Registered Number: 05724156

YH3 Limited

Annual Report for the year ended 31 March 2012

YH3 Limited
Annual Report for the year ended 31 March 2012

YH3 Limited

Company information

Directors
Antony Jeffrey Bates
Rob Hall
Christian Wells

Company secretary
Christian Wells

Registered office
One Reading Central
Forbury Road
Reading
Berkshire
RG1 3YL

Registered number
05724156

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

YH3 Limited

Report of the directors for the year ended 31 March 2012

The directors submit their Annual Report and the audited financial statements for YH3 Limited (the "Company") for the year to 31 March 2012

Results and dividends

The Company's result for the financial year to 31 March 2012 was a loss of £591,525,000 (2011 loss of £24,075,000)

The directors do not recommend the payment of a dividend (2011 £nil)

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

Review of business and future developments

The Company, which is an indirectly wholly owned subsidiary of hibu plc (formerly Yell Group plc), (the "hibu Group", the "Group") acts as a holding company for the Group's operations in Spain and Latin America and will continue to do so for the foreseeable future The Company has a foreign branch whose operations are based and domiciled in Spain

The Company is incorporated and domiciled in the United Kingdom

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

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

Duing the year ended 31 March 2012, the Company recognised an impairment loss of £583,053,000 The losses were largely caused by a decrease in the forecast results of subsidiary undertakings in Spain, Chile and Peru

The Company is within a group of companies (the "security group") that are party to debt arrangements associated with the 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 Details of its covenants and management of the risks associated with meeting those covenants are set out in the risk management disclosures and in note 16 in the 31 March 2012 Yell Group plc Annual Report

The ability to stay within the debt covenants in the year ahead could be influenced by uncertain future trading conditions Note 1 on page 11 discusses the directors' deliberations on whether this material uncertainty casts doubt on the going concern of the Company

The security group is in compliance with the covenants at 31 March 2012

YH3 Limited

Report of the directors for the year ended 31 March 2012

Directors' remuneration and interests

The directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page 1 None of the directors were remunerated for their services as directors of the Company (2011 none)

The interests of Antony Jeffrey Bates, who was also a director of the ultimate holding company, hibu plc (formerly Yell Group plc), during the year, are shown in the 31 March 2012 Annual Report of Yell Group plc

Article 224 1 of the Articles of Association of hibu plc (formerly Yell Group plc), the ultimate holding company, permit hibu plc, subject to the Companies Act 2006 and other applicable legislation, to indemnify any of the directors against any loss or liability in connection with any proven or alleged negligence, default, breach of duty or trust by him, in relation to hibu plc or any of its subsidiaries In November 2009 hibu plc (formerly Yell Group plc) entered deeds of indemnity in favour of its current and former executive and non-executive directors and officers of hibu plc, its subsidiaries any other companies to which hibu plc or any of its subsidiaries has nominated or appointed any such person as a director or officer The deeds of indemnity, which remain in force, are qualifying third party indemnities for the purposes of section 234 of the Companies Act 2006

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the directors 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 prepared 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 they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain company 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

YH3 Limited

Report of the directors for the year ended 31 March 2012

Statement of directors' responsibilities (continued)

Statement of disclosure 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

Christian Wells

Company Secretary

Date 29 August 2012

YH3 Limited

Independent auditors' report to the members of YH3 Limited

We have audited the financial statements of YH3 Limited for the year ended 31 March 2012 which comprise the Income statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page , 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 and express an opinion on 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 In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2012 and of its loss 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

Emphasis of matter - uncertainty regarding carrying value of investment in subsidiaries

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the ability of the Company to continue as a going concern There is a risk that the Group may breach the financial covenants with its lenders The syndicate of lenders have security over the Company's shares This security creates doubt about the future capital funding and therefore trading strategy of the Company These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern

YH3 Limited

Independent auditors' report to the members of YH3 Limited (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

Pauline Campbell (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

29 August 2012

YH3 Limited

Income statement for the year ended 31 March 2012

	Note	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Administrative expenses	3	**(583,358)**	(284)
Exchange gain		**427**	52
Operating loss		**(582,931)**	(232)
Finance income	5	**10,128**	12,853
Finance costs	5	**(47,379)**	(48,285)
Net finance costs		**(37,251)**	(35,432)
Loss before taxation		**(620,182)**	(35,664)
Taxation	7	**28,657**	11,589
Loss for the financial year		**(591,525)**	(24,075)

Statement of comprehensive income for the year ended 31 March 2012

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Loss for the financial year	**(591,525)**	(24,075)
Foreign exchange (loss) gain on translation of foreign branch results, assets and liabilities	**(24,419)**	2,041
Comprehensive (loss) income not recognised in the income statement	**(24,419)**	2,041
Total comprehensive loss for the year	**(615,944)**	(22,034)

YH3 Limited

Statement of financial position at 31 March 2012

	Note	At 31 March 2012 £'000	At 31 March 2011 £'000
Non-current assets			
Investments in subsidiaries	8	**410,652**	1,054,531
Deferred tax asset	9	**15,229**	-
Total non-current assets		**425,881**	1,054,531
Current assets			
Trade and other receivables	10	**385,325**	262,132
Cash and cash equivalents		**9**	5
Total current assets		**385,334**	262,137
Current liabilities			
Current liabilities	11	**(12,031)**	(10,987)
Total current liabilities		**(12,031)**	(10,987)
Net current assets		**373,303**	251,150
Non-current liabilities			
Trade and other payables	11	**(625,788)**	(616,299)
Deferred tax liabilities	9	**(504)**	(546)
Total non-current liabilities		**(626,292)**	(616,845)
Net assets		**172,892**	688,836
Equity			
Share capital	12	**2,151,795**	2,051,795
Foreign currency translation reserve		**73,461**	97,880
Accumulated deficit		**(2,052,364)**	(1,460,839)
Total equity		**172,892**	688,836

The financial statements on pages 7 to 22 were approved by the Board of directors on 29 August 2012 and were signed on its behalf by

Rob Hall
Director

Registration no 05724156

YH3 Limited

Statement of changes in equity for the year ended 31 March 2012

2012	Share capital £'000	Share premium £'000	Translation reserve £'000	Accumulated deficit £'000	Total £'000
Balance at beginning of period	552,545	1,499,250	97,880	(1,460,839)	688,836
Loss for the year	-	-	-	(591,525)	(591,525)
Other comprehensive loss	-	-	(24,419)	-	(24,419)
Total comprehensive loss for the year	-	-	(24,419)	(591,525)	(615,944)
Shares issued	100,000	-	-	-	100,000
Balance at 31 March 2012	652,545	1,499,250	73,461	(2,052,364)	172,892

2011	Share capital £'000	Share premium £'000	Translation reserve £'000	Accumulated deficit £'000	Total £'000
Balance at beginning of period	552,545	1,499,250	95,839	(1,436,764)	710,870
Loss for the year	-	-	-	(24,075)	(24,075)
Other comprehensive income	-	-	2,041	-	2,041
Total comprehensive loss for the year	-	-	2,041	(24,075)	(22,034)
Balance at 31 March 2011	552,545	1,499,250	97,880	(1,460,839)	688,836

YH3 Limited

Cash flow statement for the year ended 31 March 2012

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Cash flows from operating activities:		
Cash used in operations	**(368)**	(342)
Interest received	**5**	19,483
Interest paid	**(47,185)**	(8,637)
Net cash (outflow) inflow from operating activities	**(47,548)**	10,504
Cash flows from investing activities.		
Loans to other group undertakings	**(63,697)**	(58,015)
Principal received from other group undertakings	**319**	185,626
Net cash (outflow) inflow from investing activities	**(63,378)**	127,611
Cash flows from financing activities·		
Proceeds from issuance of ordinary shares	**100,000**	-
Loans from other group undertakings	**10,930**	-
Repayment of cash advances from related parties	**-**	(138,118)
Net cash inflow (outflow) from financing activities	**110,930**	(138,118)
Net increase (decrease) in cash and cash equivalents	**4**	(3)
Cash and cash equivalents at beginning of year	**5**	8
Cash and cash equivalents at end of year	**9**	5

Cash used in operations

Loss for the financial year	**(591,525)**	(24,075)
Adjustments for:		
Taxation	**(28,657)**	(11,589)
Finance income	**(10,128)**	(12,853)
Finance costs	**47,379**	48,285
Foreign exchange gains	**(427)**	(52)
Movement in trade and other payables	**(63)**	(58)
Impairment	**583,053**	-
Cash used in operations	**(368)**	(342)

Notes to the financial statements for the year ended 31 March 2012

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 present information about the Company as an individual undertaking, and not as a group The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare and deliver consolidated financial statements

The Company is a subsidiary of hibu plc (formerly Yell Group plc) held indirectly through other holding companies The audit reports to shareholders for the year ending 31 March 2012 for Yell Group plc and its immediate holding companies contain an emphasis of matter paragraph which referred to the disclosures in the respective annual reports and accounts of a significant uncertainty as set out in the following excerpt from the financial statements of Yell Group plc

"The financial statements have been prepared on a going concern basis The Group is in full compliance with the financial covenants and undertakings contained in all its borrowing agreements The Group is also cash generative and profitable (before exceptional items) The financial covenants are explained in note 16 The risks and uncertainties associated with the debt covenants are discussed below, in note 16 and in the section 'Principal risks' beginning on page 22 These risks include strategic and competition risks, as well as debt and refinancing risks

The Board, in considering going concern, looked at various factors including Yell's ability to meet debt repayments and satisfy debt covenants The Group has some ability to reduce the risk of any potential covenant breach by reducing costs The majority of Yell's debt also matures in April 2014 The Group therefore intends to consult with its lenders and shareholders in order to put in place an appropriate new capital structure within the 2013 financial year

The Board concluded that adoption of the going concern basis in preparing these financial statements is appropriate However, as a consequence of increasingly difficult trading conditions and a greater proportion of future income expected to come from as yet unproven new strategies, there is a higher risk in the current year than in the previous year that the Group would not be able to meet its financial covenants with its lenders Under certain circumstances, considered by the Board, the Group will not be able to meet its financial covenants

In the event that covenants are breached without remedy or waiver, the lenders' facility agent may, and must if directed by two-thirds of lenders (by reference to debt held) demand immediate repayment of all amounts due to them Whilst this eventuality would, if it arose, cast doubt on the future capital funding of the Group, the Group's cash flow forecasts show that in the twelve months ending 31 March 2013 interest payments will be fully met, with further cash generated to repay debt The Board considers that such action by the lenders is either unlikely or will be unnecessary once an appropriate capital structure has been determined, but acknowledges that this is a material uncertainty

The directors believe that adopting the going concern basis in preparing the consolidated financial statements is appropriate Nevertheless, the directors are making full disclosure, as required by accounting standards, to indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern The financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern "

YH3 Limited

Notes to the financial statements for the year ended 31 March 2012

1. Accounting policies (continued)

Basis of preparation (continued)

The directors have considered the implications of these circumstances and these disclosures on the financial statements of the Company, and in particular whether it is appropriate to prepare the financial statements on a going concern basis and whether there is a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern

In reaching a conclusion the directors recognised that the syndicate of lenders have security over the Company's shares and not over the assets of the Company, and the syndicate of lenders do not have priority over the other creditors of the Company Therefore, the directors consider that the uncertainty regarding a potential breach of covenants by Group companies could only affect the Company's capital structure and not the ability of the Company to continue as a going concern In addition, the Group's cash flow forecasts show that, despite the uncertain outlook, in the year ahead interest payments will be fully met, with further cash generated to repay debt

Accordingly, the directors have concluded that it is appropriate for the financial statements to be prepared on a going concern basis and that no further disclosure is required

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

Finance costs and income

Finance costs payable are charged as incurred using the effective interest rate basis Finance income is recognised on an accruals basis

Foreign currencies

Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the date of the statement of financial position Trading transactions denominated in foreign currency are translated into sterling at the rate of exchange ruling when the transactions were entered into Exchange differences are included in the income statement in the period they arise or directly to equity depending upon the nature of the transaction

Investments

Investments are valued at cost less any amounts written off due to impairment

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

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 Loans and receivables are classified as trade and other receivables or trade and other payables in the statement of financial position

1. **Accounting policies (continued)**

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

Taxation

The credit for taxation is based on the loss for the year 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 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

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 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 substantially enacted by the 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 since realisation of such differences can be controlled and is not probable in the foreseeable future

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

No standards, interpretations or amendments that became effective during the current period were material to 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 2012 or later periods but which the Company has chosen not to early adopt The new standards that could be relevant to the Company's operations are as follows

IFRS 9, Financial instruments

This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39 It is effective for accounting periods beginning on or after 1 January 2013, subject to EU endorsement

IFRS 13, Fair value measurement

This provides guidance on fair value accounting application and is applicable for accounting periods beginning on or after 1 January 2013, subject to EU endorsement

YH3 Limited

Notes to the financial statements for the year ended 31 March 2012

2. Directors' emoluments

The directors did not receive remuneration for their services to the Company (2011 £nil)

3. Administration expenses

	Note	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Staff costs	4	**192**	179
Impairment of investment		**583,053**	-
Other administrative expenses		**113**	105
Total		**583,358**	284

4. Employees

	Year ended 31 March 2012 number	Year ended 31 March 2011 number
Average monthly number of employees		
Administrative	**4**	4
Total	**4**	4

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Staff costs during the year		
Wages and salaries	**157**	154
Social security costs	**35**	25
Total staff costs	**192**	179

YH3 Limited

Notes to the financial statements for the year ended 31 March 2012

5. Net finance costs (income)

	Note	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Interest payable on loans from group undertakings	14	**47,319**	48,012
Finance fees amortisation		**60**	273
Total finance costs		**47,379**	48,285
Interest receivable on loans to group undertakings	14	**(10,128)**	(12,853)
Total finance income		**(10,128)**	(12,853)
Net finance costs		**37,251**	35,432

6 Loss before taxation

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 (2011 £nil)

7 Taxation

	Note	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Current tax:			
Current year credit		**(9,772)**	(9,991)
Adjustments in respect of prior periods		**(3,591)**	(1,544)
Total current tax credit		**(13,363)**	(11,535)
Deferred tax			
Current year credit	9	**(15,252)**	-
Deferred tax credit from tax rate change	9	**(42)**	(54)
Total deferred tax credit		**(15,294)**	(54)
Tax credit on loss profit before tax		**(28,657)**	(11,589)

7. Taxation (continued)

The tax credit for the year is lower (2011 higher) than the standard rate of corporation tax in the UK of 26% (2011 28%) The differences are explained below

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Loss before tax multiplied by standard rate of corporation tax in the UK	(161,247)	(9,986)
Non-deductible impairments	151,594	-
Recognition of deferred tax asset in respect of losses not previously recognised	(15,252)	-
Adjustments in respect of prior periods	(3,591)	(1,544)
Deferred tax impact of tax rate changes	(42)	(54)
Other items	(119)	(5)
Tax credit on loss before tax	**(28,657)**	(11,589)

During the year, legislation to reduce the UK corporation tax rate from 26% to 24% with effect from 1 April 2012 was substantively enacted at the date of the Statement of financial position The effect of this change has been reflected in the deferred tax balances as shown in note 9 below

The March 2012 Budget statement confirmed that further legislation would reduce the tax rate by 1% per annum to 22% by 1 April 2014 These further changes had not been substantively enacted at the Statement of financial position date and therefore, are not included in these financial statements

These changes do not have any affect on these financial statements

8. Investments

	2012 £'000	2011 £'000
Cost		
At 1 April	2,366,688	2,384,922
Currency movements	-	(18,234)
At 31 March	**2,366,688**	2,366,688
Impairment		
At 1 April	(1,312,157)	(1,322,301)
Impairments of investments	(583,053)	-
Currency movements	(60,826)	10,144
At 31 March	**(1,956,036)**	(1,312,157)
Carrying value	**410,652**	1,054,531

8 Investments (continued)

Brief details of the Compnay's principal subsidiary undertakings at 31 March 2012 and 2011, all of which are unlisted are as follows

Direct subsidiaries	Company activity	Country of incorporation	2012 % owned	2011 % owned	2012 Carrying value £'000	2011 Carrying value £'000
Yell Publicidad S A U	Classified Advertising Publisher	Spain	100 00	100 00	410,649	1,054,528
Yell Adworks S.A	Directory Graphics Services	Spain	100 00	100 00	3	3
					410,652	1,054,531

During the year, as part of the ultimate holding company's test for impairment, impairment losses in respect of operations in Spain, Chile and Peru were recognised Accordingly, an impairment charge has been made against the Company's investment in Yell Publicidad SAU

9. Deferred tax

Deferred tax assets

	At 31 March 2012 £'000	At 31 March 2011 £'000
Deferred tax assets as at 1 April	-	-
Credited to income statement	15,252	-
Currency movements	(23)	-
Deferred tax assets as at 31 March	15,229	-

	Year ended At 31 March 2012 £'000	Year ended At 31 March 2011 £'000
Recognised tax net operating losses	15,229	-
Recognised deferred tax assets as at 31 March	15,229	-

9. Deferred tax (continued)

Deferred tax liabilities

	At 31 March 2012 £'000	At 31 March 2011 £'000
Deferred tax liabilities as at 1 April	**546**	600
Impact of tax rate changes credited to income statement	**(42)**	(54)
Deferred tax liabilities as at 31 March	**504**	546

	At 31 March 2012 £'000	At 31 March 2011 £'000
Other timing differences	**504**	546
Recognised deferred tax liabilites as at 31 March	**504**	546

10. Trade and other receivables

	Note	At 31 March 2012 £'000	At 31 March 2011 £'000
Amounts falling due within one year			
Amounts owed by group undertakings	14	**385,115**	261,926
Deferred financing fees		**69**	133
Other receivables		**141**	73
Total amounts falling due within one year		**385,325**	262,132
Total trade and other receivables		**385,325**	262,132

Amounts owed by group undertakings are reported as current assets as they are repayable at the discretion of the ultimate parent company, Yell Group plc Included within the amounts owed by group undertakings are amounts of £227,755,110 (2011 £217,940,451) which bears interest based upon the three month GBP LIBOR rate plus a fixed margin which was 4 58% at the year end (2011 4 26%) and £100,058,092 (2011 £nil) which bears interest based upon the one month GBP LIBOR rate plus a fixed margin which was 4 24% at the year end (2011 N/A) Remaining amounts bear interest based upon the three month LIBOR rate in the denominated currency and interest rates are reset at the beginning of each quarter

11. Trade and other payables

	Note	At 31 March 2012 £'000	At 31 March 2011 £'000
Amounts falling due within one year			
Other payables		**7**	2
Amounts owed to group undertakings	14	**12,024**	10,985
Total amounts falling due within one year		**12,031**	10,987
Amounts owed to group undertakings	14	**625,788**	616,299
Total amounts falling due after more than one year		**625,788**	616,299
Total trade and other payables		**637,819**	627,286

Current amounts owed to group undertakings are repayable at the discretion of the ultimate parent company, Yell Group plc Interest is charged based upon the three month LIBOR rate in the denominated currency and interest rates are reset at the beginning of each quarter

Non-current amounts owed to group undertakings of £625,787,949 are denominated in Euros (€750,822,403) and bear interest in an aggregate amount based on an implied interest rate of 7 83% (2011 £616,299,589 (€696,171,235) at 7 83%)

12. Share capital

	2012 No of shares	2011 No of shares	2012 £'000	2011 £'000
Ordinary shares of				
At 1 April	**552,544,690**	552,544,690	**552,545**	552,545
Issued during the year	**100,000,000**	-	**100,000**	-
At 31 March	**652,544,690**	552,544,690	**652,545**	552,545
Share premium				
At 1 April	**-**	-	**1,499,250**	1,499,250
At 31 March	**-**	-	**1,499,250**	1,499,250
Total share capital at 31 March	**652,544,690**	552,544,690	**2,151,795**	2,051,795

On 28 March 2012, the Company issued 100,000,000 ordinary shares of £1 each for a consideration of £100,000,000 to its parent company, Yell Holdings 2 Limited

13. Contingent liabilities

At 31 March 2012 there were no contingent liabilities or guarantees other than that mentioned below and those arising in the ordinary course of the Company's business and on these no material losses are anticipated

The Company participates in a set of cross guarantees with other members of the Yell Group whereby the Company guarantees the obligations of those other members with regards to the Group Senior Facility loans In addition its assets are provided as security against those loans

14. Related party transactions

Details of transactions with other group undertakings during the years ended 31 March 2012 and 2011 and balances outstanding as at those dates are as follows

Finance income	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Interest receivable from Yell Holdings 2 Limited	10,099	12,844
Interest receivable from Yell Adworks SAU	6	-
Interest receivable from Yell Publicidad SAU	23	9
Total finance income	**10,128**	12,853

Finance costs	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Interest payable to Yell Holdings 2 Limited	(47,301)	(43,040)
Interest payable to Yell Publicidad SAU	(18)	(4,972)
Total finance costs	**(47,319)**	(48,012)

Current assets	At 31 March 2012 £'000	At 31 March 2011 £'000
Amounts owed by Yell Holdings 2 Limited	360,579	237,428
Amounts owed by Yell Adworks SA	1,261	818
Amounts owed by Yell Publicidad SAU	23,275	23,680
Total trade and other receivables	**385,115**	261,926
Total current assets	**385,115**	261,926

Current liabilities	At 31 March 2012 £'000	At 31 March 2011 £'000
Trade and other payables		
Amounts owed to Yell Holdings 2 Limited	(11,460)	(10,697)
Amounts owed to Yell Publicidad SAU	(564)	(288)
Total trade and other payables	**(12,024)**	(10,985)
Total current liabilities	**(12,024)**	(10,985)

14. Related party transactions (continued)

Non-current liabilities	At 31 March 2012 £'000	At 31 March 2011 £'000
Trade and other payables		
Amounts owed to Yell Holdings 2 Limited	(625,788)	(616,299)
Total trade and other payables	(625,788)	(616,299)
Total non-current liabilities	(625,788)	(616,299)

15. Controlling entity

At 31 March 2012 the Company was a wholly owned subsidiary of Yell Holdings 2 Limited

The ultimate holding company and controlling party is hibu plc (formerly Yell Group plc)

The Company is included in the consolidated financial statements of Yell Group plc, whose financial statements are publicly available Copies of Yell Group plc's consolidated financial statements are available for download on the Company's website www yell com

16. Liquidity, credit risk and risk management

The Company is not exposed to any significant financial risk factors The Company is an indirectly wholly owned subsidiary of Yell Group plc and the Group's risk management programme is detailed in the principal risk section of the directors' report and in note 16 of the 31 March 2012 Yell Group plc Annual Report

The Company believes that the financial arrangements with other group undertakings are sufficient to ensure it can meet any obligations to make debt repayments in the coming year These financial arrangements are with other group undertakings 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

Cash is held in current and deposit accounts with 'AA' rated banks

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