company registered in England and Wales No. 12315720. The notes on pages 24 to 57 are an integral part of these financial statements.

The financial statements on pages 20 to 57 were approved by the Board of directors on 1 July 2022 and were signed on its behalf by



Adam Hurst  
Director

# Yell Holdco Limited

## Group statement of changes in equity

For the year ended 31 March 2022

£m	Called up share capital	Share premium	Other reserves	Accumulated losses/ retained earnings	Total equity
Balance at 14 November 2019					
Loss for the period	–	–	–	(19.3)	(19.3)
Total other comprehensive expense for the period	–	–	(16.9)	–	(16.9)
Total comprehensive expense for the period	–	–	(16.9)	(19.3)	(36.2)
Reserves recognised on capital reorganisation	–	–	19.1	(110.2)	(91.1)
Share-based payments (see note 24)	–	–	0.1	–	0.1
Total transactions with owners, recognised directly in equity	–	–	19.2	(110.2)	(91.0)
Balance at 31 March 2021 (unaudited)	–	–	2.3	(129.5)	(127.2)
Balance at 1 April 2021	–	–	2.3	(129.5)	(127.2)
Profit for the year	–	–	–	132.8	132.8
Total other comprehensive income for the year	–	–	49.2	–	49.2
<b>Total comprehensive income for the year</b>	–	–	49.2	132.8	182.0
Share premium on issue of shares (see note 23)	–	21.9	–	–	21.9
Capital reduction (see note 23)	–	(21.9)	–	21.9	–
Share-based payments (see note 24)	–	–	0.4	–	0.4
<b>Total transactions with owners, recognised directly in equity</b>	–	–	0.4	21.9	22.3
<b>Balance at 31 March 2022</b>	–	–	51.9	25.2	77.1

See notes to the consolidated financial statements 22, 23 and 25 for a further analysis of called up share capital, share premium, and other reserves.



# Yell Holdco Limited

## Group cash flow statement

For the year ended 31 March 2022

£m	Note	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
<b>Net cash flows from operating activities</b>			
Cash generated from operating activities		12.8	40.3
Interest and financing fees paid		(10.9)	(27.8)
Lease interest paid	19	(0.9)	(1.3)
Corporate income tax refunded / (paid)	20	0.2	(0.2)
<b>Net cash inflow from operating activities</b>		<b>1.2</b>	<b>11.0</b>
<b>Cash flows from investing activities</b>			
Net cash acquired on capital reorganisation		–	29.1
Net payments for purchase of intangible assets and software		(6.7)	(7.7)
Net payments for purchase of property, plant and equipment		(0.4)	(1.0)
<b>Net cash (outflow) / inflow from investing activities</b>		<b>(7.1)</b>	<b>20.4</b>
<b>Free cash flow</b>		<b>(5.9)</b>	<b>31.4</b>
<b>Cash flow from financing activities</b>			
Repayment of lease liabilities	19	(2.3)	(2.8)
Net intercompany loan repayment (paid to) / received from related parties	20	(1.7)	2.1
<b>Net cash outflow from financing activities</b>		<b>(4.0)</b>	<b>(0.7)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(9.9)</b>	<b>30.7</b>
Cash and cash equivalents at the beginning of the year / period		30.4	–
Exchange losses on cash and cash equivalents		–	(0.3)
<b>Cash and cash equivalents at year / period end</b>	14	<b>20.5</b>	<b>30.4</b>

### Cash generated from operating activities

For the year ended 31 March

£m	Note	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Profit / (loss) for the year / period		132.8	(19.3)
Adjustments for:			
Tax (credit) / charge	8	(2.8)	3.4
Total gain on modification of Senior Secured Notes	7	(133.7)	–
Other finance income	7	(3.3)	(4.3)
Finance costs	7	21.0	27.2
Depreciation of property, plant and equipment	10	2.5	3.6
(Reversal of impairment) / impairment of property, plant and equipment	10	(0.2)	0.3
(Gain) / loss on disposal of property, plant and equipment		(0.2)	0.3
Amortisation of intangible assets	9	7.2	8.2
Defined benefit pension contributions		–	(0.3)
Share-based payments charge	24	0.2	0.1
Other non-cash movements		0.2	0.1
Changes in working capital:			
(Increase) / decrease in trade and other receivables		(3.0)	13.5
(Decrease) / increase in trade and other payables		(10.9)	10.3
Net movement in intercompany trading account with related parties		3.0	(2.8)
<b>Cash generated from operating activities</b>		<b>12.8</b>	<b>40.3</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 1. Basis of preparation and consolidation, significant accounting policies and critical accounting estimates and judgements

#### Basis of preparation and consolidation

The Company is a private company limited by shares incorporated and domiciled in the UK.

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial instruments at fair value in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 as applicable to companies using IFRS.

The Group financial statements consolidate the financial statements of the Company and all subsidiaries for the year ended 31 March 2022. The Company was incorporated on 14 November 2019 and on 17 December 2019, acquired a 100% interest in the share capital of Owl Finance Limited. The unaudited results of the subsidiaries have been consolidated in the prior period with effect from 1 January 2020 on the basis of materiality. Therefore, comparatives represent the period 1 January 2020 to 31 March 2021.

On 30 March 2022, Yell Bidco Limited (formerly Hibu Bidco Limited) lost control of the Company and the Group, following the issue of share capital as part of a debt for equity swap (see note 22), and Yell Group Limited ceased to be the ultimate holding company and controlling party.

Prior to the 30 March 2022, the Company and Owl Finance Limited had the same ultimate owner, and therefore were considered to be under common control prior to 30 March 2022. As there was no change in control, the Company's acquisition of the Group has been accounted for using the capital reorganisation method, where the financial statements of the Group are presented as a continuation of an existing group, on the basis of ultimate common control, and, therefore, outside the scope of business combinations. These consolidated financial statements of the Group incorporate the assets and liabilities of the Owl Group at their pre-combination carrying amounts without fair value uplift. The difference between the cost of the transaction and the carrying value of the net assets has been recorded directly in equity within retained earnings.

Details of subsidiary undertakings at the year-end, all of which are unlisted, are shown in note 12 to the consolidated financial statements. The Senior Secured Notes issued by the Company's subsidiary undertaking, Yell Bondco plc, are listed on the International Stock Exchange.

In accordance with IFRS 1, the Yell Holdco Group has measured its assets and liabilities at the same amounts in both its consolidated and separate financial statements, and the financial statements of its subsidiaries, after adjusting for consolidation and equity accounting adjustments and for the effects of any business combination in which the entity acquired its subsidiary undertakings. All companies within the Yell Holdco Group have been consolidated on a coterminous year-end basis. All transactions between the Group's businesses have been eliminated in the preparation of these consolidated financial statements. Intra-group transactions have not been disclosed, other than those shown in note 26, related party transactions.

#### Going concern

The Group has £65 million of Senior Secured Notes at 31 March 2022. The Senior Secured Notes are not subject to any financial ratio maintenance covenants and are secured on the assets of the Owl Finance Limited and all its subsidiaries. Owl Finance Limited and all its subsidiaries are guarantors of the Senior Secured Notes. The Company is excluded as a guarantor of the Senior Secured Notes, and the Senior Secured Notes are not secured on the assets of the Company.

Group management have modelled an unlikely but possible downside scenario in which negative external factors such as another pandemic or a decline in the wider macroeconomy have an impact and cause the business's performance to significantly reverse. In this scenario, the Group would not default on interest payments on the Senior Secured Notes and retain sufficient liquidity to meet all its financial obligations for at least 18 months from the statement of financial position date.

The directors of the Company have considered the risks set out above and, in particular, whether it is appropriate to prepare the financial statements of the Group and Company on a going concern basis and the adequacy of the going concern disclosures made within the financial statements. The directors have concluded that the Group and Company expects to have sufficient liquidity to meet its liabilities as they fall due for at least twelve months. The directors have consequently concluded that the going concern basis of accounting remains appropriate and that the financial statements do not require the adjustments that would result if the Company were unable to continue as a going concern.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 1. Basis of preparation and consolidation, significant accounting policies and critical accounting estimates and judgements (continued)

#### Significant accounting policies

##### a. Revenue

Group revenue, after deduction of sales allowances, value added tax and other sales taxes, comprises the value of services provided by Group undertakings. Digital directory revenue is recognised from the point at which service is first provided over the life of the contract. Other digital marketing services revenue is recognised from the point at which service is first provided in accordance with relevant performance criteria with the exception of revenue from building websites, which is recognised when the site is successfully delivered to the customer. Unbilled revenue resulting from services already provided is accrued at the end of each period and unearned revenue from services to be provided in future periods is deferred in the statement of financial position.

##### Cost of sales

Cost of sales comprises the direct costs incurred in developing digital marketing services and digital directories. Provisions for impairment of trade receivables are also included within cost of sales.

##### b. Administrative expenses

The Yell Holdco Group expenses costs relating to administrative expenses as the costs are incurred.

##### c. Government Grants

Revenue grants are treated as a form of deferred income that must be spread over the period in which the related revenue is earned or costs expensed. Grants relating to income are recorded in the period in which the related revenue is earned. Grants relating to expenditure are treated as reductions of that expenditure within the period in which the expense is incurred.

##### d. Finance costs and income

Finance costs payable are charged as incurred using the effective interest rate basis. Finance income is generally recognised on an accruals basis. Gains on substantial modifications to the debt are recognised in finance income upon modification of the debt, or upon waiver of the related interest. An effective interest rate basis is used for the amortisation of issue costs, the coupon rate, and the fair value discount on the consideration. These are charged to the income statement, as finance costs over the term of the borrowings, or over a shorter period where the lender can require earlier repayment, or immediately recognised in finance costs upon extinguishment of the debt to which they relate. Any issue costs or fair value discounts related to a substantial modification of the debt are recognised immediately within finance costs.

##### e. Exceptional items

Exceptional items are transactions that by virtue of their incidence, size, nature, or combination of all three, are disclosed separately in the notes to the consolidated financial statements.

##### f. Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are prepared in 'pound sterling', which is the Group's presentation currency.

On consolidation, the assets and liabilities of foreign undertakings are translated into sterling at the rates of exchange ruling at the date of the Group statement of financial position. The results of foreign undertakings are translated into sterling at average rates of exchange for the year to the extent that these rates approximate the actual rates.

Trading transactions denominated in foreign currency are translated locally at the rate of exchange when the transactions were entered into. Exchange differences are included in the Group income statement in the year in which they arise.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 1. Basis of preparation and consolidation, significant accounting policies and critical accounting estimates and judgements (continued)

#### Significant accounting policies (continued)

##### g. Intangible assets

On the acquisition of a business, fair values are attributed to the assets and liabilities acquired, except where the acquisition involves the combination of entities under common control (see below). These net assets may include software development costs, brand names, non-compete agreements, contracts, customer commitments and customer lists, all of which are recorded as intangible assets and held at cost less accumulated amortisation.

Where an acquisition involves entities under common control, assets and liabilities are recorded at their previous carrying value and no fair value adjustments made. No new goodwill is recorded and the difference between the cost of investment and the acquiree's equity is presented within retained earnings, on consolidation.

Software, including internally developed software, is amortised on a straight-line basis over its useful economic life, which does not generally exceed 2 years. Brand names are amortised on a straight-line basis over their useful economic lives, which do not exceed 8 years. Asset lives and method of amortisation are reviewed and adjusted, if appropriate, at each Group statement of financial position date. No asset values were adjusted as a result of this review.

Internally developed software that is capitalised includes the employee costs of developing the software and an appropriate portion of overheads. Assets under construction are depreciated when the assets are available for use.

##### h. Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Cost comprises the purchase price and other costs of bringing an asset into use. Depreciation is provided on property, plant and equipment on a straight-line basis from the time they are available for use, so as to write off their costs over their estimated useful economic lives taking into account any expected residual values, and a charge is recognised in the income statement under administrative expenses.

Reviews are made annually of the estimated remaining lives and residual values of individual productive assets and adjusted prospectively, if appropriate, taking account of commercial and technological obsolescence as well as normal wear and tear.

The estimated lives assigned to property, plant and equipment are:

	Years
Leasehold improvements	5 years or life of lease if less than 5 years
Computers and equipment	2 to 6 years

For right-of-use assets, cost comprises an amount equal to the initial lease liability recognised, adjusted to include any payments for the right to use the asset, initial direct costs incurred and estimated costs for dismantling, removing and restoring the asset at the end of the lease term. Lease incentives receivable from the lessor are recognised as a reduction in costs. Depreciation on right-of-use assets is charged on a straight-line basis over the lease term.

##### i. Asset impairment

Assets subject to amortisation are tested for impairment when an event that might affect asset values has occurred. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future earnings from operating the assets.

For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units, or "CGUs"). Where assets do not generate independent cash flows and their carrying value cannot be attributed to a particular CGU, CGUs are grouped together at the level at which these assets reside, and the carrying value of this group of CGUs is compared with the recoverable amount of that particular group. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 1. Basis of preparation and consolidation, significant accounting policies and critical accounting estimates and judgements (continued)

#### Significant accounting policies (continued)

##### i. Asset impairment (continued)

If an impairment loss is recognised for a CGU, it is allocated to reduce the carrying amounts of the assets of the unit in the following order:

- i) First, to reduce the carrying amount of any goodwill allocated to the CGU;
- ii) Then, to reduce the carrying amount of any intangible assets allocated to the CGU; and
- iii) Then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU.

If an asset's fair value less costs to sell exceeds its carrying amount before the impairment test of a CGU, then none of the impairment loss arising on the impairment test is allocated to that asset.

##### j. Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. An allowance for doubtful debts is recognised on initial recognition of receivables, which is deducted from the gross carrying amount of the receivable. The allowance is calculated by reference to credit losses expected to be incurred over the lifetime of the receivable. Historical loss experience and informed credit assessment alongside other factors such as the current state of the economy and specific market issues are considered in estimating a loss allowance. Reasonable and supportable information that is relevant and available without undue cost or effort is considered in estimating a loss allowance. The loss is recognised in cost of sales or against revenue, depending on the nature of the loss. Variable costs incurred in acquiring and retaining a customer contract (primarily sales commissions and associated employer taxes) are included in prepayments and spread over the life of that contract.

##### k. Trade and other payables

Trade payables are stated at amortised cost. Other payables are initially recognised at fair value and subsequently re-measured at amortised cost.

##### l. Cash and cash equivalents

Cash and cash equivalents represent cash in hand, bank deposits repayable on demand, and other short-term highly liquid readily convertible into cash investments with original maturities of three months or less.

##### m. Leases

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the applicable incremental borrowing rate. Lease liabilities are subsequently measured at amortised cost using the effective interest method and remeasured when there is a change in future lease payments or if the assessment of whether a company will exercise a purchase, extension or termination option. Payments of capital and interest are categorised as financing activities in the cashflow statement

##### n. Borrowings

All borrowings are initially stated at the fair value of consideration received after deduction of issue costs. Borrowings are subsequently stated at amortised cost. Issue costs are charged to the income statement together with the coupon, as finance costs, on a constant-yield basis over the term of the borrowings, or over a shorter period where the lender can require earlier repayment.

##### o. Share capital

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

##### p. Employee benefits

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

The Yell Holdco Group maintains a defined benefit pension scheme ("UKPP") for UK employees employed before 1 October 2001, but that was closed to future accrual from 31 March 2011. The Yell Holdco Group also offers membership to a defined contribution schemes to its employees.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 1. Basis of preparation and consolidation, significant accounting policies and critical accounting estimates and judgements (continued)

#### Significant accounting policies (continued)

##### p. Employee benefits (continued)

All pension schemes are independent of the Group's finances. Actuarial valuations of the UKPP are carried out as determined by the trustees at intervals of not more than three years, the rates of contribution payable and the pension cost being determined on the advice of the actuaries, having regard to the results of these valuations. In any intervening years, the actuaries review the continuing appropriateness of the contribution rates. See note 28 for a description of the associated risk.

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

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

Payments to the Group's defined contribution schemes are charged against profit as incurred.

##### q. Current and deferred tax

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

Current tax is provided for the amounts expected to be paid or recovered under the tax rates that have been enacted or substantively enacted by the Group statement of financial position date. Deferred tax is measured at the tax rates that are expected to apply in the years in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Group statement of financial position date. Deferred tax assets and liabilities are not discounted.

No provision is made for temporary differences relating to investments in subsidiaries where realisation of such differences can be controlled and is not probable in the foreseeable future.

##### r. Financial assets

Financial assets and liabilities are shown as loans or receivables where they are non-derivative financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. The Yell Holdco Group has no non-derivative financial assets held at fair value through the Group income statement as no such assets are held for trading. Loans and receivables are classified as trade and other receivables or trade and other payables in the Statement of financial position.

##### s. Dividends

Interim dividends are recognised when they are paid. Final dividends are recognised when they are approved by shareholders.

##### t. Contingent liabilities

Through the normal course of business, the Yell Holdco Group is involved in legal disputes, the settlement of which may involve cost to the Yell Holdco Group. These costs are accrued when payment is probable and associated costs can be reliably estimated.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 1. Basis of preparation and consolidation, significant accounting policies and critical accounting estimates and judgements (continued)

#### Significant accounting policies (continued)

##### u. Share-based payments

The costs of share-based payments to individuals providing services to the Yell Holdco Group are charged against the income of the Yell Holdco Group to the extent services are received. The costs represent the relevant portion of the fair value of the equity rights transferring to the individuals. Where the beneficiaries of the awards issued by the Group are employees of a parent company, a share-based payment distribution is recorded for accounting purposes.

#### Critical accounting estimates and judgements

In preparing the consolidated financial statements, the Group's management have made their best estimates and judgements of certain amounts included in the consolidated financial statements, giving due consideration to materiality. The Yell Holdco Group regularly reviews these estimates and judgements and updates them when required. Actual results could differ from these estimates and judgements. Unless otherwise indicated, the Yell Holdco Group does not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described below. The Yell Holdco Group has presented below a description of the most significant estimates and judgements, which require management to make subjective and complex judgements, and matters that are inherently uncertain.

#### Expected credit losses

The Yell Holdco Group reduces receivables by an allowance for amounts that may not be collectible in the future based on historical loss experiences for the relevant aged category as well as forward-looking information and general market conditions. Once recognised, trade receivables are continuously monitored and updated, taking into account new market information such as the effects of the COVID-19 pandemic. A receivable is written off against the provision when it is believed to be entirely uncollectible. Any monies recovered subsequent to write off are recorded as adjustments to the expected credit loss provision and considered in the historical loss experience.

#### Pension assets

The Yell Holdco Group maintains the UKPP for UK employees employed before 1 October 2001. The UKPP plan assets are held in separate trustee administered funds that are invested primarily in debt securities, liability-driven investments, cash and a bulk annuity policy.

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

Asset values will increase and decrease as markets rise and fall. The assets are predominantly traded on quoted markets and accordingly, there is limited judgement required in determining their valuation. The exceptions to this are the values of the insurance contracts that are determined with reference to the value of the underlying liabilities, which are subject to significant estimates as detailed further below. The trustees and management have an agreed strategy to mitigate the risk of having insufficient funds, if markets fall, through a bulk annuity policy that covers nearly all of the UKPP plan's pensioners and liability-driven investment funds. The purpose of the bulk annuity policy and liability-driven investment funds is to significantly reduce the volatility of the UKPP plan's funding level by mitigating inflation, interest rate and longevity risks. These asset classes match the movements in interest rates and inflation. The trustees also work with management to ensure sufficient assets will be available to settle obligations in the long term.

#### Pension liabilities

The UKPP was closed to future accrual from 31 March 2011, thus reducing the Group's exposure to future changes in salaries and employee service years. The determination of the Group's obligation, expense and contribution rate for pensions is dependent on the selection of assumptions that its actuaries use in calculating such amounts. Those assumptions include, amongst others, expected mortality rates of scheme members, the rate at which future pension payments are discounted to the statement of financial position date, and inflation expectations. Differences in the Group's actual experience or changes in its assumptions can materially affect the amount of reported future pension obligations and future valuation adjustments in the statement of comprehensive income. The Yell Holdco Group seeks expert actuarial advice in setting its assumptions (see note 28).

The Group's defined contribution scheme is managed by a mastertrust separately from the assets and liabilities of the Yell Holdco Group.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 1. Basis of preparation and consolidation, significant accounting policies and critical accounting estimates and judgements (continued)

#### Critical accounting estimates and judgements (continued)

##### Tax

The determination of the Group's obligation and expense for taxes requires an interpretation of tax law. Judgements and estimates are required to determine the appropriate amount of tax to provide for and any required disclosure around contingent tax liabilities at each period end (see note 21).

The Yell Holdco Group seeks appropriate, competent and professional tax advice before making any judgements on tax matters. Provisions for tax liabilities are estimated for existing matters under dispute with local tax authorities, as well as for matters that it is considered may be disputed by them, where it is probable that a future liability will arise. The tax liability provided is management's best estimate, taking into account external advice, the anticipated position of the relevant tax authorities, and other local factors (see note 8). Whilst the Yell Holdco Group believes that its judgements are prudent and appropriate, significant differences in actual experience may materially affect future tax charges.

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

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

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

- Estimates of future cashflows used in the going concern and impairment assessments and assessments of recovering deferred tax assets
- Assumptions within our expected credit losses on trade and other receivables

#### Valuation of debt

On 30 March 2022, the Group agreed with the bondholders to the modification of the terms of the Senior Secured Notes previously issued by Yell Bondco plc. As part of this modification process, the coupon rate associated with the debt was changed from 8.5% to 8.75% for the remaining term of the debt. Judgement has been applied in determining the fair value of the new debt, specifically whether the coupon rate is a fair market value on an arm's length basis. This has been determined by considering the coupon rate, terms, credit ratings and financial performance of debt issued to comparable companies.

#### Valuation of equity

On 30 March 2022, the Company issued 18,999,983 Class A shares with a nominal value of £0.000001 in exchange for loan notes previously held in the Company. The fair value of the shares issued was £22,325,000. Judgement has been applied in determining the fair value of shares. The valuation was based on management's best estimate using an enterprise valuation model for the Group as a whole based on EBTIDA and comparable company valuation multiples.

#### Standards that have been adopted during the current year

In April 2021, an IFRIC agenda decision was published in respect of accounting for cloud computing arrangements under IAS 38, specifically in regard to accounting for configuration and customisation costs where intangible assets are not recognised. Subsequently, cloud computing costs which previously were recognised as intangible assets which do not meet the criteria of an asset, have now been expensed in the income statement in the year-ended 31 March 2022. Amounts expensed relating to 31 March 2021 were not material.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2022 that have a material impact on the company's financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2022 reporting periods and have not been early adopted by the company. None of these are expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.



# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 2. Revenue

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Yell platform	63.3	88.4
Other digital marketing services	54.3	71.4
<b>Total revenue <sup>(a)</sup></b>	<b>117.6</b>	<b>159.8</b>

(a) All revenue is generated from sales to customers based in the UK.

The Group's contracts with customers are materially of one year or less and, accordingly, performance obligations are expected to be materially satisfied within twelve months.

### 3. Operating profit

Operating profit is stated after charging:

For the year ended 31 March 2022

£m	Note	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Staff costs (excluding exceptional severance costs)	5	42.2	61.7
Exceptional items	6	0.3	15.4
Depreciation of property, plant and equipment	10	2.5	3.6
(Reversal of impairment) / impairment of property, plant and equipment	10	(0.2)	0.3
(Gain) / loss on disposal of property, plant and equipment	10	(0.2)	0.3
Operating lease expenses – property, plant and equipment	19,21	0.3	1.1
Amortisation of intangible assets	9	7.2	8.2
Third party direct costs		23.9	29.0
Net impairment losses on financial assets – trade receivables	13	1.2	4.6

Variable costs incurred in acquiring and retaining a customer contract (primarily sales commissions and associated employer taxes) are spread over the life of that contract. The movement in relation to the deferral of such costs, included within prepayments (see note 13), and the amounts expensed during the year are as follows:

#### Deferred variable costs

£m				Unaudited		
	2022 Less than one year	2022 Greater than one year	2022 Total	2021 Less than one year	2021 Greater than one year	2021 Total
At start of year / period	2.4	0.1	2.5	–	–	–
Capital reorganisation	–	–	–	5.7	1.3	7.0
Amounts deferred during the year	3.9	1.0	4.9	5.1	0.1	5.2
Amounts amortised during the year	(3.7)	(0.1)	(3.8)	(8.4)	(1.3)	(9.7)
<b>At 31 March</b>	<b>2.6</b>	<b>1.0</b>	<b>3.6</b>	<b>2.4</b>	<b>0.1</b>	<b>2.5</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 4. Auditors' remuneration

The following fees were paid or are payable to the Group's auditors for the year / period ended 31 March 2022 and 2021:

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Fees payable to the auditors for the audit of the Group and Company annual financial statements		
- in respect of the current year <sup>(a)</sup>	0.1	–
Audits of the Company's subsidiaries' annual financial statements	0.3	0.2
<b>Total fees payable for audit services</b>	<b>0.4</b>	<b>0.2</b>
Fees payable to the auditors and their associates for other services:		
Tax advisory services	0.2	0.2
Restructuring / accounting services	0.2	–
Other non-audit services	–	–
<b>Total fees payable for non-audit services <sup>(b)</sup></b>	<b>0.4</b>	<b>0.2</b>
<b>Total auditors' remuneration</b>	<b>0.8</b>	<b>0.4</b>

(a) The fee payable to the Group's auditors for the statutory audit of the Group and Company annual financial statements totalled £124,300 (2021: £21,782).

(b) The fee payable to the Group's auditors for non-audit services totalled £394,796 (2021: £173,985).

### 5. Employees

All employees in the Group are employed in the UK.

For the year ended 31 March 2022

	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Average monthly number of employees in the Group (including executive directors):		
Sales and marketing	812	892
Other	245	315
<b>Total employees</b>	<b>1,057</b>	<b>1,207</b>

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Staff costs for the Group during the year (including executive directors):		
Wages and salaries	39.1	57.8
Social security costs	3.9	6.2
Other pension costs	1.9	2.6
Severance costs	0.3	4.4
Share-based payments charge / (credit)	0.2	(0.7)
Amount capitalised	(2.9)	(4.2)
<b>Total staff costs expensed to the income statement <sup>(a)</sup></b>	<b>42.5</b>	<b>66.1</b>

(a) As part of the Coronavirus Job Retention Scheme, a benefit of £nil (2021: £3.5m) has been credited to staff costs, which are stated net of this benefit. There are no unfulfilled conditions or other contingencies attached to this grant.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 6. Exceptional items

Exceptional items are transactions that by virtue of their incidence, size or a combination of both, are disclosed separately. Exceptional items comprise the following:

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Severance costs	0.3	4.4
Onerous lease (credits) / costs	(0.2)	0.6
Other restructuring costs	0.2	2.0
Pension settlement costs	–	8.4
<b>Net exceptional expense in Group profit before tax</b>	<b>0.3</b>	<b>15.4</b>

Severance costs comprise redundancy payments. Onerous lease costs comprise provisions for estimated future costs for exited property, with the credit arising upon settlement. Other restructuring costs relate to various strategic exercises which are considered to be outside of the ordinary course of business. Pension settlement costs related to the transfer of certain members' liabilities and related assets from the defined benefit pension scheme to an alternative pension arrangement.

### 7. Net finance income / (costs)

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
<b>Finance income arising from refinancing</b>		
Gain on modification of Senior Secured Notes (see note 20)	126.7	–
Gain on waiver of accrued interest on Senior Secured Notes (see note 20)	9.9	–
Loss on derecognition of deferred fees (see note 20)	(1.6)	–
Fees associated with the modification of Senior Secured Notes (see note 20)	(1.3)	–
<b>Total gain on modification of Senior Secured Notes</b>	<b>133.7</b>	<b>–</b>
<b>Other finance income</b>		
Net finance income on retirement benefit plan surplus (see note 28)	1.8	4.0
Interest on short term bank deposits	–	0.1
<b>Total other finance income</b>	<b>1.8</b>	<b>4.1</b>
<b>Total finance income</b>	<b>135.5</b>	<b>4.1</b>
<b>Finance costs</b>		
Interest payable on 8.5% Senior Secured Notes	(18.2)	(22.7)
Amortisation of deferred financing costs	(1.4)	(1.8)
<b>Underlying interest charges on credit facilities</b>	<b>(19.6)</b>	<b>(24.5)</b>
Interest on lease liabilities	(0.9)	(1.3)
Net foreign exchange losses on financing activities	–	(0.3)
Reversal of interest accrual / (interest accrual) on tax provisions	1.5	(0.2)
Bank charges and other finance costs	(0.5)	(0.7)
<b>Total finance costs</b>	<b>(19.5)</b>	<b>(27.0)</b>
<b>Net finance income / (costs)</b>	<b>116.0</b>	<b>(22.9)</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 8. Tax (credit) / charge

The Company is resident in the UK for tax purposes. The tax credit on the Group's profit (2021: tax charge on the Group's loss) before tax is analysed as follows:

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
<b>Current tax</b>		
Corporate income tax charge for the year / period	0.5	1.7
Net taxes recoverable on dividends received within the Yell Holdco Group <sup>(a)</sup>	–	(0.7)
Adjustments in respect of prior periods	(5.8)	(0.4)
<b>Total current tax (credit) / charge</b>	<b>(5.3)</b>	<b>0.6</b>
<b>Deferred tax (see note 11)</b>		
Deferred tax charge for the year / period	(1.6)	5.0
Adjustments in respect of prior periods	(0.1)	(1.8)
Effect of changes in tax rates	4.2	(0.4)
<b>Total deferred tax charge</b>	<b>2.5</b>	<b>2.8</b>
<b>Total tax (credit) / charge</b>	<b>(2.8)</b>	<b>3.4</b>

(a) Net taxes recoverable on dividends received related to US withholding tax on dividends received in prior periods. A refund claim has been submitted to the US tax authorities for this amount.

The tax credit for the year is higher than (2021: tax charge for the period is higher than) the standard rate of corporation tax in the United Kingdom of 19% (2021: 19%). The differences are explained below:

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Profit / (loss) before tax	130.0	(15.9)
Profit / (loss) before tax multiplied by the standard rate of corporation tax in the UK	24.7	(3.0)
<b>Effects of:</b>		
Non-taxable gain on modification of Senior Secured Notes	(24.9)	–
Adjustments in respect of prior periods	(5.9)	(2.2)
Group relief claimed for nominal consideration	(2.0)	–
Deferred tax assets (re-recognised) / not recognised on net operating losses (see note 11)	(1.4)	6.5
Remeasurement of deferred tax – change in tax rates (see below)	4.2	(0.4)
Deferred tax assets not recognised on restricted interest expenses (see note 11)	2.9	3.0
Net taxes recoverable on dividends received within the Yell Holdco Group	–	(0.7)
Other	(0.4)	0.2
<b>Total tax (credit) / charge</b>	<b>(2.8)</b>	<b>3.4</b>

The calculation of the Group's total tax charge involves consideration of certain items whose tax treatment cannot be ultimately determined until final resolution has been reached through negotiation with the relevant tax authorities. The Group has provided corporate income tax liabilities of £1.0m (2021: £5.8m) in respect of open tax periods that have not yet been agreed by UK tax authorities. The final agreed liabilities may vary from the amounts provided as these are dependent upon the outcomes for each open period. The Group has limited control over the timing of the resolution of uncertain tax positions with tax authorities. During the year the Group reviewed its assessment in accordance with IFRIC 23 "Uncertainty over Income Tax Treatments" and as a result, partially released the previous tax and interest provisions and now recognises a further corporation tax debtor of £1.0m (2021: £nil).

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 8. Tax (credit) / charge (continued)

Tax charged / (credited) directly to equity is as follows:

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Deferred tax charge / (credit) on actuarial gain / (loss)	12.2	(3.4)
Remeasurement of deferred tax – change in tax rates (see below)	2.5	2.0
<b>Tax charged / (credited) directly to equity</b>	<b>14.7</b>	<b>(1.4)</b>

Finance Act 2021 included legislation increasing the rate of corporation tax in the UK from 19% to 25% with effect from 1 April 2023. At 31 March 2022, the deferred tax assets and liabilities included in these financial statements were based on this increased rate having regard to their reversal profiles.

### 9. Intangible assets

£m	Brand names	Software costs	Total
<b>Period ended 31 March 2021 - Cost</b>			
Balance at 14 November 2019	–	–	–
Capital reorganisation	4.0	33.9	37.9
Additions	–	7.7	7.7
Disposals	–	(0.4)	(0.4)
Cost at 31 March 2021 (unaudited)	4.0	41.2	45.2
<b>Accumulated amortisation</b>			
Balance at 14 November 2019	–	–	–
Capital reorganisation	(3.2)	(27.9)	(31.1)
Charge for the period	(0.5)	(7.7)	(8.2)
Disposals	–	0.4	0.4
Accumulated amortisation at 31 March 2021 (unaudited)	(3.7)	(35.2)	(38.9)
<b>Net book value at 31 March 2021 (unaudited)</b>	<b>0.3</b>	<b>6.0</b>	<b>6.3</b>
Balance at 1 April 2021	4.0	41.2	45.2
Additions	–	6.7	6.7
Disposals	(0.4)	(4.0)	(4.4)
Cost at 31 March 2022	3.6	43.9	47.5
<b>Accumulated amortisation</b>			
Balance at 1 April 2021	(3.7)	(35.2)	(38.9)
Charge for the year	(0.3)	(6.9)	(7.2)
Disposals	0.4	4.0	4.4
Accumulated amortisation at 31 March 2022	(3.6)	(38.1)	(41.7)
<b>Net book value at 31 March 2022</b>	<b>–</b>	<b>5.8</b>	<b>5.8</b>

Assets under construction with a net book value of £0.2m (2021: £0.2m) are included within software costs at 31 March 2022 (31 March 2021). All amortisation charged in the year is included within administrative expenses in the income statement.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 10. Property, plant and equipment

Property, plant and equipment is summarised as follows:

£m	Leasehold Improve- ments	Computers and equipment	Right-of- use assets: Property	Right-of- use assets: Other	Total
<b>Period ended 31 March 2021 - Cost</b>					
Balance at 14 November 2019	–	–	–	–	–
Capital reorganisation	4.3	5.8	8.2	2.3	20.6
Additions	0.2	0.8	–	0.5	1.5
Disposals	–	(0.4)	(0.5)	(0.6)	(1.5)
Remeasurement of lease	–	–	(0.6)	(0.1)	(0.7)
Cost at 31 March 2021 (unaudited)	4.5	6.2	7.1	2.1	19.9
<b>Accumulated depreciation</b>					
Balance at 14 November 2019	–	–	–	–	–
Capital reorganisation	(3.5)	(4.7)	(1.2)	(1.0)	(10.4)
Charge for the period	(0.6)	(0.5)	(1.3)	(1.2)	(3.6)
Disposals	–	0.4	0.2	0.6	1.2
Impairment loss	–	–	(0.3)	–	(0.3)
Accumulated depreciation at 31 March 2021 (unaudited)	(4.1)	(4.8)	(2.6)	(1.6)	(13.1)
<b>Net book value at 31 March 2021 (unaudited)</b>	<b>0.4</b>	<b>1.4</b>	<b>4.5</b>	<b>0.5</b>	<b>6.8</b>
<b>Year ended 31 March 2022 - Cost</b>					
Balance at 1 April 2021	4.5	6.2	7.1	2.1	19.9
Additions	0.3	0.1	–	0.7	1.1
Disposals	(1.7)	(2.4)	(0.8)	(0.9)	(5.8)
Cost at 31 March 2022	3.1	3.9	6.3	1.9	15.2
<b>Accumulated depreciation</b>					
Balance at 1 April 2021	(4.1)	(4.8)	(2.6)	(1.6)	(13.1)
Charge for the year	(0.2)	(0.4)	(1.2)	(0.7)	(2.5)
Disposals	1.7	2.4	0.8	0.9	5.8
Reversal of impairment	–	–	0.2	–	0.2
Accumulated depreciation at 31 March 2022	(2.6)	(2.8)	(2.8)	(1.4)	(9.6)
<b>Net book value at 31 March 2022</b>	<b>0.5</b>	<b>1.1</b>	<b>3.5</b>	<b>0.5</b>	<b>5.6</b>

During the period ended 31 March 2021 the Birmingham office closure was announced and an impairment was recorded. During the year ended 31 March 2022, the impairment provision was reversed and the property depreciated. The net book value of property, plant and equipment included amounts of £4.0m (2021: £5.0m) in respect of leased assets.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 11. Deferred tax

The presentation of deferred tax assets and deferred tax liabilities in the statement of financial position sets off deferred tax assets against deferred tax liabilities where they relate to corporate income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities. The notes below set out the Group's deferred tax assets and liabilities without applying such set off:

#### At 31 March 2022

£m	2022	Unaudited 2021
Deferred tax assets	10.8	6.6
Deferred tax liabilities	(37.4)	(16.0)
<b>Net deferred tax liabilities</b>	<b>(26.6)</b>	<b>(9.4)</b>

#### Deferred tax assets

##### For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Balance at beginning of year / period	6.6	–
Capital reorganisation	–	10.0
Reclassification from corporate income tax receivables	–	0.3
Credited / (charged) to Group income statement	4.2	(3.7)
<b>Balance at 31 March</b>	<b>10.8</b>	<b>6.6</b>

The elements of net deferred tax assets recognised in the financial statements were as follows:

#### At 31 March 2022

£m	2022	Unaudited 2021
Tax effect of timing differences due to:		
Recognised tax net operating losses	7.0	3.0
Accelerated tax depreciation	2.6	2.6
Amortisation of goodwill recognised for tax purposes	0.6	0.5
Other	0.6	0.5
<b>Recognised deferred tax assets</b>	<b>10.8</b>	<b>6.6</b>

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit is probable through the reversal of deferred tax liabilities and forecast future taxable profits. The same profit projections are used for these purposes as are used by the business, for example in assessing asset impairments.

At 31 March 2022, as a result of future financial forecasting, the Group recognised deferred tax assets of £1.5m (2021: £1.0m) in respect of carried forward non-trading tax losses of £7.2m (2021: £5.0m). All other recognised deferred tax assets are supported by the reversal of deferred tax liabilities alone.

At 31 March 2022, the Group did not recognise deferred tax assets on non-trading losses carried forward of £302.8m (2021: £310.5m), restricted UK interest expenses of £79.5m (2021: £65.8m) and capital loss carry forwards of £1.2m (2021: £1.2m). These tax attributes may be carried forward indefinitely but cannot be accessed by the reversal of deferred tax liabilities or current financial forecasts.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 11. Deferred tax (continued)

#### Deferred tax liabilities

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Balance at beginning of year / period	16.0	–
Capital reorganisation	–	18.3
Charged / (credited) to Group income statement	6.7	(0.9)
Charged / (credited) directly to equity	14.7	(1.4)
<b>Balance at 31 March</b>	<b>37.4</b>	<b>16.0</b>

The elements of net deferred tax liabilities recognised in the financial statements were as follows:

At 31 March 2022

£m	2022	Unaudited 2021
<b>Tax effect of timing differences due to:</b>		
Defined benefit pension scheme	37.4	15.9
Intangible assets	–	0.1
<b>Recognised deferred tax liabilities</b>	<b>37.4</b>	<b>16.0</b>

### 12. Subsidiary undertakings

With the exception of Owl Finance Limited, in which the Company holds 100% of the ordinary share capital, all companies listed below are held indirectly. Details of subsidiary undertakings at 31 March 2022, all of which are unlisted, are as follows:

Name	Activity
Owl Finance Limited	Finance and holding company
YH Limited	Finance and holding company
Yell Bondco plc	Finance company
Yell Limited	Digital marketing services
Yell Mediaworks Limited	Graphics services
Moonfruit Limited	Holding company
Sitemaker Software Limited	Ceased trading*
Yell Sales Limited	Sales services
Yell Studio Limited	Graphics services

\* In March 2022 Sitemaker Software Limited ceased trading.

All subsidiary undertakings have been consolidated on a coterminous year end basis, operate in the United Kingdom, and the Group holds a 100% interest in the ordinary share capital.

The registered office of all subsidiaries incorporated in the United Kingdom is 3 Forbury Place, Forbury Road, Reading RG1 3YL.



# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 13. Trade and other receivables

At 31 March

£m	2022	Unaudited 2021
<b>Amounts falling due within one year</b>		
Gross trade receivables	6.9	8.3
Less: provision for expected credit loss	(1.8)	(3.8)
<b>Net trade receivables</b>	<b>5.1</b>	<b>4.5</b>
Other receivables	0.8	0.4
Accrued income	0.7	0.1
Amounts due from related parties	–	2.3
<b>Total financial assets other than cash and cash equivalents classified as loans and receivables</b>	<b>6.6</b>	<b>7.3</b>
Foreign withholding tax recoverable	0.8	0.7
Prepayments	6.4	5.8
<b>Current portion</b>	<b>13.8</b>	<b>13.8</b>
<b>Amounts falling due after more than one year</b>		
Other non-current receivables	0.7	0.9
<b>Total financial assets other than cash and cash equivalents classified as loans and receivables</b>	<b>0.7</b>	<b>0.9</b>
Prepayments	1.0	0.1
<b>Non-current portion</b>	<b>1.7</b>	<b>1.0</b>
<b>Total trade and other receivables</b>	<b>15.5</b>	<b>14.8</b>

Trade receivables are non-interest bearing and generally have terms of between 30 days and 10 months. Due to their short maturities and the non-interest-bearing nature of these financial assets, the fair value of trade and other receivables approximates their book value. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets mentioned above. Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. The Yell Holdco Group does not hold any collateral as security. If the expected credit loss increases or decreases by 10%, the incremental change to the profit and loss is £0.2m (2021: £0.8m).

Prepayments falling due within and after more than one year include amounts in respect of prepaid commissions.

Other receivables falling due after more than one year comprise deposits made to financial institutions to facilitate the collection of payments made by customers using credit or debit cards.

The carrying amounts of trade and other receivables are all denominated in sterling.

The carrying amounts of the Group's trade receivables are stated after deducting a provision of £1.8m at 31 March 2022 (2021: £3.8m) for expected credit loss.

The movement in the provision for expected credit loss was as follows:

#### For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
At beginning of year / period	(3.8)	–
Capital reorganisation	–	(6.4)
Charged to Group income statement – revenue	(0.9)	(3.2)
Charged to Group income statement – expenses	(1.2)	(4.6)
Utilised	4.1	10.4
<b>Balance at 31 March</b>	<b>(1.8)</b>	<b>(3.8)</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 13. Trade and other receivables (continued)

Trade receivables can become impaired, generally when customers are in financial distress, before being considered uncollectible. Trade receivables are considered impaired only after completion of collection processes designed locally to collect monies from slow payers or, if earlier, when amounts are more than one year past due. At 31 March 2022, the carrying value and estimated recoverable amount of trade receivables past due and impaired was £nil (2021: £nil), after deducting the related provision for expected credit loss of £1.1m (2021: £2.6m).

At 31 March the ageing analysis of gross trade receivables past due and impaired is as follows:

£m	2022	Unaudited 2021
Up to one month past due	0.2	0.2
One to three months past due	0.3	0.3
Three to nine months past due	0.3	0.8
Over nine months past due	0.3	1.3
<b>Total gross trade receivables past due and impaired</b>	<b>1.1</b>	<b>2.6</b>

The other classes of receivables do not contain impaired assets.

At 31 March 2022, gross trade receivables of £0.5m (2021: £0.4m) that were past due but not impaired, have a provision set against them of £0.1m (2021: £0.2m). At 31 March 2022, the ageing analysis of these gross trade receivables is as follows:

£m	2022	Unaudited 2021
Up to one month past due	0.3	0.2
One to three months past due	0.2	0.2
<b>Total gross trade receivables past due but not impaired</b>	<b>0.5</b>	<b>0.4</b>

The credit quality of trade receivables past due but not impaired is assessed using a statistical approach to determine the historical allowance rate for each ageing tranche. This allowance rate is then applied to the debt tranches at the end of the reporting year and a provision for expected credit loss recognised.

Trade receivables not yet due of £5.3m (2021: £5.3m) have a provision set against them of £0.6m (2021: £1.0m). The Yell Holdco Group does not hold any collateral as security.

The credit quality of financial assets that are neither past due nor impaired is assessed by credit exposures using an external credit rating system. Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large, geographically diverse and unrelated. No other receivables have been impaired (2021: none) as these parties do not have a history of default.

### 14. Cash and cash equivalents

At 31 March

£m	2022	Unaudited 2021
Cash at bank and in hand	1.0	1.0
Short-term deposits	19.5	29.4
<b>Total cash and cash equivalents</b>	<b>20.5</b>	<b>30.4</b>

Credit quality of cash and cash equivalents based on external credit ratings at 31 March 2022 was:

£m	AAA	A	Total
GB Pounds	19.5	1.0	20.5
<b>Total</b>	<b>19.5</b>	<b>1.0</b>	<b>20.5</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 15. Risk management

#### Treasury and capital management

The primary role of the Group's treasury functions is to ensure that adequate liquidity is available to meet the Group's funding requirements as they arise and that financial risk arising from Group's underlying operations is effectively identified and managed by or on behalf of the directors.

The Group holds its short-term liquidity as cash in current or deposit bank accounts or as investments in liquidity funds operated by highly rated, major banks and substantial financial institutions. The treasury function is not a profit centre and its objective is to manage risk at optimum cost. The treasury function conducts its operations as directed by the Board and does not engage in transactions of a speculative nature. The Group did not enter into any derivative transactions during the year and does not have any derivatives at the year-end.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

#### Borrowing facilities and liquidity risk

The Group manages its liquidity requirements by the use of both short-term and long-term cash flow forecasts.

#### Market risk and financial instruments

Financial instruments affected by market risk include borrowings and deposits.

#### Financial instruments analysis

At 31 March 2022, the Group's outstanding long-term debt was £65m (31 March 2021: £214m) of sterling denominated Senior Secured Notes with a fixed interest rate of 8.75% (2021: 8.50%).

There were no hedging arrangements at 31 March 2022 or 31 March 2021.

See note 16 on financial instruments for details of the currency profile, interest rate risk and liquidity risk and note 13, trade and other receivables, for details of credit risk.

#### Liquidity and funding

The Group is contractually obliged to use between 25% and 75% of net cash flow, depending on leverage, to repay the Senior Secured Notes subject to a minimum threshold below which no repayment is required. Net cash flow in the year/period ended 31 March 2022 and 31 March 2021 was below this minimum threshold and therefore no mandatory repayment of the notes was required.

The UK business had access to a revolving credit facility until 30 March 2022, of which £nil was drawn at 30 March 2022 (31 March 2021: £nil). The Group cancelled the facility in full in March 2022.

#### UK defined benefit pension plan

The Group is required to agree its contributions to the UKDBP with the trustees based on actuarial advice. Such agreement must be reached in a way that complies with the UK Pensions Regulator's "Scheme Specific Funding" guidance. Any failure to agree would result in the intervention of the Pensions Regulator and, possibly, an imposed settlement. Following agreement of the full actuarial valuation of the scheme at 5 April 2021 the trustee directors and management have agreed that no further funding is necessary to satisfy pension obligations at this time and it will assess the position again when the next full actuarial valuation of the scheme at 5 April 2024 takes place (see note 28).

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 16. Financial instruments

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern. The accounting classification of each class of the Group's financial assets and financial liabilities, together with their fair values, is as follows:

At 31 March 2022				
£m	Loans and Receivables	Amortised cost loans and other liabilities	Total book value	Total fair value
<b>Assets</b>				
Cash and cash equivalents <sup>(a)</sup>	20.5	–	20.5	20.5
Trade and other receivables <sup>(a)</sup>	7.3	–	7.3	7.3
<b>Total financial assets</b>	<b>27.8</b>	<b>–</b>	<b>27.8</b>	<b>27.8</b>
<b>Liabilities</b>				
Trade and other payables <sup>(a)</sup>	–	(17.8)	(17.8)	(17.8)
Long-term borrowings	–	(65.0)	(65.0)	(65.0)
<b>Total financial liabilities</b>	<b>–</b>	<b>(82.8)</b>	<b>(82.8)</b>	<b>(82.8)</b>

(a) The fair value of trade and other receivables, cash and cash equivalents, and trade and other payables approximated their carrying value due to the short maturity of the instruments.

At 31 March 2021 (unaudited)				
£m	Loans and Receivables	Amortised cost loans and other liabilities	Total book value	Total fair value
<b>Assets</b>				
Cash and cash equivalents <sup>(a)</sup>	30.4	–	30.4	30.4
Trade and other receivables <sup>(a)</sup>	8.2	–	8.2	8.2
<b>Total financial assets</b>	<b>38.6</b>	<b>–</b>	<b>38.6</b>	<b>38.6</b>
<b>Liabilities</b>				
Trade and other payables <sup>(a)</sup>	–	(30.0)	(30.0)	(30.0)
Long-term borrowings	–	(214.0)	(214.0)	(88.9)
<b>Total financial liabilities</b>	<b>–</b>	<b>(244.0)</b>	<b>(244.0)</b>	<b>(118.9)</b>

(a) The fair value of trade and other receivables, cash and cash equivalents, and trade and other payables approximated their carrying value due to the short maturity of the instruments.

All borrowings represent level 1 of the fair value hierarchy as defined by IFRS 13.

There are no derivative financial instruments in place at 31 March 2022. Detail on the Group's accounting for financial instruments is included in significant accounting policies on pages 25 to 29.

### Currency profile and interest rate risk

The interest rate profile of the Group's material financial assets and liabilities is as follows:

At 31 March 2022			
£m	Financial assets floating rate	Financial liabilities fixed or capped rate	Net financial liabilities
<b>Currency</b>			
Sterling	20.5	(65.0)	(44.5)
<b>Total</b>	<b>20.5</b>	<b>(65.0)</b>	<b>(44.5)</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 16. Financial instruments (continued)

At 31 March 2021 (unaudited)

£m	Financial assets floating rate	Financial liabilities fixed or capped rate	Net financial (liabilities) / assets
<b>Currency</b>			
Sterling	29.9	(214.0)	(184.1)
US dollar	0.5	–	0.5
<b>Total</b>	<b>30.4</b>	<b>(214.0)</b>	<b>(183.6)</b>

Details regarding the credit quality of financial assets are given in notes 13 and 14.

The following table analyses the contractual undiscounted cash flows payable as well as the face value, carrying value and fair value of Group borrowings, excluding lease liabilities at the date of the statement of financial position. All contractual payments are in British Pounds Sterling and have a fixed rate of interest. An analysis of the commitments relating to lease liabilities is given in note 19. Contractual flows in respect of interest payments are calculated using interest rates applicable at the date of the statement of financial position. The Senior Secured Notes are secured on the Group's UK business (see note 20). The Group also has short-term receivables and payables that arise in the normal course of business and these are not included in the following table. Any cash flows based on floating rate interest are based on interest rates prevailing at 31 March in the relevant year.

At 31 March 2022

£m	Due within one year	Due between one and four years	Due between four and five years	Total amounts owed	Nominal value of net debt	Carrying value	Fair Value <sup>(b)</sup>
8.75% Senior Secured Notes	–	–	65.0	65.0	65.0	65.0	65.0
<b>Total loans and other borrowings</b>	<b>–</b>	<b>–</b>	<b>65.0</b>	<b>65.0</b>	<b>65.0</b>	<b>65.0</b>	<b>65.0</b>
Fixed rate interest <sup>(a)</sup>	5.7	17.1	5.7	28.5			
<b>Total payments</b>	<b>5.7</b>	<b>17.1</b>	<b>70.7</b>	<b>93.5</b>			

(a) Interest payments are calculated based upon the outstanding face value of the debt at 31 March 2022.

(b) Fair value has been determined based upon the timing of the amendment and extension of the Senior Secured Notes (see note 20). The Group has the option, at its sole discretion, to pay the interest falling due within less than one year "in-kind", by increasing the principal of each Senior Secured Note by the amount of accrued and unpaid interest on each note. This would, correspondingly, increase the amount of interest to be paid in cash over the remaining periods.

At 31 March 2021 (unaudited)

£m	Due within one year	Due between one and two years	Due between two and three years	Total amounts owed	Deferred finance costs	Nominal value of net debt	Carrying value	Fair Value <sup>(d)</sup>
8.5% Senior Secured Notes	–	–	214.0	214.0	–	214.0	214.0	88.9
Deferred financing fees	–	–	–	–	(3.0)	(3.0)	(3.0)	–
<b>Total loans and other borrowings</b>	<b>–</b>	<b>–</b>	<b>214.0</b>	<b>214.0</b>	<b>(3.0)</b>	<b>211.0</b>	<b>211.0</b>	<b>88.9</b>
Fixed rate interest <sup>(c)</sup>	18.2	18.2	1.5	37.9				
<b>Total payments</b>	<b>18.2</b>	<b>18.2</b>	<b>215.5</b>	<b>251.9</b>				

(c) Interest payments are calculated based upon the outstanding face value of the debt at 31 March 2021.

(d) Fair value was determined in reference to active prices in determined markets.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 17. Trade and other payables

At 31 March 2022

£m	2022	Unaudited 2021
<b>Amounts falling due within one year</b>		
Trade payables	0.8	2.2
Other taxation and social security	3.5	10.0
Other payables	0.3	0.3
Amounts owed to related parties	–	0.8
Accrued interest	0.4	2.8
Accrued expenses	12.7	13.5
<b>Total financial liabilities excluding loans and borrowings classified as financial liabilities measured at amortised cost</b>	<b>17.7</b>	<b>29.6</b>
Deferred income	3.2	3.8
<b>Current portion</b>	<b>20.9</b>	<b>33.4</b>
<b>Amounts falling due after more than one year</b>		
Other payables	0.1	0.4
<b>Non-current portion</b>	<b>0.1</b>	<b>0.4</b>
<b>Total trade and other payables</b>	<b>21.0</b>	<b>33.8</b>

Deferred income at 31 March 2021 was materially recognised during the current year.

Due to their short maturities, the fair value of trade and other payables approximates their book value. The effect of discounting has been considered for payables falling due after more than one year, and the difference between fair value and book value is not material, therefore the fair value approximates book value. The carrying amounts of trade and other payables are materially denominated in British pounds sterling, which is the functional currency of the respective subsidiaries. The Yell Holdco Group does not have any significant exposure to currency risk on these amounts.

### 18. Provisions for liabilities

The Group had the following movements in provisions during the year:

Year ended 31 March 2022

£m	Redundancy provisions	Property related provisions	Total
<b>At 1 April 2021</b>	<b>0.1</b>	<b>1.9</b>	<b>2.0</b>
Charged / (credited) to income statement:			
- Additional provisions	–	0.3	0.3
- Unused amounts reversed	(0.1)	(0.1)	(0.2)
Utilised during the year	–	(0.9)	(0.9)
<b>At 31 March 2022</b>	<b>–</b>	<b>1.2</b>	<b>1.2</b>

At 31 March 2022

£m	2022	Unaudited 2021
Current	–	1.1
Non-current	1.2	0.9
<b>Total provisions for liabilities</b>	<b>1.2</b>	<b>2.0</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 18. Provisions for liabilities (continued)

Provision balances represent the differences between the timing of paying contractual amounts and the recognition of the contractual payments as a charge against income. The categories disclosed align with the types of contractual arrangements. Amounts expected to be expensed in the coming year of £nil (2021: £1.1m) have been classified as current liabilities.

#### Redundancy

Provisions for restructuring of activities comprise of accruals for certain employee benefits that are directly associated with plans to exit or cease specific activities. For all restructuring provisions a detailed formal plan exists, and the implementation of the plan had either started or been communicated to affected employees before the balance sheet date. All restructuring plans completed within one year from the balance sheet date.

#### Property related

The leasehold dilapidations provision relates to contractual obligations to reinstate leasehold properties to their original state of repair at the end of the lease term. The provision has been calculated by appropriately qualified individuals at the inception of the lease and is periodically reviewed and, where necessary, adjusted during the lease life, based upon expected rectification costs adjusted for expected inflation. The transfer of economic benefits is expected to be made at the end of the property leases, the periods of which range between 2024 and 2029.

During the prior year the business announced its decision to close one of its offices. Accordingly, a provision was calculated for non-rental costs relating to this property expected to be borne until the lease break date. There are no expectations to sublease.

### 19. Leases

The Group leases various offices, motor vehicles and office equipment. The following amounts are included in the Group's consolidated financial statements in respect of its leases:

#### For the year ended 31 March 2022

£m	Note	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Depreciation and impairment charges for the right-of-use assets:			
Property	10	(1.0)	(1.6)
Other	10	(0.7)	(1.2)
		(1.7)	(2.8)
Additions to the right-of-use assets	10	0.7	0.5
Remeasurement of right-of-use assets	10	–	(0.7)
Net book amount of right-of-use assets	10	4.0	5.0
Interest expense on lease liabilities	7	(0.9)	(1.3)
Cash outflow for leases – interest payments		(0.9)	(1.3)
Cash outflow for leases – capital payments		(2.3)	(2.8)
Expense related to short-term leases and low-value assets	3	(0.3)	(1.1)

Analysis of lease liabilities:

#### At 31 March 2022

£m	2022	Unaudited 2021
Present value of minimum lease payments due:		
In one year or less	1.7	2.0
In more than one year but less than five years	3.7	4.6
In more than five years	0.5	0.9
<b>Present value of lease liabilities</b>	<b>5.9</b>	<b>7.5</b>
<b>Current portion</b>	<b>1.7</b>	<b>2.0</b>
<b>Non-current portion</b>	<b>4.2</b>	<b>5.5</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 20. Borrowings

The Senior Secured Notes were issued by the Company's subsidiary undertaking, Yell Bondco plc, and are secured on the assets of Owl Finance Limited, a direct subsidiary undertaking, and its subsidiaries. The notes are listed on the International Stock Exchange. The notes were initially recognised at par value, which was equivalent to their fair value, being the cash proceeds from the notes issue in May 2018. The Group had incurred transaction costs, which were being amortised over the term of the bond issue.

On 30 March 2022, the Group agreed with the bondholders to a modification of the terms of the Senior Secured Notes. The existing liability of £214.0m was initially bifurcated into two tranches of £65.0m and £149.0m. The terms of the £65.0m tranche were amended to have a coupon rate of 8.75% and a maturity date of 31 March 2027 and all accrued interest relating to that tranche (£3.0m) was waived. The remaining £149.0m tranche was exchanged for the issue of ordinary shares in the Company and all interest accrued (£6.9m) relating to that tranche was waived by the bondholders. The modification of the Senior Secured Notes has been treated as a substantial modification, with a gross gain of £126.7m recognised on extinguishment of the old debt and total transaction costs of £2.9m expensed to the income statement, including £1.6m deferred financing fees relating to the original issue derecognised and a further £1.3m relating to the modification. The gross gain on extinguishment of the old debt comprised the release of the £149.0m liability offset by the fair value of the equity issued of £22.3m (see note 23).

Prior to the modification of the Senior Secured Notes on 30 March 2022, the Group also had access to a revolving credit facility. An amount of £8.8m had been drawn down on the facility at the start of the prior period which was fully repaid during the prior period and no further drawdowns were made. The revolving credit facility was subject to a covenant requiring the Group to maintain a ratio of net debt to EBITDA of less than 6.25 if the facility was greater than, or equal to, 35% drawn. The Group has no access to revolving credit facilities under the new arrangements.

The following table sets out the borrowings and total net debt of the Yell Holdco Group (excluding lease obligations):

#### At 31 March 2022

£m	Interest rate %(a)	2022	Unaudited 2021
<b>Amounts falling due after more than one year</b>			
8.75% / 8.5% Senior Secured Notes	8.75 / 8.5	65.0	214.0
Deferred financing fees		–	(3.0)
<b>Total amounts falling due after more than one year</b>		<b>65.0</b>	<b>211.0</b>
Total loans and other borrowings		65.0	211.0
Cash and cash equivalents		(20.5)	(30.4)
<b>Net debt (excluding lease obligations)</b>		<b>44.5</b>	<b>180.6</b>
Accrued interest		0.4	2.8
Lease liabilities		5.9	7.5
<b>Total net debt (including accrued interest and lease liabilities)</b>		<b>50.8</b>	<b>190.9</b>

(a) Interest rates applicable at 31 March 2022 and 31 March 2021 on the underlying debt instruments.

The Senior Secured Notes are denominated in British pounds sterling. There are no material borrowings denominated in any other currencies. Details of the currency denomination of all the Group's material financial assets and liabilities and the interest and maturity profiles of borrowings are given in note 16.



# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 20. Borrowings (continued)

#### Movement in net debt (including accrued interest and lease liabilities)

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
At start of year / period	190.9	–
Capital reorganisation	–	197.6
Cash generated from operating activities	(12.8)	(40.3)
Debt for equity swap on modification of Senior Secured Notes	(149.0)	–
Interest waiver on modification of Senior Secured Notes	(9.9)	–
Derecognition of deferred fees on modification of Senior Secured Notes	1.6	–
Fees associated with modification of Senior Secured Notes	1.3	–
Purchase of intangible assets and software	6.7	7.7
Purchase of property, plant and equipment	0.4	1.0
Lease liabilities entered into during the year	0.7	0.5
Remeasurement of leases	–	(0.7)
Net interest expense	18.1	24.9
Amortisation of deferred fees	1.4	1.8
Corporate income tax (refunded) / paid	(0.2)	0.2
Net movement in intercompany trading account with related parties	1.7	(2.1)
Other	(0.1)	0.3
<b>At 31 March</b>	<b>50.8</b>	<b>190.9</b>

### 21. Commitments and contingent liabilities

#### Capital commitments

At 31 March 2022, the Group had no capital commitments (2021: £nil).

#### Operating lease commitments

Future aggregate minimum operating lease payments for the Yell Holdco Group are as follows:

At 31 March 2022

£m	2022	Unaudited 2021
<b>Payable</b>		
Not later than one year	0.1	0.6
Later than one year and not later than five years	–	0.6
<b>Total future aggregate minimum operating lease payments</b>	<b>0.1</b>	<b>1.2</b>

Operating lease payments expensed during the year / period amounted to £0.3m (2021: £1.1m).

#### Contingent liabilities

There are no contingent liabilities or guarantees other than that referred to below, those referred to in note 1 and those arising in the ordinary course of the Group's business.

No material losses are anticipated on liabilities arising in the ordinary course of business.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 22. Called up share capital

At 31 March 2022

	No. of Class A shares of £0.000001	No. of Class B shares of £0.000001	No. of VCP shares of £0.000001	£
<b>Allotted and fully paid</b>				
At 14 November 2019	1,000,000	–	–	1
Share conversion on 17 December 2019	(20,000)	20,000	–	–
Share conversion on 15 October 2020	20,000	(20,000)	–	–
Shares issued	–	–	85,000	–
At 31 March 2021 (unaudited)	1,000,000	–	85,000	1
Shares issued	<b>18,999,983</b>	–	–	<b>19</b>
<b>At 31 March 2022</b>	<b>19,999,983</b>	<b>–</b>	<b>85,000</b>	<b>20</b>

On 30 March 2022, the Company issued 18,999,983 Class A shares with a nominal value of £0.000001, in exchange for the release of £149.0m Senior Secured Notes and the waiver of all accrued interest, totalling £6.9m.

### 23. Share premium

At 31 March 2022

£m	2022	Unaudited 2021
<b>Balance at beginning of year / period</b>	–	–
Shares issued	<b>22.3</b>	–
Less: fees associated with the issue of shares	<b>(0.4)</b>	–
Capital reduction	<b>(21.9)</b>	–
<b>Balance at 31 March</b>	<b>–</b>	<b>–</b>

On 30 March 2022, the Company issued 18,999,983 Class A shares with a nominal value of £0.000001, in exchange for the release of £149.0m Senior Secured Notes and the waiver of all accrued interest, totalling £6.9m (see note 20). The fair value of the shares issued was £22,325,000.

On 31 March 2022, the Company undertook a capital reduction, pursuant to section 641(1)(a) of the Companies Act 2006. This involved the cancellation and extinguishment of the total amount standing to the credit of the Company's share premium account in respect of the Class A shares.

### 24. Share-based payments

Restricted shares ("Yell Holdco B shares") in the Company were issued to one Board member for nominal value without premium in the period ended 31 March 2021. Rights in the restricted shares were to vest in five equal tranches on five successive annual anniversaries of the award date, unless there was a change in control in which case a portion would vest immediately. Participation in ownership benefits would accrue only after the equity value of the UK business exceeded £255m. The award was an equity-settled share-based payment under IFRS 2. The fair value of the grant (amortised as a charge against income of the companies receiving the services) was £253.4m, determined at the date of grant to be the present value of the average returns from a range of simulated potential enterprise values through the use of an assumed distribution on the most likely date of an exit event. Relevant costs were charged against the income of the employing company. The Company recognises the value of the shares as an increase to equity on a straight-line basis over the period to the originally estimated date of an exit event with a corresponding share-based payment distribution to the ultimate parent company for accounting purposes where the employing company was the parent. The Yell Holdco B shares were returned and cancelled for £nil in the period ended 31 March 2021, but relevant share-based payment expenses continue to be charged against the income of the employing company. Other costs associated with the cancellation of the shares, which totalled £40,349, have been deducted from the share-based payment reserve in the prior period.

The Group recorded £0.1m in credits to equity in the period ended 31 March 2022 (2021: £0.1m). The Group recorded a share-based payment distribution of £0.1m (2021: £0.1m) to Yell Group, its ultimate parent company until 30 March 2022, in respect of the Yell Holdco B shares. This was subsequently reversed as an intercompany recharge for which the Group has received payment.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 24. Share-based payments (continued)

Restricted shares ("VCP shares") in the Company were issued to directors and selected employees (the "participants") of the Company's subsidiaries for £nil consideration in the period ended 31 March 2021. Rights in the restricted shares vest in four equal tranches on the four successive annual anniversaries of 31 March 2021, unless there is a change in control in which case 100% will vest immediately. The value of future settlements will be determined on an increasing sliding scale, but only to the extent the adjusted enterprise value at the time of payment exceeds a threshold of £100m.

The award was initially recognised as a cash settled share-based payment under IFRS 2. The value of grants (to be amortised as a charge against income of the companies receiving the services) to employees was £1.2m; determined at the date of grant to be the present value of the average returns from a range of simulated potential enterprise values through the use of an assumed distribution on the most likely date of an exit event. Relevant costs were charged against the income of the employing company. The Company recognises the value of the shares as an increase to equity on a straight-line basis over the period to the originally estimated date of an exit event with a corresponding direct investment in employing subsidiaries or a share-based payment distribution to the parent company for accounting purposes where the employing company was the parent.

Pursuant to the issue of shares on 30 March 2022, the Company's share capital is now readily tradable and the award of the VCP shares is now regarded as an equity settled share-based payment scheme under IFRS 2. Accordingly, the fair value determined at the date of the grant (£1.6m) is being amortised on a straight-line basis over the expected vesting period.

The Group recorded £0.3m in credits to equity in the period ended 31 March 2022 (2021: less than £0.1m). The Group recorded £0.15m (2021: less than £0.1m) in share-based payment expenses. The Group also recorded a share-based payment distribution of £0.15m (2021: less than £0.1m) to its then ultimate parent company, Yell Group, in respect of VCP shares. This was also subsequently reversed as an intercompany recharge for which the Group has received payment.

### 25. Other reserves

The following describes the nature and purpose of each reserve within equity:

<i>Pension reserve</i>	Accumulated net actuarial gain
<i>Share-based payment reserve</i>	Cumulative amortised fair value of equity-settled share-based payments
<i>Retained earnings / accumulated losses</i>	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Total other reserves are analysed as follows for the period ended 31 March 2021 and year ended 31 March 2022:

£m	Pension reserve	Share-based payment reserve	Total other reserves
Balance at 14 November 2019	–	–	–
Capital reorganisation	19.1	–	19.1
Net actuarial loss on defined benefit pension schemes (see note 28)	(18.3)	–	(18.3)
Tax charge (see note 8)	1.4	–	1.4
Net credit in relation to share-based payments	–	0.1	0.1
Share-based payment distribution	–	(0.1)	(0.1)
Recharge in respect of share-based payments	–	0.1	0.1
Net income recognised directly in equity	2.2	0.1	2.3
<b>At 31 March 2021 (unaudited)</b>	<b>2.2</b>	<b>0.1</b>	<b>2.3</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 25. Other reserves (continued)

£m	Pension reserve	Share-based payment reserve	Total other reserves
At 1 April 2021	2.2	0.1	2.3
Net actuarial gain on defined benefit pension schemes (see note 28)	63.9	–	63.9
Tax charge (see note 8)	(14.7)	–	(14.7)
Net credit in relation to share-based payments	–	0.4	0.4
Share-based payment distribution	–	(0.2)	(0.2)
Recharge in respect of share-based payments	–	0.2	0.2
Net income recognised directly in equity	49.2	0.4	49.6
<b>At 31 March 2022</b>	<b>51.4</b>	<b>0.5</b>	<b>51.9</b>

### 26. Related party transactions

On 30 March 2022, the Company issued share capital as part of a debt for equity swap (see notes 20 and 22). As a result, the Company's immediate parent undertaking, Yell Bidco Limited (formerly Hibu Bidco Limited), lost control but retained a non-controlling interest in the share capital of the Company. As such, Yell Group Limited and its subsidiary undertakings are considered related parties at 31 March 2022 by virtue of their directors also being directors of the Company, as well as by virtue of the remaining 5% common ownership. Details of transactions with Yell Group Limited and its subsidiary undertakings, during the year ended 31 March 2022 and period ended 31 March 2021, and the balances outstanding at those dates are as follows:

#### For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
<b>Group recharges – amounts charged to:</b>		
Yell Group Limited (formerly Hibu Group Limited)	1.6	7.6
hibu Inc <sup>(a)</sup>	–	1.2
Payments on behalf of related parties	4.6	8.4
<b>Total amounts recharged to related parties</b>	<b>6.2</b>	<b>17.2</b>

#### For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
<b>Group recharges – amounts charged by:</b>		
Yell Group Limited (formerly Hibu Group Limited)	(2.2)	(7.2)
hibu Inc <sup>(a)</sup>	–	(0.3)
<b>Total amounts recharged by related parties</b>	<b>(2.2)</b>	<b>(7.5)</b>

#### At 31 March

£m	2022	Unaudited 2021
<b>Current assets</b>		
Yell Group Limited (formerly Hibu Group Limited)	–	2.3
<b>Total amounts owed by related parties</b>	<b>–</b>	<b>2.3</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 26. Related party transactions (continued)

At 31 March

£m	2022	Unaudited 2021
<b>Current liabilities</b>		
Yell Bidco Limited (formerly Hibu Bidco Limited)	–	(0.5)
hibu Inc <sup>(a)</sup>	–	(0.1)
Yell Spain Holdco Limited (formerly Hibu Spain Holdco Limited)	–	(0.2)
<b>Total amounts owed to related parties</b>	<b>–</b>	<b>(0.8)</b>

(a) At 31 March 2022, hibu Inc is no longer considered a related party, following its disposal by the Consolidated Yell Group on 4 May 2021.

### Subsidiary undertakings

Details of the subsidiary undertakings are given in note 12 of these financial statements. Further detail can be found in the Company only section of these financial statements on page 65.

### Directors' remuneration

Directors' remuneration includes net amounts charged to the Yell Holdco Group by related employing companies. The aggregate remuneration paid to the directors in respect of their services to the Yell Holdco Group was as follows:

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Salaries and other short-term benefits	1.3	1.5
Contractual and in lieu of contractual loss of office payments	–	0.2
<b>Total remuneration</b>	<b>1.3</b>	<b>1.7</b>

The highest paid director received £0.9m (2021: £0.8m), excluding employer's pension contributions of less than £0.1m during the periods presented, in respect of services to the Yell Holdco Group.

Yell Midco Limited (formerly Hibu Midco Limited), a parent company at the date of issue, issued restricted equity instruments, each with a nominal value of £0.00000001, to one Board member during the year ended 31 March 2017. During the year, Yell Group Limited (formerly Hibu Group Limited) repurchased all of the instruments issued to the Board member in the year ended 31 March 2017 for cash and deferred consideration approximating current market value.

The Company issued restricted equity instruments, each with a nominal value of £0.000001, to one Board member during the period ended 31 March 2021. These restricted equity instruments were returned and cancelled during the same period for £nil. The Company issued further restricted equity instruments, each with a nominal value of £0.000001, to five Board members in the period ended 31 March 2021.

There were no amounts earned under long term incentive schemes (other than shares or share options) during the periods presented. Employer's pension contributions were less than £0.1m during the periods presented. No director was a member of the Group's UK defined benefit pension scheme during the periods presented.

### Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the business, directly or indirectly. Compensation to key management are the net amounts charged to the Yell Holdco Group by related employing companies.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 26. Related party transactions (continued)

#### Key management compensation (continued)

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Salaries and other short-term employee benefits	1.5	1.9
Contractual and in lieu of contractual loss of office payments	–	0.2
Share-based payments (non-cash)	0.2	0.2
<b>Total key management compensation</b>	<b>1.7</b>	<b>2.3</b>

Yell Midco Limited (formerly Hibu Midco Limited), a parent company at the date of issue, issued restricted equity instruments, each with a nominal value of £0.00000001, to one member of key management in the year ended 31 March 2017. During the year, Yell Group Limited (formerly Hibu Group Limited) repurchased all of the instruments issued to the member in the year ended 31 March 2017 for cash and deferred consideration approximating current market value.

The Company issued restricted equity instruments, each with a nominal value of £0.0000001, to one member of key management during the period ended 31 March 2021. These restricted equity instruments were returned and cancelled in the same period for £nil. The Company issued further restricted equity instruments, each with a nominal value of £0.0000001, to three members of key management in the year ended 31 March 2021. There were no amounts earned under long term incentive schemes (other than shares or share options) during the periods presented. Employer's pension contributions were less than £0.1m during the periods presented.

### 27. Ultimate parent company and controlling party

From 1 April 2021 until 30 March 2022, the Company's and the Group's ultimate parent undertaking and controlling party was Yell Group Limited. The smallest and largest group in which the financial statements of the Company were consolidated at 31 March 2021 was Yell Group Limited, whose financial statements are publicly available at 3 Forbury Place, Forbury Road, Reading, Berkshire, United Kingdom, RG1 3YL.

On 30 March 2022, Yell Group Limited ceased to be the ultimate holding company and controlling party of the Company and the Group, and control was passed to Yell Holdco Limited. At 31 March 2022, the Company is the ultimate holding company and controlling party of the Group.

### 28. Pensions

Yell Limited, which is one of the consolidated subsidiaries in these Group financial statements, operates a defined benefit pension scheme (the "UKPP" or "Plan") for UK employees employed before 1 October 2001, but that was closed to future accrual from March 2011. Yell Limited also operates a defined contribution scheme for the remaining UK employees. They are the only material schemes in Yell Limited.

The Group's income statement and statement of comprehensive income for the years ended 31 March 2022 and 2021 included the following charges.

#### Amounts charged to operating profit

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Termination benefits	(0.1)	–
Settlement cost	–	8.4
Past service cost	–	0.1
<b>Amounts (credited) / expensed for defined benefit schemes</b>	<b>(0.1)</b>	<b>8.5</b>
Amounts expensed for defined contribution schemes	2.0	2.6
<b>Total operating charge</b>	<b>1.9</b>	<b>11.1</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 28. Pensions (continued)

#### Net finance income from defined benefit scheme

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Interest income on Plan assets	14.2	16.7
Interest cost on Plan liabilities	(12.4)	(12.7)
<b>Net finance income from defined benefit scheme</b>	<b>1.8</b>	<b>4.0</b>

#### Amount recognised in Group statement of comprehensive income

For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Actual return less interest on Plan assets	(25.0)	7.8
Experience gains arising on Plan liabilities	15.9	7.0
Changes in financial assumptions underlying the value of Plan liabilities	75.9	(32.8)
Changes in demographic assumptions underlying the present value of Plan liabilities	(2.9)	(0.3)
<b>Actuarial gain / (loss)</b>	<b>63.9</b>	<b>(18.3)</b>
Tax on actuarial (gain) / loss recognised in equity	(14.7)	1.4
<b>Actuarial gain / (loss) net of tax</b>	<b>49.2</b>	<b>(16.9)</b>

The cumulative actuarial gain net of tax recognised at 31 March 2022 amounts to £51.4m (2021: gain £2.2m).

#### UKPP – Defined benefit sections

There are three defined benefit sections of the UKPP, which have been closed to new entrants since 1 October 2001. The Plan offers both pensions in retirement and death benefits to members. For the purpose of these financial statements, the full actuarial valuation at 5 April 2021, updated to 31 March 2022, showed a surplus of £149.4m. Pension benefits are based on years of qualifying service and final pensionable salary. With effect from 31 March 2011, the defined benefit sections of the Plan were closed to future accrual. Active members at 31 March 2011 were granted leaving service benefits and offered membership in a new section of the defined contribution scheme. Subsequently the defined contribution sections were closed and a Mastertrust with Legal & General was put in place instead.

The Yell Holdco Group is required to agree its contributions to the Plan with the trustees based on actuarial advice. Such agreement must be reached in a way that complies with the UK Pensions Regulator's 'Scheme Specific Funding' guidance. Any failure to agree would result in the intervention of the Pensions Regulator and, possibly, an imposed settlement. The full funding valuation that has an effective date of 5 April 2021 was the most recent agreed full funding valuation at 31 March 2022.

#### Net surplus

The UKPP net surplus on the statement of financial position represents the fair value of assets held to fund future benefit payments net of the present value of plan liabilities, as follows:

#### At 31 March

£m	2022	Unaudited 2021
Fair value of Plan assets	653.4	684.9
Present value of Plan liabilities	(504.0)	(601.1)
<b>Net surplus</b>	<b>149.4</b>	<b>83.8</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 28. Pensions (continued)

#### Net surplus (continued)

The following amounts explain the movement in the pension provision:

#### For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Net surplus at the beginning of year / period	83.8	–
<b>Movement in year:</b>		
Acquisitions (see note 26)	–	106.3
Contributions	–	0.3
Past service cost	–	(0.1)
Settlement cost	–	(8.4)
Termination benefits	(0.1)	–
Net finance income	1.8	4.0
Actuarial gain / (loss)	63.9	(18.3)
<b>Net surplus at end of year</b>	<b>149.4</b>	<b>83.8</b>

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

Contributions of £nil (2021: £0.3m), of which £nil (2021: £0.3m) were in respect of benefit augmentations, were made in the year to 31 March 2022.

#### Valuation assumptions

The UKPP net surpluses at 31 March 2022 and 31 March 2021 were based on the valuation at 5 April 2018 updated to 31 March 2022 and 31 March 2021 respectively. The updated valuations were carried out by professionally qualified independent actuaries using the following key assumptions:

#### At 31 March

All figures in % per annum	2022	Unaudited 2021
Discount rate	2.7	2.1
Expected rate of return on assets	n/a	n/a
Pension increases linked to RPI	3.2	3.3
Pension increases linked to CPI	2.8	2.9

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

#### At 31 March

Years	2022	Unaudited 2021
Male	28.3	28.6
Female	31.0	30.9

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

#### At 31 March

Years	2022	Unaudited 2021
Male	27.0	27.3
Female	29.7	29.5



# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 28. Pensions (continued)

#### Assets

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

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

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

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

#### At 31 March

£m	2022	Of which, not quoted on an active market	Unaudited 2021	Of which, not quoted on an active market
Bonds	194.1	–	203.9	–
Liability-driven investments	275.4	–	253.5	–
Insurance contracts	156.1	156.1	190.5	190.5
Other	27.8	–	37.0	–
<b>Total assets at fair value</b>	<b>653.4</b>	<b>156.1</b>	<b>684.9</b>	<b>190.5</b>

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

#### For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Opening fair value of Plan assets	684.9	–
Acquisitions	–	681.7
Interest on assets	14.2	16.7
Actuarial (loss) / gain	(25.0)	7.8
Contributions by employer	–	0.3
Benefits paid	(20.7)	(21.6)
<b>Closing fair value of plan assets</b>	<b>653.4</b>	<b>684.9</b>

The actuarial (loss) / gain in the year ended 31 March 2022 and period ended 31 March 2021 represents the difference between the expected return on Plan assets and the actual return on Plan assets as follows:

#### For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Interest on Plan assets	14.2	16.7
Actuarial (loss) / gain	(25.0)	7.8
<b>Actual return on plan assets</b>	<b>(10.8)</b>	<b>24.5</b>

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 28. Pensions (continued)

#### Liabilities

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

#### For the year ended 31 March 2022

£m	Year ended 31 March 2022	Unaudited Period ended 31 March 2021
Opening present value of Plan liabilities	601.1	–
Acquisitions	–	575.4
Past service cost	–	0.1
Termination cost	0.1	–
Settlement cost	–	8.4
Interest cost	12.4	12.7
Actuarial (gain) / loss	(88.9)	26.1
Benefits paid	(20.7)	(21.6)
<b>Closing present value of Plan liabilities</b>	<b>504.0</b>	<b>601.1</b>

The actuarial gain in the year ended 31 March 2022 was primarily the result of a decrease in the assumption for inflation and an increase in the discount rate assumption. This was partially offset by inflationary increases applied to benefits during the year being higher than expected. In addition to this a change in the mortality assumption placed a slightly lower value on the liability value.

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

#### Profile of the Plan

The defined benefit obligation includes benefits for deferred members and current pensioners. Broadly, about 55% of the liabilities are attributable to deferred members and 45% to current pensioners. Note that the term "deferred members" refers to members of the Defined Benefit section of the Plan who are yet to draw their pension.

The Plan duration is an indicator of the weighted average time until benefit payments are made. For the Plan as a whole, the duration is around 20 years reflecting the approximate split of defined benefit obligation between deferred members (duration around 23 years) and current pensioners (duration of 15 years).

#### Sensitivity analysis

The present value of the pension obligations at 31 March 2022 was calculated on the basis that the real interest rate at the balance sheet date was -0.7%, which is the difference between the discount rate and RPI inflation. The discount rate and expected inflation are determined by reference to specific types of debt instruments being traded in the open market. Increasing or decreasing the assumed discount rate by 0.1% per annum, respectively, would decrease or increase the present value of the pension liabilities by approximately £9.8m. The effect on the market value of assets cannot be estimated because the values of the Plan's investments do not always change in line with variations in the discount rate, however we can estimate that the value of the bulk annuity policy would decrease or increase by approximately £2.5m due to the assumed discount rate increasing or decreasing by 0.1% per annum respectively.

Similarly, the effect of increasing or decreasing the assumed inflation rate by 0.1% per annum, respectively, would increase or decrease the present value of the pension liabilities by approximately £9.4m and increase or decrease the value placed on the bulk annuity policy by approximately £2.3m.

The present value of pension liabilities was determined on assumed life expectancies for men and women as set out in the assumptions above. The Group estimates that an increase in life expectancy of one year for all members could have increased the present value of pension liabilities by approximately £20.2m and would increase the value of the bulk annuity policy by £6.3m.

# Yell Holdco Limited

## Notes to the consolidated financial statements for the year ended 31 March 2022 (continued)

### 28. Pensions (continued)

#### Risks associated with the Plan

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

##### *Asset volatility*

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

##### *Changes in bond yields*

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

##### *Inflation risk*

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

##### *Life expectancy*

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

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

In addition, during the period ended 31 March 2015, the trustees of the Plan purchased a bulk annuity policy (or "buy-in" policy) from Pensions Insurance Corporation (PIC) in respect of part of the liabilities of the Plan. The purchase price was £199.4m. A buy-in policy is a single policy with a UK insurance company, which provides payments to the Plan that are intended to precisely match the payments made to a specified group of Plan members. The policy remains an asset of the Plan, and the obligation to pay the pensions remains an obligation of the Plan.

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

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

This will increase the defined benefit obligation of the Plan. We have carried out calculations based on the Plan benefits and profile to estimate the impact of allowing for GMP equalisation and allowed for this as a past service cost of £0.6m (£0.5m was allowed for in the 31 March 2019 figures for the October 2018 Court case, and an additional £0.1m has been allowed for in 31 March 2021 figures for the November 2020 Court case).

#### Defined contribution schemes

The pension cost in respect of these schemes represents contributions payable to the funds and amounted to £2.0m in the year ended 31 March 2022 (2021: £2.6m). Outstanding contributions amounted to £0.3m at 31 March 2022 (2021: £nil).

### 29. Post balance sheet events

On 22 June 2022 intercompany financing between two subsidiaries of the Company was partially forgiven, as a result of which future interest income will arise in the Group against which existing tax attributes may be offset.

# Yell Holdco Limited

## Income statement (Company only)

For the year ended 31 March 2022

£'000	Note	Year ended 31 March 2022	Period ended 31 March 2021 (a)
Reversal of impairment / (impairment) of amounts due from Group undertakings		18	(18)
Administrative expenses		(141)	–
<b>Operating loss</b>	<b>3</b>	<b>(123)</b>	<b>(18)</b>
<b>Loss before tax</b>		<b>(123)</b>	<b>(18)</b>
Tax credit	4	28	–
<b>Loss for the year / period</b>		<b>(95)</b>	<b>(18)</b>

(a) Prior period results for the Company have been audited and are in respect of the period 14 November 2019 to 31 March 2021.

There is no other comprehensive income for the year (2021: £nil). The Income statement has been prepared on the basis that all operations are continuing operations.

# Yell Holdco Limited

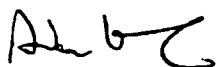
## Statement of financial position (Company only)

At 31 March

£'000	Note	2022	2021
<b>Non-current assets</b>			
Investments	5	23,500	–
<b>Total non-current assets</b>		<b>23,500</b>	<b>–</b>
<b>Current assets</b>			
Trade and other receivables	6	196	102
<b>Total current assets</b>		<b>196</b>	<b>102</b>
<b>Total assets</b>		<b>23,696</b>	<b>102</b>
<b>Current liabilities</b>			
Trade and other payables	7	(224)	(12)
<b>Total current liabilities</b>		<b>(224)</b>	<b>(12)</b>
<b>Net current (liabilities) / assets</b>		<b>(28)</b>	<b>90</b>
<b>Total assets less current liabilities</b>		<b>23,472</b>	<b>90</b>
<b>Total liabilities</b>		<b>(224)</b>	<b>(12)</b>
<b>Net assets</b>		<b>23,472</b>	<b>90</b>
<b>Equity</b>			
Called up share capital	9	–	–
Other reserves	11	490	108
Retained earnings / (accumulated losses)		22,982	(18)
<b>Total equity</b>		<b>23,472</b>	<b>90</b>

The notes on pages 61 to 68 are an integral part of these financial statements.

The financial statements on pages 58 to 68 were approved by the Board of directors on 1 July 2022 and were signed on its behalf by:



**Adam Hurst**  
Director

Registration no 12315720

# Yell Holdco Limited

## Statement of changes in equity (Company only) for the year ended 31 March 2022

	Called up share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings / (accumulated losses) £'000	Total equity £'000
Balance at 14 November 2019	–	–	–	–	–
Loss and total comprehensive expenses for the financial period	–	–	–	(18)	(18)
<b>Total comprehensive expense for the period</b>	–	–	–	(18)	(18)
Share-based payments (see note 12)	–	–	108	–	108
<b>Total transactions with owners, recognised in equity</b>	–	–	108	–	108
Balance at 31 March 2021	–	–	108	(18)	90
Balance at 1 April 2021	–	–	108	(18)	90
Loss and total comprehensive expense for the year	–	–	–	(95)	(95)
<b>Total comprehensive expense for the year</b>	–	–	–	(95)	(95)
Gain on exchange of Senior Secured Notes for shares (see notes 5 and 9)	–	155,455	–	(132,360)	23,095
Capital reduction (see note 10)	–	(155,455)	–	155,455	–
Share-based payment (see note 12)	–	–	382	–	382
<b>Total transactions with owners, recognised in equity</b>	–	–	382	23,095	23,477
<b>Balance at 31 March 2022</b>	–	–	490	22,982	23,472

# Yell Holdco Limited

## Notes to the financial statements (Company only) for the year ended 31 March 2022 (continued)

### 1. Accounting policies

#### Entity information

The Company is a private company limited by shares incorporated in England and Wales under registration number 12315720. The registered office is 3 Forbury Place, Forbury Road, Reading, Berkshire, RG1 3YL.

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

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

On 31 December 2020, EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In preparing these financial statements in accordance with FRS 101, the Company Financial Statements transitioned to UK-adopted international accounting standards (as described above) on 1 January 2021. There is no impact on recognition, measurement or disclosure in the period reported as a result of this change.

The financial statements present information about the Company as an individual undertaking, not as a group and reflect the results of the Company for the year ended 31 March 2022 with comparative audited results for the period from 14 November 2019 to 31 March 2021.

The principal accounting policies adopted, which have been applied consistently, are set out below:

#### Financial reporting standard 101 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 "Financial Instruments: Disclosures"
- the requirements of paragraphs 91-99 of IFRS 13 "Fair Value Measurement"
- the requirements of paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
  - paragraph 79 (a)(iv) of IAS 1 "Share capital"
  - paragraph 73 (e)(iv) of IAS 16 "Property, plant and equipment"
  - paragraph 118 (e) of IAS 38 "Intangible assets"
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 "Presentation of Financial Statements"
- the requirements of IAS 7 'Statement of Cash Flows'
- the requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
- the requirements of paragraph 17 of IAS 24 "Related Party Disclosures"
- the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary that is a party to the transaction is wholly owned by such a member

#### Going concern

The Group has £65 million of Senior Secured Notes at 31 March 2022. The Senior Secured Notes are not subject to any financial ratio maintenance covenants and are secured on the assets of the Owl Finance Limited and all its subsidiaries. Owl Finance Limited and all its subsidiaries are guarantors of the Senior Secured Notes. The Company is excluded as a guarantor of the Senior Secured Notes, and the Senior Secured Notes are not secured on the assets of the Company.

Group management have modelled an unlikely but possible downside scenario in which negative external factors such as another pandemic or a decline in the wider macroeconomy have an impact and cause the business's performance to significantly reverse. In this scenario, the Group would not default on interest payments on the Senior Secured Notes and retain sufficient liquidity to meet all its financial obligations for at least 18 months from the statement of financial position date.

# Yell Holdco Limited

## Notes to the financial statements (Company only) for the year ended 31 March 2022 (continued)

### 1. Accounting policies (continued)

#### Going concern (continued)

The directors of the Company have considered the risks set out above and, in particular, whether it is appropriate to prepare the financial statements of the Group and Company on a going concern basis and the adequacy of the going concern disclosures made within the financial statements. The directors have concluded that the Group and Company expects to have sufficient liquidity to meet its liabilities as they fall due for at least twelve months. The directors have consequently concluded that the going concern basis of accounting remains appropriate and that the financial statements do not require the adjustments that would result if the Company were unable to continue as a going concern.

#### Significant accounting policies

A summary of the principal accounting policies, which have been applied consistently, is set out below.

##### a. Investments in subsidiaries

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid. Subsequent to initial recognition, investments are valued at cost less any amounts written down due to impairment based on annual reviews of recoverability. Any impairment would be charged to the income statement account to the extent that it is not covered by amounts previously credited to shareholders' equity through the revaluation surplus. Impairment losses are reversed to the extent that events demonstrate that previously impaired amounts can be recovered. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the investment or by the discounted future earnings of the investment.

##### b. Financial assets and liabilities

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

##### c. Trade and other receivables

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

##### d. Trade and other payables

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

##### e. Dividends

Interim dividends are recognised when they are paid. Final dividends are recognised when they are approved by shareholders.

##### f. Current and deferred tax

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

Current tax is provided at the amounts expected to be paid or recovered under the tax rates that have been enacted or substantively enacted by the Statement of Financial Position date. Deferred tax is measured at the rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax assets and liabilities are not discounted.



# Yell Holdco Limited

## Notes to the financial statements (Company only) for the year ended 31 March 2022 (continued)

### 1. Accounting policies (continued)

#### Significant accounting policies (continued)

##### g. Share capital

Ordinary shares are classified as equity.

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

##### h. Share-based payments

The Company recognises the fair value of the shares as an increase to equity on a straight-line basis over the period to the originally estimated date of an exit event with a corresponding direct investment in employing subsidiaries or a share-based payment distribution for accounting purposes, where the employing company is a parent company. Relevant costs are charged against the income of the companies receiving services from the beneficiaries.

#### Standards that have been adopted during the current year

Details of standards, interpretations and amendments that became effective during the year are set out on page 30. None of these were material to the Company.

#### Critical accounting estimates and management judgements

In preparing the financial statements, the Company's management have made their best estimates and judgements of certain amounts included in the consolidated financial statements, giving due consideration to materiality. The Company regularly reviews these estimates and judgements and updates them when required. Actual results could differ from these estimates and judgements. Unless otherwise indicated, the Company does not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described below. The Company has presented below a description of the most significant estimates and judgements, which require management to make subjective and complex judgements, and matters that are inherently uncertain.

##### Investments in subsidiaries

Investments in subsidiaries are assessed annually to determine if there is any indication that any of the investments might be impaired. At 31 March 2022, the carrying amount of the investment in Owl Finance Limited was considered equal to the recoverable amount, indicating that no impairment of the investment was required. The recoverable amount of the investment relies on management's estimates and associated assumptions, and is, therefore, considered a key source of estimation uncertainty.

##### Valuation of debt

On 30 March 2022, the Group agreed with the bondholders to the modification of the terms of the Senior Secured Notes previously issued by Yell Bondco plc. As part of this modification process, the coupon rate associated with the debt was changed from 8.5% to 8.75% for the remaining term of the debt. Judgment has been applied in determining the fair value of the new debt, specifically whether the coupon rate is a fair market value on an arm's length basis. This has been determined by considering the coupon rate, terms, credit ratings and financial performance of debt issued to comparable companies.

##### Valuation of equity

On 30 March 2022, the Company issued 18,999,983 Class A shares with a nominal value of £0.000001 in exchange for loan notes previously held in the Company. The fair value of the shares issued was £22,325,000. Judgment has been applied in determining the fair value of shares. The valuation was based on management's best estimate using an enterprise valuation model for the Group as a whole based on EBITDA and comparable company valuation multiples.

Details of other critical accounting estimates and management judgements are set out on pages 29 to 30. The only estimates and judgements that are relevant to the Company are expected credit losses, share-based payments, tax and judgements made in assessing the effect of the COVID-19 pandemic on the financial statements.

# Yell Holdco Limited

## Notes to the financial statements (Company only) for the year ended 31 March 2022 (continued)

### 2. Employees and Directors' remuneration

#### Employees

There are no employees of the Company (2021: none).

#### Directors' remuneration

Directors' remuneration is disclosed in note 26 to the consolidated financial statements.

### 3. Operating loss

#### For the year ended 31 March 2022

£'000	Year ended 31 March 2022	Period ended 31 March 2021
(Reversal of impairment) / impairment of amounts due from Group undertakings	5	18

The audit fee for the Company is included within the fee for the audit of the Yell Holdco Group and is disclosed in note 4 to the consolidated financial statements. Fees paid to PricewaterhouseCoopers LLP for non-audit services to the Company and its subsidiaries in the year, are also disclosed in note 4 to the consolidated financial statements.

### 4. Tax credit

The Company is resident in the UK for tax purposes. The tax credit on the Company's loss before tax is analysed as follows:

#### For the year ended 31 March 2022

£'000	Year ended 31 March 2022	Period ended 31 March 2021
<b>Current tax:</b>		
Corporation tax credit for the year	(27)	–
Adjustments in respect of prior periods	(1)	–
<b>Total current tax credit</b>	<b>(28)</b>	<b>–</b>
<b>Total tax credit for the year</b>	<b>(28)</b>	<b>–</b>

The tax credit is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

#### For the year ended 31 March 2022

£'000	Year ended 31 March 2022	Period ended 31 March 2021
<b>Loss before tax</b>	<b>(123)</b>	<b>(18)</b>
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	(23)	(3)
Effects of:		
Non-deductible provision against intercompany receivables	(4)	3
Adjustments in respect of prior years	(1)	–
<b>Total tax credit</b>	<b>(28)</b>	<b>–</b>

# Yell Holdco Limited

## Notes to the financial statements (Company only) for the year ended 31 March 2022 (continued)

### 5. Investments

The movement in investments during the year / period is as follows:

£'000	2022	2021
<b>Cost</b>		
At the beginning of the year / period	–	–
Additions	23,648	18
Recharge in respect of share-based payments	(148)	(18)
<b>At 31 March</b>	<b>23,500</b>	<b>–</b>
<b>Carrying value at 31 March</b>	<b>23,500</b>	<b>–</b>

On 30 March 2022, the Company acquired one additional £1 ordinary share in Owl Finance Limited, a direct subsidiary undertaking in exchange for the novation of Senior Secured Notes with a par value of £149,000,000. The Senior Secured Notes were exchanged for the issue of ordinary share capital in the Company (see note 9). The fair value of the investment in Owl Finance Limited was £23,500,000.

During the year, the Company also recorded a direct investment of £148,000 (2021: £18,000) in an indirectly held subsidiary employing individuals who received restricted VCP shares from the Company on 2 March 2021 (see note 12). The direct investment was subsequently reversed as an inter-company recharge for which the Company is expecting to receive payment (see note 12).

At 31 March					2022	2021
Direct subsidiaries	Company activity	Country of incorporation	2022 Percentage owned	2021 Percentage owned	Carrying value £'000	Carrying value £'000
Owl Finance Limited	Finance and holding company	United Kingdom	100	100	23,500	–

The registered address of Owl Finance Limited is 3 Forbury Place, Forbury Road, Reading, RG1 3YL. Details of the Company's indirect subsidiary undertakings are given in note 12 of the consolidated financial statements on page 38.

### 6. Trade and other receivables

At 31 March

£'000	2022	2021
<b>Amounts falling due within one year</b>		
Amounts due from Group undertakings	196	102
<b>Total amounts falling due within one year</b>	<b>196</b>	<b>102</b>
<b>Total trade and other receivables</b>	<b>196</b>	<b>102</b>

During the year, the Company released a provision of £18,000 (2021: recognised a provision £18,000) leaving a total provision of £nil (2021: £18,000) against these amounts. All amounts owed by group undertakings are non-interest bearing and repayable on demand.

### 7. Trade and other payables

At 31 March

£'000	2022	2021
<b>Amounts falling due within one year</b>		
Accruals and deferred income	224	–
Amounts owed to Group undertakings	–	12
<b>Total amounts falling due within one year</b>	<b>224</b>	<b>12</b>
<b>Total trade and other payables</b>	<b>224</b>	<b>12</b>

# Yell Holdco Limited

## Notes to the financial statements (Company only) for the year ended 31 March 2022 (continued)

### 8. Related party transactions

On 30 March 2002, the Company's immediate parent undertaking, Yell Bidco Limited (formerly Hibu Bidco Limited) lost control of the Company but retained a 5% interest in its ordinary share capital. Yell Bidco Limited is an indirect subsidiary undertaking of Yell Group Limited (formerly Hibu Group Limited) and following the loss of control, the Company was no longer a wholly owned subsidiary of Yell Group Limited. Details of transactions with Yell Group Limited and its subsidiary undertakings during the year ended 31 March 2022 and period ended 31 March 2021, and the balances outstanding at those dates are as follows:

#### At 31 March

£'000	2022	2021
<b>Current assets</b>		
Yell Group Limited (formerly Hibu Group Limited)	–	102
<b>Total amounts owed by related parties</b>	<b>–</b>	<b>102</b>

#### At 31 March

£'000	2022	2021
<b>Current liabilities</b>		
Yell Bidco Limited (formerly Hibu Bidco Limited)	–	(12)
<b>Total amounts owed to related parties</b>	<b>–</b>	<b>(12)</b>

The Company recorded distributions during the year totalling £233,000 (2021: £131,000) to Yell Group Limited in settlement of share-based expenses. These amounts were subsequently invoiced to Yell Group Limited, with a corresponding reduction in the distributions.

### 9. Called up share capital

Allotted and fully paid

	No. of Class A shares of £0.000001	No. of Class B shares of £0.000001	No. of VCP shares of £0.000001	£
<b>Allotted and fully paid</b>				
At 14 November 2019	1,000,000	–	–	1
Share conversion on 17 December 2019	(20,000)	20,000	–	–
Share conversion on 15 October 2020	20,000	(20,000)	–	–
Shares issued	–	–	85,000	–
<b>At 31 March 2021</b>	<b>1,000,000</b>	<b>–</b>	<b>85,000</b>	<b>1</b>
At 1 April 2021	<b>1,000,000</b>	<b>–</b>	<b>85,000</b>	<b>1</b>
Shares issued	<b>18,999,983</b>	<b>–</b>	<b>–</b>	<b>19</b>
<b>At 31 March 2022</b>	<b>19,999,983</b>	<b>–</b>	<b>85,000</b>	<b>20</b>

On 30 March 2022, the Company issued 18,999,983 Class A shares with a nominal value of £0.000001, in exchange for the release of £149,000,000 Senior Secured Notes, and the waiver of all accrued interest totalling £6,860,000. The Senior Secured Notes had been novated to the Company by Owl Finance Limited, a direct subsidiary undertaking as part of the modification of the Senior Secured Notes originally issued by Yell Bondco plc, a subsidiary undertaking of Owl finance Limited.

The Company allotted and issued 1,000,000 'Class A' ordinary shares with a nominal value of £0.000001 each (total £1) to Yell Bidco Limited (formerly Hibu Bidco Limited) on 14 November 2019.

On 17 December 2019, 20,000 of the issued 'Class A' ordinary shares were redesignated into 20,000 'Class B' ordinary shares, which were non-voting shares and did not carry entitlement to receive dividends.

On 15 October 2020, the 'Class B' shares were redesignated back into 'Class A' shares.

On 2 March 2021, the Company allotted and issued 85,000 VCP shares (see note 5) with a nominal value of £0.000001. The VCP shares are non-voting shares and do not carry entitlement to receive dividends.

# Yell Holdco Limited

## Notes to the financial statements (Company only) for the year ended 31 March 2022 (continued)

### 10. Share premium

At 31 March 2022

£'000	2022	2021
Balance at beginning of year / period	–	–
Shares issued	155,860	–
Less: fees associated with the issue of shares	(405)	–
Capital reduction	(155,455)	–
<b>Balance at 31 March</b>	<b>–</b>	<b>–</b>

On 30 March 2022, the Company issued 18,999,983 Class A shares with a nominal value of £0.000001, in exchange for the release of £149,000,000 Senior Secured Notes and the waiver of all accrued interest, totalling £6,860,000 (see note 9).

On 31 March 2022, the Company undertook a capital reduction, pursuant to section 641(1)(a) of the Companies Act 2006. This involved the cancellation and extinguishment of the total amount standing to the credit of the Company's share premium account in respect of the Class A shares.

### 11. Other reserves

£'000	Share-based payment reserve
<b>At 14 November 2019</b>	<b>–</b>
Net credit in relation to share-based payments (see note 12)	108
Share-based payment distribution (see note 12)	(131)
Recharge in respect of share-based payments (see note 12)	131
<b>Balance at 31 March 2021</b>	<b>108</b>
<b>At 1 April 2021</b>	<b>108</b>
Net credit in relation to share-based payments (see note 12)	382
Share-based payment distribution (see note 12)	(233)
Recharge in respect of share-based payments (see note 12)	233
<b>Balance at 31 March 2022</b>	<b>490</b>

### 12. Share-based payments

Restricted shares ("Yell Holdco B shares") in the Company were issued to one Board member for nominal value without premium in the period ended 31 March 2021. Rights in the restricted shares were to vest in five equal tranches on five successive annual anniversaries of the award date, unless there was a change in control in which case a portion would vest immediately. Participation in ownership benefits would accrue only after the equity value of the UK business exceeded £255m. The award was an equity-settled share-based payment under IFRS 2. The fair value of the grant (amortised as a charge against income of the companies receiving the services) was £253,490, determined at the date of grant to be the present value of the average returns from a range of simulated potential enterprise values through the use of an assumed distribution on the most likely date of an exit event. Relevant costs were charged against the income of the employing company. The Company recognises the value of the shares as an increase to equity on a straight-line basis over the period to the originally estimated date of an exit event with a corresponding share-based payment distribution to the ultimate parent company for accounting purposes where the employing company was the parent. The Yell Holdco B shares were returned and cancelled for £nil in the period ended 31 March 2021, but relevant share-based payment expenses continue to be charged against the income of the employing company. Other costs associated with the cancellation of the shares, which totalled £40,349, have been deducted from the share-based payment reserve in the prior period.

# Yell Holdco Limited

## Notes to the financial statements (Company only) for the year ended 31 March 2022 (continued)

### 12. Share-based payments (continued)

The Company recorded £84,497 in credits to equity in the period ended 31 March 2022 (2021: £112,663). The Company recorded a share-based payment distribution of £84,497, (2021: £112,663) to its ultimate parent company, Yell Group, in respect of the Yell Holdco B shares. This was subsequently reversed as an intercompany recharge for which the Company is expected to receive payment.

Restricted shares ("VCP shares") in the Company were issued to directors and selected employees (the "participants") of the Company's subsidiaries for £nil consideration in the period ended 31 March 2021. Rights in the restricted shares vest in four equal tranches on the four successive annual anniversaries of 31 March 2021, unless there is a change in control in which case 100% will vest immediately. The value of future settlements will be determined on an increasing sliding scale, but only to the extent the adjusted enterprise value at the time of payment exceeds a threshold of £100m.

The award was initially recognised as a cash settled share-based payment under IFRS 2. The value of grants (to be amortised as a charge against income of the companies receiving the services) to employees was £1,216,539; determined at the date of grant to be the present value of the average returns from a range of simulated potential enterprise values through the use of an assumed distribution on the most likely date of an exit event. Relevant costs were charged against the income of the employing company. The Company recognises the value of the shares as an increase to equity on a straight-line basis over the period to the originally estimated date of an exit event with a corresponding direct investment in employing subsidiaries or a share-based payment distribution to the parent company for accounting purposes where the employing company was the parent.

Pursuant to the issue of shares on 30 March 2022, the Company's share capital is now readily tradable and the award of the VCP shares is now regarded as an equity settled share-based payment scheme under IFRS 2. Accordingly, the fair value determined at the date of the grant (£1,561,683) is being amortised on a straight-line basis over the expected vesting period.

The Company recorded £296,728 in credits to equity in the period ended 31 March 2022 (2021: £36,090). The Company recorded £148,364 (2021: £18,045) of direct investments in indirectly held subsidiaries employing the participants. The direct investments were subsequently reversed as intercompany recharges for which the Company has received payment. The Company also recorded a share-based payment distribution of £148,364 (2021: £18,045) to its then ultimate parent company, Yell Group, in respect of VCP shares. This was also subsequently reversed as an intercompany recharge for which the Company has received payment.

### 13. Controlling party

From 1 April 2021 until 30 March 2022, the Company was a wholly owned subsidiary of Yell Bidco Limited (formerly Hibu Bidco Limited). The ultimate holding company and controlling party was Yell Group during that period.

The smallest group in which the financial statements of the Company were consolidated at 31 March 2021 was the Consolidated Yell Group, whose financial statements are publicly available from 3 Forbury Place, Forbury Road, Reading, Berkshire, United Kingdom, RG1 3YL.

On 30 March 2022, Yell Bidco Limited (formerly Hibu Bidco Limited) lost control of the Company, following the issue of share capital as part of a debt for equity swap (see note 22 of the consolidated financial statements). The company is now the ultimate holding company of the Group.

### 14. Post balance sheet events

There are no material post balance sheet events to report at the time of signing these financial statements.