

## **Eagle Spain Holdco 2013 Limited**

**First Annual Report for the period from 13 December 2013 to 31 March 2015**



# Eagle Spain Holdco 2013 Limited

Annual Report for the period from 13 December 2013 to 31 March 2015

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# Eagle Spain Holdco 2013 Limited

## Company information

### Directors

Emma Ash (appointed and resigned 13 December 2013)  
Alfred Mockett (appointed 13 December 2013)  
David Eckert (appointed 13 December 2013, resigned 11 February 2015)  
David Sharman (appointed 13 December 2013)  
David Anderson (appointed 13 December 2013)  
Robert Hall (appointed 27 March 2014)

### Company secretary

Christian Wells (appointed 27 March 2014)

### Registered office

One Reading Central  
Forbury Road  
Reading  
Berkshire  
England  
RG1 3YL

### Registered number

08815130

### 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 2013 Limited, which changed its name from Eagle Topco 2013 Limited on 2 December 2014. 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 Eagle Spain Holdco 2013 Limited. All references to the Group are references to the Company and its consolidated subsidiaries.

# Eagle Spain Holdco 2013 Limited

## Strategic report for the period from 13 December 2013 to 31 March 2015

The directors present their first Strategic Report for Eagle Spain Holdco 2013 Limited ("the Company") for the period from incorporation on 13 December 2013 to 31 March 2015.

### Principal activities

The Group's principal activities during the period were the provision of printed and digital directories and the provision of digital services which include websites and search products.

### Review of the business and future developments

On 3 March 2014, following the successful capital restructuring of a group of companies, whose ultimate holding company was hibu plc (in administration), Hibu Group 2013 Limited became the ultimate owner and indirect parent of the Company. As part of this financial restructuring and change in ownership the Company acquired the entire shareholding of hibu Holdings 3 Limited. As a consequence the Company acquired trading operations in Spain and Latin America and took on financial indebtedness with a value of £80m. The accounts reflect the trading results of the Group from 3 March 2014 to 31 March 2015.

As a consequence of the change in ownership, new management was appointed which has resulted in a number of important changes to the Group's strategy as compared to that of the previous group. The Group re-focused its resources on the existing core product lines, which help small businesses get found and chosen. These products include digital marketing services, (predominantly websites and search), digital directories and print directories which generated the vast majority of revenue. A number of non-core products were discontinued, with the majority of these products having generated little or no revenue. Total pro forma revenue for the period was £199m.

Digital revenue accounted for 35% of pro forma revenue in the period and included digital services and digital directories. The Group's sales force is increasingly offering SME's sophisticated digital marketing solutions, ranging from being found more effectively on the large search engines to enabling websites for mobile functionality. During the period, significant focus was given to developing its digital marketing services product as an increasing number of small businesses purchased website and search solutions from the Group.

Digital directory revenue, however, faced pressure from competition from other online search engines with digital directory revenues declining month on month, leaving revenues for the period at £51m. In order to optimise the value of the digital directory product the Group concentrated on maximising and more effectively monetising usage.

Print and other directory revenue also 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. As a result management closely monitors and controls the costs associated with the production and delivery of the directories, whilst ensuring that these actions do not impact the usage of the directories.

At the same time, the new management team recognised that because the markets in which the Group operates differ significantly by geography it is important to have management accountability focused primarily at the country level. It was also recognised that the Group's resources had been spread too widely, often on initiatives that had not proven themselves successful enough to justify continuation. As a consequence a number of cost initiatives, such as the consolidation and rationalisation of suppliers, technology platforms, buildings and sales platforms were undertaken which were considered critical to sustaining long-term profitability as revenue declined. The impact from the actions taken during the period resulted in a pro forma adjusted EBITDA of £43m at a margin of 22%.

A number of one off costs (such as contract termination and some severance payments) have been incurred in the year as part of this process. This included a significant one off payment to the former Hibu Group Chief Executive Officer, who left the Hibu Group on 12 February 2015.

The Group also explored a number of different strategic alternatives, which included reviewing the opportunity for disposal of all, or part of, the Group. However, following discussions with potential bidders, no proposals were considered attractive enough to take forward, and as a result the Group re-focused its attention on right-sizing the business to maintain long term-profitability. This process has included the announcement, post the statement of financial position date, of significant proposed headcount reductions across all the geographies in which the Group operates. Costs of £2m relating to this review are shown in note 6.

# Eagle Spain Holdco 2013 Limited

## Strategic report for the period from 13 December 2013 to 31 March 2015 (continued)

The reported operating loss for the Group during the period was £5m; however this was adversely affected by a required £42m adjustment to reduce the revenues of the purchaser under IFRS acquisition accounting, and £3m of exceptional items associated with the cost reduction actions taken during the period. Negative goodwill arising on the acquisition of subsidiary undertakings was £32m. External net interest expense was £5m in the period to 31 March 2015. As a result of these items the profit after tax for the Group was £20m in the period ended 31 March 2015.

Free cash flow during the period was £82m, of which £40m was used for the re-payment of the Group's borrowings, and the Group had £40m of cash and cash equivalents at the period end (see note 16).

The principal financial Key Performance Indicators (KPI's) of the Group are revenue and 'earnings before interest, depreciation and amortisation' (EBITDA). EBITDA is considered one of the principal KPI's 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 pro forma presentation of results in the management accounts and pro forma accounts provided to Lenders as required in the Group's debt facilities agreement to the audited results presented in the financial statements herein, and from operating profit to EBITDA.

£m	Period ended 31 March 2015		
	Underlying pro-forma results	Statutory adjustments	Reported statutory results
<b>Revenue</b>			
Print and other directory service	128.4	(41.6)	86.8
Digital directories	51.1		51.1
Other digital services	19.5		19.5
<b>Total revenue</b>	<b>199.0</b>	<b>(41.6)</b>	<b>157.4</b>
Direct Costs	(102.5)		(102.5)
Indirect Costs	(60.0)		(60.0)
<b>Operating profit/(loss)</b>	<b>36.5</b>	<b>(41.6)</b>	<b>(5.1)</b>
Depreciation and impairment of property, plant and equipment	2.8		2.8
Loss on disposals	0.1		0.1
Amortisation of intangible assets	0.7		0.7
Non-operating group re-charges	(0.2)		(0.2)
Exceptional operational items	2.9		2.9
<b>Adjusted EBITDA</b>	<b>42.8</b>	<b>(41.6)</b>	<b>1.2</b>

The principal non-financial KPI's of the Group are as follows:

	31 March 2015
Websites live at the period end ('000)	57
Total headcount at period end (includes outsourced telesales)	1,628

# Eagle Spain Holdco 2013 Limited

## Strategic report for the period from 13 December 2013 to 31 March 2015 (continued)

### 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 impact 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 period covered by this report and up to the date of approval of this Annual Report;
- The annual internal audit plan has been developed to review controls and key auditable mitigating actions highlighted as part of this process;
- 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

On 3 March 2014, a financial restructuring became effective and the Hibu Group, amongst other group undertakings, became a guarantor under the terms of a new Facilities Agreement dated 3 March 2014.

This Facilities Agreement includes certain financial covenants with which the Hibu Group and Consolidated Hibu Group were in full compliance at the date these financial statements were approved. Forecasts indicate that covenants 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 Hibu Group and Consolidated Hibu Group were in full compliance with the financial covenants at the date these accounts 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.

# Eagle Spain Holdco 2013 Limited

## Strategic report for the period from 13 December 2013 to 31 March 2015 (continued)

### Risk management and principal risks (continued)

#### (2) Risk from: Change of strategy

On 3 March 2014, the Consolidated Hibu Group was acquired by a new ultimate holding company, Hibu Group 2013 Limited. The new Board immediately implemented a number of wide ranging strategic changes including a significant reduction in the cost base, a rationalisation of the product offering and a refocus on the Consolidated Hibu Group back towards a geographical rather than a global management structure. Initial results of these changes have returned the group to EBITDA growth but, as with any change, there are execution risks including the risk of insufficient investment or the potential loss of market focus.

**Potential effect** – Potential revenue and profit could be lost.

**Mitigation:** To mitigate this risk the new strategy has been executed quickly to eliminate any uncertainty and the management of the strategy and cost base is being carried out locally, where management is more sensitive to local requirements.

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

The Consolidated Hibu 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 Consolidated Hibu Group's new digital markets.

**Potential effect** - The Consolidated Hibu 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.

#### (4) 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 Consolidated Hibu Group's products could also be affected by changes in what the market wants or its perception of the Consolidated Hibu 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 Consolidated Hibu Group has implemented an aggressive cost reduction programme and is moving increasingly towards a variable cost model that will allow it to better manage any fluctuations in demand.

#### (5) Risk from: Dependence on IT

The Consolidated Hibu Group is dependent on effective IT systems to maintain efficient and effective operations. The Consolidated Hibu 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 IT security controls.

# Eagle Spain Holdco 2013 Limited

## Strategic report for the period from 13 December 2013 to 31 March 2015 (continued)

### Risk management and principal risks (continued)

#### (6) 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 Consolidated Hibu Group, or in the Consolidated Hibu Group becoming subject to regulatory sanctions.

Regulatory authorities have wide-ranging administrative powers to deal with any failure to comply with regulatory oversight (and this could affect the Consolidated Hibu Group, whether such failure is the Consolidated Hibu 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 Consolidated Hibu Group devotes significant resources to the considerable challenge of compliance with applicable current and emerging laws. The Consolidated Hibu Group through its in-house legal team establishes specific policies and guidelines as appropriate. The Consolidated Hibu 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 Consolidated Hibu Group ensures that the integrity of its control framework is maintained through both internal and external audit.

#### (7) Risk from: Key people leaving the business

The success of the Consolidated Hibu 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 Consolidated Hibu Group's Human Resources (HR) departments. The HR strategy is also being evolved to have an increased local focus and appropriate compensation schemes to address the particular challenges in each of the geographical markets in which the Consolidated Hibu Group operates.

### 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, which indicate that the Consolidated Hibu Group and Hibu Group will continue to comply comfortably with its financial covenants, generate sufficient cash flows to make debt repayments and be able to meet fully the interest payments for the next twelve months.

The directors 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 Consolidated Hibu Group were unable to continue as a going concern.

By order of the Board



Christian Wells

Company Secretary

Date: 27 July 2015

# Eagle Spain Holdco 2013 Limited

## Directors' report for the period from 13 December 2013 to 31 March 2015

The directors present their first report and the audited financial statements for Eagle Spain Holdco 2013 Limited (the "Company") for the period ended 31 March 2015. The financial statements comprise the consolidated financial statements of the Company and its subsidiaries (the "Group") on pages 11 to 40 and the financial statements of the Company on pages 41 to 47.

### Dividends

No dividends have been paid or proposed during the period ended 31 March 2015.

### Directors

The directors who held office during the period and up to the date of signing the financial statements are stated on page 1. Details of directors' remuneration can be found in note 23 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 period ended 31 March 2015, the position of the Group at 31 March 2015 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, 15 and 16. By reference to the strategic report, which can be found on pages 2 to 6, the following information is given:

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

### Directors qualifying indemnity provisions

Article 77 of the Articles of Association of Hibu Group 2013 Limited, the Group's ultimate holding company, permit Hibu Group 2013 Limited, 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 2013 Limited or any of its subsidiaries. In December 2013, Hibu Group 2013 Limited entered deeds of indemnity in favour of its current and former executive and non-executive directors and officers of Hibu Group 2013 Limited, 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 Hibu Group, has a Recruitment and Selection Policy that states that we are committed to the employment of people with disabilities. Moreover, we guarantee an interview to people with disabilities who meet the minimum selection criteria for any vacancy. The Hibu Group is registered as a Two Tick employer as it satisfies the UK government's criteria on the employment of people with disabilities.

Our Equal Opportunities Policy contains a code of good practice on disability which 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.

Alternatively, again in consultation with the individual, other positions will be considered where the individual's skills and abilities match the requirements of the role, again, making reasonable adjustments where appropriate.

We will ensure that training and career development is equally available to people with disabilities, tailored where practicable for their specific needs. An extensive range of communication and consultative arrangements are instigated by the Hibu Group such as the intranet, various printed publications and live briefings. These help to ensure that employees are kept fully informed about developments in the Consolidated Hibu Group, including the Consolidated Hibu Group's financial performance.

Management encourage employee participation in the Hibu Group's performance via the Hibu Group's bonus and commission schemes. In addition, each department elects a representative to the Company's employee forum, which meets regularly with senior management to discuss a wide variety of issues.

# Eagle Spain Holdco 2013 Limited

## Directors' report for the period from 13 December 2013 to 31 March 2015 (continued)

### Information provision to employees

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

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

### 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 Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) 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 period.

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

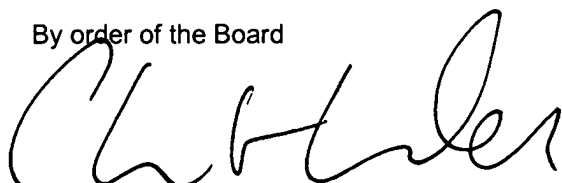
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed subject to any material 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.

### Statement of disclosure to auditors

At the date of signing their report, so far as each director was aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the 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: 27 July 2015

# Eagle Spain Holdco 2013 Limited

## *Independent auditors' report to the members of Eagle Spain Holdco 2013 Limited*

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Eagle Spain Holdco 2013 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 2015 and of the group's profit, the company's result and the group's and the company's cash flows for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

The financial statements comprise:

- the Group and Company Statements of financial position as at 31 March 2015;
- the Group and Company Income statements and Statements of comprehensive income for the period then ended;
- the Group and Company Cash flow statements for the period then ended;
- the Group and Company Statement of changes in equity for the period 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 applicable law and IFRSs as adopted by the European Union.

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

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

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period 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.

# Eagle Spain Holdco 2013 Limited

## ***Independent auditors' report to the members of Eagle Spain Holdco 2013 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 8, 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**

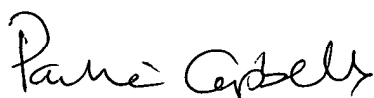
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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 First Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Pauline Campbell (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
27 July 2015

# Eagle Spain Holdco 2013 Limited

## Group income statement

£m	Notes	Period ended 31 March 2015
<b>Revenue</b>	2	<b>157.4</b>
Cost of sales		(102.5)
<b>Gross profit</b>		<b>54.9</b>
Distribution costs		(9.4)
Administrative expense (including exceptional costs of £2.9m)	6	(50.6)
<b>Operating loss</b>		<b>(5.1)</b>
Negative goodwill on acquisition of subsidiary	22	31.6
Finance costs	7	(8.2)
Finance income	7	3.4
Net finance costs	7	(4.8)
<b>Profit before taxation</b>		<b>21.7</b>
Taxation charge	8	(1.9)
<b>Profit for the period</b>		<b>19.8</b>

## Group statement of comprehensive income

£m	Period ended 31 March 2015
<b>Profit for the period</b>	<b>19.8</b>
<b>Other comprehensive income:</b>	
<b>Items that will or may be reclassified to profit or loss:</b>	
Exchange loss arising on translation of foreign operations	(1.2)
Items that will or may be reclassified to the profit or loss	(1.2)
<b>Total comprehensive income for the period</b>	<b>18.6</b>

# Eagle Spain Holdco 2013 Limited

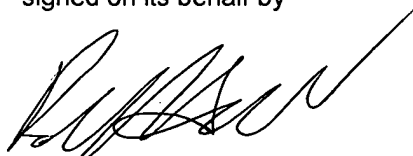
## Group statement of financial position

At 31 March

£m	Notes	2015
<b>Non-current assets</b>		
Intangible assets	9	1.1
Property, plant and equipment	10	21.4
Deferred tax assets	11	6.5
Other receivables	13	1.2
<b>Total non-current assets</b>		<b>30.2</b>
<b>Current assets</b>		
Inventories	14	2.5
Trade and other receivables	13	91.8
Corporate income tax receivables		0.7
Cash and cash equivalents		40.3
<b>Total current assets</b>		<b>135.3</b>
<b>Total assets</b>		<b>165.5</b>
<b>Current liabilities</b>		
Corporate income tax liabilities		(19.3)
Trade and other payables	17	(88.2)
<b>Total current liabilities</b>		<b>(107.5)</b>
<b>Non-current liabilities</b>		
Borrowings	16,18	(33.7)
Deferred tax liabilities	11	(5.3)
Trade and other payables	17	(0.4)
<b>Total non-current liabilities</b>		<b>(39.4)</b>
<b>Total liabilities</b>		<b>(146.9)</b>
<b>Net assets</b>		<b>18.6</b>
<b>Equity attributable to owners</b>		
Share capital	20	–
Other reserves	21	(1.2)
Retained earnings		19.8
<b>Total equity</b>		<b>18.6</b>

Company registered in England and Wales No. 08815130.

The financial statements on pages 11 to 40 were approved by the Board of directors on 27 July 2015 and were signed on its behalf by



**Robert Hall**  
Director

# Eagle Spain Holdco 2013 Limited

## Group statement of changes in equity

At 31 March

£m	Share capital	Other reserves	Retained earnings	Total equity
Profit for the period	–	–	19.8	19.8
Other comprehensive expense	–	(1.2)	–	(1.2)
Total comprehensive (expense) income for period	–	(1.2)	19.8	18.6
<b>At 31 March 2015</b>	–	(1.2)	19.8	18.6

See Group notes 20 and 21 for a further analysis of share capital and other reserves.

# Eagle Spain Holdco 2013 Limited

## Group cash flow statement

£m	Period ended 31 March 2015
<b>Net cash flows from operating activities</b>	
Cash generated from operating activities	27.5
Net interest received	3.6
Corporate income tax paid	(4.2)
<b>Net cash generated from operating activities</b>	<b>26.9</b>
<b>Cash flows from investing activities</b>	
Net cash received on acquisition (see note 22)	56.5
Purchase of property, plant and equipment	(1.0)
<b>Net cash generated from investing activities</b>	<b>55.5</b>
<b>Free cash flow</b>	<b>82.4</b>
<b>Cash flow from financing activities</b>	
Repayment of borrowings at par	(39.9)
Net principal received from related parties	0.2
<b>Net cash used in financing activities</b>	<b>(39.7)</b>
<b>Net increase in cash and cash equivalents</b>	<b>42.7</b>
Cash and cash equivalents at the beginning of the period	–
Exchange losses on cash and cash equivalents	(2.4)
<b>Total cash and cash equivalents</b>	<b>40.3</b>

# Eagle Spain Holdco 2013 Limited

## Group cash flow statement (continued)

### Cash generated from operating activities

£m	Notes	Period ended 31 March 2015
Profit for the period		19.8
Adjustments for:		
Taxation charge	8	1.9
Finance income	7	(3.4)
Finance costs	7	8.2
Negative goodwill on acquisition of subsidiary	22	(31.6)
Depreciation and impairment of property, plant and equipment	10	2.8
Loss on disposal of property, plant and equipment		0.1
Amortisation of intangible assets	9	0.7
Foreign exchange losses		0.2
Changes in working capital:		
Decrease in inventory		3.3
Decrease in trade and other receivables		4.7
Increase in trade and other payables		21.7
Net movement in intercompany trading account		(0.9)
<b>Cash generated from operating activities</b>		<b>27.5</b>

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015

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

#### Basis of preparation and consolidation

Eagle Spain Holdco 2013 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 (IFRS's) as adopted by the European Union (EU) with regard to IFRS IC interpretation, IFRS's as issued by the International Accounting Standard Board (IASB) and the Companies Act 2006.

The Group financial statements consolidate the financial statements of the Company and all subsidiaries for the period from 13 December 2013 to 31 March 2015. Details of principal subsidiary undertakings at the period 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 during the period of ownership 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 period 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 23, related party transactions.

The Company became a borrower and a guarantor under the terms of a new Facilities Agreement dated 3 March 2014. This new 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 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, which indicate that the Group and Company will continue to generate sufficient cash flows and will be able to fully meet interest payments for the next twelve months and which are well ahead of debt covenants set out in the loan facility agreements. Therefore, the directors have concluded that the going concern basis of accounting continues to be appropriate.

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 similarly recognised from the point at which service is first provided over the life of the contract with the exception of revenue from building web sites which is recognised when the site is successfully delivered to the customer.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 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 period 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 period 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. Negative goodwill arising on acquisition of a subsidiary was credited to the income statement after recording net assets at fair value upon the purchase of the Spanish Group. An impairment review was carried out at the period end as required by IFRS. The carrying value was measured against the value in use using a discounted cash flow model. No asset values were impaired as a result of this review.

##### (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.

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.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 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)

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. The amortisation period and method are reviewed and adjusted, if appropriate, at each Group statement of financial position date.

Internally developed software that is capitalised includes the employee costs of developing the software and an appropriate portion of overheads.

##### (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.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 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) Taxation

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

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

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

#### Significant accounting policies (continued)

##### (r) Taxation (continued)

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 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 Group statement of financial position date. Deferred tax assets and liabilities are not discounted.

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

##### (s) 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.

##### (t) Dividends

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

##### (u) 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 estimates 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. Historically, the Group has not realised large gains or losses on disposals of property, plant and equipment.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

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

#### Taxation

The determination of the Group's obligation and expense for taxes requires an interpretation of tax law. 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 to the amounts recorded, then it would increase or decrease income as appropriate in the period such determination was made.

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.

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

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

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

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

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

- Amendments to IAS 32, 'Financial Instruments: Presentation', which updates guidance and aims to clarify the requirements for offsetting financial assets and financial liabilities on the statement of financial position.
- Amendment to IAS 36, 'Impairment of Assets', which addresses the disclosure of information about the recoverable amount of impaired assets of that amount is based on fair value less cost of disposal.
- Amendment to IAS 39, 'Financial Instruments: Recognition and Measurement', which sets out narrow-scope amendments to allow hedge accounting where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.
- IFRS IC 21, 'Levies'. This interpretation relates to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' and clarifies that the obligating event that gives rise to the liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

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

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2015 or later periods but which the Group has chosen not to adopt early as follows:

- Amendment to IAS 19 regarding retirement benefit plans which sets out narrow-scope amendments which apply to contributions from employees or third parties to defined benefit plans. It has received EU endorsement and is effective for accounting periods beginning on or after 1 July 2014.
- Other publications have been issued, which have not yet received EU endorsement and which are effective for accounting periods beginning on or after 1 January 2016 including IFRS 14, 'Regulatory deferral accounts' and amendments to IFRS 10, IFRS 11, IAS 1 and IAS 16 and an amendment to IFRS 10 and IAS 28. Publications which have not yet received EU endorsement and which are effective for accounting periods beginning on or after 1 January 2017 include IFRS 15, 'Revenue from Contracts with Customers', and publications which have not yet received EU endorsement and which are effective for accounting periods beginning on or after 1 January 2018 include IFRS 9, 'Financial Instruments' which replaces the guidance in IAS 39.

## 2. Revenue

### Analysis by class of business:

£m	Period ended 31 March 2015
Print and other directory services	86.8
Digital directories	51.1
Other digital services	19.5
<b>Total revenue</b>	<b>157.4</b>

### Analysis by country of destination:

£m	Period ended 31 March 2015
Spanish markets	67.3
Latin American markets	90.1
<b>Total revenue</b>	<b>157.4</b>

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 3. Expenses by nature

£m	Note	Period ended 31 March 2015
Exceptional items	6	2.9
Depreciation and impairment of property, plant and equipment	10	2.8
Operating lease expenses – property, plant and equipment		1.9
Amortisation of intangible assets <sup>(a)</sup>	9	0.7
Foreign exchange gains		(0.1)

(a) Amortisation charges on the Group's intangible assets are recognised in the administrative expenses line item in the Group income statement.

### 4. Auditors' remuneration

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

£m	Period ended 31 March 2015
Fees payable to the Group's auditor for the audit of the consolidated group entities' annual financial statements	0.2
Audit of the company's subsidiaries	0.1
<b>Total fees payable for audit services</b>	<b>0.3</b>
Fees payable to the Group's auditor and its associates for other services:	
Tax advisory services	–
Other non-audit services <sup>(a)</sup>	–
<b>Total fees payable for non-audit services</b>	<b>–</b>
<b>Total auditors' remuneration</b>	<b>0.3</b>

(a) Included in the above were amounts of £4,900 in respect of non-audit services.

### 5. Employees

	Period ended 31 March 2015
Average monthly number of employees in the Group (including executive directors):	
Spain	668
Latin America	853
<b>Total employees</b>	<b>1,521</b>
Sales	851
Marketing	82
Other	588
<b>Total employees</b>	<b>1,521</b>

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 5. Employees (continued)

£m	Period ended 31 March 2015
Staff costs for the Group during the period (including executive directors):	
Wages and salaries	55.0
Social security costs	8.3
Exceptional restructuring costs (see note 6)	1.1
<b>Total staff costs expensed to the income statement</b>	<b>64.4</b>

### 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	Period ended 31 March 2015
Costs associated with Group restructuring	1.8
Severance costs	1.1
<b>Net exceptional expense in Group profit after tax</b>	<b>2.9</b>

Costs associated with Group restructuring relate to a review carried out which explored a number of strategic alternatives regarding the Group's subsidiaries.

### 7. Net finance costs

£m	Period ended 31 March 2015
Interest payable on bank loans	(1.0)
Other interest payable	(7.2)
<b>Total finance costs</b>	<b>(8.2)</b>
Other interest income	3.4
<b>Total finance income</b>	<b>3.4</b>
<b>Net finance costs</b>	<b>(4.8)</b>

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 8. Taxation

The Company is resident in the UK for corporate income tax purposes. The tax charge on the Group's profit before tax is analysed as follows:

£m	Period ended 31 March 2015
<b>Current tax</b>	
UK corporation tax current period credit	–
Foreign corporate income tax current period charge	7.6
Adjustments to acquired current tax balances in respect of pre-acquisition periods	(3.1)
<b>Total current tax charge</b>	<b>4.5</b>
<b>Deferred tax (see note 11)</b>	
UK deferred tax current period credit	–
Foreign deferred tax current period credit	(2.6)
<b>Total deferred tax credit</b>	<b>(2.6)</b>
<b>Total tax charge on profit before tax</b>	<b>1.9</b>

The tax charge for the period is lower than the effective standard rate of corporation tax in the UK of 21.2% for the period. The differences are explained below:

£m	Period ended 31 March 2015
Profit before taxation	21.7
Profit before taxation multiplied by the effective standard rate of corporation tax in the UK of 21.2% for the period	4.6
Effects of:	
Deferred tax assets not recognised	11.1
Non-taxable negative goodwill on acquisition of subsidiary	(7.3)
Differing tax rates on foreign losses	(4.9)
Adjustments to acquired tax balances in respect of pre-acquisition periods	(3.1)
Effect of tax rate changes	0.2
Other	1.3
<b>Total tax charge on profit before tax</b>	<b>1.9</b>

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 8. Taxation (continued)

During the period, legislation was enacted to reduce the corporate income tax rate in Spain from 30% to 28% effective from 1 January 2016 and then to reduce it to 25% effective from 1 January 2017. The effect of these changes has been to reduce deferred tax assets by £0.5m and deferred tax liabilities by £0.5m.

During the period, legislation was enacted to reduce the corporate income tax rate in Peru from 30% to 28% effective from 1 January 2015. The effect of this change has been to reduce deferred tax assets by £0.2m and decrease the profit after tax by £0.2m in the period.

Legislation to gradually increase the corporate income tax rate in Chile from 21% in 2014 to 25% in 2017 was substantially enacted at the date of the statement of financial position. These changes do not have any effect on these financial statements.

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

No taxation was charged or credited directly to equity.

### 9. Intangible assets

£m	Software costs	Total
<b>Cost</b>		
Acquisitions on 3 March 2014 (see note 22)	2.3	2.3
Additions	0.9	0.9
Disposals and write offs	(1.2)	(1.2)
Currency movements	(0.2)	(0.2)
Cost at 31 March 2015	1.8	1.8
<b>Accumulated amortisation</b>		
Charge for the period	(0.7)	(0.7)
Accumulated amortisation at 31 March 2015	(0.7)	(0.7)
<b>Net book value at 31 March 2015</b>	<b>1.1</b>	<b>1.1</b>

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

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 10. Property, plant and equipment

Property, plant and equipment is summarised as follows:

£m	Land	Buildings	Leasehold Improve- ments	Motor vehicles and other	Computers and equipment	Total
<b>Cost</b>						
Acquisitions on 3 March 2014 (see note 22)	14.3	9.8	0.1	0.2	2.0	26.4
Additions	–	–	–	0.1	0.3	0.4
Disposals and write offs	(0.7)	(0.5)	–	(0.1)	(0.1)	(1.4)
Currency movements	(1.5)	(1.4)	–	–	(1.4)	(4.3)
Cost at 31 March 2015	12.1	7.9	0.1	0.2	0.8	21.1
<b>Accumulated depreciation</b>						
Charge/impairment for the period	(0.7)	(1.1)	–	–	(1.0)	(2.8)
Disposals and write offs	0.7	0.5	–	–	0.1	1.3
Currency movements	–	0.5	–	–	1.3	1.8
Accumulated depreciation at 31 March 2015	–	(0.1)	–	–	0.4	0.3
<b>Net book value at 31 March 2015</b>	<b>12.1</b>	<b>7.8</b>	<b>0.1</b>	<b>0.2</b>	<b>1.2</b>	<b>21.4</b>

The net book value of property, plant and equipment included amounts of £nil in respect of assets held under finance leases.

### 11. Deferred taxation

#### Deferred tax assets

#### Period ended 31 March

£m	2015
Acquisitions on 3 March 2014 (see note 22)	17.0
Charged to Group income statement	(10.2)
Currency movements	(0.3)
<b>Balance at 31 March</b>	<b>6.5</b>

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

#### At 31 March

£m	2015
Tax effect of timing differences due to:	
Bad debt provision	2.8
Other allowances and accrued expenses	1.9
Amortisation of goodwill recognised for tax purposes	1.7
Depreciation	0.1
<b>Recognised deferred tax assets</b>	<b>6.5</b>

Deferred income tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of £369.9m in respect of tax loss carry forwards of £1,488.3m which do not time expire. In addition, the Group did not recognise deferred income tax assets of £56.0m in respect of other assets of £224.7m.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 11. Deferred taxation (continued)

#### Deferred tax liabilities

Period ended 31 March

£m	2015
Acquisitions on 3 March 2014 (see note 22)	19.0
Credited to Group income statement	(12.8)
Currency movements	(0.9)
<b>Balance at 31 March</b>	<b>5.3</b>

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

#### At 31 March

£m	2015
Tax effect of timing differences due to:	
Unremitted earnings	3.3
Land and buildings	2.0
<b>Recognised deferred tax liabilities</b>	<b>5.3</b>

### 12. Subsidiary undertakings

Details of principal subsidiary undertakings at 31 March 2015, all of which are unlisted, are as follows:

Name	Activity	Group interest in allotted capital <sup>(a)</sup>	Countries of operation
hibu Holdings 3 Limited	Holding company	100% ordinary	United Kingdom
Yell Finance (Jersey) Two Limited	Finance company	100% ordinary	United Kingdom <sup>(b)</sup>
hibu Mediaworks, S.A.U.	Graphics services	100% ordinary	Spain
hibu Connect, S.A.U.	Classified advertising publisher	100% ordinary	Spain
11888 Servicio Consulta Telefonica, S.A.	Directory assistance	100% ordinary	Spain
Directories Holding, B.V.	Holding company	100% ordinary	Netherlands
hibu Argentina, S.A.	Classified advertising publisher	100% ordinary	Argentina
Yell Chile Holding, S.A.	Dormant	100% ordinary	Chile
hibu Chile, S.A.	Classified advertising publisher	100% ordinary	Chile
Publiguias Holding, S.A.	Holding company	100% ordinary	Chile
hibu Peru, S.A.C.	Classified advertising publisher	100% ordinary	Peru

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

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

All significant subsidiary undertakings have been consolidated on a coterminous year end basis. The companies listed include those that materially affect the amount of net loss and net assets of the Group. A full list of all the Group's subsidiary undertakings at the date of this document is available for inspection at the registered office of the Company.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 13. Trade and other receivables

At 31 March

£m	Note	2015
<b>Amounts falling due within one year</b>		
Net trade receivables		71.9
Accrued income		18.8
Amounts due from other group undertakings <sup>(a)</sup>	23	0.5
Total financial assets other than cash and cash equivalents classified as loans and receivables		91.2
Prepayments		0.6
<b>Current portion</b>		<b>91.8</b>
<b>Amounts falling due after more than one year</b>		
Other receivables		1.2
<b>Non-current portion</b>		<b>1.2</b>
<b>Total trade and other receivables</b>		<b>93.0</b>

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

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.

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

At 31 March

£m	2015
Euro	45.9
Other	47.1
<b>Total receivables</b>	<b>93.0</b>

The carrying amounts of the Group's trade receivables are stated after deducting a provision of £42.3m at 31 March 2015 for doubtful debts and sales allowances.

The movements in the provision for doubtful debts were as follows for the period ended 31 March 2015:

£m	2015
Acquisitions on 3 March 2014	45.3
Charged to Group income statement	6.4
Write offs / currency movements	(9.4)
<b>Balance at 31 March</b>	<b>42.3</b>

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 13. Trade and other receivables (continued)

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 2015, the carrying value and estimated recoverable amount of trade receivables past due and impaired was £nil, after deducting the related provision for doubtful debts of £33.7m.

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

£m	2015
Up to one month past due	–
One to three months past due	–
Three to nine months past due	–
Over nine months past due	33.7
<b>Total gross trade receivables past due and impaired</b>	<b>33.7</b>

The other classes of receivables do not contain impaired assets.

At 31 March 2015, gross trade receivables of £11.9m were past due but not impaired. At 31 March 2015, the ageing analysis of these gross trade receivables is as follows:

£m	2015
Up to one month past due	3.3
One to three months past due	5.8
Three to nine months past due	1.6
Over nine months past due	1.2
<b>Total gross trade receivables past due but not impaired</b>	<b>11.9</b>

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 period and a provision for doubtful debts recognised.

Trade receivables not yet due of £68.6m have a provision set against them of £nil. 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 Company's customer base being large, geographically diverse and unrelated. These parties do not have a history of default.

### 14. Inventories

Inventory of £2.5m, 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 £9.3m.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 15. 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 is not a profit centre and its objective is to manage risk at optimum cost. The treasury function conducts its operations in accordance with policies and procedures approved 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.

The Group has given one financial covenant to its Lenders, which is to maintain minimum cash balances of €5m at the end of each month. A discussion of the risks associated with these covenants and other undertakings is presented on pages 4 and 16.

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.

#### Market risk and financial instruments

The only commodity exposing the Group to market risk is paper, which would have increased or decreased EBITDA by £0.9m 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.

#### Financial instruments analysis

- Sensitivity to interest rates

The Group had no variable rate borrowings during the period.

There are no hedging arrangements at 31 March 2015.

See note 25 for liquidity and funding. See note 16 on financial instruments for currency profile and interest rate risk, liquidity risk. See note 13 trade and other receivables for credit risk.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 16. 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 2015

£m	Loans and Receivables	Amortised cost loans and other liabilities	Total book value	Total fair value
<b>Assets</b>				
Cash and cash equivalents <sup>(a)</sup>	40.3	–	40.3	40.3
Trade and other receivables <sup>(a)</sup>	93.0	–	93.0	93.0
<b>Total financial assets</b>	<b>133.3</b>	<b>–</b>	<b>133.3</b>	<b>133.3</b>
<b>Liabilities</b>				
Trade and other payables <sup>(a)</sup>	–	(88.2)	(88.2)	(88.2)
Short-term borrowings	–	–	–	–
Long-term borrowings	–	(33.7)	(33.7)	(33.7)
<b>Total financial liabilities</b>	<b>–</b>	<b>(121.9)</b>	<b>(121.9)</b>	<b>(121.9)</b>

(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.

Movements in the fair values of derivative financial instruments designated as cash flow hedges (to the extent they are effective) are recognised in equity and in the Group income statement when the underlying hedged transactions are settled. There are no derivative financial instruments in place at 31 March 2015.

More detail on the Group's accounting for financial instruments is included in significant accounting policies on pages 16 to 20.

### 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 2015

£m	Financial assets floating rate	Financial liabilities			Net financial (liabilities)/ assets
		Fixed or capped rate	Floating rate	Total	
<b>Currency</b>					
Euro	14.6	(33.7)	–	(33.7)	(19.1)
Other	25.7	–	–	–	25.7
<b>Total</b>	<b>40.3</b>	<b>(33.7)</b>	<b>–</b>	<b>(33.7)</b>	<b>6.6</b>

Details regarding the credit quality of financial assets are given in note 13.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 16. Financial instruments (continued)

#### Borrowing facilities and liquidity risk

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

The following table analyses the contractual undiscounted cash flows payable (calculated using forward/spot interest rates), the carrying values and the fair values of Group borrowings at the statement of financial position date. 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. All derivative amounts are shown gross, although amounts are settled net wherever possible.

#### 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	Gross carrying value	Deferred finance costs	Net carrying value	Fair value
Term loan – new facilities:									
Euro	–	–	33.7	–	33.7	33.7		33.7	33.7
<b>Total loans and other borrowings</b>	–	–	33.7	–	33.7	33.7	–	33.7	33.7
Fixed rate interest	0.5	1.0	0.5	–	2.0				
Floating rate interest	–	–	–	–	–				
<b>Total payments</b>	<b>0.5</b>	<b>1.0</b>	<b>34.2</b>	<b>–</b>	<b>35.7</b>				
<b>Contractual payments analysed between:</b>									
Euro	0.5	1.0	34.2	–	35.7				
<b>Total payments</b>	<b>0.5</b>	<b>1.0</b>	<b>34.2</b>	<b>–</b>	<b>35.7</b>				
<b>Contractual payments analysed between:</b>									
Fixed	0.5	1.0	34.2	–	35.7				
Floating	–	–	–	–	–				
<b>Total payments</b>	<b>0.5</b>	<b>1.0</b>	<b>34.2</b>	<b>–</b>	<b>35.7</b>				

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 17. Trade and other payables

At 31 March

£m	Note	2015
<b>Amounts falling due within one year</b>		
Trade payables		10.6
Other payables		14.4
Amounts owed to other group undertakings <sup>(a)</sup>	23	7.2
Total financial liabilities excluding loans and borrowings classified as financial liabilities measured at amortised cost		32.2
Deferred income		32.1
Accrued expenses		23.9
<b>Current portion</b>		<b>88.2</b>
<b>Amounts falling due after more than one year</b>		
Other payables		0.4
<b>Non-current portion</b>		<b>0.4</b>
<b>Total trade and other payables</b>		<b>88.6</b>

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

At 31 March

£m	2015
Euro	63.9
Other	24.7
<b>Total trade and other payables</b>	<b>88.6</b>

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 18. Loans, other borrowings and net debt

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	Fixed interest rate (%)	2015
<b>Amounts falling due after more than one year</b>		
Senior credit facilities	1.5	33.7
<b>Total amounts falling due after more than one year</b>		<b>33.7</b>
Total loans and other borrowings		33.7
Cash and cash equivalents		(40.3)
<b>Total net cash</b>		<b>(6.6)</b>

Details of the maturity profiles of borrowings are given in note 16. There are no material borrowings denominated in currencies other than Euros.

### 19. Financial commitments and contingent liabilities

Future aggregate minimum operating lease payments for the Group at 31 March 2015 are as follows:

At 31 March

£m	2015
<b>Payable</b>	
Not later than one year	1.6
Later than one year and not later than five years	5.7
Later than five years	2.7
<b>Total future aggregate minimum operating lease payments</b>	<b>10.0</b>

Operating lease payments expensed during the year amounted to £1.9m.

The Group has £1.5m of restructuring provisions expensed but not yet paid at 31 March 2015 representing the Group's best estimate of amounts to be settled.

There are no contingent liabilities or guarantees other than those referred above 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.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 20. Share capital

	2015 No. of shares of £0.01	2015 £
<b>Ordinary shares</b>		
At beginning of period	1	–
At 31 March 2015	1	–

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.

### 21. Other Reserves

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

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

Total other reserves are analysed as follows:

£m	Translation reserve	Total other reserves
Exchange losses arising on translation of foreign operations	(1.2)	(1.2)
Net expense recognised directly in equity	(1.2)	(1.2)
<b>At 31 March 2015</b>	<b>(1.2)</b>	<b>(1.2)</b>

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 22. Acquisitions

#### Business combinations in the period ended 31 March 2015

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 Connect SAU as well as a 100% interest in subsidiaries in Latin America. Further details are given in note 2 to the Company only section of these financial statements.

£m	Book value	Net adjustments	Fair value
<b>Non-current assets</b>			
Intangible assets (see note 9)	102.4	(100.1)	2.3
Property, plant and equipment (see note 10)	26.4	–	26.4
Deferred tax assets (see note 11)	21.2	(4.2)	17.0
Other receivables	1.2	–	1.2
<b>Total non-current assets</b>	<b>151.2</b>	<b>(104.3)</b>	<b>46.9</b>
<b>Current assets</b>			
Inventories	5.8	–	5.8
Trade and other receivables	102.6	–	102.6
Intercompany receivables	0.3	–	0.3
Cash and cash equivalents	56.5	–	56.5
<b>Total current assets</b>	<b>165.2</b>	<b>–</b>	<b>165.2</b>
<b>Current liabilities</b>			
Trade and other payables	(118.5)	42.3	(76.2)
Intercompany payables	(4.5)	–	(4.5)
<b>Total current liabilities</b>	<b>(123.0)</b>	<b>42.3</b>	<b>(80.7)</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (see note 11)	(19.4)	0.4	(19.0)
Borrowings	(80.8)	–	(80.8)
<b>Total non-current liabilities</b>	<b>(100.2)</b>	<b>0.4</b>	<b>(99.8)</b>
<b>Identifiable net assets</b>	<b>93.2</b>	<b>(61.6)</b>	<b>31.6</b>
Negative goodwill on acquisition of subsidiary			(31.6)
<b>Total cost</b>			<b>–</b>

It is estimated that Group revenues increased by £157.4m during the period of ownership and if the acquirees had been owned for the whole period, revenues would have increased by £193.0m. Group EBITDA before exceptional items is estimated to have increased by £1.2m during the period of ownership but would have increased by £3.5m, had the acquirees been owned for the entire period.

# Eagle Spain Holdco 2013 Limited

Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

## 23. Related party transactions

£m	Period ended 31 March 2015
<b>Group recharges – charged to:</b>	
hibu (UK) Limited	1.5
hibu Inc	3.9
<b>Total Group recharge amounts charged to other group undertakings</b>	<b>5.4</b>

£m	Period ended 31 March 2015
<b>Group recharges - amounts charged by:</b>	
hibu (UK) Limited	(0.7)
hibu Inc	(3.8)
hibu India Private Limited	(0.1)
<b>Total Group recharge amounts charged by other group undertakings</b>	<b>(4.6)</b>

### At 31 March

£m	2015
<b>Current assets</b>	
hibu (UK) Limited	0.1
hibu Inc	0.4
<b>Total amounts owed by other group undertakings</b>	<b>0.5</b>

### At 31 March

£m	2015
<b>Current liabilities</b>	
hibu (UK) Limited	(2.2)
hibu Inc	(1.7)
YH Limited	(2.9)
Sitemaker Software Limited	(0.4)
<b>Total Group recharge amounts owed to other group undertakings</b>	<b>(7.2)</b>

Other group undertakings are other Hibu Group subsidiaries outside the control of the Group.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 23. Related party transactions (continued)

#### Subsidiary undertakings

Details of the principal subsidiary undertakings are given in note 12 of these financial statements. Further detail can be found the financial statements of the Company.

#### 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:

	Period ended 31 March 2015
£'000	
Salaries and other short-term benefits	16
Amounts received under long term incentive schemes (other than shares or share options)	—
Employer's pension contributions	—
<b>Total remuneration</b>	<b>16</b>

The highest paid director earned £16k in the period, excluding employer's pension contributions, in respect of services to the Group.

No share based payment expense has been included, as no share options have been granted or are outstanding at 31 March 2015. One director was a member of the UK defined benefit pension scheme, but no amounts were charged to the Group for contributions to 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 shown above) and certain members of Group management.

	Period ended 31 March 2015
£m	
Salaries and other short-term employee benefits	1.1
The amount of money and other assets (other than shares or share options) earned under long-term incentive schemes	0.7
Employer's pension contributions	—
<b>Total key management compensation</b>	<b>1.8</b>

Total compensation includes net amounts charged to the Group by employing companies. The £0.2m expensed for contractual and in lieu of contractual losses of office payments reflected the cost cutting programmes 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 2015.

### 24. Ultimate parent company and controlling party

The Company's immediate parent company Eagle Midco 2013 Limited an indirectly wholly owned subsidiary of Hibu Group 2013 Limited. At 31 March 2015, the ultimate holding company and controlling party was Hibu Group 2013 Limited.

# Eagle Spain Holdco 2013 Limited

## Notes to the consolidated financial statements for the period from 13 December 2013 to 31 March 2015 (continued)

### 25. 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 any cash in excess of €23.5m is put to one side for three months, after which, to the extent that it not required to restore the Group's cash balances to €23.5m, it is used to prepay 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 prepay its debt in the month following its determination of cash in excess of €23.5m under certain circumstances.

# Eagle Spain Holdco 2013 Limited

Income statement (Company only) for the period from 13 December 2013 to 31 March 2015

	Period ended 31 March 2015 £
Operating result	-
Result before taxation	-
Taxation	-
Result for the period	-

Statement of comprehensive income (Company only) for the period from 13 December to 31 March 2015

There is no other comprehensive income for the period.

# Eagle Spain Holdco 2013 Limited

Statement of financial position (Company only) at 31 March 2015

	Note	At 31 March 2015 £
<b>Non-current assets</b>		
Investments in subsidiaries	2	1
<b>Total non-current assets</b>		<b>1</b>
Trade and other payables	4	(1)
<b>Total current liabilities</b>		<b>(1)</b>
<b>Net current liabilities</b>		<b>(1)</b>
<b>Net assets</b>		<b>-</b>
<b>Equity</b>		
Share capital	5	-
<b>Total equity</b>		<b>-</b>

The financial statements on pages 41 to 47 were approved by the Board of directors on 27 July 2015 and were signed on its behalf by:



**Robert Hall**  
Director

Registration no 08815130

# Eagle Spain Holdco 2013 Limited

Statement of changes in equity (Company only) for the period from 13 December 2013 to 31 March 2015

	Share capital £	Retained earnings £	Total £
Balance at 13 December 2013	-	-	-
Result for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-
<b>Balance at 31 March 2015</b>	-	-	-

# Eagle Spain Holdco 2013 Limited

Cash flow statement (Company only) for the period from 13 December 2013 to 31 March 2015

	Period ended 31 March 2015 £
<b>Cash flows from operating activities:</b>	
Result from operations	-
<b>Net cash flows from operating activities</b>	-
<b>Cash flows from investing activities:</b>	
Investment in subsidiary undertakings	(1)
Loan from related party	1
<b>Net cash flows used in investing activities</b>	-
<b>Cash flows from financing activities:</b>	
<b>Net cash flows from financing activities</b>	-
<b>Net movement in cash and cash equivalents</b>	-
Cash and cash equivalents at beginning of period	-
<b>Cash and cash equivalents at end of period</b>	-

# Eagle Spain Holdco 2013 Limited

Notes to the financial statements (Company only) for the period from 13 December 2013 to 31 March 2015

## 1. Accounting policies

### Presentation of financial statements

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS's) and IFRS Interpretations Committee (IFRS IC's) 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 became Guarantors under the terms of a new Facilities Agreement dated 3 March 2014. This new 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 these circumstances 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 which indicate that the Group will continue to generate sufficient cash flows and will be able to fully meet interest payments for the next twelve months and which are well ahead of covenants set out in the bank facilities, referred to above. Therefore the directors have concluded that the going concern basis of accounting continues to be appropriate.

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 period

Details of standards, interpretations and amendments that became effective during the period and those that are not yet effective are set out on pages 21 to 22. None of these were material to the Company.

#### Critical accounting estimate and management judgements

Details of critical accounting estimates and management judgements are set out on page 18.

# Eagle Spain Holdco 2013 Limited

Notes to the financial statements (Company only) for the period from 13 December 2013 to 31 March 2015 (continued)

## 2. Investment in subsidiaries

	At 31 March 2015 £
<b>Cost</b>	
At 13 December 2013	-
Additions	1
<b>At 31 March</b>	<b>1</b>
<b>Carrying value</b>	<b>1</b>

Direct subsidiaries	Company activity	Country of incorporation	2015 Percentage owned	2015 Carrying value £
hibu Holdings 3 Limited	Intermediate holding company	United Kingdom	100.00	1
<b>Carrying value</b>				<b>1</b>

On 3 March 2014 the Company purchased the entire share capital of hibu Holdings 3 Limited from Yell Holdings 2 Limited (in administration from February 2014 and dissolved in May 2015) for £1.

## 3. Taxation

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

## 4. Trade and other payables

	At 31 March 2015 £
<b>Amounts falling due within one year</b>	
Other payables	1
<b>Amounts falling due within one year</b>	<b>1</b>
<b>Total trade and other payables</b>	<b>1</b>

## 5. Share capital

	2015 No. of shares of £0.01	2015 £
<b>Ordinary shares</b>		
On incorporation	1	-
<b>At 31 March</b>	<b>1</b>	<b>-</b>
<b>Total share capital at 31 March</b>		<b>-</b>

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.

# **Eagle Spain Holdco 2013 Limited**

**Notes to the financial statements (Company only) for the period from 13 December 2013 to 31 March 2015 (continued)**

## **6. Controlling entity**

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

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 2013 Limited, whose financial statements are publicly available at One Reading Central, Forbury Road, Reading, Berkshire, RG1 3YL.

## **7. 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 accounts. No other fees were paid to PricewaterhouseCoopers LLP for non-audit services to the Company in the period.

## **8. Directors remuneration**

There are no employees of the Company other than the directors.

The directors did not receive remuneration for their services to the Company in the period.