Registered Number: 08815128

Hibu Bidco Limited (formerly Eagle Bidco 2013 Limited)

Annual Report for the year ended 31 March 2016

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Company information

Directors
Alfred Mockett
Atish Banerjea (appointed 9 February 2016)
Christopher Ripley (appointed 3 November 2015)
David Anderson
David Sharman
Parm Sandhu (appointed 7 December 2015)
Robert Hall

Company secretary
Christian Wells

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

Registered number
08815128

Independent 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 Limited (formerly Hibu Group 2013 Limited). All references to the Consolidated Hibu Group are references to Hibu Group and its consolidated subsidiaries.

All references to the Company in this document are references to Hibu Bidco Limited (formerly Eagle Bidco 2013 Limited). All references to the Group are references to the Company and its consolidated subsidiaries.

All references to the comparative period, the prior period or the period ended 31 March 2015 in this document are references to the period from incorporation on 13 December 2013 to 31 March 2015.

Hibu Bidco Limited

Strategic report for the year ended 31 March 2016

The directors present their Strategic Report for Hibu Bidco Limited ("the Company") and its subsidiaries (together "the Group"), for the year ended 31 March 2016.

Principal activities

The Group's principal activities during the year were the provision of digital products including website production, search and display solutions, digital directories and printed directories.

Review of the business

On 3 March 2014, Hibu Group became the ultimate owner and indirect parent of the Company which acquired trading operations in the UK and US and support operations in Asia, along with financial indebtedness with a face value of £1,420m.

New Hibu Group management was appointed concurrently with the change in ownership and they made a number of important changes to the Group's strategy. As a result, the Group re-focused its resources on the existing core product lines that help small businesses get found and chosen. These products include digital marketing services, (predominantly websites, search and display), digital directories and print directories, which generate the vast majority of revenue. A number of non-core and unprofitable products were discontinued.

The financial statements reflect the trading results of the Group for the year ended 31 March 2016 with comparative results for the period from 3 March 2014 to 31 March 2015. However, in order to make the comparisons more relevant, the following commentary in the Strategic Report is on a pro forma basis, with prior period comparatives being for a 12 month period ended 31 March 2015. A reconciliation of the reported results for the period to the pro forma results used for comparison in the Strategic Report is set out below.

Total revenue for the year, at £724m, as compared to pro forma revenue for the comparative period of £776m, declined 11% versus the prior year at constant currency (by converting current year revenues at prior year foreign exchange rates).

Digital product revenues, largely comprising websites, search and display products, grew 13% at constant currency, on the prior year pro forma revenue, to £239m. This growth was driven by the Group's sales people, who at the year-end totalled more than 1,900, increasingly offering SMEs sophisticated digital marketing solutions.

Digital directory revenue, at constant currency, declined 8% against the prior period pro forma revenue, to £161m. This decline, however, was wholly driven by the US business, where the product is largely sold as a bundle with print. The UK digital directory business, where the product is stand-alone with a strong brand name, started to show year on year growth and was up 1% on prior period pro forma revenue. In order to optimise the value of the digital directory product, the Group has concentrated on maximising more effectively monetising usage.

Total digital revenue for the year represented 55% of total revenue compared to 48% of total pro forma revenue for the comparative period.

Print and other directory revenue, which declined 24% at constant currency, faced pressure as consumer adoption of digital alternatives has led SME's to reduce their expenditure on print, and transfer to other forms of advertising. Management has therefore closely monitored and controlled the costs associated with the production and delivery of the directories, whilst ensuring that these actions did not affect the value of the directories.

At the same time, the management team recognised the challenges that the continuing downward pressure on revenue would have on long-term profitability and, as a consequence, a number of cost initiatives that had begun in the previous period were continued during the year. These programmes included significant headcount reductions that led to more than 3,600 employees leaving the Group between 3 March 2014 and 31 March 2016, as well as other cost initiatives such as the consolidation and rationalisation of suppliers, technology platforms, buildings and sales platforms. As part of these initiatives, in June 2015, the Group outsourced its operations in India and Philippines to third party outsourced service providers in order to variabilise its cost base and deliver additional cost savings. As a result a further 2,600 employees in the India and Philippines operations transferred to the outsourced service providers.

The actions taken since 3 March 2014 has resulted in a pro forma adjusted EBITDA improving to £201m for the year ended 31 March 2016 from £163m in the prior 12 months, at margins of 28% and 21% respectively.

Hibu Bidco Limited

Strategic report for the year ended 31 March 2016 (continued)

Review of the business (continued)

The Group's reported operating profit for the year was £165m; however this was adversely affected by £11m of exceptional costs associated with the cost initiatives discussed above. This compared to a pro forma operating profit of £88m for the 12 months ended 31 March 2015, which was affected by £20m of exceptional costs and higher, non-cash, amortisation and depreciation charges. Meanwhile, the prior period reported operating profit of £31m was further affected by a required £47m deferred revenue adjustment to reduce the revenues of a purchaser under IFRS acquisition accounting rules.

External net interest expense was £240m and £145m in the year ended 31 March 2016 and the period ended 31 March 2015, respectively. The external net interest included £220m and £123m, in the respective period, of non-cash loan accretion for the unwinding of the discount on the £1,420m face value of debt that was recorded at fair value when the Group acquired the operations of hibu plc on 3 March 2014. The fair value of debt on recognition was considerably lower than its face value, and the fair value adjustment is being unwound over the term of the loans. The fair value discount unwound during the year includes an acceleration of £111m as a result of debt repayments being made ahead of previous expectations, following the implementation of the strategies set out above.

The unwinding discount of £220m and £123m, as well as the £47m deferred revenue adjustment in the prior period, significantly contributed to the Group's reported pre-tax losses of £75m and £114m in the year ended 31 March 2016 and period ended 31 March 2015, respectively.

Free cash flow during the year was £167m, of which, along with opening cash reserves, £185m was used for the re-payment of the Group's borrowings. The Group had £52m of cash and cash equivalents at the year-end (see note 14). Free cash flow during the prior reported period was £195m, of which £129m was used for the repayment of the Group's borrowings. At 31 March 2016 the cash pay debt, at par, was £201m, compared to £381m at 31 March 2015.

The principal financial Key Performance Indicators (KPIs) of the Group are revenue and 'earnings before interest, depreciation and amortisation' (EBITDA). EBITDA is considered one of the principal KPIs of the Group because it is closely aligned with operating cash flow, which is of critical importance to the Group given the obligations to its external Lenders.

The table below reconciles the underlying results for the financial year 2016 and 2015 pro forma operating profit to EBITDA. A reconciliation of 2015 reported results to pro forma results is shown below the reconciliation of pro forma operating profit to EBITDA.

£m	Year ended 31 March 2016	12 months pro forma ended 31 March 2015
Revenue		
Print and other directory services	**325.0**	404.9
Digital directories	**160.7**	170.0
Other digital services	**238.7**	201.5
Total revenue	**724.4**	776.4
Direct costs	**(371.9)**	(429.8)
Indirect costs	**(187.9)**	(258.4)
Operating profit	**164.6**	88.2
Depreciation of property, plant and equipment	**8.4**	16.4
Loss on disposals	**1.9**	7.2
Amortisation of intangible assets	**18.5**	31.5
Release of dilapidations	**(1.2)**	-
Intercompany recharges below EBITDA	**(2.1)**	(0.7)
Exceptional operating items	**10.6**	20.0
Adjusted EBITDA	**200.7**	162.6

Strategic report for the year ended 31 March 2016 (continued)

Review of the business (continued)

The table below reconciles the operating profit in the previous table to the statutory reported numbers for the period ended 31 March 2015 and year ended 31 March 2016.

£m	Year ended 31 March 2016	Period ended 31 March 2015
12 months pro forma operating profit	**164.6**	88.2
Pro forma operating loss from incorporation to 31 March 2014	-	(10.8)
Total pro forma operating profit	**164.6**	77.4
Statutory adjustments (a)	-	(46.9)
Reported statutory operating profit	**164.6**	30.5

(a) Deferred revenue adjustment arising from acquisition accounting.

The principal non-financial KPIs of the Group are as follows:

At 31 March	2016	2015
Websites live at the year/period end ('000)	198	230
Total FTE headcount at the year/period end	3,883	6,667

The Group has been in discussions with its investors about a proposed capital restructuring which would normalise the Company's balance sheet by significantly reducing the level of debt. It is expected that these discussions will conclude, with a new capital structure put in place, by 1 November 2016.

On 23 June 2016 the UK held an in-out referendum where the voters chose to leave the European Union ("Brexit"). Brexit has added to stock market and foreign exchange market volatility. The ultimate effects of Brexit on the UK economy remain unclear at the date of this report, but it may increase economic uncertainty in the short and medium term. A weaker pound sterling will result in higher reported consolidated net debt and earnings on the translation of US Dollar and Euro denominated debt and earnings. Foreign exchange fluctuations do not materially affect transaction costs of local operations.

Risk management and principal risks

The Consolidated Hibu Group undertakes various activities within a risk management framework to ensure that risk and uncertainty are properly managed, appropriate internal controls are in place and effective risk treatment plans are initiated where necessary.

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

- The Consolidated Hibu Group carries out an annual risk assessment to identify and document key strategic, operational and financial risks. A systematic approach is adopted that considers a broad spectrum of internal and external risk drivers, assesses the likelihood of risks occurring and the potential effects should they materialise, and where appropriate, risk treatment plans are developed and monitored. These risks (and corresponding treatment plans) are then monitored and reviewed on a quarterly basis, with oversight of the Audit Committee and the Board, for any changes and emerging risks. This process has been in place for the reporting year covered by this report and up to the date of approval of this Annual Report;

- The internal audit plan has been developed to review controls and key auditable mitigating actions highlighted as part of this process;

Strategic report for the year ended 31 March 2016 (continued)

Risk management and principal risks (continued)

- The Audit Committee of the Hibu Group and senior management review regularly the risk assessment, management plans, and internal audit plan;
- The Consolidated Hibu Group has designed and implemented financial reporting controls in line with what it believes are best practices. The financial framework comprises processes that represent a set of coordinated tasks and activities, conducted by both people and IT systems, where significant classes of transactions are initiated, recorded, processed and reported; and
- The Board of the Hibu Group, with advice from the Audit Committee, has completed its annual review of the effectiveness of the system of internal controls. In the Board's view, the information it received was sufficient to enable it to review the effectiveness of the Consolidated Hibu Group's system of internal controls.

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

(1) Risk from: Debt covenants

The Company, amongst other group undertakings, is a guarantor under the terms of a Facilities Agreement dated 3 March 2014.

This Facilities Agreement includes certain financial covenants with which the Hibu Group and the Consolidated Hibu Group were in full compliance at the date these financial statements were approved. The terms of a new Facilities Agreement have been agreed and will become effective upon completion of certain legal steps that are expected to be completed before 1 November 2016. Forecasts indicate that covenants under the new Facilities Agreement will be met and repayments of principal amounts will continue over the next 12 months and therefore these risks are considered to be low.

Potential effect - In the unlikely event that financial covenants are breached without remedy or waiver, the Lenders' agent may, and must if directed by two-thirds of Lenders (by reference to the value of debt held) demand immediate repayment of all amounts due to them.

Mitigation: The Company and Consolidated Hibu Group were in full compliance with the financial covenants at the date these financial statements were signed. The risk of a covenant breach is not likely to crystallise over the next 12 months. In addition, the Board considers that it is unlikely that a covenant waiver or reset would not be obtained in the unlikely event it were required.

(2) Risk from: Strong competition in existing and new markets

The Group faces strong competition in all of its markets from both the arrival of new products, such as the replacement of print with digital alternatives, and from the action of other companies, some of whom have significant resources, particularly in the Group's digital markets.

Potential effect - The Group might be unable to replace quickly enough the cash flow lost from the decline in its legacy directory products with that from new products and markets.

Mitigation: The Consolidated Hibu Group has a very strong asset in its sales force and customer relationships. This allows the Group to profitably sell a wide range of its own and its partners' digital products. The increased fragmentation of the digital market is therefore an opportunity as hibu increasingly becomes the provider of digital solutions to its large customer base of small and medium sized businesses. This effort is being managed locally as the local sales and marketing teams are best placed to determine which products and partners are most appropriate for their market.

Risk management and principal risks (continued)

(3) Risk from: Market demand uncertainty

Economic uncertainty and tight credit markets can lead to SMEs spending less money on advertising. There continues to be a degree of economic uncertainty in the markets in which the Group operates, although generally the economic outlook is improving. Demand for the Group's products could also be affected by changes in what the market wants or its perception of the Group's products.

Potential effect - Lost revenue and profits, asset impairments and long-term funding issues could result if the markets in which we operate were to suddenly contract.

Mitigation: The Group has implemented an aggressive cost reduction programme to manage margins and is moving increasingly towards a variable cost model that will allow it to better manage any fluctuations in demand.

(4) Risk from: Dependence on IT

The Group is dependent on effective IT systems to maintain efficient and effective operations. Cyber security is important because the Group is dependent upon the uninterrupted and secure operation of its computer systems and databases. These systems are important to both the legacy print products and to the delivery of the newer digital products.

Potential effect - Lost revenue and profits, asset impairments, breach of legislation or damage to reputation could result if there were a catastrophic failure of the IT systems.

Mitigation: The Consolidated Hibu Group is focusing resources on a small number of key, locally managed IT systems and increasingly using best in class cloud services to mitigate the risk of owning and maintaining its own systems. The Consolidated Hibu Group has in place a disaster recovery plan to replicate the data stored on its business critical computer systems and maintains firewalls and cyber security controls.

(5) Risk from: Failure to adhere to applicable laws, rules and regulations

Any failure to comply with applicable laws, rules and regulations may result in civil and/or criminal legal proceedings being filed against the Group, or in the Group becoming subject to regulatory sanctions.

Regulatory authorities have wide-ranging administrative powers to deal with any failure to comply with regulatory oversight. Such a failure could affect the Group, whether the failure is the Group's or, in some cases, that of third party contractors.

Potential effect - The damage to reputation and the diversion of management time that would result from an authority attempting to sanction the Group could result in lost revenue and profits. There would also be costs associated with any such action.

Mitigation: The Group devotes significant resources to the considerable challenge of compliance with applicable current and emerging laws. The Group through its in-house legal team establishes specific policies and guidelines as appropriate. The Group requires at least two people to be involved in all transactions and, through its Authorities System, ensures that senior managers are involved in all key transactions and decisions. The Group ensures that the integrity of its control framework is maintained through both internal and external audit.

(6) Risk from: Key people leaving the business

The success of the Group is in part dependent upon the continued service of its key management personnel and its ability to attract, motivate and retain suitably qualified employees. Due to the continuing level of change and market challenges that the business faces the risk of key people leaving the business is high and recruiting replacements is challenging.

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

Mitigation: Succession planning for key roles is continually being addressed by the Group's Human Resources (HR) departments. The HR strategy has evolved to have an increased local focus on appropriate compensation schemes to address the particular challenges in each of the geographical markets in which hibu operates.

Risk management and principal risks (continued)

(7) Risk from: UK pension fund

The Group's pension obligations are backed by assets invested across the broad investment market. The Group's most significant obligations (after the net debt owed to investors) relate to the UK pension fund.

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

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

Mitigation: The directors of the Hibu Group and the trustees of the UK Pension Fund review the scheme funding on various actuarial bases (including the buy-out basis) at least triennially in accordance with legislation. The directors and trustees agreed a funding arrangement as part of the financial restructuring of the former hibu Group that was implemented on 3 March 2014. A new funding arrangement has been agreed at the date of this report and will become binding upon completion of certain legal steps that are expected to be completed before 1 November 2016. The scheme is closed to further accrual.

Going Concern

The directors have considered the implications of the risks set out above, and in particular whether it is appropriate to prepare the financial statements on a going concern basis and the adequacy of the disclosures made within the financial statements. In reaching a conclusion the directors reviewed forecasts of future performance that indicate that the Group and Company will continue to comply comfortably with its financial covenants, be able to meet fully the interest payments for the next twelve months and generate sufficient cash flows to repay its liabilities as they fall due.

The directors 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

Christian Wells

Company Secretary

Date: 25 July 2016

Directors' report for the year ended 31 March 2016

The directors present their report and the audited financial statements for Hibu Bidco Limited (the "Company") for the year ended 31 March 2016. The financial statements comprise the consolidated financial statements of the Company and its subsidiaries (the "Group") on pages 12 to 53 and the financial statements of the Company on pages 54 to 60. The prior period is for the period from the date of incorporation, on 13 December 2013, to 31 March 2015.

Dividends

No dividends have been paid or proposed during the year ended 31 March 2016 (period ended 31 March 2015: £nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements are stated on page 1. Details of directors' remuneration can be found in note 25 to the consolidated financial statements.

Strategic report

The Company is required by the Companies Act 2006 to set out development and performance of the business of the Group during the financial year ended 31 March 2016, the position of the Group at 31 March 2016 and a description of the principal risks and uncertainties facing the Group. Supplementary information about these risks and uncertainties may also be found in notes 1, 13, 16 and 17. By reference to the strategic report, which can be found on pages 2 to 7, the following information is given:

- Principal activities;
- Review of the business;
- Risk management and principal risks; and
- Going concern.

Directors qualifying indemnity provisions

Article 77 of the Articles of Association of Hibu Group, the Group's 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 the Company 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.

Employees

The Consolidated Hibu Group, inclusive of the Company, has a Recruitment and Selection Policy that states that the Consolidated Hibu Group is committed to the employment of people with disabilities.

The Consolidated Hibu Group's Equal Opportunities Policy contains a code of good practice on disability that states that an individual who becomes disabled whilst in employment will receive support to ensure, wherever possible, they are able to continue in their role. This will involve whatever reasonable adjustments can be made on consultation with the individual.

Management encourage employee participation in the Group's performance via the Group's bonus and commission schemes.

Information provision to employees

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

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

Directors' report for the year ended 31 March 2016 (continued)

Forward looking statements

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

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Review, 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) and IFRS Interpretations Committee (IFRS ICs) 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 year.

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; and
- 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.

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

Statement of disclosure to auditors

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

By order of the Board

Christian Wells

Company Secretary

Date: 25 July 2016

Independent auditors' report to the members of Hibu Bidco Limited

Report on the financial statements

Our opinion

In our opinion, Hibu Bidco Limited's group financial statements and company financial statements (the "financial statements"):

- *give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2016 and of* the group's loss, the company's result and the group's and the company's 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, included within the Annual Report, comprise:

- the Group and Company statements of financial position as at 31 March 2016;
- the Group and Company income statements and statements of comprehensive income for the year then ended;
- the Group and Company cash flow statements for the year then ended;
- the Group and Company statements 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 the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

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.

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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.

Independent auditors' report to the members of Hibu Bidco Limited (continued)

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 page 9 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.

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 group's and 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 directors' 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

Pauline Campbell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 July 2016

Hibu Bidco Limited

Group income statement

£m	Notes	Year ended 31 March 2016	Period ended 31 March 2015
Revenue	2	**724.4**	814.1
Cost of sales	3	**(371.9)**	(485.3)
Gross profit		**352.5**	328.8
Distribution costs	3	**(33.8)**	(43.9)
Administrative expenses (including exceptional costs of £10.6m; 2015: £30.2m)	3,6	**(154.1)**	(254.4)
Operating profit		**164.6**	30.5
Fair valuation discount on external debt, unwound during year/period	7	**(220.4)**	(122.9)
Finance costs	7	**(23.0)**	(35.1)
Finance income	7	**3.5**	13.3
Net finance costs	7	**(239.9)**	(144.7)
Loss before tax		**(75.3)**	(114.2)
Tax (charge) credit	8	**(43.0)**	36.7
Loss for the year/period		**(118.3)**	(77.5)

Group statement of comprehensive income

£m	Notes	Year ended 31 March 2016	Period ended 31 March 2015
Loss for the year/period		**(118.3)**	(77.5)
Other comprehensive (loss) income:			
Items that will or may be reclassified to profit or loss:			
Exchange (loss) gain arising on translation of foreign operations		**(2.5)**	5.3
Net actuarial gain on defined benefit pension scheme	27	**32.9**	11.8
Tax effect of net gains not recognised in the Group income statement	8,27	**(4.9)**	(2.3)
Items that will or may be reclassified to profit or loss		**25.5**	14.8
Total comprehensive loss for the year/period		**(92.8)**	(62.7)

Hibu Bidco Limited

Group statement of financial position

At 31 March

£m	Notes	2016	2015
Non-current assets			
Intangible assets	9	**30.5**	38.9
Property, plant and equipment	10	**13.0**	27.3
Deferred tax assets	11	**63.2**	68.6
Retirement benefit surplus	27	**86.0**	43.0
Other receivables	13	**9.5**	9.2
Total non-current assets		**202.2**	187.0
Current assets			
Inventories	15	**2.7**	3.2
Trade and other receivables	13	**117.4**	150.6
Corporate tax receivables		**1.0**	7.0
Cash and cash equivalents	14	**51.6**	69.1
Total current assets		**172.7**	229.9
Total assets		**374.9**	416.9
Current liabilities			
Borrowings	17,20	**(1.2)**	(1.4)
Corporate tax liabilities		**(21.2)**	(20.2)
Provisions for liabilities	19	**(6.2)**	(23.7)
Trade and other payables	18	**(149.0)**	(131.4)
Total current liabilities		**(177.6)**	(176.7)
Non-current liabilities			
Borrowings	17,20	**(321.0)**	(279.4)
Deferred tax liabilities	11	**(22.8)**	(16.4)
Provisions for liabilities	19	**(4.5)**	(2.0)
Trade and other payables	18	**(4.5)**	(5.1)
Total non-current liabilities		**(352.8)**	(302.9)
Total liabilities		**(530.4)**	(479.6)
Net liabilities		**(155.5)**	(62.7)
Equity attributable to owners			
Share capital	22	**–**	–
Other reserves	23	**40.3**	14.8
Accumulated losses		**(195.8)**	(77.5)
Total equity		**(155.5)**	(62.7)

Company registered in England and Wales No. 08815128.

The financial statements on pages 12 to 53 were approved by the Board of directors on 25 July 2016 and were signed on its behalf by

Robert Hall
Director

Hibu Bidco Limited

Group statement of changes in equity

For the period ended 31 March 2015 and the year ended 31 March 2016

£m	Share Capital	Other reserves	Accumulated losses	Total equity
Balance at 13 December 2013	–	–	–	–
Loss for the period	–	–	(77.5)	(77.5)
Other comprehensive income for the period	–	14.8	–	14.8
Total comprehensive income (loss) for the period	–	14.8	(77.5)	(62.7)
Balance at 31 March 2015	**–**	**14.8**	**(77.5)**	**(62.7)**
Loss for the year	**–**	**–**	**(118.3)**	**(118.3)**
Other comprehensive income for the year	**–**	**25.5**	**–**	**25.5**
Total comprehensive income (loss) for the year	**–**	**25.5**	**(118.3)**	**(92.8)**
Balance at 31 March 2016	**–**	**40.3**	**(195.8)**	**(155.5)**

See Group notes 22 and 23 for a further analysis of share capital and other reserves.

Hibu Bidco Limited

Group cash flow statement

£m	Notes	Year ended 31 March 2016	Period ended 31 March 2015
Net cash flows from operating activities			
Cash generated from operating activities		**216.7**	170.4
Interest and financing fees paid		**(16.2)**	(34.2)
Corporate tax paid		**(27.4)**	(18.6)
Net cash inflow from operating activities		**173.1**	117.6
Cash flows from investing activities			
Net cash received on acquisition	24	**–**	98.4
Net payments for property, plant, equipment and software		**(6.4)**	(20.6)
Net cash (outflow) inflow from investing activities		**(6.4)**	77.8
Free cash flow		**166.7**	195.4
Cash flow from financing activities			
Repayment of borrowings at par		**(185.1)**	(129.3)
Net principal received from (paid to) related parties		**0.8**	(0.2)
Net cash outflow from financing activities		**(184.3)**	(129.5)
Net (decrease) increase in cash and cash equivalents		**(17.6)**	65.9
Cash and cash equivalents at the beginning of the year/period		**69.1**	–
Exchange gains on cash and cash equivalents		**0.1**	3.2
Total cash and cash equivalents at the year/period end	14	**51.6**	69.1

Cash generated from operating activities

£m	Notes	Year ended 31 March 2016	Period ended 31 March 2015
Loss for the year/period		**(118.3)**	(77.5)
Adjustments for:			
Tax charge (credit)	8	**43.0**	(36.7)
Finance income	7	**(3.5)**	(13.3)
Finance costs	7	**243.4**	158.0
Depreciation of property, plant and equipment	10	**8.4**	17.9
Release of dilapidations		**(1.2)**	-
Loss on disposal of property, plant and equipment		**1.9**	7.3
Amortisation of intangible assets	9	**18.5**	40.5
Foreign exchange (gains) losses		**(0.1)**	0.1
Changes in working capital:			
Decrease in inventory		**0.7**	3.1
Decrease in trade and other receivables		**35.1**	102.9
Decrease in trade and other payables		**(9.3)**	(32.8)
Movement in net intercompany trading account		**(1.9)**	0.9
Cash generated from operating activities		**216.7**	170.4

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

Basis of preparation and consolidation

Hibu Bidco Limited (the "Company") is a private limited company incorporated and domiciled in the UK.

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial instruments (including derivative instruments) at fair value in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting IFRS.

The Group financial statements consolidate the financial statements of the Company and all subsidiaries for the year ended 31 March 2016 and the period from 13 December 2013 to 31 March 2015. Details of all subsidiary undertakings at the year-end, all of which are unlisted, are shown in note 12 to the consolidated financial statements.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

In accordance with IFRS 1, the Group has measured its assets and liabilities at the same amounts in both its consolidated and separate financial statements, and the financial statements of its subsidiaries, after adjusting for consolidation and equity accounting adjustments and for the effects of any business combination in which the entity acquired its subsidiary undertakings. All significant companies within the Group have been consolidated on a coterminous year-end basis. All transactions between the Group's businesses have been eliminated in the preparation of these consolidated financial statements. The results of companies and businesses acquired during the reporting periods are included in the consolidated financial statements from their respective dates of acquisition. Intra-group transactions, which have been eliminated on consolidation of the Group, have not been disclosed, other than those shown in note 25, related party transactions.

The Group is a borrower and the Company a guarantor under the terms of the Facilities Agreement dated 3 March 2014. This Facilities Agreement includes certain financial covenants with which the Company and Group were in full compliance at the date these financial statements.

Going concern

The directors have considered the implications of the risks set out on pages 4 to 7, and in particular whether it is appropriate to prepare the financial statements on a going concern basis and the adequacy of the disclosures made within the financial statements. In reaching a conclusion the directors reviewed forecasts of future performance that indicate that the Group and Company will continue to comply comfortably with its financial covenants, be able to meet fully the interest payments for the next twelve months and generate sufficient cash flows to repay its liabilities as they fall due.

The directors 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.

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

Significant accounting policies

(a) Revenue

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

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

Significant accounting policies (continued)

(b) Cost of sales

Cost of sales comprises the costs incurred in developing directories and other Group products. Provisions for impairment of trade receivables are also included within cost of sales.

(c) Advertising

The Group expenses the costs of advertising its own products and services as the costs are incurred.

(d) 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.

(e) Exceptional items

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

(f) Foreign currencies

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

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

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

(g) Goodwill

Goodwill arising from the purchase of subsidiary undertakings represents the excess of the fair value of the purchase consideration over the fair value of the net assets. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of negative goodwill on acquisition of a subsidiary, the difference is recognised directly in the income statement. Goodwill arising on acquisitions is capitalised and is subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable. Goodwill is carried at cost less accumulated impairment losses.

There is no goodwill carried as an asset by the Group.

(h) Other non-current intangible assets

On the acquisition of a business, fair values are attributed to the assets and liabilities acquired. These net assets may include software development costs, brand names, non-compete agreements, contracts, customer commitments and customer lists, all of which are recorded as intangible assets and held at cost less accumulated amortisation.

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

Significant accounting policies (continued)

(h) Other non-current intangible assets (continued)

Software, including internally developed software, is amortised on a straight-line basis over its useful economic life, which does not generally exceed two years. Brand names are amortised on a straight-line basis over their useful economic lives, which do not exceed 8 years. Contracts are amortised on a straight-line basis over the term of the contract. Customer commitments are amortised as the directories to which the commitments relate are published. Customer lists are amortised on a basis that takes into account the estimated customer retention rate at the date of acquisition. The useful economic lives of customer lists do not generally exceed three years. Assets lives and method of amortisation are reviewed and adjusted, if appropriate, at each Group statement of financial position date. No asset values were adjusted as a result of this review.

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

(i) Property, plant and equipment

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

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

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

Land	Not depreciated
Buildings	Forty years
Leasehold improvements	Five years or life of lease if less than five years
Computers and equipment	Two to six years
Motor vehicles and other	Four to nine years

(j) Asset impairment

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

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

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

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

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

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

Significant accounting policies (continued)

(k) Leased assets

Rentals in respect of operating leases, under which substantially all the benefits and risks of ownership remain with the lessor, are charged to the Group income statement on a straight-line basis over the life of the lease.

Assets held under finance leases where substantially all the benefits and risks of ownership are transferred to the Group are capitalised in property, plant and equipment at the present value of the minimum lease payments payable during the lease term and depreciated over the shorter of their useful economic lives or the lease term. The capital element of the future obligations under the lease is included as a liability in the Group statement of financial position, classified as appropriate as a payable due within or after one year. Lease payments are split between capital and interest elements using the interest rate implicit in the lease. Interest is charged to the Group income statement.

(l) Inventory

Inventory is stated at the lower of cost and net realisable value and is valued using a "first in, first out" basis. Inventory comprises paper stocks and the paper and printing costs of books awaiting shipment.

(m) Trade receivables

Trade receivables are recognised initially at fair value. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The loss is recognised in cost of sales. The provision is calculated by estimating future cash flows from trade receivables on the basis of historical loss experience.

(n) Trade payables

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

(o) 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.

(p) Borrowings

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

(q) Share capital

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

(r) Employee benefits

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

hibu (UK) Limited, which is one of the consolidated subsidiaries in these Group financial statements, became part of this Group on 3 March 2014. hibu (UK) Limited maintains a defined benefit pension scheme ("UKPP") for UK employees employed before 1 October 2001, but that was closed to future accrual from 31 March 2011. hibu (UK) Limited also operates defined contribution schemes for UK employees, which are the only material schemes in hibu (UK) Limited.

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

Significant accounting policies (continued)

(r) Employee benefits (continued)

All pension schemes are independent of the Group's finances. Actuarial valuations of the defined benefit scheme are carried out as determined by the trustees at intervals of not more than three years, the rates of contribution payable and the pension cost being determined on the advice of the actuaries, having regard to the results of these valuations. In any intervening years, the actuaries review the continuing appropriateness of the contribution rates. See note 27 for a description of the associated risk.

The Group statement of financial position includes the surplus or losses in the defined benefit scheme taking assets at their year-end market values and liabilities at their actuarially calculated values discounted at the year-end AA corporate bond interest rates. The cost of benefits accruing during the year in respect of current and past service is charged against operating profit. The expected return on the schemes' assets and the increase in the present value of the schemes' liabilities arising from the passage of time are included in other finance costs or income. Actuarial gains and losses on pension schemes are recognised immediately in the Group statement of comprehensive income.

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

(s) Current and deferred tax

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

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

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

(t) Financial assets

The Group shows its financial assets as loans or receivables where they are non-derivative with fixed or determinable prices and they are included in current assets. The Group has no non-derivative financial assets held at fair value through the Group income statement as no such assets are held for trading.

(u) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and the fair value is subsequently remeasured at year-end. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Group has not designated any derivatives as:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- hedges of highly probable forecast transactions (cash flow hedges); or
- hedges of net investments in foreign operations (net investment hedges).

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

Significant accounting policies (continued)

(u) Derivative financial instruments (continued)

If it did, changes in the fair value of derivatives that qualify as fair value hedges would be recorded in the Group income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as a cash flow hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Group income statement. Amounts accumulated in equity are recycled to the Group income statement in the year when the hedged item affects income (for instance, when the forecast transaction that is hedged takes place).

Amounts deferred in equity on hedges of net investments are recycled when the underlying investment is disposed. The Group does not hold or issue derivative financial instruments for speculative purposes. Changes in the fair value of derivative instruments or elements of derivative instruments that do not qualify for hedge accounting are recognised immediately in the Group income statement.

(v) Dividends

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

(w) Contingent liabilities

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

Critical accounting estimates and judgments

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

Bad debts

The Group reduces receivables by an allowance for amounts that may not be collectible in the future. The allowance is determined by estimating the future cash flows from the receivables based on historical loss experience. A receivable is written off against the provision when it is believed to be entirely uncollectible. Any monies recovered subsequent to write off are recorded as adjustments to the bad debt provision and considered in the historical loss experience.

Carrying value of long-lived tangible and intangible assets

Other non-current intangible assets and property, plant and equipment are long-lived assets that the Group amortises or depreciates over their useful lives. Useful lives are based on management's estimate of the period over which the assets will generate benefits. The Group reviews the values of property, plant, equipment and assets with indefinite lives annually for impairment. The Group reviews other non-current intangible assets for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable, and at the end of the first full year following acquisition.

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

Pension liabilities

hibu (UK) Limited, which is one of the consolidated subsidiaries in these Group financial statements, maintains a defined benefit pension scheme ("UKPP") for UK employees employed before 1 October 2001. However, that was closed to future accrual from 31 March 2011, thus reducing the Group's exposure to future changes in salaries and employee service years. The determination of the Group's obligation, expense and contribution rate for pensions is dependent on the selection of assumptions that its actuaries use in calculating such amounts. Those assumptions include, amongst others, expected mortality rates of scheme members, the rate at which future pension payments are discounted to the statement of financial position date, and inflation expectations. Differences in the Group's actual experience or changes in its assumptions can materially affect the amount of reported future pension obligations and future valuation adjustments in the statement of comprehensive income. The Group seeks expert actuarial advice in setting its assumptions. See note 27.

The Group's defined contribution schemes are managed separately from the assets and liabilities of the Group.

Pension assets

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

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

Asset values will increase and decrease as markets rise and fall. The trustees and management have an agreed strategy to mitigate the risk of having insufficient funds, if markets fall, through a bulk annuity policy that covers nearly all of the Plan's pensioners and liability driven investment funds. The purpose of the bulk annuity policy and liability driven investment funds is to significantly reduce the volatility of the Plan's funding level by mitigating inflation, interest rate and longevity risks. These asset classes match the movements in interest rates and inflation. The trustees maintain a proportion of the higher risk assets to seek higher rates of growth. The trustees also work with management to ensure sufficient assets will be available to settle obligations in the long term.

Tax

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

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

The Group recognises deferred tax assets and liabilities arising from temporary differences where it has a taxable benefit or obligation in the future as a result of past events. The Group records deferred tax assets to the extent that it believes they are more likely than not to be realised. Should the Group determine in the future that it would be able to realise deferred tax assets in excess of the recorded amount or that the liabilities are different than the amounts recorded, then it would increase or decrease income as appropriate in the year such determination was made. At 31 March 2016 it believes it has recognised all its potential deferred tax assets.

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

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 Group:

- Amendment to IAS 19 regarding retirement benefit plans, which sets out narrow-scope amendments that apply to contributions from employees or third parties to defined benefit plans. It has received EU endorsement and was effective for accounting periods beginning on or after 1 February 2015.

- Annual improvements 2012, which include changes from the 2010-12 cycle of the annual improvements project, including changes to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 37 and IAS 39. These improvements were effective for annual periods beginning on or after 1 July 2014, although endorsed for annual periods beginning on or after 1 February 2015.

- Annual improvements 2013, which include changes from the 2011-13 cycle of the annual improvements project, including changes to IFRS1, IFRS 3, IFRS 13 and IAS 40. These improvements were endorsed for annual periods beginning on or after 1 January 2015.

- IFRIC 21, 'Levies', relating to IAS 37 ('Provisions, contingent liabilities and contingent assets'). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. It is effective for annual periods on or after 1 January 2014 although endorsed for annual periods beginning on or after 17 June 2014.

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 years beginning on or after 1 April 2016 or later years and have not been adopted early as follows:

- Amendments to IAS 1, which are part of the IASB initiative to improve the presentation and disclosure in the financial reports. These amendments have received EU endorsement and are effective for annual periods beginning on or after 1 January 2016.

- Amendment to IAS 16 in which clarification has been given that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. Clarification has also been made that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This amendment has received EU endorsement and is effective for annual periods beginning on or after 1 January 2016.

- Amendments to IAS 27, which allow entities to use the equity method to account for investments, joint ventures and associates in their separate financial statements. These amendments have received EU endorsement and are effective for annual periods beginning on or after 1 January 2016.

- Amendments to IFRS10 and IAS 28, which clarify the application of the consolidation exception for investment entities and their subsidiaries. These amendments have received EU endorsement and are effective for annual periods beginning on or after 1 January 2016.

- Amendment to IFRS 11, which adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. This amendment has received EU endorsement and is effective for annual periods beginning on or after 1 January 2016.

- Annual improvements 2014, which include changes from the 2012-14 cycle of the annual improvements project, including changes to IFRS 5, IFRS 7, IAS 19 and IAS 34. These improvements have been endorsed for annual periods beginning on or after 1 January 2016.

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

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

Standards, interpretations and amendments to published standards that are not yet effective (continued)

Other publications have been issued that have not yet received EU endorsement and that are effective for accounting periods beginning on or after 1 January 2017 including amendments to IAS 7 and IAS 12.

Publications that have not yet received EU endorsement and that are effective for accounting periods beginning on or after 1 January 2018 include IFRS 9, 'Financial Instruments', which replaces the guidance in IAS 39, IFRS 15, 'Revenue from Contracts with Customers' and IFRS 16, 'Leases'.

2. Revenue

Analysis by class of business:

£m	Year ended 31 March 2016	Period ended 31 March 2015
Print and other directory services	**325.0**	412.3
Digital directories	**160.7**	184.7
Other digital services	**238.7**	217.1
Total revenue	**724.4**	814.1

Analysis by country of destination:

£m	Year ended 31 March 2016	Period ended 31 March 2015
UK	**247.2**	269.4
US	**477.2**	544.7
Total revenue	**724.4**	814.1

3. Expenses by nature

£m	Notes	Year ended 31 March 2016	Period ended 31 March 2015
Staff costs (excluding exceptional restructuring costs)	5	**248.3**	358.5
Exceptional items	6	**10.6**	30.2
Depreciation of property, plant and equipment	10	**8.4**	17.9
Operating lease expenses – property, plant and equipment		**8.3**	13.5
Amortisation of intangible assets[(a)]	9	**18.5**	40.5
Third party direct costs		**90.4**	80.7
Distribution costs		**33.8**	43.9
Paper and printing		**57.5**	79.7
Other		**84.0**	118.7
Total cost of sales, distribution costs and administrative expenses		**559.8**	783.6

(a) Amortisation of intangible assets in the current year is included within administrative expense. In the prior period, £35.0m of the Group's amortisation charges on the Group's intangible assets were recognised within administrative expense in the Group income statement. The remaining £5.5m was included in cost of sales.

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

4. Auditors' remuneration

The following fees were paid or are payable to the Group's auditors for the year ended 31 March 2016 and the period ended 31 March 2015:

£m	Year ended 31 March 2016	Period ended 31 March 2015
Fees payable to the Group's auditors for the audit of the consolidated Group entities' annual financial statements		
- in respect of the current year	**0.5**	0.5
- in respect of the prior year	**0.1**	0.2
Audit of the Company's subsidiaries	**0.1**	0.1
Total fees payable for audit services	**0.7**	0.8
Fees payable to the Group's auditors and its associates for other services:		
Tax compliance services	**–**	0.2
Tax advisory services	**0.4**	–
Other non-audit services	**0.1**	–
Total fees payable for non-audit services	**0.5**	0.2
Total auditors' remuneration	**1.2**	1.0

5. Employees

	Year ended 31 March 2016	Period ended 31 March 2015
Average monthly number of employees in the Group (including executive directors):		
US	**2,500**	3,427
UK	**1,569**	2,124
Asia Pacific [(a)]	**589**	2,628
Total employees	**4,658**	8,179
Sales and marketing	**2,280**	3,366
Other	**2,378**	4,813
Total employees	**4,658**	8,179

(a) Asia Pacific is an average for the full year. Staff in Asia Pacific were outsourced on 3 June 2015.

£m	Year ended 31 March 2016	Period ended 31 March 2015
Staff costs for the Group during the year/period (including executive directors):		
Wages and salaries	**224.9**	320.8
Social security costs	**18.6**	29.2
Other pension costs	**4.5**	8.5
Severance costs	**0.3**	–
Exceptional restructuring costs (see note 6)	**7.3**	23.4
Total staff costs expensed to the income statement	**255.6**	381.9

6. Exceptional items

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

£m	**Year ended 31 March 2016**	Period ended 31 March 2015
Severance costs	**7.3**	23.4
Fees associated with Group restructuring	**2.4**	–
Onerous leases (credits) costs	**(0.3)**	2.8
Other restructuring costs (credits)	**–**	(1.2)
Charge in respect of provisions against receivables due from other group undertakings [(a)]	**0.4**	5.2
Other exceptional costs	**0.8**	–
Net exceptional expense in Group loss before tax	**10.6**	30.2

(a) The provisions are in respect of receivables from other Hibu Group subsidiaries outside the control of the Group.

7. Net finance costs

£m	**Year ended 31 March 2016**	Period ended 31 March 2015
Interest payable on bank loans	**(16.4)**	(26.9)
Fair valuation discount unwound during year/period	**(220.4)**	(122.9)
Underlying interest charges on credit facilities	**(236.8)**	(149.8)
Net foreign exchange losses on financing activities	**(4.0)**	–
Other interest payable	**(2.6)**	(8.2)
Total finance costs	**(243.4)**	(158.0)
Net foreign exchange gains on financing activities	**–**	9.7
Net finance income on retirement benefit Plan (see note 27)	**1.6**	1.5
Intercompany interest receivable [(a)] (see note 25)	**0.5**	–
Other interest income	**1.4**	2.1
Total finance income	**3.5**	13.3
Net finance costs	**(239.9)**	(144.7)

(a) Intercompany interest receivable related to interest receivable from subsidiaries within the sister group (see note 25).

The fair value discount unwound during the year includes an acceleration of £111.0m as a result of debt repayments being made ahead of previous expectations, following the implementation of the new strategies set out in the prior period.

8. Tax

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

£m	Year ended 31 March 2016	Period ended 31 March 2015
Current tax		
UK corporation tax credit for the year/period	–	(0.2)
Foreign corporate tax charge for the year/period	33.6	19.3
Adjustments in respect of prior periods	1.2	1.7
Total current tax charge	34.8	20.8
Deferred tax (see note 11)		
UK deferred tax charge (credit) for the year/period	13.3	(15.1)
Foreign deferred tax credit for the year/period	(2.1)	(44.6)
Adjustments in respect of prior periods	(3.6)	2.2
Effect of changes in tax rates	0.6	–
Total deferred tax charge (credit)	8.2	(57.5)
Tax charge (credit)	43.0	(36.7)

The tax charge (credit) for the year/period is higher than the average standard rate of corporation tax in the United Kingdom of 20% (2015: 21.2%) for the year/period. The differences are explained below:

£m	Year ended 31 March 2016	Period ended 31 March 2015
Loss before tax	(75.3)	(114.2)
Loss before tax multiplied by the average standard rate of corporation tax in the UK	(15.1)	(24.2)
Effects of:		
Deferred tax assets not recognised/(recognised)	32.4	(46.6)
Differing tax rates on foreign profits	18.3	5.0
Non-deductible finance costs	7.8	24.1
Adjustments in respect of prior periods	(2.4)	3.9
Remeasurement of deferred tax – change in tax rates	0.6	–
Other	1.4	1.1
Tax charge (credit)	43.0	(36.7)

The main rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Further reductions in the UK corporation tax rate to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020 were substantively enacted in the Finance (No. 2) Act 2015 on 26 October 2015. At 31 March 2016, the UK deferred tax assets and liabilities included in these financial statements were based on these reduced rates having regard to their reversal profiles.

A further UK rate reduction from 18% to 17% was announced in the Chancellor's Budget on 16 March 2016 and is expected to apply from 1 April 2020. As this change had not been substantively enacted at the balance sheet date, its effects are not included in the financial statements. The overall effect of this change, if it had applied to the UK deferred tax assets and liabilities at the balance sheet date, would be to (i) reduce the deferred tax assets by £0.2m and increase the deferred tax expense for the period by £0.2m; and (ii) decrease the deferred tax liability by £0.9m, which would increase other comprehensive income by £0.9m.

Hibu Bidco Limited

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

8. Tax (continued)

Tax charged directly to equity is as follows:

£m	**Year ended 31 March 2016**	Period ended 31 March 2015
Deferred tax charge on actuarial gains	**4.9**	2.3
Tax charged directly to equity	**4.9**	2.3

9. Intangible assets

Period ended 31 March 2015

£m	Customer lists	Advertiser commitments	Brand names	Software costs	Total
Cost					
Acquisitions on 3 March 2014 (see note 24)	15.2	5.5	15.5	32.6	68.8
Additions	–	–	–	11.6	11.6
Disposals	–	–	–	(5.7)	(5.7)
Currency movement	1.6	0.4	1.4	9.2	12.6
Cost at 31 March 2015	16.8	5.9	16.9	47.7	87.3
Accumulated amortisation					
Charge for the period	(5.6)	(5.5)	(3.0)	(26.4)	(40.5)
Disposals	–	–	–	0.3	0.3
Currency movement	(0.5)	(0.4)	(0.2)	(7.1)	(8.2)
Accumulated amortisation at 31 March 2015	(6.1)	(5.9)	(3.2)	(33.2)	(48.4)
Net book value at 31 March 2015	10.7	–	13.7	14.5	38.9

Year ended 31 March 2016

£m	Customer lists	Advertiser commitments	Brand names	Software costs	Total
Cost					
Balance at beginning of year	16.8	5.9	16.9	47.7	**87.3**
Additions	–	–	–	9.7	**9.7**
Disposals	–	–	–	(3.2)	**(3.2)**
Currency movement	0.5	0.1	0.4	2.9	**3.9**
Cost at 31 March 2016	17.3	6.0	17.3	57.1	**97.7**
Accumulated amortisation					
Balance at beginning of year	(6.1)	(5.9)	(3.2)	(33.2)	**(48.4)**
Charge for the year	(5.5)	–	(2.9)	(10.1)	**(18.5)**
Disposals	–	–	–	3.1	**3.1**
Currency movement	(0.4)	(0.1)	(0.2)	(2.7)	**(3.4)**
Accumulated amortisation at 31 March 2016	(12.0)	(6.0)	(6.3)	(42.9)	**(67.2)**
Net book value at 31 March 2016	**5.3**	**–**	**11.0**	**14.2**	**30.5**

As noted in note 1, there is no goodwill included in intangible assets.

Assets under construction with a net book value of £8.9m (2015: £nil) are included within software costs at 31 March 2016.

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

10. Property, plant and equipment

Property, plant and equipment is summarised as follows:

Period ended 31 March 2015

£m	Land	Buildings	Leasehold Improve-ments	Motor vehicles and other	Computers and equipment	Total
Cost						
Acquisitions on 3 March 2014 (see note 24)	0.2	8.1	2.8	0.3	23.2	34.6
Additions	–	–	7.2	–	1.6	8.8
Disposals	–	(0.1)	(0.6)	–	(1.1)	(1.8)
Currency movements	–	1.4	1.8	0.2	6.8	10.2
Cost at 31 March 2015	0.2	9.4	11.2	0.5	30.5	51.8
Accumulated depreciation						
Charge for the period	–	(0.4)	(7.2)	(0.3)	(10.0)	(17.9)
Disposals	–	–	0.3	–	0.3	0.6
Currency movements	–	(0.3)	(1.7)	(0.2)	(5.0)	(7.2)
Accumulated depreciation at 31 March 2015	–	(0.7)	(8.6)	(0.5)	(14.7)	(24.5)
Net book value at 31 March 2015	0.2	8.7	2.6	–	15.8	27.3

Year ended 31 March 2016

£m	Land	Buildings	Leasehold Improve-ments	Motor vehicles and other	Computers and equipment	Total
Cost						
Balance at beginning of year	0.2	9.4	11.2	0.5	30.5	**51.8**
Additions	–	–	0.5	–	2.7	**3.2**
Disposals	(0.2)	(9.1)	(0.5)	(0.1)	(5.2)	**(15.1)**
Currency movements	–	(0.3)	0.4	0.1	1.5	**1.7**
Cost at 31 March 2016	–	–	11.6	0.5	29.5	**41.6**
Accumulated depreciation						
Balance at beginning of year	–	(0.7)	(8.6)	(0.5)	(14.7)	**(24.5)**
Charge for the year	–	(0.2)	(0.8)	(0.1)	(7.3)	**(8.4)**
Disposals	–	0.9	–	0.1	5.1	**6.1**
Currency movements	–	–	(0.3)	–	(1.5)	**(1.8)**
Accumulated depreciation at 31 March 2016	–	–	(9.7)	(0.5)	(18.4)	**(28.6)**
Net book value at 31 March 2016	**–**	**–**	**1.9**	**–**	**11.1**	**13.0**

The net book value of property, plant and equipment included amounts of £nil (2015: £0.1m) in respect of assets held under finance leases.

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

11. Deferred tax

Deferred tax assets

Year/period ended 31 March

£m	2016	2015
Balance at beginning of year/period	**68.6**	–
Acquisitions on 3 March 2014 (see note 24)	–	29.9
(Charged) credited to Group income statement	**(6.8)**	37.4
Currency movements	**1.4**	1.3
Balance at 31 March	**63.2**	68.6

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

At 31 March

£m	2016	2015
Tax effect of timing differences due to:		
Amortisation of goodwill recognised for tax purposes	**25.2**	25.0
Depreciation	**11.5**	9.0
Other allowances and accrued expenses	**11.0**	9.1
Intangible assets	**5.8**	5.4
Bad debt provision	**3.6**	6.3
Recognised tax net operating losses	**3.1**	10.2
Amortisation of deferred financing fees	**2.0**	3.6
Other	**1.0**	–
Recognised deferred tax assets	**63.2**	68.6

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. Forecast future profit projections support the recognition of deferred tax assets in excess of deferred tax liabilities in the UK.

The Group did not recognise deferred tax assets of £55.1m (2015: £4.7m) in respect of net operating loss carry forwards of £306.0m (2015: £23.7m), which do not time expire. In addition, the Group did not recognise deferred tax assets of £0.2m (2015: £0.2m) in respect of capital loss carry forwards of £1.2m (2015: £1.2m) in the UK, which do not time expire. In the prior period, the Group also did not recognise deferred tax assets of £7.8m in respect of other assets of £26.7m.

Deferred tax liabilities

Year/period ended 31 March

£m	2016	2015
Balance at beginning of year/period	**16.4**	–
Charged (credited) to Group income statement	**1.4**	(20.1)
Charged directly to equity	**4.9**	2.3
Acquisitions on 3 March 2014 (see note 24)	–	31.2
Currency movements	**0.1**	3.0
Balance at 31 March	**22.8**	16.4

11. Deferred tax (continued)

Deferred tax liabilities (continued)

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

At 31 March

£m	2016	2015
Tax effect of timing differences due to:		
Defined benefit pension scheme	**15.7**	8.8
Intangible assets	**6.3**	5.7
Unremitted earnings	**0.8**	1.9
Recognised deferred tax liabilities	**22.8**	16.4

12. Subsidiary undertakings

With the exception of YH Limited, in which the Company holds 100% of the ordinary share capital, all companies listed below are held indirectly. Details of subsidiary undertakings at 31 March 2016, all of which are unlisted, are as follows:

Name	Activity	Group interest in allotted capital[(a)]	Countries of operation
YH Limited	Finance and holding company	100% ordinary	United Kingdom
hibu (UK) Limited	Classified advertising publisher	100% ordinary	United Kingdom
hibu Mediaworks Limited	Graphics services	100% ordinary	United Kingdom
hibu Global Limited	Digital product sales	100% ordinary	United Kingdom
Moonfruit Limited	Holding company	100% ordinary	United Kingdom
Sitemaker Software Limited	Website services	100% ordinary	United Kingdom
hibu Sales Limited	Advertising space services	100% ordinary	United Kingdom
hibu Studio Limited	Graphics services	100% ordinary	United Kingdom
Hibu Asia Pacific Holdings Limited (formerly Eagle Asia Pacific Holdings Limited)	Holding company	100% ordinary	United Kingdom
Yell Limited	Holding company	100% ordinary	United Kingdom
Hibu Finance (FX) Limited (formerly Eagle Finance (FX) Limited)	Finance company	100% ordinary	United Kingdom
Hibu Finance (USD) Limited (formerly Eagle Finance (USD) Limited)	Finance company	100% ordinary	United Kingdom
hibu India Private Limited	Graphics services	100% ordinary	India
hibu (Philippines) Private Limited, Inc	Graphics services	100% ordinary	Philippines
hibu pay LLC	Payment card services	100% ordinary	United States of America [(b)]
hibu Group (USA), Inc	Holding company	100% common	United States of America
hibu Holdings (USA), Inc	Holding company	100% common	United States of America
hibu Inc	Classified advertising publisher	100% common	United States of America

(a) The proportion of voting rights held corresponds to the aggregate interest percentage held by the Company and subsidiary undertakings, unless otherwise stated.

(b) hibu pay LLC is incorporated in the United States of America but managed and controlled in the United Kingdom.

12. Subsidiary undertakings (continued)

Name	Activity	Group interest in allotted capital[(a)]	Countries of operation
hibu of Pennsylvania, Inc	Advertising space sales	100% common	United States of America
hibuTel, Inc	Classified advertising publisher	100% common	United States of America
hibu Connect, LLC	Holding company	100% common	United States of America
Znode, Inc	Dormant	100% common	United States of America
ACG Holding Co	Holding company	100% common	Canada

(a) The proportion of voting rights held corresponds to the aggregate interest percentage held by the Company and subsidiary undertakings, unless otherwise stated.

The registered office of all subsidiaries incorporated in the United Kingdom is One Reading Central, Forbury Road, Reading RG1 3YL. The registered address of hibu India Private Limited is Kalyani Magnum, 7th Floor, 123/1, Dorasanipalya, IIM Post, J P Nagar 7th Phase, Bangalore, 560 076, India. The registered address of hibu (Philippines) Private Limited, Inc is 9th Floor, E.Commerce Plaza Building, 1 Garden Road Eastwood Cyberpark, Bagumbayan, Quezon City, Philippines 1110. The registered address of all subsidiaries incorporated in the United States of America, with the exception of hibuTel, Inc and Znode, Inc (see below) is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington Castle, County Delaware, 19801 U.S.A.. The registered address of hibuTel, Inc is CT Corporation System, 505 Union Avenue SE, Suite 120, Olympia, Washington, 98501 U.S.A.. The registered address of Znode, Inc is c/o CPM Statutory Agent Corporation, 366 East Broad Street, Columbus, Ohio 43215 U.S.A.. The registered address of ACG Holding Co is #1300-1969 Upper Water Street, P.O. Box 730, Halifax, Nova Scotia B3J 2V1, Canada.

All significant subsidiary undertakings have been consolidated on a coterminous year-end basis.

13. Trade and other receivables

At 31 March

£m	Note	2016	2015
Amounts falling due within one year			
Gross trade receivables		**120.7**	155.4
Less: provisions for impairment of trade receivables		**(42.2)**	(47.3)
Net trade receivables		**78.5**	108.1
Accrued income		**13.1**	17.1
Amounts due from sister group [(a)]	25	**2.1**	2.0
Other current receivables		**6.5**	7.7
Total financial assets other than cash and cash equivalents classified as loans and receivables		**100.2**	134.9
Prepayments		**17.2**	15.7
Current portion		**117.4**	150.6
Amounts falling due after more than one year			
Other non-current receivables		**9.5**	9.2
Non-current portion		**9.5**	9.2
Total trade and other receivables		**126.9**	159.8

(a) Sister group refers to other subsidiaries of the Hibu Group that are outside the control of the Group.

13. Trade and other receivables (continued)

Trade receivables are non-interest bearing and generally have terms of between thirty days and ten months. Due to their short maturities and the non-interest bearing nature of these financial assets, the fair value of trade and other receivables approximates their book value. The maximum exposure to credit risk at the reporting date is the fair value of each class of financial assets mentioned above. Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large, geographically diverse and unrelated. The Group does not hold any collateral as security.

Other receivables falling due after more than one year comprise deposits made to financial institutions to facilitate the collection of payments made by customers using credit or debit cards. Other receivables falling due within one year primarily comprise loans to employees in respect of deposits for vehicles provided through a car ownership scheme.

The carrying amounts of trade and other receivables are denominated in the following currencies, which are the functional currencies of the respective subsidiaries. The Group does not have any other significant exposure to currency risk on these amounts.

At 31 March

£m	2016	2015
Sterling	**41.4**	47.6
US dollar	**84.1**	110.7
Other	**1.4**	1.5
Total receivables	**126.9**	159.8

The carrying amounts of the Group's trade receivables are stated after deducting a provision of £42.2m at 31 March 2016 (2015: £47.3m) for doubtful debts and sales allowances.

The movements in the provision for doubtful debts were as follows for the year/period ended 31 March 2016:

£m	2016	2015
At beginning of year	**47.3**	–
Acquisitions on 3 March 2014	–	49.7
Charged to Group income statement	**14.4**	0.4
Utilised / Currency movements	**(19.5)**	(2.8)
Balance at 31 March	**42.2**	47.3

Trade receivables can become impaired, generally when customers are in financial distress, before being considered uncollectible.

Trade receivables are considered impaired only after completion of collection processes designed locally to collect monies from slow payers or, if earlier, when amounts are more than one year past due. At 31 March 2016, the carrying value and estimated recoverable amount of trade receivables past due and impaired was £nil (2015: £nil), after deducting the related provision for doubtful debts of £6.6m (2015: £7.7m).

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

£m	2016	2015
Up to one month past due	**0.6**	0.6
One to three months past due	**0.7**	0.6
Three to nine months past due	**1.8**	1.2
Over nine months past due	**3.5**	5.3
Total gross trade receivables past due and impaired	**6.6**	7.7

The other classes of receivables do not contain impaired assets.

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

13. Trade and other receivables (continued)

At 31 March 2016, gross trade receivables of £14.8m (2015: £26.4m) that were past due but not impaired, have a provision set against them of £5.7m (2015: £17.1m). At 31 March, the ageing analysis of these gross trade receivables is as follows:

£m	2016	2015
Up to one month past due	**8.1**	14.0
One to three months past due	**5.1**	9.3
Three to nine months past due	**1.4**	2.8
Over nine months past due	**0.2**	0.3
Total gross trade receivables past due but not impaired	**14.8**	26.4

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

Trade receivables not yet due of £99.3m (2015: £121.3m) have a provision set against them of £29.9m (2015: £22.5m). The Group does not hold any collateral as security.

The credit quality of financial assets that are neither past due nor impaired is assessed by credit exposures using an external credit rating system. Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large, geographically diverse and unrelated. These parties do not have a history of default.

14. Cash and cash equivalents

£m	Year ended 31 March 2016	Period ended 31 March 2015
Cash at bank and in hand	**24.2**	44.6
Short term deposits	**27.4**	24.5
Total cash and cash equivalents	**51.6**	69.1

Credit quality of cash and cash equivalents based on external credit ratings at 31 March 2016 was:

£m	AAA	A	BBB	Total
GB Pounds	27.4	0.9	–	28.3
US Dollars	0.1	22.2	–	22.3
Euros	–	0.2	–	0.2
Others	–	–	0.8	0.8
Total	**27.5**	**23.3**	**0.8**	51.6

15. Inventories

Inventory of £2.7m (2015: £3.2m), comprises paper stocks to be used in production of books and the paper and printing costs of books awaiting shipment. The cost of paper recognised as an expense and included in cost of sales amounted to £27.6m (2015: £40.0m).

16. Risk management

Treasury and capital management

The financial risks faced by the Group include liquidity, credit risk and the effects of changes in foreign currency exchange and interest rates. The primary role of Group's treasury functions is to ensure that adequate liquidity is available to meet the Group's funding requirements as they arise and that financial risk arising from Group's underlying operations is effectively identified and managed by or on behalf of the directors.

The treasury function also monitors the key objective of remaining within the ratios that the Lenders of Group's bank debt have set as covenants. Further detail is explained in the directors' report.

The significant financial covenants applicable to the Group are as follows:

1. EBITDA over the preceding 12 months is to exceed £95.0m, tested quarterly.
2. Net interest cover, based on the ratio of EBITDA to interest paid or accrued on the cash pay debt over the preceding 12 months is to exceed 3.6x, tested quarterly.
3. The leverage ratio, based on the ratio of cash pay debt at the end of the year to EBITDA over the preceding 12 months is to be less than 4.75x, tested quarterly.
4. Available liquidity, in the form of cash and cash equivalents (including cash held in restricted Cash Sweep accounts but excluding cash trapped by exchange controls or excessive extraction taxes) is to exceed £30.0m on the last working day of each month.
5. Capital expenditure across the whole Group is not to exceed these limits in the respective financial year:

2016	£45.0m
2017	£35.0m
2018	£35.0m

A discussion of the risks associated with these covenants and other undertakings is presented on page 5.

The Group holds its short term liquidity as cash in current or deposit banks accounts or as investments in liquidity funds operated by highly rated, major banks and substantial financial institutions in their various local markets.

The treasury function is not a profit centre and its objective is to manage risk at optimum cost. The treasury function conducts its operations as directed by the Board. Transactions that would be speculative in nature are expressly forbidden. The Group did not enter into any derivative transactions during the year and does not have any derivatives at the year-end.

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

Borrowing facilities and liquidity risk

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

Market risk and financial instruments

The only commodity exposing the Group to market risk is paper, which would have increased or decreased EBITDA by £2.7m (2015: £4.0m) if paper prices had been 10% lower or higher, respectively.

Financial instruments affected by market risk include borrowings, deposits, and derivative financial instruments. The analyses below are only valid when all other factors are held constant.

16. Risk management (continued)

Financial instruments analysis

- Sensitivity to interest rates

  The face value of the Group's variable rate borrowings averaged £298m (2015: £453m) during the year/period and the average variable interest rate was 0.3% (2015:0.3%), resulting in a variable finance cost of £1.0m (2015: £1.5m).

  Had variable interest rates been 1% higher during the year, the variable component of the Group's finance costs would have increased by £3.0 (2015: £4.5m).

- Sensitivity to exchange rates

  The net carrying value of the Group's borrowings at 31 March 2016 was £321m (2015: £279m), of which £174m (2015: £152m) was denominated in US dollars and £70m (2015: £59m) in Euros, and the total finance cost in the year/period relating to the Group's underlying credit facilities was £237m (2015: £150m), of which £129m (2015: £78m) was in US dollars and £50m (2015: £34m) in Euros.

  A 15% strengthening of the US dollar would have resulted in a £12.1m increase in the carrying value of borrowings and a £12.1m increase in the finance cost.

  A 15% weakening of the US dollar would have resulted in a £8.9m decrease in the carrying value of borrowings and a £8.9m decrease in the finance cost.

  A 15% strengthening of the Euro would have resulted in a £12.4m increase in the carrying value of borrowings and a £12.4m increase in the finance cost.

  A 15% weakening of the Euro would have resulted in a £9.2m decrease in the carrying value of borrowings and a £9.2m decrease in the finance cost.

There were no hedging arrangements at 31 March 2016 or 31 March 2015.

See note 17 on financial instruments for currency profile and interest rate risk, liquidity risk. See note 13, trade and other receivables, for credit risk.

Liquidity and funding

The Group has no contractually fixed debt repayment obligations other than at maturity and, as explained in note 1, its cash generation is expected to be more than sufficient to cover its cash interest payment obligations for the next twelve months. The Group maintains cash balances sufficient to meet expected fluctuations in its working capital requirements. Every three months, the Group is contractually obliged to put any cash in excess of £50m to one side for three months, after which, to the extent not required to restore the Group's cash balances to £50m, it must repay early the Group's debt. Consequently, the Group has no available but undrawn finance facilities.

The Group has a waiver from the Lenders allowing it to repay early its debt in the month following its determination of cash in excess of £50m under certain circumstances. The Group has also received a waiver, subsequent to 31 March 2016, allowing it to repay early unrestricted cash in excess of £30.0m.

UK defined benefit pension plan

The Group is required to agree its contributions to the plan with the trustees based on actuarial advice. Such agreement must be reached in a way that complies with the UK Pensions Regulator's "Scheme Specific Funding" guidance. Any failure to agree would result in the intervention of the Pensions Regulator and, possibly, an imposed settlement. The full funding valuation that has an effective date of 5 April 2013 has been updated to 31 March 2016 (see note 27).

17. Financial instruments

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

At 31 March 2016

£m	Loans and Receivables	Amortised cost loans and other liabilities	Total book value	Total fair value
Assets				
Cash and cash equivalents[(a)]	51.6	–	51.6	51.6
Trade and other receivables[(a)]	109.7	–	109.7	109.7
Total financial assets	**161.3**	**–**	**161.3**	**161.3**
Liabilities				
Trade and other payables[(a)]	–	(28.6)	(28.6)	(28.6)
Short-term borrowings	–	(1.2)	(1.2)	(1.2)
Long-term borrowings	–	(321.0)	(321.0)	(478.9)
Total financial liabilities	**–**	**(350.8)**	**(350.8)**	**(508.7)**

At 31 March 2015

£m	Loans and Receivables	Amortised cost loans and other liabilities	Total book value	Total fair value
Assets				
Cash and cash equivalents[(a)]	69.1	–	69.1	69.1
Trade and other receivables[(a)]	144.1	–	144.1	144.1
Total financial assets	213.2	–	213.2	213.2
Liabilities				
Trade and other payables[(a)]	–	(22.7)	(22.7)	(22.7)
Short-term borrowings	–	(1.4)	(1.4)	(1.4)
Long-term borrowings	–	(279.4)	(279.4)	(571.2)
Total financial liabilities	–	(303.5)	(303.5)	(595.3)

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

All borrowings represent level 1 of the fair value hierarchy.

There are no material monetary assets or liabilities denominated in currencies other than pounds sterling, US dollars and Euros.

There were no derivative financial instruments in place at 31 March 2016 or 31 March 2015.

Detail on the Group's accounting for financial instruments is included in significant accounting policies on pages 16 to 21.

17. Financial instruments (continued)

Currency profile and interest rate risk

The interest rate profile of the Group's material financial assets and liabilities, after taking into account interest rate swaps, is as follows:

At 31 March 2016

£m	Financial assets rate	Financial liabilities: Fixed or capped rate	Financial liabilities: Floating rate	Financial liabilities: Total	Net financial (liabilities) /assets
Currency					
Sterling	32.3	(37.6)	(39.1)	(76.7)	**(44.4)**
US dollar	18.5	(86.5)	(88.7)	(175.2)	**(156.7)**
Euro	–	(34.5)	(35.8)	(70.3)	**(70.3)**
Other	0.8	–	–	–	**0.8**
Total	**51.6**	**(158.6)**	**(163.6)**	**(322.2)**	**(270.6)**

Details regarding the credit quality of financial assets are given in note 14.

At 31 March 2015

£m	Financial assets rate	Financial liabilities: Fixed or capped rate	Financial liabilities: Floating rate	Financial liabilities: Total	Net financial (liabilities) /assets
Currency					
Sterling	30.1	(10.4)	(58.6)	(69.0)	(38.9)
US dollar	36.4	(24.3)	(128.9)	(153.2)	(116.8)
Euro	–	(8.9)	(49.7)	(58.6)	(58.6)
Other	2.6	–	–	–	2.6
Total	69.1	(43.6)	(237.2)	(280.8)	(211.7)

Details regarding the credit quality of financial assets are given in note 14.

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

17. Financial instruments (continued)

The following table analyses the contractual undiscounted cash flows payable as well as the face value, carrying value and fair value of Group borrowings at the date of the statement of financial position. Contractual flows in respect of interest payments are calculated using interest rates applicable at the date of the statement of financial position. The Group also has short-term receivables and payables that arise in the normal course of business and these are not included in the following table. Any cash flows based on floating rate interest are based on interest rates prevailing at 31 March in the relevant year.

At 31 March 2016

£m	Due within one year	Due between one and two years	Due between two and three years	Due after more than three years	Total amounts owed	Carrying value	Fair Value
Cash pay facilities:							
Sterling	-	-	47.9	-	47.9	39.1	47.9
US dollar	-	-	108.9	-	108.9	88.7	108.9
Euro	-	-	44.0	-	44.0	35.8	44.0
PIK facilities:							
Sterling	-	-	-	238.2	238.2	37.6	66.4
US dollar	-	-	-	541.2	541.2	85.3	150.8
Euro	-	-	-	218.7	218.7	34.5	60.9
	-	**-**	**200.8**	**998.1**	**1,198.9**	**321.0**	478.9
Other loans and finance leases	1.2	-	-	-	1.2	1.2	1.2
Total loans and other borrowings	**1.2**	**-**	**200.8**	**998.1**	**1,200.1**	**322.2**	**480.1**
Fixed rate interest	10.0	10.0	9.4	81.6	111.0		
Floating rate interest	1.0	1.0	0.8	-	2.8		
Total payments	**12.2**	**11.0**	**211.0**	**1,079.7**	**1,313.9**		
Contractual payments analysed between:							
Sterling	2.7	2.7	50.4	257.7	313.5		
US dollar	7.3	6.1	114.6	585.4	713.4		
Euro	2.2	2.2	46.0	236.6	287.0		
Total payments	**12.2**	**11.0**	**211.0**	**1,079.7**	**1,313.9**		
Contractual payments analysed between:							
Fixed	11.2	10.0	210.2	1,079.7	1,311.1		
Floating	1.0	1.0	0.8	-	2.8		
Total payments	**12.2**	**11.0**	**211.0**	**1,079.7**	**1,313.9**		

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

17. Financial instruments (continued)

At 31 March 2015

£m	Due within one year	Due between one and three years	Due between three and four years	Due after more than four years	Total amounts owed	Carrying value	Fair value
Cash pay facilities:							
Sterling	–	–	94.1	–	94.1	58.6	94.1
US dollar	–	–	207.0	–	207.0	128.9	207.0
Euro	–	–	79.9	–	79.9	49.7	79.9
PIK facilities:							
Sterling	–	–	–	235.8	235.8	10.4	47.0
US dollar	–	–	–	518.8	518.8	22.9	103.3
Euro	–	–	–	200.3	200.3	8.9	39.9
	–	–	381.0	954.9	1,335.9	279.4	571.2
Other loans and finance leases	1.4	–	–	–	1.4	1.4	1.4
Total loans and other borrowings	1.4	–	381.0	954.9	1,337.3	280.8	572.6
Fixed rate interest	19.1	38.1	17.4	88.8	163.4		
Floating rate interest	1.1	2.2	1.0	–	4.3		
Total payments	21.6	40.3	399.4	1,043.7	1,505.0		
Contractual payments analysed between:							
Sterling	5.3	10.5	98.8	257.7	372.3		
US dollar	12.3	21.8	217.0	567.1	818.2		
Euro	4.0	8.0	83.6	218.9	314.5		
Total payments	21.6	40.3	399.4	1,043.7	1,505.0		
Contractual payments analysed between:							
Fixed	20.5	38.1	398.4	1,043.7	1,500.7		
Floating	1.1	2.2	1.0	–	4.3		
Total payments	21.6	40.3	399.4	1,043.7	1,505.0		

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

18. Trade and other payables

At 31 March

£m	Note	2016	2015
Amounts falling due within one year			
Trade payables		**8.0**	6.7
Other payables		**16.1**	10.4
Amounts owed to other group undertakings [a]	25	–	0.5
Total financial liabilities excluding loans and borrowings classified as financial liabilities measured at amortised cost		**24.1**	17.6
Deferred income		**35.7**	36.1
Accrued expenses		**89.2**	77.7
Current portion		**149.0**	131.4
Amounts falling due after more than one year			
Other payables		**4.5**	5.1
Non-current portion		**4.5**	5.1
Total trade and other payables		**153.5**	136.5

(a) Other group undertakings are other subsidiaries of the Hibu Group that are outside the control of the Group.

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

At 31 March

£m	2016	2015
Sterling	**83.2**	76.4
US dollar	**70.1**	58.4
Other	**0.2**	1.7
Total trade and other payables	**153.5**	136.5

19. Provisions for liabilities

Year ended 31 March 2016

£m	Redundancy Provisions	Onerous Leases	Property incentives	Other Provisions	Total
At 31 March 2015	2.8	12.8	7.1	3.0	**25.7**
Charged to income statement:					
- Additional provisions	2.5	6.2	2.0	4.7	**15.4**
Utilised during the year	(3.8)	(17.5)	(7.1)	(2.2)	**(30.6)**
Currency movements	–	–	–	0.2	**0.2**
At 31 March 2016	1.5	1.5	2.0	5.7	**10.7**

20. Borrowings

The Group manages the capital requirements of the Group by maintaining leverage of the Group within the terms of its debt facilities agreement.

The following table sets out the borrowings and total net debt of the Group:

At 31 March

£m	Interest rate %[a]	2016	2015
Amounts falling due within one year			
Net obligations under finance leases and other short-term borrowings		**1.2**	1.4
Total amounts falling due within one year		**1.2**	1.4
Amounts falling due after more than one year			
Cash pay facilities[a] – due within less than five years	**5.00 – 5.62**	**163.7**	237.2
PIK facilities[b] – due after more than five years	**1.0**	**157.3**	42.2
Total amounts falling due after more than one year		**321.0**	279.4
Total loans and other borrowings		**322.2**	280.8
Cash and cash equivalents		**(51.6)**	(69.1)
Total net debt		**270.6**	211.7

(a) Fixed and floating rate interest at 31 March 2016 on the underlying debt instrument.
(b) Fixed rate interest on the underlying debt instrument.

The carrying amounts of borrowings are denominated in the following currencies:

At 31 March

			2016
£m	**Principal amount**	**Deferred finance costs**	**Net balance**
Sterling	76.7	–	**76.7**
US dollar	175.2	–	**175.2**
Euro	70.3	–	**70.3**
Total loans and borrowings	**322.2**	**-**	**322.2**

			2015
£m	**Principal amount**	**Deferred finance costs**	**Net balance**
Sterling	69.0	–	69.0
US dollar	153.2	–	153.2
Euro	58.6	–	58.6
Total loans and borrowings	280.8	–	280.8

Details of the currency denomination of interest and maturity profiles of borrowings are given in note 17. There are no material borrowings denominated in currencies other than British pounds sterling, US dollars and Euros.

21. Commitments and contingent liabilities

Capital commitments

Capital expenditure contracted for at the end of the year / period, but not yet incurred, is as follows:

At 31 March

£m	2016	2015
Property, plant and equipment	–	–
Intangible assets	0.2	–
Total	**0.2**	**-**

Operating lease commitments

Future aggregate minimum operating lease payments for the Group at 31 March 2016 are as follows:

At 31 March

£m	2016	2015
Payable		
Not later than one year	**7.8**	12.1
Later than one year and not later than five years	**19.0**	33.8
Later than five years	**5.3**	20.6
Total future aggregate minimum operating lease payments	**32.1**	66.5

Operating lease payments expensed during the year amounted to £8.3m (2015: £13.5m).

Contingent liabilities

There are no contingent liabilities or guarantees other than those referred to in notes 1 and 20 and those arising in the ordinary course of the Group's business.

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

22. Share capital

For the year/period ended 31 March

	2016	2015	**2016**	2015	**2016**	2015
	No. of shares of £0.01	No. of shares of £0.01	**No. of shares of £0.00000001**	No. of shares of £0.00000001	**£**	£
Ordinary shares						
At beginning of year / period	-	1	586,165,598	-	6	-
Share conversion	-	(1)	-	1,000,000	-	-
Issued during the year / period	-	-	-	585,165,598	-	6
At 31 March 2016	**-**	-	**586,165,598**	586,165,598	**6**	6

22. Share capital (continued)

The Company was incorporated on 13 December 2013 with issued and allotted share capital of one share with a nominal value of £0.01 fully paid. On the same date, this one share was subdivided into 1,000,000 ordinary shares of £0.00000001 each.

On 3 March 2014, the Company issued and allotted a further 585,165,598 ordinary shares of £0.00000001 each in consideration for the transfer of an equivalent number of shares in YH Limited, the Company's direct subsidiary.

23. Other Reserves

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

Pension reserve	Accumulated actuarial gain.
Translation reserve	Gains/losses arising on retranslating the net assets of overseas operations in to British pound sterling (GBP).
Accumulated losses	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Total other reserves are analysed as follows for the period ended 31 March 2015 and the year ended 31 March 2016:

£m	Pensions reserve	Translation reserve	Total other reserves
At 13 December 2013	–	–	–
Net actuarial gain on defined benefit pension schemes	11.8	–	**11.8**
Tax charge	(2.3)	–	**(2.3)**
Exchange gains arising on translation of foreign operations	–	5.3	**5.3**
Net income recognised directly in equity	9.5	5.3	**14.8**
At 31 March 2015	**9.5**	**5.3**	**14.8**
Net actuarial gain on defined benefit pension schemes	32.9	–	**32.9**
Tax charge	(4.9)	–	**(4.9)**
Exchange losses arising on translation of foreign operations	–	(2.5)	**(2.5)**
Net income (expense) recognised directly in equity	28.0	(2.5)	**25.5**
At 31 March 2016	**37.5**	**2.8**	**40.3**

24. Acquisitions

There were no acquisitions during the year ended 31 March 2016.

On 3 March 2014, as part of the financial restructuring, the Group paid the sum of £1 for 100% of the share capital of hibu (UK) Limited and hibu Inc as well as a 100% interest in subsidiaries in Asia. Further details are given in note 2 to the Company only section of these financial statements.

£m	Book value	Net adjustments	Fair value
Non-current assets			
Intangible assets (see note 9)	366.3	(297.5)	68.8
Property, plant and equipment (see note 10)	34.6	–	34.6
Deferred tax assets (see note 11)	101.5	(71.6)	29.9
Net pension surplus (see note 27)	20.7	–	20.7
Other receivables	8.8	–	8.8
Total non-current assets	531.9	(369.1)	162.8
Current assets			
Inventories	5.7	–	5.7
Trade and other receivables	234.5	–	234.5
Intercompany receivables	4.5	–	4.5
Cash and cash equivalents	98.4	–	98.4
Total current assets	343.1	–	343.1
Current liabilities			
Trade and other payables	(232.4)	46.9	(185.5)
Intercompany payables	(0.3)	–	(0.3)
Total current liabilities	(232.7)	46.9	(185.8)
Non-current liabilities			
Deferred tax liabilities (see note 11)	(103.1)	71.9	(31.2)
Borrowings	(288.9)	–	(288.9)
Total non-current liabilities	(392.0)	71.9	(320.1)
Identifiable net assets	250.3	(250.3)	–
Goodwill on acquisition of subsidiary			–
Total cost			–

It is estimated that Group revenues in the prior period, increased by £814.1m as a result of the acquisition. If the acquirees had been owned for the whole period, revenues would have increased by £994.8m. Group EBITDA before exceptional items is estimated to have increased by £121.1m during the period of ownership, in the prior period, but would have increased by £139.2m, had the acquirees been owned for the entire period.

Hibu Bidco Limited

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

25. Related party transactions

Year/period ended 31 March £m	2016	2015
Group recharges – charged to:		
hibu Connect SAU	**2.3**	3.0
hibu Argentina SA [(a)]	**0.3**	1.1
hibu Peru SAC [(a)]	**0.2**	0.4
hibu Chile SA [(a)]	**0.1**	0.1
Total Group amounts recharged to sister group [(b)]	**2.9**	4.6

Year/period ended 31 March £m	2016	2015
Group recharges - amounts charged by:		
hibu Connect SAU	**(0.3)**	(4.4)
hibu Argentina SA [(a)]	–	(1.0)
Total Group amounts recharged from sister group [(b)]	**(0.3)**	(5.4)

Year/period ended 31 March £m	2016	2015
Intercompany Interest – charged to:		
Yell Finance (Jersey) Two Limited	**0.5**	–
Total Group amounts recharged to sister group [(b)]	**0.5**	–

At 31 March £m	2016	2015
Current assets		
hibu Connect SAU	**2.1**	0.7
hibu Argentina SA [(a)]	**–**	1.3
hibu Holdings 3 Limited	**–**	–
Yell Finance (Jersey) Two Limited	**5.7**	5.2
Provisions against intercompany loans	**(5.7)**	(5.2)
Total amounts owed by sister group [(b)]	**2.1**	2.0

At 31 March £m	2016	2015
Current liabilities		
hibu Connect SAU	–	(0.3)
hibu Argentina SA [(a)]	–	(0.2)
Total amounts owed to sister group [(b)]	–	(0.5)

(a) On 24 December 2015, the Consolidated Hibu Group disposed of its interests in Latin America. These transactions related to the period prior to that disposal.

(b) Sister group refers to other Hibu Group subsidiaries outside the control of the Group.

25. Related party transactions (continued)

Subsidiary undertakings

Details of the subsidiary undertakings are given in note 12 of these financial statements. Further detail can be found in the Company only section of these financial statements on page 59.

Directors' remuneration

Remuneration comprises net amounts charged to the Group by employing companies. The aggregate remuneration paid to the directors in respect of their services to the Group were as follows:

£m	**Year ended 31 March 2016**	Period ended 31 March 2015
Salaries and other short-term benefits	**3.2**	14.7
Amounts received under long term incentive schemes (other than shares or share options)	**–**	–
Employer's pension contributions	**0.1**	0.1
Total remuneration	**3.3**	14.8

The highest paid director earned £1.5m (2015: £13.4m) in the year, excluding employer's pension contributions, in respect of services to the Group. The service contract of the highest paid director during the period ended 31 March 2015 was tied to Hibu Group investors receiving a specific total return of cash combined with an increase in the market value of their holdings, at which time the service contract terminated and the director received a contractual bonus upon leaving the business. The amount paid in 2015 includes this bonus.

No share based payment expense has been included, as no share options have been granted or are outstanding at 31 March 2016. One director was a member of the Group's UK defined benefit pension scheme, but no amounts were paid into that scheme on his behalf.

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the business, directly or indirectly. Compensation is an allocation of that earned by executive directors (as included above) and certain members of Group management.

£m	**Year ended 31 March 2016**	Period ended 31 March 2015
Salaries and other short-term employee benefits	**7.1**	21.0
The amount of money and other assets (other than shares or share options) earned under long-term incentive schemes	**5.2**	4.3
Employer's pension contributions	**0.2**	0.4
Total key management compensation	**12.5**	25.7

Total compensation includes net amounts charged to the Group by employing companies. Compensation earned, excluding pension contributions, included the pay to the highest paid director. Salaries and other short-term employee benefits include £nil (2015: £2.8m) expensed for contractual and in lieu of contractual losses of office payments, which reflected cost cutting measures around the Consolidated Hibu Group. The amounts earned under long term incentive schemes are accrued as an estimate of potential long term entitlements.

No share based payment expense has been included, as no share options have been granted or are outstanding at 31 March 2016 (31 March 2015: none).

26. Ultimate parent company and controlling party

The Company's immediate parent company is Hibu Midco Limited, an indirectly wholly owned subsidiary of Hibu Group. At 31 March 2016, the ultimate holding company and controlling party was Hibu Group.

Hibu Bidco Limited

Notes to the consolidated financial statements for the year ended 31 March 2016 (continued)

27. Pensions

hibu (UK) Limited, which is one of the consolidated subsidiaries in these Group financial statements, maintains a defined benefit pension scheme ("UKPP") for UK employees employed before 1 October 2001, but that was closed to future accrual from 31 March 2011. hibu (UK) Limited also operates a defined contribution scheme for UK employees.

During the year, the following amounts were recorded in the Group income statement or Group statement of comprehensive income.

Net finance income from defined benefit scheme

£m	**Year ended 31 March 2016**	Period ended 31 March 2015
Interest on pension scheme assets	**20.0**	24.0
Interest cost on pension scheme liabilities	**(18.4)**	(22.5)
Net finance income from defined benefit scheme	**1.6**	1.5

Amount recognised in Group statement of comprehensive income

£m	**Year ended 31 March 2016**	Period ended 31 March 2015
Actual return less interest on pension Plan assets	**(26.9)**	94.7
Experience gains (losses) arising on the Plan liabilities	**29.9**	(5.8)
Changes in financial assumptions underlying the present value of the Plan liabilities	**20.2**	(78.3)
Changes in demographic assumptions underlying the present value of the Plan liabilities	**9.7**	1.2
Actuarial gain	**32.9**	11.8
Tax on actuarial gain recognised in equity	**(4.9)**	(2.3)
Actuarial gain net of tax	**28.0**	9.5

The cumulative actuarial gain net of tax recognised at 31 March 2016 amounts to £37.5m (2015: £9.5m).

UKPP – Defined benefit sections

There are three defined benefit sections of the UKPP, which have been closed to new entrants since 1 October 2001. The Plan offers both pensions in retirement and death benefits to members. The full actuarial valuation at 5 April 2013, updated to 31 March 2016, showed a surplus of £86m (2015: £43.0m). Pension benefits are based on years of qualifying service and final pensionable salary. With effect from 31 March 2011, the defined benefit sections of the Plan were closed to future accrual. Active members at 31 March 2011 were granted leaving service benefits and offered membership of a new Section 6 of the Plan on a defined contribution basis.

The Group is required to agree its contributions to the plan with the trustees based on actuarial advice.

Such agreement must be reached in a way that complies with the UK Pensions Regulator's 'Plan Specific Funding' guidance. Any failure to agree would result in the intervention of the Pensions Regulator and, possibly, an imposed settlement. The full funding valuation that has an effective date of 5 April 2013 was the most recent, agreed full funding valuation at 31 March 2016. A full funding valuation at 31 December 2015 was subsequently carried out with the Funding Principles and Schedule of Contributions (effective from 1 July 2016) agreed at the date these financial statements were signed.

27. Pensions (continued)

Net surplus

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

£m	At 31 March 2016	At 31 March 2015
Fair value of plan assets	**595.5**	614.3
Present value of scheme liabilities	**(509.5)**	(571.3)
Net surplus	**86.0**	43.0

The following amounts explain the movement in the pension provision for the year ended 31 March 2016 and the period ended 31 March 2015:

£m	Year ended 31 March 2016	Period ended 31 March 2015
Net surplus at the beginning of year/period	**43.0**	20.7
Current service cost	**-**	-
Contributions	**9.6**	9.0
Termination benefits	**(0.4)**	-
Settlement cost	**(0.7)**	-
Finance income	**1.6**	1.5
Actuarial gain	**32.9**	11.8
Net surplus at 31 March	**86.0**	43.0

Following the conclusion of the full funding valuation, which has an effective date of 5 April 2013, the Company agreed to pay the following minimum contributions, all payable in equal monthly instalments unless prepaid:

- Annual contributions of £6m for each year ending 31 March 2015 to 2018; and
- £12.5m annually from 1 April 2018, increasing each subsequent 1 April by 5%.

Contributions of £9.6m (2015: £6.0m) plus £0.4m (2015: £nil) in respect of benefit augmentations were made in the year. After consideration of the 31 December 2015 full funding valuation a new schedule of contributions applying from 1 July 2016 was agreed by the date these financial statements were signed. Contributions are to equal £833,333 per month (£10m per annum) through June 2020 and drop to £666,667 per month (£8m per annum) thereafter until September 2025. The new agreement will become binding and replace the contribution schedule described above upon completion of certain legal steps that are expected to be completed before 1 November 2016.

Valuation assumptions

The UKPP net surplus at 31 March 2016 was based on valuation member data at October 2015 updated to 31 March 2016. The updated valuation was carried out by professionally qualified independent actuaries using the following key assumptions:

All figures in % per annum	At 31 March 2016	At 31 March 2015
Discount rate	**3.5**	3.3
Expected rate of return on assets	**n/a**	n/a
Salary increases	**-**	-
Pension increases linked to RPI	**3.1**	3.1
Pension increases linked to CPI	**2.1**	2.0

27. Pensions (continued)

Valuation assumptions (continued)

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

Years	At 31 March 2016	At 31 March 2015
Male	**29.9**	30.1
Female	**32.2**	31.6

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

Years	At 31 March 2016	At 31 March 2015
Male	**28.2**	28.7
Female	**30.3**	30.1

Assets

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

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

Asset values will increase and decrease as markets rise and fall. The trustees and management have an agreed strategy to mitigate the risk of having insufficient funds, if markets fall. The trustees have recently changed the investment strategy of the Plan to reduce the interest rate and inflation risks. The trustees have exchanged the index linked gilts and some of the equities and corporate bonds for a bulk annuity policy that covers nearly all of the Plan's pensioners and liability driven investment funds.

The purpose of the bulk annuity policy and liability driven investment funds is to significantly reduce the volatility of the Plan's funding level by mitigating inflation, interest rate and longevity risks. These new asset classes match the movements in interest rates and inflation more closely than the index linked gilts did. The trustees have retained a proportion of the higher risk assets to seek higher rates of growth. The trustees also work with management to ensure sufficient assets will be available to settle obligations in the long term.

The assets were:

£m	At 31 March 2016	Of which, not quoted on an active market	At 31 March 2015	Of which, not quoted on an active market
Equities	**77.7**	-	82.3	-
Diversified growth funds	**58.3**	-	61.5	-
Bonds	**67.5**	-	66.4	-
Liability-driven investments	**159.6**	-	174.0	-
Insurance contracts	**157.6**	157.6	178.9	**178.9**
Other	**74.8**	-	51.2	-
Total assets at fair value	**595.5**	157.6	614.3	**178.9**

27. Pensions (continued)

Assets (continued)

Changes in the fair value of plan assets were as follows:

£m	Year ended 31 March 2016	Period ended 31 March 2015
Fair value of plan assets at the beginning of year/period	**614.3**	498.7
Interest on assets	**20.0**	24.0
Actuarial (loss) gain	**(26.9)**	94.7
Contributions by employer	**9.6**	9.0
Benefits paid	**(21.5)**	(12.1)
Fair value of plan assets at 31 March	**595.5**	614.3

The actuarial loss in the year ended 31 March 2016 represents the difference between the expected return on plan assets and the actual return on plan assets as follows:

£m	Year ended 31 March 2016	Period ended 31 March 2015
Interest on plan assets	**20.0**	24.0
Actuarial (loss) gain	**(26.9)**	94.7
Actual return on plan assets	**(6.9)**	118.7

Liabilities

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

£m	Year ended 31 March 2016	Period ended 31 March 2015
Present value of defined benefit liabilities at the beginning of the year/period	**571.3**	478.0
Past service costs	**0.4**	-
Settlement cost	**0.7**	-
Interest cost	**18.4**	22.5
Actuarial (gain) loss	**(59.8)**	82.9
Benefits paid	**(21.5)**	(12.1)
Present value of defined benefit liabilities at 31 March	**509.5**	571.3

The actuarial gain in the year ended 31 March 2016 was primarily the result of updating the liability calculations to be based on October 2015 valuation data (compared to April 2014 valuation data from last year's disclosures) and the fact that inflationary increases to benefits were lower than expected. Furthermore, an increase in the AA-rated corporate bond yields and an update of the demographic assumptions resulted in further actuarial gains, which was partly offset by an increase in inflation and a change to the long-term improvements in mortality.

Profile of the Plan

The defined benefit obligation includes benefits for deferred members and current pensioners. Broadly, about 65% of the liabilities are attributable to deferred members and 35% to current pensioners. (Note the term "deferred members" refers to members of the DB section of the Plan who are yet to draw their pension).

27. Pensions (continued)

Profile of the Plan (continued)

The Plan duration is an indicator of the weighted-average time until benefit payments are made. For the Plan as a whole, the duration is around 23 years reflecting the approximate split of the defined benefit obligation between deferred members (duration of 27 years) and current pensioners (duration of 15 years).

Sensitivity analysis

The present value of the pension obligations at 31 March 2016 was calculated on the basis that the real interest rate at the statement of financial position date was 0.3%, which is the difference between the discount rate and RPI inflation. The discount rate and expected inflation are determined by reference to specific types of debt instruments being traded in the open market. Increasing or decreasing the assumed real interest rate to 0.4% or 0.2% per annum, respectively, would decrease or increase the present value of the pension liabilities by approximately £11m. The effect on the market value of assets cannot be estimated because the values of the Plan's investments do not always change in line with real interest rates. However, we can estimate that the value of the bulk annuity policy would decrease or increase by approximately £2m due to the assumed real interest rate increasing or decreasing to 0.4% or 0.2% per annum respectively.

The present value of pension liabilities was determined on assumed life expectancies for men and women as set out in the assumptions above. The Group estimates that an increase in life expectancy of one year for all members could have increased the present value of pension liabilities by approximately £14m and would increase the value of the bulk annuity policy by £5m.

Risks associated with the Plan

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

Asset volatility

The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The Plan holds a material proportion of growth assets (equities, diversified growth fund and global absolute return fund) that are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term. The allocation to growth assets is monitored such that it is suitable with the Plan's long term objectives.

Changes in bond yields

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

Inflation risk

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

Life expectancy

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

hibu (UK) Limited and the trustees have agreed a long term strategy for reducing investment risk as and when appropriate. This includes an asset liability matching policy that aims to reduce the volatility of the funding level of the pension plan by investing in assets such as swaps, which perform in line with the liabilities of the plan so as to protect against inflation being higher than expected.

27. Pensions (continued)

Risks associated with the Plan (continued)

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

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

A contingent liability exists in relation to the equalisation of Guaranteed Minimum Pension ("GMP"). The UK is consulting on measures that could result in an increase in the value of GMP benefits. This would increase the defined benefit obligation of the Plan. At this stage, it is not possible to quantify the effect of this change.

Defined contribution schemes

In addition to the defined contribution Section Four, Section Five and Section Six of the UKPP, hibu Inc sponsors a 401(k) plan for the majority of its employees in the US. The plan allows employees to contribute a portion of their pre-tax and/or after-tax income in accordance with specified guidelines. hibu Inc matches a percentage of the employee contributions up to certain limits. The assets of the plan are held separately from those of hibu Inc in an independently administered fund.

The pension cost in respect of these schemes represents contributions payable to the funds and amounted to £1.1m in the year ended 31 March 2016 (2015: £3m) for the hibu Inc scheme, and £3.4m (2015: £7.1m) for Section Four, Section Five, Section Six and Section Seven of the UKPP. Outstanding contributions amounted to £nil at 31 March 2016 (2015: £nil).

28. Post balance sheet events

There are no significant post balance sheet events that affect the financial statements.

Hibu Bidco Limited

Income statement (Company only)

	Note	Year ended 31 March 2016 £	Period ended 31 March 2015 £
Operating result		-	-
Result before tax		-	-
Tax	5	-	-
Result for the year / period		-	-

Statement of comprehensive income (Company only)

There is no other comprehensive income for the year (period ended 31 March 2015: £nil).

Hibu Bidco Limited

Statement of financial position (Company only)

	Notes	**At 31 March 2016 £**	At 31 March 2015 £
Non-current assets			
Investments	4	**7**	7
Total non-current assets		**7**	7
Trade and other payables		**(1)**	(1)
Total current liabilities		**(1)**	(1)
Net current liabilities		**(1)**	(1)
Net assets		**6**	6
Equity			
Share capital	6	**6**	6
Total equity		**6**	6

The financial statements on pages 54 to 60 were approved by the Board of directors on 25 July 2016 and were signed on its behalf by:

Robert Hall
Director

Registration no 08815128

Hibu Bidco Limited

Statement of changes in equity (Company only) for the period ended 31 March 2015 and the year ended 31 March 2016

	Share capital £	Retained earnings £	Total equity £
Balance at 13 December 2013	-	-	-
Result for the period	-	-	-
Total comprehensive income for the period	-	-	-
Shares issued	6	-	6
Balance at 31 March 2015	6	-	6
Result for the year	-	-	-
Total comprehensive income for the year	-	-	-
Shares issued	-	-	-
Balance at 31 March 2016	6	-	6

Hibu Bidco Limited

Cash flow statement (Company only)

	Year ended 31 March 2016 £	Period ended 31 March 2015 £
Cash flows from operating activities:		
Operating result	-	-
Net cash flows from operating activities	-	-
Cash flows from investing activities:		
Investment in subsidiary undertakings	-	(1)
Loan from related party	-	1
Net cash flows from investing activities	-	-
Cash flows from financing activities:		
Net cash flows from financing activities	-	-
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year / period	-	-
Cash and cash equivalents at end of year / period	-	-

There were no non-cash transactions during the year, (2015: £6, in respect of the issuance of shares in consideration for the acquisition of shares in subsidiary undertakings).

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 (IFRSs) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union, and the Companies Act 2006.

Going concern

The financial statements are prepared on a going concern basis.

The Company and other group undertakings are Guarantors under the terms of a new Facilities Agreement dated 3 March 2014. This Facilities Agreement includes certain financial covenants with which the Company and fellow obligors were in full compliance at the date these financial statements were approved.

The directors have considered the implications of the risks set out in the consolidated financial statements on pages 4 to 7, and in particular whether it is appropriate to prepare the financial statements on a going concern basis and the adequacy of the disclosures made within the financial statements. In reaching a conclusion the directors reviewed forecasts of future performance that indicate that the Group and Company will continue to comply comfortably with its financial covenants, be able to meet fully the interest payments for the next twelve months and generate sufficient cash flows to repay its liabilities as they fall due.

The directors 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.

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

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.

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 year

Details of standards, interpretations and amendments that became effective during the year and those that are not yet effective are set out on pages 23 and 24. None of these were material to the Company.

Critical accounting estimates and management judgments

Details of critical accounting estimates and management judgments are set out on page 21.

2. Auditors' remuneration

The auditors' remuneration has been accounted and paid for by hibu (UK) Limited, a fellow Consolidated Hibu Group company. The audit fee for the Company is included within the fee for the audit of the Company and the consolidated financial statements disclosed in note 4 to the consolidated financial statements. No other fees were paid to PricewaterhouseCoopers LLP for non-audit services to the Company in the year.

3. Employees and Directors' remuneration

There are no employees of the Company.

The directors did not receive remuneration for their services to the Company in the year (2015: £nil).

4. Investments

Year/period ended	**31 March 2016 £**	31 March 2015 £
Cost		
At the beginning of the year/period	7	-
Additions	-	7
At 31 March	**7**	**7**
Carrying value	**7**	**7**

On 3 March 2014 the Company purchased the share capital of YH Limited held by Eagle Debtco 2013 Limited in exchange for the issue of shares to Eagle Debtco 2013 Limited. The Company also purchased Yell Holdings 2 Limited's (in administration from February 2014 and dissolved in May 2015) shareholding in YH Limited for £1.

Direct subsidiaries	**Company activity**	**Country of incorporation**	**2016 Percentage owned**	2015 Percentage owned	**2016 Carrying value £**	2015 Carrying value £
YH Limited	Intermediate holding and finance company	United Kingdom	100.00	100.00	7	7

5. Tax

There is no tax payable or receivable at the end of the year/period.

6. Share capital and reserves

Year/period ended 31 March

	2016 No. of shares of £0.01	**2016 No. of shares of £0.00000001**	**2016 £**	2015 No. of shares of £0.01	2015 No. of shares of £0.00000001	2015 £
Ordinary shares						
At beginning of period/on incorporation	**-**	**586,165,598**	**6**	1	-	-
Share conversion	**-**	**-**	**-**	(1)	1,000,000	-
Issued during the year/period	**-**	**-**	**-**	-	585,165,598	6
At 31 March	**-**	**586,165,598**	**6**	-	586,165,598	6

The Company was incorporated on 13 December 2013 with issued and allotted share capital of one share with a nominal value of £0.01 fully paid. On the same date, this share was subdivided into 1,000,000 ordinary shares of £0.00000001 each.

On 3 March 2014, the Company issued and allotted a further 585,165,598 ordinary shares of £0.00000001 each in consideration of the transfer of an equivalent number of shares in YH Limited.

7. Controlling entity

At 31 March 2016 the Company was a wholly owned subsidiary of Hibu Midco Limited (formerly Eagle Midco 2013 Limited). The ultimate holding company and controlling party is Hibu Group.

At the date of signing these financial statements, the smallest and largest group in which the financial statements of this company are consolidated is Hibu Group, whose financial statements are publicly available at One Reading Central, Forbury Road, Reading, Berkshire, RG1 3YL.