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Registered Number: FC031062

hibu pay LLC

First Annual Report for the period from 26 July 2012 to 31 March 2013

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First Annual Report for the period from 26 July 2012 to 31 March 2013

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Company information

Board of directors

Antony Jeffrey Bates (appointed 27 July 2012)

Robert Hall (appointed 27 July 2012, resigned 21 November 2013)

Christian Wells (appointed 27 July 2012)

Registered office

The Coproration Trust Company

Corporation Trust Center

1209 Orange Street

Wilmington

New Castle County

Delaware 19801

Place of business

One Reading Central

Forbury Road

Reading

Berkshire

RG1 3YL

UK registered number

FC031062

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Statement of directors responsibilities for the period ended 31 March 2013

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain company transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Income statement for the period from 26 July 2012 to 31 March 2013

		Period ended 31 March 2013
	Note	\$
Revenue		317
Gross profit		317
Operating profit		317
Profit before taxation		317
Taxation	4	(76)
Profit for the financial period		241

Statement of comprehensive income for the period from 26 July 2012 to 31 March 2013

	Period ended 31 March 2013
	\$
Profit for the financial period	241
Total comprehensive income for the period	241

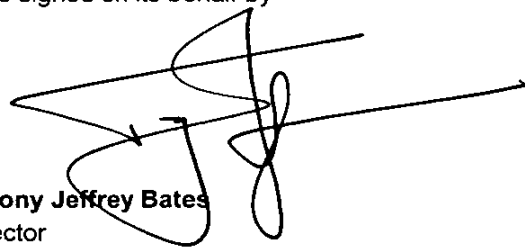
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Statement of financial position at 31 March 2013

	Note	At 31 March 2013 \$
Current assets		
Trade and other receivables	5	317
Total current assets		317
Current liabilities		
Trade and other payables	6	(76)
Total current liabilities		(76)
Net current assets		241
Net assets		241
Equity		
Share capital	7	-
Retained earnings		241
Total equity		241

There have been no cash flows in the period to 31 March 2013

The financial statements on pages 3 to 12 were approved by the Board of directors on 11 December 2013 and were signed on its behalf by


Antony Jeffrey Bates
Director

Registration no FC031062

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Statement of changes in equity for the period from 26 July 2012 to 31 March 2013

	Share capital	Retained earnings	Total
2013	\$	\$	\$
Profit for the period	-	241	241
Total comprehensive income for the period	-	241	241
Balance at 31 March 2013	-	241	241

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Notes to the financial statements for the period from 26 July 2012 to 31 March 2013

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) as adopted by the European Union, having regard to IFRIC interpretations and Section 396 of the Companies Act 2006. Accordingly these financial statements comply with Article 4 of the EU IAS Resolution.

The financial statements have not been audited as the Company is an overseas company incorporated in the United States of America.

The financial statements present information about the Company as an individual undertaking, and not as a group. The Company does not have any subsidiary undertakings.

The Company is an Overseas Company, incorporated and registered in Delaware in the United States of America, but registered to operate in the United Kingdom.

The functional currency of the Company is the US Dollar.

The company is a subsidiary of hibu plc (in administration) held indirectly through other holding companies.

In the Interim Management Statement for the 3 months ended 30 June 2013 published by hibu plc (in administration) on 25 July 2013 shareholders attention was drawn to the following:

"hibu's risks and uncertainties include strategic and operational risks faced by hibu's businesses, debt and financing risks faced in funding Group operations and the financial reporting and related risks faced in reporting hibu's results. Readers are advised to read pages 22 to 29, page 116 and notes 1 and 16 to the financial statements included in Yell Group plc's 2012 annual report (Yell Group plc changed its name to hibu plc on 27 July 2012) for the financial year ended 31 March 2012, a copy of which is available on hibu's website at <http://www.hibu.com>.

The majority of hibu's debt matures in April 2014. The Group has been in negotiations with a co-ordinating committee of the lenders (the "CoCom") under its facilities agreement dated 30 November 2009 (as amended) (the "2009 lenders") to represent the interests of the 2009 lenders during the process of determining an appropriate new capital structure. The Group obtained certain waivers, with CoCom support, from the 2009 lenders to enable, among other things, substantive discussions to take place around a balance sheet restructuring.

The Group is currently in default under the 2009 facilities agreement. The lenders' facility agent may, and must if directed by two thirds of lenders, demand immediate repayment of all amounts due. The default can only be waived by the unanimous approval of all 2009 lenders. As this is not considered likely in the current circumstances, a waiver request for this default is not being made. As announced today, the principal terms for the restructuring of the Group's debt have been agreed in principle with the CoCom subject to clearance from the UK Pensions Regulator. The members of the CoCom together represent approximately 32.8 per cent of the Group's financial debt. The restructuring will be implemented through schemes of arrangement that will require the approval of lenders that hold at least 75 per cent of the debt. Closing of the transaction is expected to take place in the fourth quarter of the current calendar year.

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Notes to the financial statements for the period from 26 July 2012 to 31 March 2013

1. Accounting policies (continued)

Presentation of financial statements (continued)

Basis of preparation (continued)

The financial restructuring will not result in any payment being made to shareholders or leave hibu shares with any value. The Group has therefore decided to suspend the listing of hibu's shares and the trading of those shares on the London Stock Exchange with effect from 07:30 BST today. The listing of hibu's shares will be cancelled upon completion of the restructuring. The restructuring will also result in a Group reorganisation that will require hibu plc and some other Group holding companies to be placed into administration.

Also as noted in another RNS announcement made by the Group today, the Board of Directors has given consideration to both the implications of the share suspension and the significant effect of any financial restructuring on the future shape of the Group, including the fact that hibu plc, which is the Group's ultimate holding company, is expected to be placed into administration as part of the financial restructuring. As a consequence, hibu has given notice to the Registrar of Companies that it is changing its accounting reference date to 30 September. As a consequence, the accounting period that commenced on 1 April 2012 will now cover the 18 months ending on 30 September 2013.

The Group is cash generative and the directors believe that the lenders will receive a higher recovery on their loans through a restructuring that allows the business to continue to operate as a going concern rather than by any other course of action. Therefore, the financial information has been prepared on a going concern basis and does not necessarily include all adjustments that would be required if the business were unable to continue as a going concern. At 30 June 2013, the Group held cash balances of £222m.

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

In reaching a conclusion the directors recognised that the syndicate of lenders enjoy the benefit of guarantees given and have security over shares of the Company and companies with which the Company trades or shares services. Negotiations in respect of a financial restructuring with the syndicate of lenders are at an advanced stage; this restructuring will see the Company and the companies with which the Company trades continue to operate. The directors believe that these negotiations will reach a satisfactory outcome. In addition, the Group's cash flow forecasts show that, despite the uncertain outlook, in the year ahead the Group is expected to remain cash generative.

The directors have concluded that it is appropriate for the financial statements to be prepared on a going concern basis; however they are making full disclosure, as required by accounting standards, to indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

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

Revenue

Revenue after deduction of sales allowances and value added tax comprises the value of products provided by the Company.

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Notes to the financial statements for the period from 26 July 2012 to 31 March 2013

1. Accounting policies (continued)

Foreign currencies

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

Loans and receivables

Loans and receivables are non-derivative financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. They are included in current assets or liabilities. Loans and receivables are classified as trade and other receivables or trade and other payables in the statement of financial position.

Taxation

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

Current tax is provided at the amounts expected to be paid or recovered under the tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured at the rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax assets and liabilities are not discounted. No provision is made for temporary differences relating to investments in subsidiaries since realisation of such differences can be controlled and is not probable in the foreseeable future.

Share capital

The Company does not have any share capital.

Standards that have been adopted during the current period

The following standards, interpretations and amendments became effective and were not material to the Company.

'Amendments to IFRS 7, 'Financial instruments: Disclosures on transfers of assets'

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 2013 or later periods but which the Company has chosen not to early adopt. There are five new standards and six amendments to current standards that could be relevant to the Company's operations.

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Notes to the financial statements for the period from 26 July 2012 to 31 March 2013

1 Accounting policies (continued)

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

IFRS 9, 'Financial Instruments' is a standard on classification of financial assets and liabilities that will replace IAS 39. It will be effective for accounting periods beginning after 1 January 2015, subject to EU endorsement.

IFRS 10, 'Consolidated Financial Statements' which builds on the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. It has received EU endorsement and is effective for accounting periods beginning after 1 January 2014.

IFRS 11, 'Joint Arrangements' provides a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. It has received EU endorsement and is effective for accounting periods beginning after 1 January 2014.

IFRS 12, 'Disclosure of interests in Other Entities' includes the disclosure requirements for all forms of interests in other entities. It has received EU endorsement and is effective for accounting periods beginning after 1 January 2014.

IFRS 13, 'Fair Value Measurement' which aims to improve consistency and reduce complexity by providing a precise definition of fair value and single source of measurement and disclosure requirements across IFRSs. It has received EU endorsement and is effective for accounting periods beginning after 1 January 2013.

Amendment to IAS 1, 'Financial Statement Presentation', sets out a requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It has received EU endorsement and is effective for accounting periods beginning after 1 July 2012.

Amendment to IAS 12, 'Income Taxes', will require an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying value of an asset through use or sale. It has received EU endorsement and is effective for accounting periods beginning after 1 January 2013.

Amendment to IAS 19, 'Employee Benefits' will eliminate the corridor approach and calculate finance costs on a net funding basis. It has received EU endorsement and is effective for accounting periods beginning after 1 January 2013.

Amendment to IAS 27 (Revised 2011), 'Separate Financial Statements' includes provisions on separate financial statements that are left behind after the control provisions of IAS 27 have been included in the new IFRS 10. It has received EU endorsement and is effective for accounting periods beginning after 1 January 2014.

Amendment to IAS 28 (Revised 2011), 'Associates and Joint Ventures' includes requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. It has received EU endorsement and is effective for accounting periods beginning after 1 January 2014.

Amendment to IAS 32, 'Financial Instruments Presentation' aims to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. It has received EU endorsement and is effective for accounting periods beginning after 1 January 2014.

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Notes to the financial statements for the period from 26 July 2012 to 31 March 2013

2. Employees

The Company does not have any employees

3. Directors' emoluments

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

4. Taxation

	Period ended 31 March 2013 \$
Current tax:	
Current year charge	76
Total current tax charge	76
Tax charge on profit before tax	76

The tax charge is the same as the standard rate of corporation tax in the UK of 24%

5. Trade and other receivables

	Note	At 31 March 2013 \$
Amounts falling due within one year		
Amounts owed by group undertakings	9	317
Total amounts falling due within one year		317
Total trade and other receivables		317

Amounts owed by group undertakings are reported as current assets as they are repayable at the discretion of the ultimate parent company

6 Trade and other payables

	Note	At 31 March 2013 \$
Amounts falling due within one year		
Amounts owed to group undertakings	9	76
Total amounts falling due within one year		76
Total trade and other payables		76

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Notes to the financial statements for the period from 26 July 2012 to 31 March 2013

6 Trade and other payables (continued)

Amounts owed to group undertakings are treated as current liabilities as they are repayable at the discretion of the ultimate parent company

7. Share capital

The Company, which was incorporated on 26 July 2012, does not have any issued share capital

8 Contingent liabilities

At 31 March 2013 there were no contingent liabilities or guarantees other than those arising in the ordinary course of the Company's business and on these no material losses are anticipated

9. Related party transactions

Details of transactions with other group undertakings during the period ended 31 March 2013 and balances outstanding as at this date are as follows

	At 31 March 2013
Current assets	\$
Trade and other receivables	
Amounts owed by hibu Inc	317
Total trade and other receivables	317
Total current assets	317
	At 31 March 2013
Current liabilities	\$
Amounts owed to hibu (UK) Limited	76
Total trade and other payables	76
Total current liabilities	76

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Notes to the financial statements for the period from 26 July 2012 to 31 March 2013

10 Controlling entity

At 31 March 2013 the Company was a wholly owned subsidiary of hibu (UK) Limited. The ultimate holding company and controlling party is hibu plc (in administration).

The hibu plc Group is currently in default of its facilities agreement. The Group is in advanced negotiations with its lenders on the terms of a financial restructuring, the closing of this restructuring is expected to take place in the fourth quarter of the current calendar year. This restructuring will result in a Group reorganisation that will require hibu plc (in administration) and some other Group holding companies to be placed into administration. hibu plc entered administration on 27th November 2013 while the other Group holding companies that will enter administration are expected to follow in Q1 of 2014. However under the proposed terms of the restructuring the Company will continue to operate under a new Group owned by the lenders.

At the date of signing these financial statements, the smallest and largest group in which the financial statements of this company are consolidated is Yellow Pages Limited, whose financial statements are publicly available. It is anticipated that Yell Finance BV will issue consolidated financial statements, which will then become the largest group in which the financial statements of the Company are consolidated.

11 Liquidity credit risk and risk management

The Company's significant risk factors are associated with the outcome of the hibu Group restructuring, as set out in Note 1.

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.