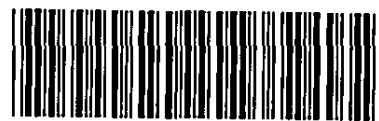


**Yell Finance Limited**  
**Annual Report**  
**for the year ended**  
**31 March 2010**

**Company registered number: 04244801**

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## **Yell Finance Limited**

### **Annual Report for the year ended 31 March 2010**

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## **Yell Finance Limited**

### **Company Information**

#### **Directors**

J Condrón  
J Davis

#### **Secretary**

H Rubenstein

**Company registered number:** 04244801

#### **Registered Office**

Queens Walk  
Oxford Road  
Reading  
Berkshire  
RG1 7PT

#### **Statutory Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

## **Yell Finance Limited**

### **Directors' report for the year ended 31 March 2010**

The directors submit their Annual Report and the audited financial statements for the Company for the year ended 31 March 2010

#### **Results and dividends**

The Company's profit for the financial year to 31 March 2010 was £9,690,000 (2009. £14,946,000)

The directors do not recommend the payment of a dividend (2009 £nil)

#### **Review of business and future developments**

Yell Finance Limited (the "Company"), which is an indirectly wholly owned subsidiary of Yell Group plc ("Yell Group" or the "Group"), operates as an investment company and will continue to do so for the foreseeable future

The Company is incorporated and domiciled in the United Kingdom

The Company is an integral part of the Yell Group established for Group financing purposes and does not

- have multiple shareholders,
- compete for business,
- separately employ individuals,
- have suppliers and customers outside the Yell Group,
- have a strategy other than to meet its purpose,
- have key performance indicators other than its profit or loss

The Company is not faced with substantial risks

The directors consider the result for the year and the financial year end position to be satisfactory

The Company trades primarily with companies that are part of a group of companies (the "trading partners") that are party to debt arrangements associated with bank facilities. These bank facilities contain covenants over net cash interest cover and debt cover. These covenants are tested quarterly on a rolling twelve month basis

#### **Directors**

The directors of the Company are listed on page 2

## **Yell Finance Limited**

### **Directors' report for the year ended 31 March 2010 (continued)**

#### **Directors' remuneration and interests**

None of the directors were remunerated for their services as directors of the Company

The interests of John Condron and John Davis, who are also directors of the ultimate parent company, Yell Group plc, are shown in the 2010 Annual Report of that company

#### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## **Yell Finance Limited**

### **Directors' report for the year ended 31 March 2010 (continued)**

#### **Statement of disclosure of information to auditors**

As at the date of signing their report, so far as each director was 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.

By order of the Board

A handwritten signature in black ink, appearing to be 'H Rubenstein', written in a cursive style.

H Rubenstein  
Company Secretary  
8 June 2010

## **Yell Finance Limited**

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

We have audited the financial statements of Yell Finance Limited for the year ended 31 March 2010 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

## **Yell Finance Limited**

### **Independent auditors' report to the members of Yellow Book UK (continued)**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

We have nothing to report in respect of the following matters where 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



Richard Pollard (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
8 June 2010



**Yell Finance Limited**  
**Income Statement for the year ended 31 March 2010**

		Year ended 31 March 2010	Year ended 31 March 2009
	Notes	<u>£'000</u>	<u>£'000</u>
Finance income	4	22,154	20,833
Finance costs	5	(59)	(74)
<b>Profit before taxation</b>	6	<u>22,095</u>	<u>20,759</u>
Taxation	7	<u>(12,405)</u>	<u>(5,813)</u>
<b>Profit for the financial year</b>		<u><u>9,690</u></u>	<u><u>14,946</u></u>

Other than the amounts above, there are no other items of comprehensive income or expense recognised during the year

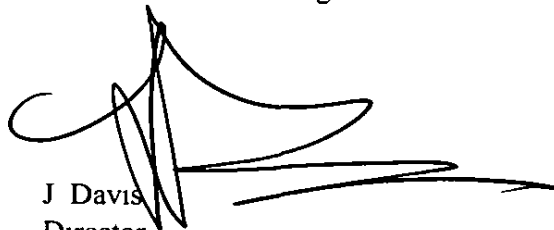
**Statement of Changes in Equity**

	Called up share capital	Share premium account	Retained earnings	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2008	300,000	20,728	1,623	322,351
Total comprehensive income for the financial year	-	-	14,946	14,946
Balance at 1 April 2009	300,000	20,728	16,569	337,297
Total comprehensive income for the financial year	-	-	9,690	9,690
Balance at 31 March 2010	<u><u>300,000</u></u>	<u><u>20,728</u></u>	<u><u>26,259</u></u>	<u><u>346,987</u></u>

**Yell Finance Limited**  
**Statement of Financial Position at 31 March 2010**

		At 31 March 2010 <u>£'000</u>	At 31 March 2009 <u>£'000</u>
	Notes		
<b>Non-current assets</b>			
Trade and other receivables	8	<u>320,728</u>	<u>320,728</u>
<b>Current assets</b>			
Trade and other receivables	8	35,775	19,839
<b>Current liabilities</b>			
Trade and other payables	9	(9,516)	(3,270)
<b>Net current assets</b>		<u>26,259</u>	<u>16,569</u>
<b>Net assets</b>		<u>346,987</u>	<u>337,297</u>
<b>Capital and reserves</b>			
Called up share capital	10	300,000	300,000
Share premium account		20,728	20,728
Retained earnings		<u>26,259</u>	<u>16,569</u>
<b>Total equity</b>		<u>346,987</u>	<u>337,297</u>

The financial statements on pages 8 to 16 were approved by the board of directors on 8 June 2010 and were signed on its behalf by

  
J Davis  
Director

Company registered number 04244801

**Yell Finance Limited**  
**Cash Flow Statement for the year ended 31 March 2010**

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	-	-
Interest paid	-	(42)
Interest received	-	3,339
<b>Net cash inflow from operating activities</b>	<u>-</u>	<u>3,297</u>
<b>Cash flows from financing activities</b>		
Loans repaid	-	(3,297)
<b>Net cash outflow from financing activities</b>	<u>-</u>	<u>(3,297)</u>
<b>Net increase in cash and cash equivalents</b>	-	-
Cash and cash equivalents at beginning of year	-	-
<b>Cash and cash equivalents at end of the year</b>	<u>-</u>	<u>-</u>

**Cash generated from operations**

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Profit for the financial year	9,690	14,946
<b>Adjustments for:</b>		
Taxation	12,405	5,813
Finance income	(22,154)	(20,833)
Finance costs	59	74
<b>Cash generated from operations</b>	<u>-</u>	<u>-</u>

## **Yell Finance Limited**

### **Notes to the financial statements for the year ended 31 March 2010**

#### **1. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union, and the Companies Act 2006. Accordingly these financial statements comply with Article 4 of the EU IAS Resolution.

The financial statements have been prepared on a going concern basis. The Yell Group is currently in full compliance with the financial covenants contained in all its borrowing agreements. Details of its covenants and management of the risks associated with meeting those covenants are set out in the risk management disclosures in the 2010 Yell Group plc Annual Report.

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

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. They are included in current assets or liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets and liabilities. Loans and receivables are classified as trade and other receivables or trade and other payables in the Statement of Financial Position.

##### **Taxation**

The charge for taxation is based on the profit for the period and takes into account deferred taxation where transactions or events give rise to temporary differences between the treatment of certain items for taxation and for accounting purposes. Provision is made in full for deferred taxation 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.

Current tax is provided at the amounts expected to be paid or recovered under the tax rates that have been enacted or substantially enacted by the date of the Statement of Financial Position.

Deferred tax is measured at the tax 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 substantially enacted by the date of the Statement of Financial Position. Deferred tax assets and liabilities are not discounted.

##### **Cash and cash equivalents**

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

## **Yell Finance Limited**

### **Notes to the financial statements for the year ended 31 March 2010 (continued)**

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

##### **Share capital**

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

##### **Standards that have been adopted during the current period**

IAS 1 (revised), Presentation of financial statements IAS 1 (revised) prohibits the presentation of items of income and expenses in the statement of changes in equity, requiring these items to be presented separately from owner changes in equity, in a performance statement The Company has elected to present two statements an income statement and a statement of comprehensive income

No other standards adopted during the current period have a significant impact on the company

##### **Standards, interpretations and amendments to published standards that are not yet effective**

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2010 or later periods but which the Company has chosen not to early adopt None of these is expected to have a significant impact on the company

#### **2. Financial risk management**

The Company is not exposed to any significant financial risks factors The Company is an indirect wholly owned subsidiary of Yell Group plc and the Group's risk management programme is detailed in the principal risk section of the business review of the 2010 Yell Group plc Annual Report

#### **3. Directors' emoluments**

The directors did not receive remuneration for their services to the Company (2009: £nil)

#### **4. Finance income**

	<b>Year ended 31 March 2010 £'000</b>	<b>Year ended 31 March 2009 £'000</b>
Interest receivable from group undertakings (note 12)	<u>22,154</u>	<u>20,833</u>

## Yell Finance Limited

### Notes to the financial statements for the year ended 31 March 2010 (continued)

5. Finance costs	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Interest payable to group undertakings (note 12)	59	74

### 6. Profit before taxation

There are no employees of the Company other than the directors (2009 none) The auditors' remuneration has been accounted and paid for by Yell Limited, a fellow group company No other fees were paid to PricewaterhouseCoopers LLP for non-audit services to the Company (2009 £nil).

### 7. Taxation

The tax charge for the year is different from the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Profit before tax	22,095	20,759
Profit before tax multiplied by the standard rate of corporation tax in the UK	6,187	5,813
Adjustment in respect of prior years	6,218	-
Tax charge on profit before tax	12,405	5,813

The tax on the Company's profit before tax is analysed as follows

Current tax		
Current year corporation tax	6,187	5,813
Adjustment in respect of prior years	6,218	-
Tax charge on profit before tax	12,405	5,813

# Yell Finance Limited

## Notes to the financial statements for the year ended 31 March 2010 (continued)

8. Trade and other receivables	At 31 March 2010 £'000	At 31 March 2009 £'000
<b>Non-current</b>		
Amounts owed by group undertakings (note 12)	320,728	320,728
<b>Current</b>		
Amounts owed by group undertakings (note 12)	35,775	19,839

Amounts owed by group undertakings are repayable at the discretion of the ultimate parent company, Yell Group plc, and at 31 March 2010 interest was charged at 6.5% (2009 6.5%) per annum

9. Trade and other payables	At 31 March 2010 £'000	At 31 March 2009 £'000
<b>Current</b>		
Amounts owed to group undertakings (note 12)	9,516	3,270

Amounts owed to group undertakings are repayable at the discretion of the ultimate parent company, Yell Group plc. Interest has been charged at the three month GBP LIBOR rate reset quarterly which was 0.61% at the year end (2009 2.71%)

10. Called up share capital	At 31 March 2010 £'000	At 31 March 2009 £'000
<b>Authorised:</b>		
400,000,000 ordinary shares of £1 each	400,000	400,000
<b>Allotted, called up and fully paid:</b>		
300,000,001 ordinary shares of £1 each	300,000	300,000

## 11. Contingent liabilities

At 31 March 2010 and 31 March 2009 the Company had no contingent liabilities or guarantees

## Yell Finance Limited

### Notes to the financial statements for the year ended 31 March 2010 (continued)

#### 12. Related party transactions and controlling entity

The Company is a wholly owned subsidiary of Yell Holdings 2 Limited

The ultimate holding company and controlling party is Yell Group plc

Key management did not receive remuneration for their services to the Company

Details of transactions with other group undertakings during the years ended 31 March 2010 and 2009 and balances outstanding as at those dates are as follows

	Year ended 31 March 2010 <u>£'000</u>	Year ended 31 March 2009 <u>£'000</u>
<b>Finance income</b>		
Interest receivable from Yell Limited	<u>22,154</u>	<u>20,833</u>
	Year ended 31 March 2010 <u>£'000</u>	Year ended 31 March 2009 <u>£'000</u>
<b>Finance costs</b>		
Interest payable to Yell Holdings 2 Limited	<u>59</u>	<u>74</u>
	At 31 March 2010 <u>£'000</u>	At 31 March 2009 <u>£'000</u>
<b>Non-current assets</b>		
Amounts receivable from Yell Limited	<u>320,728</u>	<u>320,728</u>
<b>Current assets</b>		
Amounts receivable from Yell Limited	<u>35,775</u>	<u>19,839</u>
	At 31 March 2010 <u>£'000</u>	At 31 March 2009 <u>£'000</u>
<b>Current</b>		
Amounts due to Yell Holdings 2 Limited	<u>9,516</u>	<u>3,270</u>

The Company is included in the consolidated financial statements of Yell Group plc, whose financial statements are publicly available. A copy of the consolidated financial statements of Yell Group plc can be obtained from the Secretary, Queens Walk, Oxford Road, Reading, Berkshire, RG1 7PT



## **Yell Finance Limited**

### **Notes to the financial statements for the year ended 31 March 2010 (continued)**

#### **13. Liquidity, credit risk and capital management**

The Company believes that the financial arrangements with other group companies are sufficient to ensure it can meet any obligations to make debt repayments in the coming year. These financial arrangements are with other group companies all controlled by the same ultimate parent company and as such the Company has no reason to establish any allowance for bad debts for amounts receivable.

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.