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Company Registration No. FC031062 (England and Wales)

HIBU PAY LLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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HIBU PAY LLC

COMPANY INFORMATION

Directors	Richard Hanscott Robert Hall (Appointed 1 June 2016)
Secretary	Christian Wells
UK registered number	FC031062
Registered office	The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington New Castle County Delaware 19801 U.S.A
Place of business	3 Forbury Place Forbury Road Reading Berkshire United Kingdom RG1 3YL

All references to Hibu Group in this document are references to the ultimate parent company Hibu Group Limited (formerly Hibu Group 2013 Limited). All references to the Group are references to Hibu Group and its consolidated subsidiaries.

HIBU PAY LLC

CONTENTS

	Page
Statement of directors' responsibilities	1 - 2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Notes to the financial statements	6 - 11

HIBU PAY LLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2017

Statement of directors' responsibilities

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

In preparing 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 United Kingdom Accounting Standards, including FRS101, have been followed subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS101 used in the preparation of 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 confirm that they have complied with the above requirements in preparing the financial statements.

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

HIBU PAY LLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2017


Going concern

The Company and other subsidiaries of Hibu Group were guarantors under the terms of a Facilities Agreement dated 3 March 2014. On 7 September 2016, the Group restructured its debt through a court approved scheme of arrangement. The Company is a guarantor and obligor under the terms of the Common Terms Agreement dated 7 September 2016. The terms require Hibu Bidco Limited and its subsidiaries ("the Bidco Group") to keep net cash pay debt to less than four times the Bidco Group's EBITDA over the preceding twelve months. The Bidco Group was in compliance with the terms during the relevant period ended 31 March 2017.

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

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

By order of the Board



Christian Wells
Secretary
3 July 2017

HIBU PAY LLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 \$	2016 \$
Revenue		72,927	110,355
Cost of sales		(57,198)	(94,252)
Gross profit		<u>15,729</u>	<u>16,103</u>
Other operating income		1,210	200
Operating profit	5	<u>16,939</u>	<u>16,303</u>
Profit before taxation		16,939	16,303
Tax charge	6	(326)	(3,243)
Profit and total comprehensive income for the financial year		<u><u>16,613</u></u>	<u><u>13,060</u></u>

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

HIBU PAY LLC

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2017

	Note	2017 \$	2016 \$
Current assets			
Trade and other receivables	7	22,003	22,003
Cash and cash equivalents		328,741	255,814
Total current assets		<u>350,744</u>	<u>277,817</u>
Current liabilities			
Trade and other payables	8	(296,077)	(239,763)
Total current liabilities		<u>(296,077)</u>	<u>(239,763)</u>
Net current assets		<u>54,667</u>	<u>38,054</u>
Net assets		<u>54,667</u>	<u>38,054</u>
Equity			
Share capital	9	-	-
Retained earnings		54,667	38,054
Total equity		<u>54,667</u>	<u>38,054</u>

The financial statements were approved by the board of directors and authorised for issue on 3 July 2017 and are signed on its behalf by:



Robert Hall
Director

Company Registration No. FC031062

HIBU PAY LLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital \$	Accumulated deficit \$	Total \$
Balance at 1 April 2015	-	24,994	24,994
Profit and total comprehensive income for the financial year	-	13,060	13,060
Balance at 31 March 2016	-	38,054	38,054
Balance at 1 April 2016	-	38,054	38,054
Profit and total comprehensive income for the financial year	-	16,613	16,613
Balance at 31 March 2017	-	54,667	54,667

HIBU PAY LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

The Company is a private limited liability company incorporated in the United States of America, but registered to operate in England and Wales under registration number FC031062. The registered office is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, U.S.A.

Basis of preparation

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

The financial statements have not been audited, as the Company is an overseas company incorporated and registered in the United States of America, but registered to operate in the United Kingdom.

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 functional currency of the Company is the US Dollar.

Yell Limited (formerly hibU (UK) Limited) is the key trading party of the Company. Cost of sales comprise costs recharged by Yell Limited.

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

Financial reporting standard 101 - reduced disclosure exemptions

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

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

HIBU PAY LLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Going concern

The financial statements have been prepared on a going concern basis. The Company and other subsidiaries of Hibu Group were guarantors under the terms of a Facilities Agreement dated 3 March 2014. On 7 September 2016, the Group restructured its debt through a court approved scheme of arrangement. The Company is a guarantor and obligor under the terms of the Common Terms Agreement dated 7 September 2016. The terms require Hibu Bidco Limited and its subsidiaries ("the Bidco Group") to keep net cash pay debt to less than four times the Bidco Group's EBITDA over the preceding twelve months. The Bidco Group was in compliance with the terms during the relevant period ended 31 March 2017.

The directors have considered the implications of the above and the risks set out in the Hibu Group strategic report for the period ended 31 March 2017 and, in particular, whether it is appropriate to prepare the financial statements of the Company on a going concern basis and the adequacy of the disclosures made within the financial statements. In reaching a conclusion the directors reviewed forecasts of future performance that indicate that the Bidco Group will continue to comply with its financial covenant, generate sufficient cash flows to meet interest payments for the next twelve months and repay its liabilities as they fall due.

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

Revenue

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

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.

Financial assets and liabilities

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

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.

Share capital

The Company does not have any share capital.

HIBU PAY LLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Current and deferred tax

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

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.

2 Standards that have become effective during the current year

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

- IFRS14, 'Regulatory Deferral Accounts', which permits first time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements. It is effective for accounting periods beginning on or after 1 January 2016 but will not be EU endorsed as an interim standard.
- Amendments to IFRS 10 and IAS 28 on investment entities applying the consolidation exception. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. They are effective for annual periods beginning on or after 1 January 2016.
- Amendments to IFRS 11, 'Joint Arrangements', which adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. These amendments are effective for annual accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 1, 'Presentation of Financial Statements' on the disclosure initiative. These amendments are part of the IASB initiative to improve presentation and disclosure in financial reports and are effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 16, 'Property Plant and Equipment' and IAS 38, 'Intangible assets', which provide clarification that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate. In addition, clarification is also given that revenue is an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments are effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 16, 'Property Plant and Equipment' and IAS 41, 'Agriculture', which change the reporting of bearer plants, such as grape vines so that they should be treated in the same as way as property, plant and equipment and thereby fall under the scope of IAS16. These amendments are effective for accounting periods beginning on or after 1 January 2016.
- Amendments to IAS 27, 'Separate Financial Statements'. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and are effective for accounting periods beginning on or after 1 January 2016.

HIBU PAY LLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

3 Critical accounting estimates and judgments

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

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

Tax

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

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

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

The Company records deferred tax assets to the extent that it believes they are more likely than not to be realised. Should the Company determine in the future that it would be able to realise deferred tax assets in excess of the recorded amount or that the liabilities are different than the amounts it recorded, then it would increase or decrease income as appropriate in the period such determination was made. At 31 March 2017 it believes it has recognised all its potential deferred tax assets.

4 Directors' emoluments

The directors are remunerated for their services to other companies within the Hibu Group. No amounts were received by them as directors of the Company (2016: £nil).

5 Operating result

	2017 \$	2016 \$
Operating profit for the year after crediting:		
Foreign exchange gain	(1,210)	(200)

There are no employees of the Company (2016: none).

6 Tax

	2017 \$	2016 \$
Current tax		
Current year taxation	2,997	3,221
Adjustments in respect of prior periods	(2,671)	22
Tax charge for the year	326	3,243

HIBU PAY LLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

6 Tax (Continued)

The Company is resident in the UK for tax purposes. The tax charge (2016: charge) for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017 \$	2016 \$
Profit before taxation	16,939	16,303
Profit before taxation multiplied by the standard UK corporation tax rate of 20% (2016: 20%)	3,388	3,261
Adjustments in respect of prior periods	(2,671)	22
Non-taxable foreign exchange gain	(242)	(40)
Other	(149)	-
Tax charge for the year	326	3,243

Factors that may affect future tax charges:

The corporation tax rate in the UK changed from 20% to 19% with effect from 1 April 2017. A further reduction to the corporation tax rate to 17% with effect from 1 April 2020 was substantively enacted in the Finance Act 2016. This further rate reduction has no effect on the Company's financial statements as the Company has no deferred tax assets or liabilities at 31 March 2017.

7 Trade and other receivables

	2017 \$	2016 \$
Amounts falling due within one year		
Amounts owed by group undertakings	22,003	22,003

Amounts due from group undertakings are repayable at the discretion of the ultimate parent company, Hibu Group.

8 Trade and other payables

	2017 \$	2016 \$
Amounts falling due within one year		
Amounts due to other group undertakings	296,077	239,763

Amounts due to group undertakings are repayable at the discretion of the ultimate parent company, Hibu Group.

HIBU PAY LLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

9 Share capital

The Company does not have any issued share capital.

10 Capital commitments

There are no capital or other commitments.

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

The Company participates in a Group banking arrangement whereby the Company's shares are provided as security against Group loans. The Company and fellow obligors were in full compliance with the financial covenant included within those arrangements during the relevant period ended 31 March 2017.

11 Post balance sheet events

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

12 Controlling party

At 31 March 2017 the Company was a wholly owned subsidiary of Yell Limited (formerly hibu (UK) Limited). The ultimate holding company and controlling party is Hibu Group.

The smallest group in which the financial statements of this company are consolidated is Hibu Bidco Limited and largest group is Hibu Group, both of whose financial statements are publicly available at 3 Forbury Place, Forbury Road, Reading, Berkshire, United Kingdom, RG1 3YL.