

Company Registration No. 08815128 (England and Wales)

**HIBU BIDCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**



# HIBU BIDCO LIMITED

## COMPANY INFORMATION

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**Directors**

Alfred Mockett  
Atish Banerjea  
Christopher Ripley  
David Anderson  
David Sharman  
John Brantl  
Parminder Sandhu  
Robert Hall

**Secretary**

Christian Wells

**Company number**

08815128

**Registered office**

3 Forbury Place  
Forbury Road  
Reading  
Berkshire  
United Kingdom  
RG1 3YL

**Independent auditors**

Pricewaterhouse Coopers LLP  
Chartered Accountants and Statutory Auditors  
3 Forbury Place  
23 Forbury Road  
Reading  
Berkshire  
RG1 3JH

All references to Hibu Group in this document are references to the ultimate parent company Hibu Group Limited. All references to the Group are references to Hibu Group and its consolidated subsidiaries.

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# **HIBU BIDCO LIMITED**

## **CONTENTS**

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	<b>Page(s)</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 18

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# **HIBU BIDCO LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2018**

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The directors submit their Annual Report and the audited financial statements for Hibu Bidco Limited (the "Company") for the year ended 31 March 2018.

#### **Principal activities**

The Company, which is an indirectly wholly owned subsidiary of Hibu Group Limited, acts as an intermediate holding company.

The Company is incorporated and domiciled in England and Wales.

The Company is an integral part of the Group, and does not:

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

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

The Company's results for the year are set out on page 8.

The directors consider the result for the year and the financial position at 31 March 2018 to be satisfactory.

The Company will continue its principal activities for the foreseeable future.

#### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks.

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

#### **Financial risk management**

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

The Company and other subsidiaries of Hibu Group were Guarantors under the terms of the Common Terms Agreement dated 7 September 2016. The terms required Hibu Bidco Limited and its subsidiaries ("the Bidco Group") to keep net cash pay debt to less than four times the Bidco Group's EBITDA over the preceding twelve months. The Bidco Group was in compliance with the terms during the relevant period ended 31 March 2018. On 2 May 2018, this debt was replaced with £225 million of high yield bonds, issued by a subsidiary of Owl Finance Limited, that do not require specific financial ratio covenants, but are secured on the assets of Owl Finance Limited and its subsidiaries.

# HIBU BIDCO LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2018**

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### Going concern

The directors of the Company have considered the implications of the above and the risks set out in the Hibu Group strategic report for the year ended 31 March 2018 and in particular whether it is appropriate to prepare the financial statements of the Company on a going concern basis and the adequacy of the disclosures made within the financial statements. In reaching a conclusion the directors reviewed forecasts of future performance and noted that the Company and its subsidiaries should generate sufficient cash flows to be able to meet interest obligations where relevant and repay liabilities as they fall due for the next twelve months.

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

By order of the Board

A handwritten signature in black ink, appearing to read 'C Wells', is written over a horizontal line.

Christian Wells

**Secretary**

24 July 2018

# **HIBU BIDCO LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2018**

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The directors submit their Annual Report and the audited financial statements for Hibu Bidco Limited (the "Company") for the year ended 31 March 2018.

#### **Dividends**

The directors do not recommend payment of a dividend (2017: £nil).

#### **Strategic report**

The Company is required by the Companies Act 2006 to set out development and performance of the business during the financial year ended 31 March 2018 and the position of the Company at the end of the year and of the principal risks and uncertainties facing the Company. By reference to the Strategic report, which can be found on pages 1 - 2, the following information is given:

- principal activities;
- review of the business and future developments;
- principal risks and uncertainties;
- financial risk management; and
- going concern.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Alfred Mockett  
Atish Banerjee  
Christopher Ripley  
David Anderson  
David Sharman  
John Brantl  
Parminder Sandhu  
Robert Hall

(Appointed 26 July 2017)

#### **Qualifying third party indemnity provisions**

Article 88 of the Articles of Association of Hibu Group, the ultimate holding company, permit Hibu Group, subject to the Companies Act 2006 and other applicable legislation, to indemnify any of the directors against any loss or liability in connection with any proven or alleged negligence, default, breach of duty or trust by him, in relation to Hibu Group or any of its subsidiaries. In December 2013, Hibu Group entered into deeds of indemnity in favour of its current and former executive and non executive directors and officers of Hibu Group, its subsidiaries and any other companies to which Hibu Group or any of its subsidiaries has nominated or appointed any such person as a director or officer. The deeds of indemnity, which are in force for the directors of the Company, are qualifying third party indemnities for the purposes of section 234 of the Companies Act 2006.

# HIBU BIDCO LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2018**

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### Statement of directors' responsibilities

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

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Christian Wells  
**Secretary**  
24 July 2018

# HIBU BIDCO LIMITED

## Independent auditors' report to the members of Hibu Bidco Limited

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### Report on the audit of the financial statements

#### Opinion

In our opinion, Hibu Bidco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 March 2018; the Statement of comprehensive income for the year then ended, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



# HIBU BIDCO LIMITED

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

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### Report on the audit of the financial statements

#### Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### Responsibilities for the financial statements of the audit

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### *Auditors' responsibilities for the audit of the financial statements*

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

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.

# **HIBU BIDCO LIMITED**

## **Independent auditors' report to the members of Hibu Bidco Limited (CONTINUED)**

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### **Other required reporting**

#### **Companies Act 2006 exception reporting**

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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



**Alex Hookway (Senior Statutory Auditor)**  
for and on behalf of Pricewaterhouse Coopers LLP  
Chartered Accountants and Statutory Auditors  
Reading

**24 July 2018**

# HIBU BIDCO LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

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	Note	2018 £	2017 £
Operating result		-	-
		<hr/>	<hr/>
Result before interest and taxation		-	-
		<hr/>	<hr/>
Result before taxation		-	-
Tax	6	-	-
		<hr/>	<hr/>
Result and total comprehensive income for the financial year		-	-
		<hr/>	<hr/>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# HIBU BIDCO LIMITED

## STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2018

	Note	2018 £	2017 £
<b>Non-current assets</b>			
Investments in subsidiaries	7	16,740,912	16,740,912
<b>Total non-current assets</b>		16,740,912	16,740,912
<b>Total current assets</b>		-	-
<b>Total assets</b>		16,740,912	16,740,912
<b>Current liabilities</b>			
Trade and other payables	9	(1)	(1)
<b>Net current liabilities</b>		(1)	(1)
<b>Total assets less current liabilities</b>		16,740,911	16,740,911
<b>Total liabilities</b>		(1)	(1)
<b>Net assets</b>		16,740,911	16,740,911
<b>Equity</b>			
Share capital	10	11	11
Share premium account	11	16,740,900	16,740,900
<b>Total equity</b>		16,740,911	16,740,911

The notes on pages 11 to 18 form an integral part of these financial statements.

The financial statements on pages 8 to 18 were approved by the board of directors and authorised for issue on 24 July 2018 and are signed on its behalf by:



Robert Hall

Director

Company Registration No. 08815128

# HIBU BIDCO LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
<b>Balance at 1 April 2016</b>	6	-	-	6
Result for the financial year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Proceeds from shares issued	5	16,740,900	-	16,740,905
Transactions directly with owners	5	16,740,900	-	16,740,905
<b>Balance at 31 March 2017</b>	11	16,740,900	-	16,740,911
<b>Balance at 1 April 2017</b>	11	16,740,900	-	16,740,911
Result for the financial year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Transactions directly with owners	-	-	-	-
<b>Balance at 31 March 2018</b>	11	16,740,900	-	16,740,911

# HIBU BIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

#### Company information

Hibu Bidco Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Forbury Place, Forbury Road, Reading, Berkshire, United Kingdom, RG1 3YL.

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

Information on the effect of the first-time adoption of FRS101 is given in note 15.

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

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are shown in pounds.

The principal accounting policies adopted, which have been applied consistently, are set out below.

#### Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 'Financial Instruments: Disclosures';
- the requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement';
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a) (iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 'Presentation of Financial Statements';
- the requirements of IAS 7 'Statement of Cash Flows';
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'; and
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary that is a party to the transaction is wholly owned by such a member.

# HIBU BIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 1 Accounting policies

(Continued)

#### Going concern

The financial statements have been prepared on a going concern basis. The Company and other subsidiaries of Hibu Group, were Guarantors under the Common Terms Agreement dated 7 September 2016. The terms required Hibu Bidco Limited and its subsidiaries ("the Bidco Group") to keep net cash pay debt to less than four times the Bidco Group's EBITDA over the preceding twelve months. The Bidco Group was in compliance with the terms during the relevant period ended 31 March 2018. On 2 May 2018, this debt was replaced with £225 million of high yield bonds, issued by a subsidiary of Owl Finance Limited, that do not require specific financial ratio covenants, but are secured on the assets of Owl Finance Limited and its subsidiaries.

The directors of the Company have considered the implications of the above and the risks set out in the Hibu Group strategic report for the year ended 31 March 2018 and in particular whether it is appropriate to prepare the financial statements of the Company on a going concern basis and the adequacy of the disclosures made within the financial statements. In reaching a conclusion the directors reviewed forecasts of future performance and noted that the Company and its subsidiaries should generate sufficient cash flows to be able to meet interest obligations where relevant and repay liabilities as they fall due for the next twelve months.

The directors' have concluded that the going concern basis of accounting continues to be appropriate, as set out in the strategic report on pages 1 - 2.

#### Investments in subsidiaries

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

Any impairment is charged to the statement of comprehensive income account to the extent that it is not covered by amounts previously credited to shareholders' equity through the revaluation surplus.

An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the investment or by the discounted future earnings of the investment.

#### Trade and other payables

Trade and other payables are initially recognised at fair value, which approximates cost due to the short-term nature of these liabilities and subsequently measured at amortised cost using the effective interest rate method.

#### Current and deferred tax

The charge or credit for tax is based on the profit or loss for the period 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.

Current tax is provided at the amounts expected to be paid or recovered under the tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured at the rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax assets and liabilities are not discounted. It is probable that future taxable profits will be available to the extent that reversing taxable temporary differences exist.

# HIBU BIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### 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.

### 2 Standards that have become effective during the current year

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

- Amendments to IAS 7, 'Statement of Cash Flows', on the disclosure initiative. These amendments introduce an additional disclosure that will enable users to evaluate changes in liabilities arising from financing activities. They are part of the IASB initiative to improve presentation and disclosure in financial reports and are effective for accounting periods beginning on or after 1 January 2017.
- Amendments to IAS 12, 'Income Taxes' which provide clarification on how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for accounting periods beginning on or after 1 January 2017.
- Annual improvements 2014-16, only significantly affect IFRS12 'Disclosure of interests in other entities'. This amendment clarifies that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information. These improvements were endorsed for annual periods beginning on or after 1 January 2017.

### 3 Critical accounting estimates and judgments

In general, the Group's accounting policies under IFRSs, as adopted by the European Union, which are materially consistent with those applied under FRS101, are consistent with those generally adopted by others operating within the same industry in the UK.

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



# HIBU BIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 3 Critical accounting estimates and judgments

(Continued)

##### Tax

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

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

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

The Company records deferred tax assets to the extent that it believes they are more likely than not to be realised. Should the Company determine in the future that it would be able to realise deferred tax assets in excess of the recorded amount or that the liabilities are different than the amounts it recorded, then it would increase or decrease income as appropriate in the period such determination was made. At 31 March 2018 it believes that there are no deferred tax assets or liabilities.

##### Carrying value of investments

The Company reviews the carrying value of investments annually for impairment or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company compares the carrying value with the estimated recoverable value of the investment. The recoverable value is estimated from a discounted cash flow model that relies on significant key assumptions including post-tax cash flows forecast over an extended period of years, terminal growth and discount rates.

#### 4 Auditors' remuneration

The auditors' remuneration has been accounted and paid for by Hibu Group Limited. The fees payable to the Company's auditors for the statutory audit of the Company's annual financial statements totalled £1,300 (2017: £nil). No other fees were paid to PricewaterhouseCoopers LLP for non-audit services to the Company (2017: £nil).

#### 5 Employees' and Directors' remuneration

There are no employees of the Company (2017: none).

The directors are remunerated for their services to the other companies within the Hibu Group. No amounts were received by them as directors of the Company (2017: £nil).

#### 6 Tax

The Company had no taxable profits or losses in the current year (2017: £nil) and accordingly there is no charge or credit for UK corporation tax (2017: £nil).

# HIBU BIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 7 Investments in subsidiaries

	2018 £	2017 £
<b>Cost</b>		
At 1 April	16,740,912	7
Additions	-	16,740,905
At 31 March	16,740,912	16,740,912
<b>Carrying amount</b>		
At 31 March	16,740,912	16,740,912

On 13 July 2016, the Company acquired 50,000 ordinary £1 shares in Owl Finance Limited. On 7 September 2016, the Company transferred its interest in YH Limited in exchange for the issue of five £1 shares and one £0.50 share and then acquired further shares in Owl Finance Limited in exchange for derecognising a receivable with a fair value of £16,740,905.

On 29 March 2017, Owl Finance Limited cancelled the 50,000 ordinary £1 shares that had been issued on 13 July 2016.

# HIBU BIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 8 Subsidiaries

Details of the Company's direct and indirect subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Ownership interest (%)	
			2018	2017
Yell Limited	United Kingdom	Classified advertising publisher	100	100
Yell Mediaworks Limited	United Kingdom	Graphics services	100	100
hibu Global Limited	United Kingdom	Digital product sales	100	100
Moonfruit Limited	United Kingdom	Holding company	100	100
Sitemaker Software Limited	United Kingdom	Website services	100	100
Yell Sales Limited	United Kingdom	Advertising space	100	100
Yell Studio Limited	United Kingdom	Graphics services	100	100
Hibu Asia Pacific Holdings Limited	United Kingdom	Holding company	100	100
Hibu (UK) Limited	United Kingdom	Holding company	100	100
Hibu Finance (FX) Limited	United Kingdom	Dormant	100	100
Hibu Finance (USD) Limited	United Kingdom	Dormant	100	100
Owl Finance Limited	United Kingdom	Holding company	100	100
Yell Bondco plc	United Kingdom	Financing company	100	-
hibu India Private Limited	India	Not trading	100	100
hibu (Philippines) Private Limited, Inc	Philippines	Not trading	100	100
hibu pay LLC	United States of America	Payment card services	100	100
hibu Group (USA), Inc	United States of America	Holding company	100	100
hibu Holdings (USA), Inc	United States of America	Holding company	100	100
hibu, Inc	United States of America	Classified advertising publisher	100	100
hibu of Pennsylvania, Inc	United States of America	Advertising space sales	100	100
hibu Connect, LLC	United States of America	Holding company	-	100
Znode, Inc	United States of America	Dormant	-	100
YH Limited	United Kingdom	Finance and holding company	100	100

The proportion of voting rights held corresponds to the aggregate ownership interest percentage held by the Company and subsidiary undertakings. Ownership interest is in ordinary shares, with the exception of subsidiaries incorporated in the U.S.A. which is in common stock, apart from hibu pay LLC which does not have share capital.

During the year, hibu Connect, LLC and Znode, Inc were merged into hibu Inc.

At 31 March 2018, the Company directly held 100% of the ownership interest in Owl Finance Limited. All other companies listed were indirectly held by the Company. On 26 April 2018, the Company acquired a direct 100% interest in the share capital of hibu Group (USA) Inc., Hibu Asia Pacific Holdings Limited and Hibu Finance (FX) Limited from YH Limited, a fellow Group undertaking.

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

# HIBU BIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 8 Subsidiaries

(Continued)

The registered office of all subsidiaries incorporated in the United Kingdom is 3 Forbury Place, 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 Unit 18/F Cityland Condominium 10 Tower 1, 156 H.V. Dela Costa Street, Ayala North, Makati City, Philippines 1226.

The registered address of all subsidiaries incorporated in the United States of America, is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington Castle, County Delaware, 19801 U.S.A..

### 9 Trade and other payables

	2018 £	2017 £
Amounts falling due within one year		
Other payables	1	1

### 10 Share capital

	No. of shares of £0.00000001	£
Ordinary share: Allotted and fully paid At 1 April 2017	1,136,165,598	11
At 31 March 2018	1,136,165,598	11

### 11 Share premium account

	2018 £
At 1 April 2017	16,740,900
At 31 March 2018	16,740,900

### 12 Financial commitments, contingent liabilities and litigation

There are no capital or other commitments (2017: £nil).

There are no contingent liabilities or guarantees other than those mentioned below, and on these no material losses are anticipated.

# **HIBU BIDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2018***

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### **13 Post balance sheet events**

On 2 May 2018, a subsidiary of the Company issued a high yield bond for £225 million with the proceeds used to settle the Group's outstanding Cash Pay debts and a portion of PIK debt. The Company's ultimate parent, Hibu Group Limited, issued ordinary shares to the holders of the PIK Notes in exchange for £123 million in PIK Notes, which were transferred to the Company's parent, Hibu Midco Limited. The Company issued one ordinary share to Hibu Midco Limited in exchange for the £123 million in PIK Notes. On 26 April 2018, the Company's indirect subsidiary YH Limited sold subsidiary companies to the Company and novated debts to the Company in exchange for a net £235 million liability. The liability was settled via an offset agreement to settle the £123 million in PIK Notes receivable and the application of a dividend receivable of £112 million from the Company's direct subsidiary Owl Finance Limited against the remaining balance.

### **14 Controlling party**

At 31 March 2018 the Company was a wholly owned subsidiary of Hibu Group, the ultimate holding company and controlling party.

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 3 Forbury Place, Forbury Road, Reading, Berkshire, RG1 3YL.

### **15 First-time adoption of FRS101**

The policies applied under the Company's previous accounting framework are not materially different to FRS 101 and have not affected equity or the statement of comprehensive income.