

Registered Number: 05724156

hibu Holdings 3 Limited

Annual Report for the year ended 31 March 2015

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hibu Holdings 3 Limited

Annual Report for the year ended 31 March 2015

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hibu Holdings 3 Limited

Company information

Directors

Robert Hall

Christian Wells

Paul Russo (appointed 23 April 2014)

David Eckert (appointed 23 April 2014, resigned 11 February 2015)

Antony Bates (resigned 23 April 2014)

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

All references to Hibu Group in this document are references to the ultimate parent company Hibu Group 2013 Limited, which changed its name from Eagle Topco 2013 Limited on 2 December 2014. All references to the Group are references to Hibu Group and its consolidated subsidiaries.

hibu Holdings 3 Limited

Strategic report for the year ended 31 March 2015

The directors present their Strategic report for hibu Holdings 3 Limited (the "Company") for the year ended 31 March 2015.

Principal activities

The Company is a holding company which is incorporated and domiciled in the United Kingdom.

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

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

Review of the business and future developments

The Company's result for the financial year to 31 March 2015 was a loss of £79,496,000 (2014: loss of £414,816,000).

The loss for the year relates primarily to interest charged on the loan from a fellow group undertaking, in addition to the impairment loss referred to below. Given the nature of the losses recognised, the directors consider the result for the year and the financial position at 31 March 2015 to be satisfactory.

During the year ended 31 March 2015, the Company recognised an impairment loss of £10,338,000 (2014: £387,993,000) against investments. These losses were largely caused by a decrease in the forecast cash flows of subsidiary undertakings in Spain and Argentina (2014: Spain, Argentina and Peru as well as the impairment of investments made as part of a financial restructuring).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties which the business is subject to, both external and internal, are fully discussed, in the context of the Group as a whole in the Strategic report of Hibu Group. The key financial risk management objectives and policies are discussed further below.

hibu Holdings 3 Limited

Strategic report for the year ended 31 March 2015

Financial risk management

The Company's operations expose it to a variety of financial risks including foreign currency risk and credit risk. As the Company's operations are principally funded through intra-group loan arrangements it is not exposed directly to external risk factors such as liquidity risk. As these intra-group loan arrangements carry interest on a floating rate basis there is an element of interest rate risk. These risks are managed on a group-wide basis by the Company's ultimate parent undertaking Hibu Group. Full disclosure on how these risks are managed is provided in the financial statements of that company.

The Company, amongst other group undertakings, is a guarantor under the terms of the new Facilities Agreement, of which hibu Connect SAU, a subsidiary of the Company, is the borrower.

Among other conditions and covenants, the hibu Connect SAU borrowing facility ("hibu facility") includes a cross default clause linked to the compliance of fellow Group undertakings with the covenants on a separate new borrowing facility on which YH Limited, a fellow group undertaking, is the borrower ("YH facility"). The Company, Group and fellow Hibu Group undertakings were in full compliance with all their respective covenants and undertakings at the date these financial statements were approved. Forecasts indicate that covenants will be comfortably met over the next twelve months and therefore the risk that financial covenants will not be met is considered low.

Going concern

The directors have considered the implications of the risk management section above and the risks set out in the 31 March 2015 Hibu Group strategic report, and in particular whether it is appropriate to prepare the financial statements of the Company on a going concern basis and the adequacy of the disclosures made within the financial statements. In reaching a conclusion the directors note that the directors of Hibu Group reviewed forecasts of future performance, which indicate that Hibu Group and its subsidiaries will continue to comply comfortably with financial covenants, generate sufficient cash flows to make debt repayments and be able to meet fully the interest payments for the next twelve months.

The directors of the Company have concluded that the going concern basis of accounting is appropriate and that the financial statements do not require the adjustments that would result if the Group were unable to continue as a going concern.

By order of the Board



Robert Hall

Director

Date: 20 July 2015

hibu Holdings 3 Limited

Directors' report for the year ended 31 March 2015

The directors submit their Annual Report and the audited financial statements for the Company for the year ended 31 March 2015.

Dividends

The directors do not recommend the payment of a dividend (2014: £nil).

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 (2014: none).

Article 77 of the Articles of Association of Hibu Group, the ultimate holding company, permit Hibu Group, 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 Group or any of its subsidiaries. In December 2013, Hibu Group entered deeds of indemnity in favour of its current and former executive and non-executive directors and officers of Hibu Group, its subsidiaries and any other companies to which Hibu Group 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.

Strategic report

The Company is required by the Companies Act 2006 to set out development and performance of the business during the financial period ended 31 March 2015 and the position of the Company at the end of the year and of the principal risks and uncertainties facing the Company. By reference to the Strategic report, which can be found on pages 2 - 3, the following information is given:

- Principal activities;
- Review of the business and future development;
- Principal risks and uncertainties;
- Financial risk management;
- Going concern.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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.

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Directors' report for the year ended 31 March 2015 (continued)

Statement of directors' responsibilities (continued)

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

Statement of disclosure to auditors

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 Company'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



Robert Hall

Director

Date: 20 July 2015

hibu Holdings 3 Limited

Independent auditors' report to the members of hibu Holdings 3 Limited

Report on the financial statements

Our opinion

In our opinion, hibu Holdings 3 Limited's financial statements ("the financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements comprise:

- The Statement of financial position as at 31 March 2015;
- The Income statement and Statement of comprehensive income for the year then ended;
- The Cash flow statement for the year then ended;
- The Statement of changes in equity for the year then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

hibu Holdings 3 Limited

Independent auditors' report to the members of hibu Holdings 3 Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on pages 4 - 5, 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) ("ISAs (UK & 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.

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Independent auditors' report to the members of hibu Holdings 3 Limited (continued)

What an audit of financial statements involves

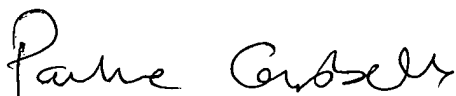
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the director's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Pauline Campbell (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

20 July 2015

hibu Holdings 3 Limited

Income statement for the year ended 31 March 2015

		Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
	Note		
Administrative expenses	3	(12,302)	(388,439)
Other income		77	194
Operating loss		(12,225)	(388,245)
Finance costs	5	(53,719)	(53,701)
Finance income	5	-	12,993
Net finance costs		(53,719)	(40,708)
Loss before taxation		(65,944)	(428,953)
Taxation (charge) credit	7	(13,552)	14,137
Loss for the financial year		(79,496)	(414,816)

Statement of comprehensive income for the year ended 31 March 2015

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Loss for the financial year	(79,496)	(414,816)
Foreign exchange gain on translation of foreign branch results, assets and liabilities	78,530	13,729
Comprehensive income not recognised in the income statement	78,530	13,729
Total comprehensive loss for the year	(966)	(401,087)

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Statement of financial position at 31 March 2015

	Note	At 31 March 2015 £'000	At 31 March 2014 £'000
Non-current assets			
Investments in subsidiaries	8	45,008	61,443
Deferred tax asset	9	-	5,836
Total non-current assets		45,008	67,279
Current assets			
Current tax receivable		26	84
Trade and other receivables	10	3,281	11,790
Cash and cash equivalents		7	4
Total current assets		3,314	11,878
Current liabilities			
Trade and other payables	11	(6,475)	(5,668)
Total current liabilities		(6,475)	(5,668)
Net current (liabilities) assets		(3,161)	6,210
Non-current liabilities			
Trade and other payables	11	(670,624)	(701,300)
Total non-current liabilities		(670,624)	(701,300)
Net liabilities		(628,777)	(627,811)
Equity			
Share capital and premium	12	100	2,151,795
Foreign currency translation reserve		167,889	89,359
Accumulated deficit		(796,766)	(2,868,965)
Total equity		(628,777)	(627,811)

The financial statements on pages 9 to 24 were approved by the Board of directors and were signed on 20 July 2015 on its behalf by:



Robert Hall
Director

Registration no 05724156

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Statement of changes in equity for the year ended 31 March 2015

	Share capital £'000	Share premium £'000	Foreign currency translation reserve £'000	Accumulated deficit £'000	Total equity £'000
2015					
Balance at beginning of year	652,545	1,499,250	89,359	(2,868,965)	(627,811)
Loss for the year	-	-	-	(79,496)	(79,496)
Other comprehensive income	-	-	78,530	-	78,530
Total comprehensive loss for the year	-	-	78,530	(79,496)	(966)
Cancellation of shares	(652,445)	(1,499,250)	-	2,151,695	-
Balance at 31 March 2015	100	-	167,889	(796,766)	(628,777)

	Share capital £'000	Share premium £'000	Foreign currency translation reserve £'000	Accumulated deficit £'000	Total equity £'000
2014					
Balance at beginning of year	652,545	1,499,250	75,630	(2,454,149)	(226,724)
Loss for the year	-	-	-	(414,816)	(414,816)
Other comprehensive income	-	-	13,729	-	13,729
Total comprehensive loss for the year	-	-	13,729	(414,816)	(401,087)
Balance at 31 March 2014	652,545	1,499,250	89,359	(2,868,965)	(627,811)

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Cash flow statement for the year ended 31 March 2015

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Cash flows from operating activities:		
Cash used in operations	(2,014)	(383)
Interest received	-	41
Corporate income taxes refunded	47	-
Net cash outflow from operating activities	(1,967)	(342)
Cash flows from investing activities:		
Loans to other group undertakings	-	(2,228)
Loan repayments from other group undertakings	-	2,568
Net cash inflow from investing activities	-	340
Cash flows from financing activities:		
Loans from other group undertakings	1,970	-
Net cash inflow from financing activities	1,970	-
Net increase (decrease) in cash and cash equivalents	3	(2)
Cash and cash equivalents at beginning of year	4	6
Cash and cash equivalents at end of year	7	4

Cash used in operations:

Loss for the financial year	(79,496)	(414,816)
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Adjustments for:

Taxation	13,552	(14,137)
Finance income	-	(12,993)
Finance costs	53,719	53,701
Foreign exchange gain	(77)	(194)
Movement in trade and other payables	(50)	63
Impairment of investments	10,338	387,993
Cash used in operations	(2,014)	(383)

hibu Holdings 3 Limited

Notes to the financial statements for the year ended 31 March 2015

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) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union, and the Companies Act 2006 as applicable to companies using IFRS.

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 group financial statements.

Going concern

The financial statements have been prepared on a going concern basis. The Company and other subsidiaries of Hibu Group, became Guarantors under the terms of new Facilities Agreements dated 3 March 2014. Among other conditions and covenants, the hibu Connect SAU borrowing facility includes a cross default clause linked to the compliance of fellow Hibu Group undertakings with the covenants on a separate new borrowing facility on which YH Limited, a fellow group undertaking, is the borrower. The Company, Group and fellow Hibu Group undertakings were in full compliance with all their respective covenants and undertakings at the date these financial statements were approved. The directors have concluded that the going concern basis of accounting continues to be appropriate as set out in the strategic report on page 3.

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 in subsidiaries

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.

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Notes to the financial statements for the year ended 31 March 2015

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 charge (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.

Critical accounting estimates and judgments

In general, our accounting policies under IFRSs as adopted by the European Union are consistent with those generally adopted by others operating within the same industry in the UK.

In preparing the Company financial statements, our management has made its best estimates and judgements of certain amounts included in the financial statements, giving due consideration to materiality. We regularly review these estimates and update them when required. Actual results could differ from these estimates. Unless otherwise indicated, we do not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described below. We consider the following to be a description of the most significant estimates, which require our management to make subjective and complex judgements, or matters that are inherently uncertain.

Taxation

The determination of the Company's obligation and expense for taxes requires an interpretation of tax law.

The Company recognises deferred tax assets and liabilities arising from timing differences where there is a taxable benefit or obligation in the future as a result of past events.

The Company records deferred tax assets to the extent that it believes they are more likely than not to be realised. Should the Company 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 period such determination was made. At 31 March 2015 it believes it has recognised all our potential deferred tax assets.

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Notes to the financial statements for the year ended 31 March 2015

1. Accounting policies (continued)

Critical accounting estimates and judgments (continued)

The Company seeks appropriate, competent and professional tax advice before making any judgments on tax matters. Whilst it believes that its judgments are prudent and appropriate, significant differences in actual experience may materially affect future tax charges.

Standards that have been adopted during the current year

The following standards, interpretations and amendments became effective during the year but were not material to the Company:

- IFRS 10, 'Consolidated Financial Statements' which builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess.
- IFRS 11, 'Joint arrangements' which provides a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than the legal form. There are two types of joint arrangement defined, joint operations and joint ventures. Joint operations arise where joint operators have rights to the assets and obligations relating to the arrangement and hence account for their interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operators have rights to the net assets of the arrangement and hence equity account for their interests. Proportional consolidation of joint ventures is no longer allowed.
- IFRS 12, 'Disclosures of Interests in Other Entities' which includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance-sheet vehicles.
- Amendments to IFRS 10, 11 and 12 on transition guidance. These amendments provide additional transition guidance limiting the requirement to provide adjusted comparative information to only the preceding comparative period.
- IAS 27 (revised 2011), 'Separate Financial Statements'. This standard includes the provisions that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
- IAS 28 (revised 2011), 'Associates and Joint Ventures' which includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.
- Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities providing exemption to many funds and similar entities from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit and loss. The amendments give an exemption to entities that meet an 'investment entity' definition and which display particular characteristics.
- Amendments to IAS 32, 'Financial Instruments: Presentation', which updates guidance and aims to clarify the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- Amendment to IAS 36, 'Impairment of Assets', which addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.

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Notes to the financial statements for the year ended 31 March 2015

1. Accounting policies (continued)

Standards that have been adopted during the current year (continued)

- Amendment to IAS 39, 'Financial Instruments: Recognition and Measurement', which sets out narrow-scope amendments to allow hedge accounting where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.
- IFRIC 21, 'Levies'. This interpretation relates to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' and clarifies that the obligating event that gives rise to the liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

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 2015 or later periods' but which the Company has chosen not to adopt early, as follows:

- Amendment to IAS 19 regarding retirement benefit plans which sets out narrow-scope amendments which apply to contributions from employees or third parties to defined benefit plans. It has received EU endorsement and is effective for accounting periods beginning on or after 1 February 2015.
- Other publications have been issued, which have not yet received EU endorsement and which are effective for accounting periods beginning on or after 1 January 2016 including IFRS 14, 'Regulatory deferral accounts' and amendments to IFRS 10, IFRS 11, IAS 1 and IAS 16 and an amendment to IFRS 10 and IAS 28. Publications which have not yet received EU endorsement and which are effective for accounting periods beginning on or after 1 January 2017 include IFRS 15, 'Revenue from Contracts with Customers', and publications which have not yet received EU endorsement and which are effective for accounting periods beginning on or after 1 January 2018 include IFRS 9, 'Financial Instruments' which replaces the guidance in IAS 39.

2. Directors' emoluments

The directors did not receive remuneration for their services to the Company (2014: £nil).

3. Administrative expenses

		Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
	Note		
Staff costs	4	121	154
Restructuring costs		1,752	-
Impairment of investments		10,338	387,993
Other administrative expenses		91	292
Total administration expenses		12,302	388,439

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Notes to the financial statements for the year ended 31 March 2015

4. Employees

	Year ended 31 March 2015	Year ended 31 March 2014
Average monthly number of employees		
Administrative	2	3
Total	2	3

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Staff costs during the year:		
Wages and salaries	106	125
Social security costs	15	29
Total staff costs	121	154

5. Net finance costs

	Note	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Interest payable on loans from group undertakings	14	53,719	53,472
Other interest payable		-	229
Total finance costs		53,719	53,701
Interest receivable on loans to group undertakings	14	-	(12,993)
Total finance income		-	(12,993)
Net finance costs		53,719	40,708

6. Loss before taxation

The auditors' remuneration of £2,500 (2014: £2,400) has been accounted and paid for by hibu (UK) Limited, a fellow group company. No other fees were paid to PricewaterhouseCoopers LLP for non-audit services to the Company (2014: £nil).

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Notes to the financial statements for the year ended 31 March 2015

7. Taxation

		Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
	Note		
Current tax:			
UK corporation tax current year credit		-	(9,562)
Foreign corporate income tax current year (credit) charge		(1,846)	1,261
Adjustments in respect of prior periods		9,562	-
Total current tax charge (credit)		7,716	(8,301)
Deferred tax:			
Foreign deferred tax current year charge (credit)	9	5,836	(5,836)
Total deferred tax charge (credit)		5,836	(5,836)
Tax charge (credit) on loss before tax		13,552	(14,137)

The tax charge (2014: credit) for the year is higher (2014: lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Loss before tax multiplied by standard rate of corporation tax in the UK	(13,848)	(98,659)
Effects of:		
Group relief surrendered for nil consideration	11,179	-
Adjustments in respect of prior periods	9,562	-
Derecognition (recognition) of deferred tax asset in respect of losses	5,836	(5,836)
Non-deductible impairments	2,171	89,238
Other items	(1,348)	1,120
Tax charge (credit) on loss before tax	13,552	(14,137)

The Company did not recognise deferred income tax assets at 31 March 2015 of £9.3 million (2014: £4.9 million) in respect of tax losses of £46.4 million (2014: £24.7 million).

During the year, legislation to reduce the UK corporation tax rate from 21% to 20% with effect from 1 April 2015 was enacted by the date of the statement of financial position. These changes do not have any effect on these financial statements.

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Notes to the financial statements for the year ended 31 March 2015

8. Investments in subsidiaries

	2015 £'000	2014 £'000
Cost		
At 1 April	2,747,557	2,366,688
Additions	-	380,869
At 31 March	2,747,557	2,747,557
Impairment		
At 1 April	(2,686,114)	(2,296,657)
Impairments of investments	(10,338)	(387,993)
Currency movements	(6,097)	(1,464)
At 31 March	(2,702,549)	(2,686,114)
Carrying value	45,008	61,443

Brief details of the Company's principal subsidiary undertakings at 31 March 2015 and 2014, all of which are unlisted, are as follows:

Direct subsidiaries	Company activity	Country of incorporation	% owned	At 31 March 2014	At 31 March 2015	At 31 March 2014
					Carrying value	Carrying value
					£'000	£'000
hibu Connect S.A.U.	Classified Advertising Publisher	Spain	100.00	100.00	45,005	61,440
hibu Mediaworks S.A.U.	Directory Graphics Services	Spain	100.00	100.00	3	3
Yell Finance (Jersey) Two Limited	Finance company	Jersey (a)	100.00	100.00	-	-
					45,008	61,443

(a) Yell Finance (Jersey) Two Limited is incorporated in Jersey but managed and controlled in the United Kingdom.

On 3 March 2014, as part of a financial restructuring, the Company acquired 100% of the ordinary share capital of Yell Finance (Jersey) Two Limited from its former parent company, Yell Holdings 2 Limited (in administration at 31 March 2014, dissolved 27 May 2015), in exchange for the release of its liabilities to the Company. Immediate provision was made against the cost of investment of £380,868,872.

During the year, as part of the ultimate holding company's test for impairment, impairment losses of £10,338,000 (2014: £7,124,000) in respect of operations in Spain and Argentina were recognised (2014: Spain, Argentina and Peru). Accordingly, an impairment charge has been made against the Company's investment in hibu Connect S.A.U.

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Notes to the financial statements for the year ended 31 March 2015

9. Deferred tax

Deferred tax assets

	2015 £'000	2014 £'000
Deferred tax assets in respect of net operating losses at 1 April	5,836	-
(Charged) credited to income statement (note 7)	(5,836)	5,836
Deferred tax assets as at 31 March	-	5,836

As forecast profitability is no longer sufficient to support the recognition of deferred tax assets in respect of the losses, the deferred tax assets recognised in the prior year have been derecognised.

10. Trade and other receivables

	Note	At 31 March 2015 £'000	At 31 March 2014 £'000
Amounts falling due within one year			
Amounts owed by group undertakings	14	3,281	11,790
Total amounts falling due within one year		3,281	11,790
Total trade and other receivables		3,281	11,790

Amounts owed by group undertakings are reported as current assets as they are repayable at the discretion of the ultimate parent company, Hibu Group. These amounts are non-interest bearing.

11. Trade and other payables

	Note	At 31 March 2015 £'000	At 31 March 2014 £'000
Amounts falling due within one year			
Other payables		214	67
Amounts owed to group undertakings	14	6,261	5,601
Total amounts falling due within one year		6,475	5,668
Amounts owed to group undertakings	14	670,624	701,300
Total amounts falling due after more than one year		670,624	701,300
Total trade and other payables		677,099	706,968

Current amounts owed to group undertakings are repayable at the discretion of the ultimate parent company, Hibu Group. 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.

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Notes to the financial statements for the year ended 31 March 2015

11. Trade and other payables (continued)

Non-current amounts owed to group undertakings of £670,624,000 (2014: £701,300,000) are denominated in Euros (€916,851,000) (2014: €848,516,000) and bear interest in an aggregate amount based on an implied interest rate of 7.83%. On 31 March 2015, the terms of the loan agreements were amended to include a profit participating element. Under the amended terms, variable interest amounts of €6,014,048 and €2,010,956 would become payable at the final repayment dates in the event that certain conditions are fulfilled. These amendments have not resulted in a substantial modification of the terms of the previous loan agreements.

12. Share capital and premium

	2015 No. of shares	2014 No. of shares	2015 £'000	2014 £'000
Ordinary shares of £1				
At 1 April	652,544,690	652,544,690	652,545	652,545
Cancelled during the year	(652,444,690)	-	(652,445)	-
At 31 March	100,000	652,544,690	100	652,545
Share premium				
At 1 April	-	-	1,499,250	1,499,250
Cancelled during the year	-	-	(1,499,250)	-
At 31 March	-	-	-	1,499,250
Total share capital and premium at 31 March	100,000	652,544,690	100	2,151,795

On 24 April 2014 the Company cancelled 652,444,690 ordinary £1 shares and cancelled and extinguished its entire share premium thus creating a capital redemption reserve of £2,151,694,692.

13. Contingent liabilities

At 31 March 2015 there were no contingent liabilities or guarantees other than those arising in the ordinary course of the Company's business and on these no material losses are anticipated.

14. Related party transactions

Details of transactions with other group undertakings during the years ended 31 March 2015 and 2014 and balances outstanding at those dates are as follows:

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Finance income		
Interest receivable from Yell Holdings 2 Limited (a)	-	12,989
Interest receivable from hibu Mediaworks S.A.U.	-	3
Interest receivable from hibu Connect S.A.U.	-	1
Total finance income	-	12,993

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Notes to the financial statements for the year ended 31 March 2015

14. Related party transactions (continued)

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Finance costs		
Interest payable to Yell Holdings 2 Limited (a)	-	(49,274)
Interest payable to Yell Finance (Jersey) Two Limited	(53,672)	(4,186)
Interest payable to hibu Connect S.A.U.	(47)	(12)
Total finance costs	(53,719)	(53,472)

(a) Yell Holdings 2 Limited (in administration at 31 March 2014, dissolved 27 May 2015) was recognised as a related party, as it was a fellow group undertaking until 3 March 2014.

	At 31 March 2015 £'000	At 31 March 2014 £'000
Current assets		
Amounts owed by Yell Finance (Jersey) Two Limited	-	9,562
Amounts owed by hibu Mediaworks S.A.U.	23	-
11888 Servicio Consulta Telefonica S.A.	3,258	2,151
Yell Publicidad Internacional S.A.U. (b)	-	77
Total trade and other receivables	3,281	11,790
Total current assets	3,281	11,790

(b) Yell Publicidad Internacional S.A.U. was merged into hibu Connect SAU in December 2014.

	At 31 March 2015 £'000	At 31 March 2014 £'000
Current liabilities		
Trade and other payables		
Amounts owed to hibu Mediaworks S.A.U.	(231)	(231)
Amounts owed to hibu Connect S.A.U.	(6,003)	(5,370)
Amounts owed to hibu (UK) Limited	(27)	-
Total trade and other payables	(6,261)	(5,601)
Total current liabilities	(6,261)	(5,601)

	At 31 March 2015 £'000	At 31 March 2014 £'000
Non-current liabilities		
Trade and other payables		
Amounts owed to Yell Finance (Jersey) Two Limited	(670,624)	(701,300)
Total trade and other payables	(670,624)	(701,300)
Total non-current liabilities	(670,624)	(701,300)

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Notes to the financial statements for the year ended 31 March 2015

15. Controlling entity

At 31 March 2015 the Company was a wholly owned subsidiary of Eagle Spain Holdco 2013 Limited. The ultimate holding company and controlling party is Hibu Group.

The smallest group in which the financial statements of this company are consolidated is Eagle Spain Holdco 2013 Limited and the largest is Hibu Group, both of whose financial statements are publicly available at One Reading Central, Forbury Road, Reading, Berkshire, RG1 3YL.

16. Financial risk management

The Company's objective when managing capital is 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.

The Company's risk factors are covered in the financial risk management and going concern section of the Strategic report, and are fully discussed, along with capital management, in the context of the Group as a whole in the Strategic report of Hibu Group.