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Registered Number FC031062

hibu pay LLC

Annual Report for the year ended 31 March 2014

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hibu pay LLC

Annual Report for the year ended 31 March 2014

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Company information

Board of directors

Antony Jeffrey Bates (resigned 5 May 2014)

Robert Hall (resigned 2 December 2013)

Christian Wells (resigned 5 May 2013)

Richard Hanscott (appointed 5 May 2014)

Paul Russo (appointed 5 May 2014)

Company secretary

Christian Wells (appointed 5 May 2014)

Registered office

The Corporation 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

hibu pay LLC

Statement of directors responsibilities for the year ended 31 March 2014

The directors of hibu pay LLC ("the Company") 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 year ended 31 March 2014

		Year ended 31 March 2014 \$	Period ended 31 March 2013 \$
	Note		
Revenue		68,103	317
Cost of sales		(52,422)	-
Gross profit		15,681	317
Operating profit		15,681	317
Profit before taxation		15,681	317
Taxation	4	(3,607)	(76)
Profit for the financial year/period		12,074	241

Statement of comprehensive income for the year ended 31 March 2014

	Year ended 31 March 2014 \$	Period ended 31 March 2013 \$
Profit for the financial year/period	12,074	241
Total comprehensive income for the year/period	12,074	241

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Statement of financial position at 31 March 2014

	Note	At 31 March 2014 \$	At 31 March 2013 \$
Current assets			
Trade and other receivables	5	22,668	317
Cash and cash equivalents		45,752	-
Total current assets		68,420	317
Current liabilities			
Trade and other payables	6	(56,105)	(76)
Total current liabilities		(56,105)	(76)
Net current assets		12,315	241
Net assets		12,315	241
Equity			
Share capital	7	-	-
Retained earnings		12,315	317
Total equity		12,315	317

The financial statements on pages 3 to 12 were approved by the Board of directors on 29 July 2014 and were signed on its behalf by



Paul Russo
Director

Registration no FC031062

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Statement of changes in equity for the year ended 31 March 2014

	Share capital	Retained earnings	Total
	\$	\$	\$
2014			
Balance at beginning of year	-	241	241
Profit for the year	-	12,074	12,074
Total comprehensive income for the year	-	12,074	12,074
Balance at 31 March 2014	-	12,315	12,315

	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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Cash flow statement for the year ended 31 March 2014

	Year ended 31 March 2014 \$	Period ended 31 March 2013 \$
Cash flows from operating activities		
Cash generated from operations	45,752	-
Net cash flows from operating activities	45,752	-
Cash flows from investing activities		
Net cash flows from investing activities	-	-
Cash flows from financing activities		
Net cash outflow from financing activities	-	-
Net cash increase in cash and cash equivalents	45,752	-
Cash and cash equivalents at beginning of year / period	-	-
Cash and cash equivalents at end of year / period	45,752	-

Cash generated from operations

Profit for the financial year/period	12,074	241
Adjustments For		
Taxation	3,607	76
Changes in working capital		
Trade & other receivables	(22,351)	(317)
Trade & other payables	52,422	-
Cash generated from operations	45,752	-

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Notes to the financial statements for the year ended 31 March 2014

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 and registered in Delaware 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.

At 31 March 2013, the Company was an indirectly wholly owned subsidiary of its ultimate parent company, hibu plc (in administration), which with its subsidiaries comprised the "hibu Group". On 3 March 2014 the Company participated in the financial restructuring of the hibu Group through a court approved scheme of arrangement, as discussed below. On 3 March 2014 Eagle Topco 2013 Limited became the Company's ultimate holding company through intermediate holding companies when Eagle Topco 2013 Limited formed the "Topco Group" by acquiring certain assets of hibu plc (in administration), including the entire shareholding of YH Limited, which in turn acquired the entire shareholding of hibu (UK) Limited, the immediate parent of the Company. As part of this financial restructuring and change in ownership, the overall financial indebtedness of fellow group undertakings was reduced, the terms of the Topco Group's borrowing facilities were amended and extended (and substantially modified) and hibu (UK) Limited was released from the guarantees it had given under the previous borrowing facilities.

The Company and hibu (UK) Limited became Guarantors under the terms of a new Facilities Agreement dated 3 March 2014. hibu (UK) Limited is the key trading party of the Company.

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. However, forecasts indicate that there is a risk that the financial covenants may be breached within the next twelve months. If a financial breach is imminent the directors of Eagle Topco 2013 Limited will approach the lenders to secure a waiver to ensure that no breach occurs, this will require the support of two-thirds of the lenders by value. In the event that covenants are breached without remedy or waiver, the lenders' agent may, and must if directed by two-thirds of lenders (by reference to debt held) demand immediate repayment of all amounts due to them. The directors consider it unlikely that a covenant reset will not be obtained and that the lenders would request repayment, but there is a material uncertainty for the Company and its key trading party. As the Guarantor companies include the Company's key trading party any material uncertainty in relation to the key trading party's going concern status directly affects the going concern status of the Company.

hibu pay LLC

Notes to the financial statements for the year ended 31 March 2014

1. Accounting policies (continued)

Presentation of financial statements (continued)

Basis of preparation (continued)

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 Topco Group will continue to generate sufficient cash flows and will be able to fully meet interest payments for the next twelve months. The directors also noted that the debt and equity of the Topco Group are traded as a single stapled instrument (up until the point at which the cash pay debt is repaid) meaning that the external shareholders and lenders to the Topco Group are economically one and the same. Therefore, the directors have concluded that the going concern basis of accounting continues to be appropriate for the key trading party and therefore the Company. Nevertheless, the directors 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 information does 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 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.

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. It is probable that future taxable profits will be available to the extent that reversing taxable temporary differences exist.

hibu pay LLC

Notes to the financial statements for the year ended 31 March 2014

1 Accounting policies (continued)

Taxation (continued)

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 during the current period:

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.

Amendment to IAS 12, 'Income Taxes', requires 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.

Amendment to IAS 19, 'Employee Benefits' eliminates the corridor approach and calculates finance costs on a net funding basis.

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.

Amendment to IFRS 7, 'Financial Instruments Disclosures', which aims to facilitate comparison between those entities which prepare IFRS financial statements and those that prepare US GAAP financial statements.

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

Amendment to IFRS 1, 'First time adoption' on government loans which addresses how a first-time adopter would account for government loans with a below-market rate on transitioning to IFRS.

Amendment to IFRS 1, 'First time adoption' on fixed dates and hyperinflation. The first amendment replaces references to a fixed date of '1 January 2004' with 'the date of transition to IFRSs', thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs because its functional currency was subject to severe hyperinflation.

hibu pay LLC

Notes to the financial statements for the year ended 31 March 2014

1 Accounting policies (continued)

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 2014 or later periods but which the Company has chosen not to early adopt. The Company has not chosen to early-adopt any IFRIC interpretations. There are three new standards and five amendments to current standards that could be relevant to the Group's operations.

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.

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.

Amendments to IAS 36 'Impairment of assets' will address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments have received EU endorsement and are effective for accounting periods beginning after 1 January 2014.

Amendment to IAS 39, 'Financial Instruments: Recognition and measurement' will allow hedge accounting to continue in a situation 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 of regulation, if specific conditions are met. It has received EU endorsement and is effective for accounting periods beginning after 1 January 2014.

2. Employees

The Company does not have any employees.

3 Directors' emoluments

The directors did not receive remuneration for their services to the Company (1013 £nil).

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Notes to the financial statements for the year ended 31 March 2014

4. Taxation

	Year ended 31 March 2014 \$	Period ended 31 March 2013 \$
Current tax		
Current year charge	3,607	76
Total current tax charge	3,607	76
Tax charge on profit before tax	3,607	76

The tax charge is the same as the standard rate of corporation tax in the UK of 23% (2013 24%)

5. Trade and other receivables

	Note	At 31 March 2014 \$	At 31 March 2013 \$
Amounts falling due within one year			
Amounts owed by group undertakings	9	22,668	317
Total amounts falling due within one year		22,668	317
Total trade and other receivables		22,668	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 2014 \$	At 31 March 2013 \$
Amounts falling due within one year			
Amounts owed to group undertakings	9	56,105	76
Total amounts falling due within one year		56,105	76
Total trade and other payables		56,105	76

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

hibu pay LLC

Notes to the financial statements for the year ended 31 March 2014

8. Contingent liabilities

At 31 March 2014 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 year ended 31 March 2014 and the period ended 31 March 2013 and balances outstanding as at these date are as follows

	At 31 March 2014 \$	At 31 March 2013 \$
Current assets		
Trade and other receivables		
Amounts owed by hibu Inc	22,668	317
Total trade and other receivables	22,668	317
Total current assets	22,668	317

	At 31 March 2014 \$	At 31 March 2013 \$
Current liabilities		
Amounts owed to hibu (UK) Limited	(56,105)	(76)
Total trade and other payables	(56,105)	(76)
Total current liabilities	(56,105)	(76)

10 Controlling entity

At both 31 March 2014 and 31 March 2013 the Company was a wholly owned subsidiary of hibu (UK) Limited

On 3 March 2014, hibu (UK) Limited's parent company, Yell Holdings 2 Limited (in administration) sold its interest in hibu (UK) Limited to YH Limited which, on the same day, became an indirectly wholly owned subsidiary of Eagle Topco 2013 Limited. At 31 March 2014, the ultimate holding company and controlling party was Eagle Topco 2013 Limited

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.