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Company Registration No. FC031062 (England and Wales)

HIBU PAY LLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



HIBU PAY LLC

COMPANY INFORMATION

Directors	Richard Hanscott Robert Hall
Secretary	Christian Wells
Company 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. All references to the Group are references to Hibu Group and its consolidated subsidiaries.

HIBU PAY LLC

CONTENTS

	Page(s)
Directors' report	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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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

DIRECTORS' REPORT (CONTINUED)

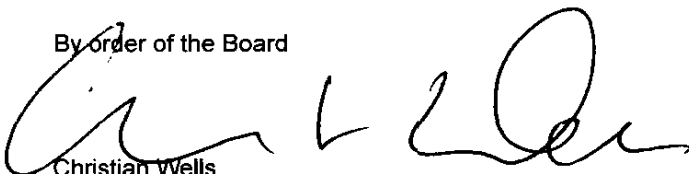
FOR THE YEAR ENDED 31 MARCH 2018

Going concern

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

The directors of the Company have considered the implications of the above and the risks set out in the Hibu Group strategic report for the year ended 31 March 2018 and in particular whether it is appropriate to prepare the financial statements of the Company on a going concern basis and the adequacy of the disclosures made within the financial statements. The directors of the Company have concluded that the going concern basis of accounting is appropriate and that the financial statements do not require the adjustments that would result if the Group were unable to continue as a going concern.

By order of the Board



Christian Wells

Secretary

5 July 2018

HIBU PAY LLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 \$	2017 \$
Revenue		56,504	72,927
Cost of sales		(40,939)	(57,198)
Gross profit		15,565	15,729
Other operating income	5	-	1,210
Operating profit	5	15,565	16,939
Profit before taxation		15,565	16,939
Tax charge	6	(2,957)	(326)
Profit and total comprehensive income for the financial year		12,608	16,613

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 2018

	Note	2018 \$	2017 \$
Current assets			
Trade and other receivables	8	-	22,003
Cash and cash equivalents		56,504	328,741
Total current assets		56,504	350,744
Total assets		56,504	350,744
Current liabilities			
Trade and other payables	9	(43,896)	(296,077)
Net current assets		12,608	54,667
Total assets less current liabilities		12,608	54,667
Total liabilities		(43,896)	(296,077)
Net assets		12,608	54,667
Equity			
Share capital		-	-
Retained earnings		12,608	54,667
Total equity		12,608	54,667

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 3 to 11 were approved by the Board of directors and were signed on its behalf on 5 July 2018 by:



Robert Hall

Director

Company Registration No. FC031062

HIBU PAY LLC

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

	Note	Share capital \$	Retained earnings \$	Total equity \$
Balance at 1 April 2016		-	38,054	38,054
Profit and total comprehensive income for the financial year		-	16,613	16,613
Total comprehensive income for the year		-	16,613	16,613
Transactions directly with owners		-	-	-
Balance at 31 March 2017		-	54,667	54,667
Balance at 1 April 2017		-	54,667	54,667
Profit and total comprehensive income for the financial year		-	12,608	12,608
Total comprehensive income for the year		-	12,608	12,608
Distributions	7	-	(54,667)	(54,667)
Transactions directly with owners		-	(54,667)	(54,667)
Balance at 31 March 2018		-	12,608	12,608

HIBU PAY LLC

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

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 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 2018

1 Accounting policies

(Continued)

Going concern

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

The directors of the Company have considered the implications of the above and the risks set out in the Hibu Group strategic report for the year ended 31 March 2018 and in particular whether it is appropriate to prepare the financial statements of the Company on a going concern basis and the adequacy of the disclosures made within the financial statements. The directors of the Company have concluded that the going concern basis of accounting is appropriate and that the financial statements do not require the adjustments that would result if the Group were unable to continue as a going concern.

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 statement of comprehensive income 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.

HIBU PAY LLC

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

1 Accounting policies

(Continued)

Distributions

Distributions are recognised when they are paid.

Share capital

The Company does not have any issued share capital.

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:

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

HIBU PAY LLC

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

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 2018 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 (2017: \$nil).

5 Operating profit

	2018	2017
	\$	\$
Operating profit for the year is stated after charging:		
Foreign exchange gains	-	(1,210)
	<u> </u>	<u> </u>

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

HIBU PAY LLC

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

6 Tax charge

	2018 \$	2017 \$
Current tax		
Current year taxation	2,957	2,997
Adjustments in respect of prior periods	-	(2,671)
Total tax charge for the year	2,957	326

The Company is resident in the UK for tax purposes. The tax charge (2017: charge) for the year is the same as (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 \$	2017 \$
Profit before taxation	15,565	16,939
Result before taxation multiplied by standard UK corporation tax rate of 19% (2017: 20%)	2,957	3,388
Adjustments in respect of prior periods	-	(2,671)
Non-taxable foreign exchange gains	-	(242)
Other	-	(149)
Taxation charge for the year	2,957	326

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 2018.

7 Distributions

	2018 \$	2017 \$
Amounts recognised as distributions to equity holders:		
Distributions paid	54,667	-

On 12 February 2018, distributions totalling \$54,667 (2017: \$nil) were paid to the Company's sole shareholder, Yell Limited.

HIBU PAY LLC

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

8 Trade and other receivables

	2018	2017
	\$	\$
Amounts falling due within one year		
Amounts due from group undertakings	-	22,003

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

9 Trade and other payables

	2018	2017
	\$	\$
Amounts falling due within one year		
Amounts due to other group undertakings	43,896	296,077

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

10 Share capital

The Company does not have any issued share capital.

11 Financial commitments, contingent liabilities and litigation

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

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

The Company participated in a Group banking arrangement whereby the Company's shares were 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 2018.

12 Post balance sheet events

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

13 Controlling party

At 31 March 2017 the Company was a wholly owned subsidiary of Yell Limited. On 16 February 2018, Yell Limited transferred its interest in the Company to YH Limited. At 31 March 2018 the Company was a wholly owned subsidiary of YH Limited. On 26 April 2018, YH Limited transferred its interest in the Company to Hibu Bidco Limited. The ultimate holding company and controlling party is Hibu Group.

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