

**YU LIFE LTD
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**



**YU LIFE LTD
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External Auditor:

PKF Littlejohn LLP
15 Westferry Circus
London E14 4HD
United Kingdom

**YU LIFE LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021**

Directors

Samuel Fromson
Samuel Rubin
Joshua Hart
Carl Fritjofsson
Ben Kaminski

Company Number

10308260 (England and Wales)

Registered Office

12 Mallow Street
London
EC1Y 8RQ
United Kingdom

YU LIFE LTD
(COMPANY NO: 10308260 ENGLAND AND WALES)
DIRECTORS' REPORT

The directors present their report and audited financial statements of Yu Life Ltd ("the Company") for the year ended 30 June 2021.

Directors

The following directors held office during the whole of the period:

Samuel Fromson
Samuel Rubin
Carl Fritjofsson

Ben Kaminski was appointed on 28 June 2021.

Statement of directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law, the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' indemnity

The Company has provided qualifying third-party indemnities for the benefit of its Directors. These were provided during the year and remain in force at the date of this report.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Provision of Information to Auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

Signed on behalf of the board of directors



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Samuel Fromson

Director

Approved by the board on: 31 March 2022

YU LIFE LTD STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021

YuLife Limited was established in 2016 with the objective to build a brand that inspires people to live their best lives: mentally, physically and emotionally. YuLife believes in using technology as a force for good and seeks to transform traditional Insurance and employee benefits into life-enhancing experiences that every employee will value and use.

Sammy Rubin, CEO and founder describes the vision and purpose of YuLife as follows; "the life insurance industry is ripe for transformation. For too many years, life insurance has focused solely on paying out a lump sum upon death. It is now time to reimagine the very nature of life insurance by putting 'life' first, and inspiring members to live their best lives every single day, using insurance as a tool to enhance their physical, mental and financial wellbeing."

"YuLife helps workplaces care for their staff in a way that offers lasting value -a unique approach that places businesses at the forefront of society's recovery from the wellbeing crisis brought on by the pandemic."

YuLife aims to transform traditional group life insurance into a suite of wellbeing and insurance products, pioneering a paradigm shift in the insurance industry towards a model that simultaneously supports members, insurers and employers. Members improve their wellbeing and are provided with financial protection while insurers gain from an approach that de-risks individuals through healthy activities, while employers are empowered with a product that truly demonstrates care for their employees and simultaneously boosts retention rates.

Since 2016, YuLife Limited has acted as a broker / distributor in the group insurance market, packaging the products of its insurance partner, AIG , with its own wellness and rewards platform. The AIG Group Risk product set includes; Group Life, Group Income Protection and Group Critical Illness. In H2 2021, YuLife announced additional partnerships with Zurich and MetLife to provide insurance carrier support and will continue to assess and potentially further expand its multi-carrier strategy in order to be able to provide competitive client solutions across the Group Risk market.

Distribution relationships have been established across the market including the larger Employee Benefit Consultants (AON, Mercer, WTW) alongside a range of other broker firms who have demonstrated an appreciation for the value the YuLife proposition can bring to their clients. A direct sales capability has also been established to help nurture relationships directly with companies who have a particular interest in employee engagement and wellbeing solutions alongside provision of the core insurance coverage.

YuLife's life insurance includes everything in a traditional group life insurance policy but also adds virtual GP services and employment assistance such as counselling and coaching. Uniquely, YuLife also enables employers to reward healthy living by offering employees discounts and vouchers from leading brands including Amazon, ASOS, and Avios which can be purchased with YuCoin, YuLife's virtual currency, earned by completing everyday wellness activities such as walking, cycling, meditation, and mindfulness.

YuLife's app harnesses the latest behavioural science, artificial intelligence and game mechanics to provide members with a highly engaging service that drives lasting healthy habits as well as providing actionable HR insights for businesses.

This proposition has resonated strongly in the market and we are delighted to report progress as follows by end June 2021;

	Year ended 30 June	
	2021	2020
GWP written through YuLife	£ 16,391,804	3,087,361
Lives covered	420,544	37,825
YuCoin Earned	£ 163,134	73,060
YuCoin Redeemed	£ 95,548	42,689

Looking ahead, the macro prospects for the business are strong with increasing emphasis in the workplace on employee wellbeing and technology enablement alongside the opportunity to continue to disrupt the established insurance market. YuLife will continue to build out its distribution capability, enrich the product proposition and further scale its operational infrastructure to ensure it is well positioned for significant further growth.



Accountants &
business advisers

PKF Littlejohn LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YU LIFE LTD

Opinion

We have audited the financial statements of Yu Life Ltd (the 'Company') for the year ended 30 June 2021 which comprise the Profit and Loss Account, Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other matters

The financial statements of the Company for the year ended 30 June 2020, forming the corresponding figures in these financial statements for the year ended 30 June 2021, are not audited because the Company took advantage of the s477 small company audit exemption in the prior period.

Other information

The other information comprises the information included in the annual financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be

materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussion with management and through our own audit experience.
- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from FCA regulations, as well as those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included but were not limited to review of legal and professional fees and enquiries of management.

We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, which we tested by way of journal testing using our data analytics software to identify and test journals posted with unusual account combinations, posted outside of working hours, posted with duplicate entries or other unusual characteristics which could be indicative of fraudulent manipulation of the financial results, as well as reviewing significant estimates and judgements made by management. We also considered the risk of material misstatement arising from revenue recognition.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

M. R. Watson

M. R. Watson (Mar 31, 2022 15:40 GMT+1)

**Martin Watson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

31 March 2022

YU LIFE LTD
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021	Restated
	£	2020
		£
Turnover	1,407,000	180,743
Cost of sales	(803,253)	(147,489)
Gross profit	<u>603,747</u>	<u>33,254</u>
Administrative expenses	(7,056,375)	(4,864,709)
Operating loss	<u>(6,452,628)</u>	<u>(4,831,455)</u>
Loss due to foreign exchange differences	(1,694)	(810)
Interest receivable and similar income	34	63
Interest payable and similar charges	(86,685)	-
Loss on ordinary activities before taxation	<u>(6,540,973)</u>	<u>(4,832,202)</u>
Tax repayment	696,099	567,991
Loss for the financial year	<u><u>(5,844,874)</u></u>	<u><u>(4,264,211)</u></u>

YU LIFE LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		2021	Restated 2020
	Notes	£	£
Fixed assets			
Tangible assets	3	130,614	98,775
Current assets			
Debtors	4	981,589	551,267
Cash at bank and in hand		25,660,701	4,518,695
		<u>26,642,290</u>	<u>5,069,962</u>
Creditors: amounts falling due within one year	5	(4,501,022)	(592,912)
Net current assets		<u>22,141,268</u>	<u>4,477,050</u>
Net assets		<u>22,271,882</u>	<u>4,575,825</u>
Capital and reserves			
Called up share capital		268	238
Share premium		36,492,514	12,992,549
Profit and loss account		(14,220,901)	(8,416,962)
Shareholders' funds		<u>22,271,882</u>	<u>4,575,825</u>

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

The financial statements were approved by the Board of Directors and authorised for issue on 30 March 2022 and were signed on its behalf by



Samuel Fromson
 Director

Company Registration No. 10308260

YU LIFE LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Statutory information

Yu Life Ltd is a private company, limited by shares, registered in England and Wales, registration number 10308260. The registered office is 12 Mallow Street, London, EC1Y 8RQ, United Kingdom.

2 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of preparation

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

The Company is a broker of several types of group insurance policy and earns commission for this activity. The policies brokered are underwritten by a third-party insurer. For the year ended 30 June 2020, the Company included within Turnover both the commission and insurance risk premium element of each transaction. The insurance risk premium payable on to the third party insurer was included within Cost of sales. This accounting treatment did not meet the requirements of FRS 102 Section 23 and the amounts disclosed for the year ended 30 June 2020 have therefore been restated. This restatement had a nil impact of profit and loss and retained earnings.

The directors consider it appropriate to adopt the going concern basis of accounting in connection with the audit of Yu Life Ltd's financial year ending 30 June 2021. Taking account of the company's current position and principal risks, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the 12 month starting on 30 March 2022.

Presentation currency

The accounts are presented in £ sterling.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract.

Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Tangible fixed assets and depreciation

Tangible assets are included at cost less depreciation and impairment. Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives:

Fixtures & fittings	25%
Computer equipment	25%

Share Warrants

The Company issues share warrants which are accounted for as equity when they will be settled through the delivery of a fixed number of the Company's own equity instruments. They are initially accounted for and measured in the same way as any other equity instrument, being at the fair value of the cash or other resources received or receivable.

YU LIFE LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Provisions

Provisions are recognised when the Company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

3 Tangible fixed assets

	Fixtures & fittings	Computer equipment	Total
	£	£	£
Cost or valuation			
At 1 July 2020	46,258	123,989	170,247
Additions	6,633	70,389	77,022
At 30 June 2021	52,891	194,378	247,269
Depreciation			
At 1 July 2020	10,676	60,796	71,472
Charge for the year	12,449	32,734	45,183
At 30 June 2021	23,125	93,530	116,655
Net book value			
At 30 June 2021	29,766	100,848	130,614
At 30 June 2020	35,582	63,193	98,775

4 Debtors: amounts falling due within one year

	2021	2020
	£	£
Trade debtors	84,285	7,095
Accrued income and prepayments	251,774	120,166
Other debtors	573,895	393,304
	909,954	520,565
Debtors: amounts falling due after more than one year		
Other debtors	71,635	30,702

YU LIFE LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

		Restated
5 Creditors: amounts falling due within one year	2021	2020
	£	£
Bank loans and overdrafts	3,500,019	-
Trade creditors	215,684	53,613
Taxes and social security	199,714	419,871
Other creditors	306,353	22,152
Accruals	279,252	97,276
	<u>4,501,022</u>	<u>592,912</u>

The bank loan shown above is secured by a fixed and floating charge over all the Company's assets.

6 Post balance sheet events

The loan of £3.5m shown above has now been fully repaid as of the date of these accounts.

7 Average number of employees

During the year the average number of employees was 100 (2020: 50).

YU LIFE LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

8 Prior Period Adjustment

The Company is a broker of several types of group insurance policy and earns commission for this activity. The policies brokered are underwritten by a third-party insurer. For the year ended 30 June 2020, the Company included within Turnover both the commission and insurance risk premium element of each transaction. The insurance risk premium payable on to the third party insurer was included within Cost of sales. This accounting treatment did not meet the requirements of FRS 102 Section 23 and the amounts disclosed for the year ended 30 June 2020 have therefore been restated. The restatement had a net nil impact on closing retained earnings.

	Year ended 30 June 2020 (As reported) £	Adjustment £	Year ended 30 June 2020 (Restated) £
Turnover	515,996	(335,253)	180,743
Cost of sales	(547,047)	399,558	(147,489)
Loss for the financial year	(4,328,516)	64,305	(4,264,211)