

Company Registration No. 08815128 (England and Wales)

HIBU BIDCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



HIBU BIDCO LIMITED

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HIBU BIDCO LIMITED

COMPANY INFORMATION

Directors	Atish Banerjea Christopher Ripley David Anderson Parminder Sandhu Robert Hall
Secretary	Christian Wells
Company number	08815128
Registered office	3 Forbury Place Forbury Road Reading Berkshire United Kingdom RG1 3YL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 3 Forbury Place 23 Forbury Road Reading Berkshire RG1 3JH

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 BIDCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their strategic report for Hibu Bidco Limited (the "Company") for the year ended 31 March 2020.

Principal activities

The Company, which is an indirectly wholly owned subsidiary of Hibu Group, acts as an intermediate holding company.

The Company is incorporated and domiciled in England and Wales.

The Company is an integral part of the Group, and does not:

- have multiple shareholders;
- compete for business;
- separately employ individuals;
- have customers outside the Group;
- have a strategy other than to meet its purpose;
- have key performance indicators other than its profit or loss.

Review of the business and future developments

The Company's results for the year are set out on page 9.

The Company recorded a total loss on disposal of investments during the year of £17,740,000 (2019: gain of £80,000), as a result of transferring its direct subsidiary undertaking, Owl Finance Limited, to its fellow direct subsidiary undertaking, Yell Holdco Limited, and the dissolution of its direct subsidiary undertaking, Hibu Global Limited. A total impairment charge of £191,588,000 (2019: £nil) was made against the Company's investments in subsidiaries, following the Group's annual review. During the year, the Company was released from its obligations due to hibu Inc, an indirect subsidiary undertaking, and recognised a gain of \$76,507,625 (£59,895,272) as a result (2019: £nil).

The Company had net assets at 31 March 2020 of £107,057,000 (2019: £245,530,000). The directors consider the result for the year and the financial position at 31 March 2020 to be satisfactory.

The Company will continue its principal activities for the foreseeable future.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties to which the business is subject, both external and internal, are fully discussed in the context of the Group as a whole in the Strategic report of Hibu Group. The effect of the Covid-19 pandemic on the Group is included in that report. Whilst these effects were considered in the Company's assessments of going concern and credit losses, the directors have concluded that the Covid-19 pandemic does not have a material effect on the Company. The key financial risk management objectives and policies are discussed further below.

HIBU BIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial risk management

The Company's operations expose it to a variety of risks including credit risk. As the Company's operations are principally funded through intra-group loan arrangements it is not exposed directly to external risk factors such as liquidity risk. As these intra-group loan arrangements may carry interest on a floating rate basis there is an element of interest rate risk. These risks are managed on a group-wide basis by the Company's ultimate parent undertaking Hibu Group. Full disclosure on how these risks are managed is provided in the financial statements of that company.

The Group has £214m of senior secured notes and a £25m revolving credit facility, of which £8.8m was drawn at 31 March 2020, issued and drawn by indirect subsidiaries of the Company and secured on the assets of Owl Finance Limited and its subsidiaries. The senior secured notes are not subject to any financial ratio maintenance covenants. The revolving credit facility is subject to a financial ratio maintenance covenant with which the Group is in compliance at the date of this report. The Company is not a guarantor of these arrangements.

Going Concern

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 2020 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 and noted that the Company and relevant subsidiaries should generate sufficient cash flows to be able to settle obligations as they fall due for the next twelve months.

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 Company were unable to continue as a going concern.

S.172 Statement

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors' statement required under section 414CZA of the Companies Act 2006.


Due to the non-trading nature of the Company's activities, only a limited number of board meetings were held in the year. Principal decisions made in the year were primarily to approve the payment of dividends to the Company's immediate parent company and a Group restructuring with the sale of Owl Finance Limited to Yell Holdco Limited.

The directors are reminded of their S.172 duties at the start of each board meeting and whilst the Company falls outside of the requirements to adopt and formally report on its principles of corporate governance, its ultimate parent, Hibu Group has a strong governance framework, which it continually reviews, and has strengthened some existing arrangements throughout the year to achieve a high standard of governance.

Hibu Bidco Limited is a wholly owned subsidiary of Hibu Group and more details on how the Group applies its policies and strategy (including S.172 obligations) can be found in Hibu Group's strategic report on its website – www.hibugroup.com

The Company has no customers or suppliers outside the Group.

By order of the Board



Christian Wells

Secretary

22 July 2020

HIBU BIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors submit their Annual Report and the audited financial statements for Hibu Bidco Limited (the "Company") for the year ended 31 March 2020.

Dividends

Ordinary dividends were paid of £16,471,000 (2019: £51,112,000). The directors do not recommend payment of a final dividend.

Strategic report

The Company is required by the Companies Act 2006 to set out the development and performance of the business during the financial year ended 31 March 2020 and the position of the Company at the end of the year and of the principal risks and uncertainties facing the Company. By reference to the Strategic report, which can be found on pages 2 - 3, the following information is given:

- principal activities;
- review of the business and future developments;
- principal risks and uncertainties;
- financial risk management; and
- going concern.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Alfred Mockett	(Resigned 13 February 2020)
Atish Banerjee	
Christopher Ripley	
David Anderson	
David Sharman	(Ceased to be a director on 20 February 2020)
John Brantl	(Resigned 6 December 2019)
Parminder Sandhu	
Robert Hall	

Qualifying third party indemnity provisions

Article 88 of the Articles of Association of Hibu Group, the ultimate holding company, permit Hibu Group, 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 or any of its subsidiaries. In December 2013, Hibu Group entered into deeds of indemnity in favour of its current and former executive and non executive directors and officers of Hibu Group, its subsidiaries and any other companies to which Hibu Group or any of its subsidiaries has nominated or appointed any such person as a director or officer. The deeds of indemnity, which are in force for the directors of the Company, are qualifying third party indemnities for the purposes of section 234 of the Companies Act 2006.

HIBU BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; 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 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.

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.

The directors are responsible for the maintenance and integrity of the of the company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the Board



Christian Wells
Secretary
22 July 2020

HIBU BIDCO LIMITED

Independent auditors' report to the members of Hibu Bidco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hibu Bidco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2020; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

HIBU BIDCO LIMITED

Independent auditors' report to the members of Hibu Bidco Limited (CONTINUED)

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

HIBU BIDCO LIMITED

Independent auditors' report to the members of Hibu Bidco Limited (CONTINUED)

Other required reporting

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Alex Hookway (Senior Statutory Auditor)
for and on behalf of Pricewaterhouse Coopers LLP
Chartered Accountants and Statutory Auditors
Reading

22 July 2020

HIBU BIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £'000	2019 £'000
Impairment of investments	4	(191,588)	-
Impairment of amounts owed by group undertakings	4	(381)	-
Administrative expenses	4	(186)	-
Other gains	4	42,155	80
Operating (loss)/profit	4	(150,000)	80
Income from shares in group undertakings	7	29,576	164,956
(Loss)/profit before interest and taxation		(120,424)	165,036
Finance income	8	-	46
Finance costs	8	(4,472)	(6,824)
Net finance costs	8	(4,472)	(6,778)
(Loss)/profit before taxation		(124,896)	158,258
Tax credit/(charge)	9	2,894	(1,397)
(Loss)/profit and total comprehensive (expense)/income for the financial year		(122,002)	156,861

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

HIBU BIDCO LIMITED

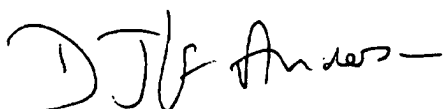
STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2020

	Note	2020 £'000	2019 £'000
Non-current assets			
Investments in subsidiaries	11	138,351	347,679
Total non-current assets		<u>138,351</u>	<u>347,679</u>
Current assets			
Trade and other receivables	13	6,281	4,674
Total current assets		<u>6,281</u>	<u>4,674</u>
Total assets		<u>144,632</u>	<u>352,353</u>
Current liabilities			
Trade and other payables	14	(1,400)	(63,890)
Net current assets/(liabilities)		<u>4,881</u>	<u>(59,216)</u>
Total assets less current liabilities		<u>143,232</u>	<u>288,463</u>
Non-current liabilities			
Trade and other payables	14	(30,464)	(33,533)
Deferred tax liabilities	15	(5,711)	(9,400)
Total non-current liabilities		<u>(36,175)</u>	<u>(42,933)</u>
Total liabilities		<u>(37,575)</u>	<u>(106,823)</u>
Net assets		<u>107,057</u>	<u>245,530</u>
Equity			
Share capital	16	-	-
Retained earnings		107,057	245,530
Total equity		<u>107,057</u>	<u>245,530</u>

The notes on pages 12 to 23 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 22 July 2020 and are signed on its behalf by:



David Anderson

Director

Company Registration No. 08815128

HIBU BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2018		-	16,741	-	16,741
Profit and total comprehensive income for the financial year		-	-	156,861	156,861
Shares issued		-	123,040	-	123,040
Capital reduction		-	(139,781)	139,781	-
Dividends	10	-	-	(51,112)	(51,112)
Transactions directly with owners		-	(16,741)	88,669	71,928
Balance at 31 March 2019		-	-	245,530	245,530
Balance at 1 April 2019		-	-	245,530	245,530
Loss and total comprehensive expense for the financial year		-	-	(122,002)	(122,002)
Dividends	10	-	-	(16,471)	(16,471)
Transactions directly with owners		-	-	(16,471)	(16,471)
Balance at 31 March 2020		-	-	107,057	107,057

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

The Company is a private company limited by shares incorporated in England and Wales under registration number 08815128. The registered office is 3 Forbury Place, Forbury Road, Reading, Berkshire, United Kingdom, RG1 3YL.

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 present information about the Company as an individual undertaking, and not as a group. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare and deliver consolidated group financial statements.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are shown in pounds

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'; and
- 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 BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Going concern

The financial statements have been prepared on a going concern basis. The Group has £214m of senior secured notes and a £25m revolving credit facility, of which £8.8m was drawn at 31 March 2020, issued and drawn by indirect subsidiaries of the Company and secured on the assets of Owl Finance Limited and its subsidiaries. The senior secured notes are not subject to any financial ratio maintenance covenants. The revolving credit facility is subject to a financial ratio maintenance covenant with which the Group is in compliance at the date of this report. The Company is not a guarantor of these 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 2020 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 and noted that the Company and relevant subsidiaries should generate sufficient cash flows to be able to settle obligations as they fall due for the next twelve months. The directors of the Company have concluded that the going concern basis of accounting continues to be appropriate, as set out in the strategic report on pages 2 - 3.

Investments in subsidiaries

Investments are valued at cost less any amounts written off due to impairment.

Any impairment is charged to the statement of comprehensive income account to the extent that it is not covered by amounts previously credited to shareholders' equity through the revaluation surplus.

An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the investment or by the discounted future earnings of the investment.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. An allowance for doubtful debts is recognised on initial recognition of receivables, which is deducted from the gross carrying amount of the receivable. The allowance is calculated by reference to credit losses expected to be incurred over the lifetime of the receivable. Historical loss experience and informed credit assessment alongside other factors such as the current state of the economy and specific market issues are considered in estimating a loss allowance. Reasonable and supportable information that is relevant and available without undue cost or effort is considered in estimating a loss allowance. The loss is recognised in cost of sales.

Trade and other payables

Trade and other payables are initially recognised at fair value. This approximates to costs for amounts falling due within one year, due to the short-term nature of these liabilities. Liabilities initially recognised at value other than cost, are subsequently measured at amortised cost using the effective interest rate method.

Dividends

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

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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 taxable 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.

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.

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:

- IFRS 16, 'Leases'. This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting for leases, particularly for lessees. Under IAS17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use' asset for virtually all lease contracts. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. It has received EU endorsement and is effective for annual periods beginning on or after 1 January 2019.
- IFRIC 23, 'Uncertainty over Income Tax treatments'. This IFRIC clarifies how the recognition and measurement requirements of IAS12, 'Income Taxes', are applied where there is uncertainty over income tax treatments. It has received EU endorsement and is effective for annual periods beginning on or after 1 January 2019.
- 'Annual Improvements 2015-17'. These amendments include minor changes and affect four standards being IFRS 3, 'Business Combinations', IFRS 11, 'Joint Arrangements', IAS 12, 'Income taxes' and IAS 23 'Borrowing costs'. These amendments have received EU endorsement and are effective for annual periods beginning on or after 1 January 2019.
- Amendment to IFRS 9, 'Financial Instruments'. This amendment confirms two points relating to negative compensation and the modification of financial liabilities. It has received EU endorsement and is effective for annual periods beginning on or after 1 January 2019.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

2 Standards that have become effective during the current year (Continued)

- Amendments to IAS 19, 'Employee Benefits'. These amendments require an entity to use updated assumptions to determine the current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and recognise in profit or loss the part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the effect the asset ceiling. It has received EU endorsement and is effective for annual periods beginning on or after 1 January 2019.
- Amendments to IAS 28, 'Investments in Associates'. These amendments clarify that companies account for long-term interests in an associate or joint venture to which the equity method is not applied, using IFRS9. It has received EU endorsement and is effective for annual periods beginning on or after 1 January 2019.

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 FRS 101, are consistent with those generally adopted by others operating within the same industry in the UK.

In preparing the Company financial statements, our management has made its best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. The Company regularly reviews these estimates and updates them when required. Actual results could differ from these estimates. Unless otherwise indicated, the Company does not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described in Note 1.

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 2020 it believes it has recognised all its potential deferred tax assets.

Carrying value of investments

The Company reviews the carrying value of investments and intercompany receivables annually for impairment or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company compares the carrying value with the estimated recoverable value of the investment. The recoverable value is estimated from a discounted cash flow model that relies on significant key assumptions including post-tax cash flows forecast over an extended period of years, terminal growth and discount rates.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Critical accounting estimates and judgments (Continued)

Expected credit losses

The Company reduces receivables by an allowance for amounts that may not be collectible in the future based on historical loss experiences for the relevant aged category as well as forward-looking information and general market conditions. Once recognised, trade receivables are continuously monitored and updated, taking into account new market information such as the effects of the Covid-19 pandemic. 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 expected credit loss provision and considered in the historical loss experience.

Judgments made in assessing the effect of the Covid-19 pandemic on the financial statements

Judgment was exercised in evaluating the effect of the Covid-19 pandemic on the financial statements in the following areas:

- Estimates of future cashflows used in the going concern and impairment assessments.

4 Operating (loss)/profit

	2020 £'000	2019 £'000
Operating (loss)/profit for the year is stated after charging/(crediting):		
Impairment of investments (see note 11)	191,588	-
Loss/(gain) on disposal of investments (see note 11)	17,740	(80)
Gain on release of loans due to subsidiary undertakings (a)	(59,895)	-
Impairment of amounts owed by group undertakings (see note 13)	381	-
Group recharge expenses (b)	134	-
Other administrative expenses	52	-
	<u>150,000</u>	<u>(80)</u>

(a) During the year, the Company was released from its obligations due to hibu Inc, an indirect subsidiary undertaking, and recognised a gain of \$76,507,625 (£59,895,272) as a result (2019: £nil).

(b) Group recharge expenses are recharges in respect of costs incurred by other group undertakings of the Company and its subsidiaries. These are primarily management services costs.

5 Auditors' remuneration

The auditors' remuneration has been accounted and paid for by Hibu Group, the ultimate parent company. The fees payable to the Company's auditors for the statutory audit of the Company's annual financial statements totalled £1,445 (2019: £1,350). Amounts payable to PricewaterhouseCoopers for tax and advisory services were £40,769 (2019: £nil) and for other non-audit services were £nil (2019: £nil).

6 Employees' and Directors' remuneration

There are no employees of the Company (2019: none).

The directors are remunerated for their services to the other companies within the Hibu Group. No amounts were received by them as directors of the Company (2019: £nil).

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

7 Income from shares in group undertakings	2020 £'000	2019 £'000
Ordinary dividends received from subsidiary undertakings	28,259	53,803
Distribution from subsidiary undertaking	1,317	111,153
	<u>29,576</u>	<u>164,956</u>

The Company received dividends during the year from its subsidiary undertaking, hibu Group (USA), Inc totalling \$35,850,385 (£28,258,360) (2019: \$70,000,000 (£53,803,000)). These dividends were subject to 5% withholding tax (see note 10).

During the year the Company received a distribution of £1,317,394 from its subsidiary Hibu Global Limited prior to its dissolution.

On 2 May 2018, as part of a Group restructuring, the Company received a distribution from its subsidiary undertaking, Owl Finance Limited, of £111,153,000 through the settlement of all its outstanding payables to Owl Finance Limited.

8 Net finance costs	2020 £'000	2019 £'000
Finance income		
Interest receivable on loans from group companies	-	46
	<u> </u>	<u> </u>
Finance costs		
Interest payable on loans due to group companies	(3,295)	(3,166)
Foreign exchange losses	(1,177)	(3,658)
	<u>(4,472)</u>	<u>(6,824)</u>
Net finance costs	<u>(4,472)</u>	<u>(6,778)</u>

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Tax (credit)/charge	2020 £'000	2019 £'000
Current tax		
Corporation tax credit on losses/profits for the year	(654)	(593)
Foreign withholding tax suffered (see note 7)	1,413	2,690
Adjustments in respect of prior periods	36	-
Total current tax charge	<u>795</u>	<u>2,097</u>
Deferred tax		
Reversal of temporary differences	(3,689)	(700)
Total deferred tax credit	<u>(3,689)</u>	<u>(700)</u>
Total tax (credit)/charge for the year	<u>(2,894)</u>	<u>1,397</u>

The tax credit (2019: charge) for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
(Loss)/profit before taxation	<u>(124,896)</u>	<u>158,258</u>
(Loss)/profit before taxation multiplied by standard UK corporation tax rate of 19% (2019: 19%)	(23,730)	30,069
Non-deductible impairment of investments	36,402	-
Non-taxable release of intercompany loans payable	(11,380)	-
Non-taxable ordinary dividends and distributions receivable	(5,619)	(31,342)
Decrease in deferred tax provision for US unremitted earnings	(3,689)	(700)
Non-deductible loss on disposal of investments	3,371	-
Irrecoverable withholding tax suffered	1,413	2,690
Non-deductible foreign exchange losses	224	695
Non-deductible provision against intercompany receivables	72	-
Adjustments in prior years	36	-
Other	6	(15)
Tax (credit)/charge for the year	<u>(2,894)</u>	<u>1,397</u>

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020 and therefore 19% has been used for the measurement of closing UK deferred tax balances.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Dividends	2020	2019
	£'000	£'000

Amounts recognised as distributions to equity holders:

Ordinary dividends paid	<u>16,471</u>	<u>51,112</u>
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During the year, the Company paid ordinary dividends of \$4,750,000 (£3,693,625), \$9,500,000 (£7,817,000) and \$6,412,500 (£4,960,164) to its shareholders on 24 June 2019, 19 August 2019 and 25 November 2019 respectively.

In the prior year, the Company paid a dividend of \$47,500,000 (£36,825,000) and \$19,000,000 (£14,287,000) to its parent company, Hibu Midco Limited, on 21 November 2018 and 27 February 2019, respectively.

11 Investments in subsidiaries

	2020	2019
	£'000	£'000
Cost		
At 1 April	347,679	16,741
Additions	-	331,009
Disposal of investments	(17,740)	-
Disposals	-	(71)
At 31 March	<u>329,939</u>	<u>347,679</u>
Impairment		
At 1 April	-	-
Impairment losses	(191,588)	-
At 31 March	<u>(191,588)</u>	<u>-</u>
Carrying amount		
At 31 March	<u>138,351</u>	<u>347,679</u>

On 17 December 2019, the Company transferred its interest in Owl Finance Limited to its subsidiary Yell Holdco Limited, for a consideration of £1, recognising a loss on disposal of £16,740,000. During the year, the Company's subsidiary Hibu Global Limited, was dissolved resulting in a further loss of £1,000,000. Following the Group's annual review, an impairment charge of £191,588,000 (2019: £nil) was made against the Company's investment in Hibu Group (USA), Inc, based upon the market value of the Hibu Group's equity at 31 March 2020.

On 26 April 2018, as part of a Group restructuring the Company acquired the entire share capital of hibu Group (USA) Inc, Hibu Asia Pacific Holdings Limited, Hibu Global Limited, hibu pay LLC and Hibu Finance (FX) Limited from its indirect subsidiary undertaking, YH Limited, in exchange for a loan payable of £320,909,000. The additions above are stated after the recognition of deferred tax liabilities of £10,100,000 in respect of unremitted earnings from foreign subsidiaries.

On 28 February 2019, the Company transferred its direct interest in hibu pay LLC to hibu Inc., an indirectly held subsidiary undertaking, resulting in a gain on disposal of £80,000.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Subsidiaries

Details of the Company's direct and indirect subsidiaries at 31 March 2020 and 31 March 2019 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Ownership interest (%)	
			2020	2019
Yell Holdco Limited (a)	United Kingdom	Holding company	100	-
Owl Finance Limited	United Kingdom	Holding company	100	100
Yell Bondco plc	United Kingdom	Financing company	100	100
YH Limited	United Kingdom	Finance and holding company	100	100
Yell Limited	United Kingdom	Digital marketing services	100	100
Yell Mediaworks Limited	United Kingdom	Graphics services	100	100
Hibu Global Limited (b)	United Kingdom	Digital product sales	-	100
Moonfruit Limited	United Kingdom	Holding company	100	100
Sitemaker Software Limited	United Kingdom	Website services	100	100
Yell Sales Limited	United Kingdom	Sales services	100	100
Yell Studio Limited	United Kingdom	Graphics services	100	100
Hibu Asia Pacific Holdings Limited	United Kingdom	Holding company	100	100
Hibu (UK) Limited	United Kingdom	Holding company	100	100
Hibu Finance (FX) Limited	United Kingdom	Dormant	100	100
Hibu Finance (USD) Limited	United Kingdom	Dormant	100	100
hibu Group (USA), Inc	United States of America	Holding company	100	100
hibu Holdings (USA), Inc	United States of America	Holding company	100	100
hibu Inc	United States of America	Digital marketing services	100	100
hibu pay LLC	United States of America	Payment card services	100	100
hibu India Private Limited	India	Not trading	100	100
hibu (Philippines) Private Limited, Inc	Philippines	Not trading	100	100

(a) On 14 November 2019, Yell Holdco Limited was incorporated and on 17 December 2019 it acquired a 100% interest in the ordinary shares of Owl Finance Limited from the Company in exchange for shares issued to the Company.

(b) Hibu Global Limited was dissolved during the year.

The proportion of voting rights held corresponds to the aggregate ownership interest percentage held by the Company and subsidiary undertakings. Ownership interest is in ordinary shares, with the exception of subsidiaries incorporated in the U.S.A., which is in common stock, apart from hibu pay LLC, which does not have share capital.

At 31 March 2020, the Company directly held 100% of the ownership interest in Yell Holdco Limited, hibu Group (USA), Inc, Hibu Asia Pacific Holdings Limited and Hibu Finance (FX) Limited. All other companies listed were indirectly held by the Company.

The registered office of all subsidiaries incorporated in the United Kingdom is 3 Forbury Place, Forbury Road, Reading RG1 3YL.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

12 Subsidiaries

(Continued)

The registered address of all subsidiaries incorporated in the United States of America, is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington Castle, County Delaware, 19801 U.S.A.

The registered address of hibu India Private Limited is TMF Services India Private Limited, Indiquebe Alpha, A Wing, 2nd Floor, Plot No.19/4&27 Kadubeesanahalli Village, Varthur Hobli, 560103 Bangalore, Karnataka, India.

The registered address of hibu (Philippines) Private Limited, Inc is Unit 1815 Cityland Condominium 10 Tower 1, 156 H.V. Dela Costa Street, AVALA North, Makati City, Philippines.

13 Trade and other receivables

	2020 £'000	2019 £'000
Amounts falling due within one year		
Amounts due from group undertakings	6,280	4,673
Other receivables	1	1
	<u>6,281</u>	<u>4,674</u>

Amounts due from group undertakings are repayable at the discretion of the ultimate parent company, Hibu Group. During the year, the Company recognised an impairment provision of £381,000 (2019: £nil) against these amounts.

14 Trade and other payables

	2020 £'000	2019 £'000
Amounts falling due within one year		
Amounts due to other group undertakings	1,361	63,890
Accruals	39	-
	<u>1,400</u>	<u>63,890</u>
Amounts falling due after more than one year		
Amounts due to other group undertaking	<u>30,464</u>	<u>33,533</u>

Obligations under short-term intercompany payables at 31 March 2020 included amounts totalling \$76,507,625 (2019: \$76,507,625) that have been released during the year resulting in a gain of £59,895,272, interest was charged on these amounts at between 0.64% and 0.68% being the U.S. Applicable Federal Rates at the inception of the loans. The long-term intercompany payables include an amount of £23,272,124 (2019: £25,975,329), which has been drawn on a facility with a mandatory repayment date of 9 May 2022, interest is charged on this amount at 9% per annum. A further amount of £7,192,369 (2019: £7,556,373) has been drawn down on a facility with a mandatory repayment date of 6 September 2021, interest is also charged on this amount at 9% per annum.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

15 Deferred tax liabilities

	Unremitted earnings £'000	Total £'000
Deferred tax liability at 1 April 2018	-	-
Recognised on acquisition of subsidiary undertakings	10,100	10,100
Credited to statement of comprehensive income	(700)	(700)
Deferred tax liability at 31 March 2019	<u>9,400</u>	<u>9,400</u>
Deferred tax liability at 1 April 2019	9,400	9,400
Credited to statement of comprehensive income	(3,689)	(3,689)
Deferred tax liability at 31 March 2020	<u>5,711</u>	<u>5,711</u>

On 26 April 2018, the Company acquired a 100% direct interest in hibu Group (USA) Inc from its indirectly held subsidiary, YH Limited, as part of a Group restructuring. As a consequence, it recognised a £10,100,000 net deferred tax liability in respect of unremitted earnings from the US (see note 11).

16 Share capital

	No. of shares of £0.00000001	£
Ordinary share: Allotted and fully paid At 1 April 2019	<u>1,136,165,599</u>	<u>11</u>
At 31 March 2020	<u>1,136,165,599</u>	<u>11</u>

17 Financial commitments, contingent liabilities and litigation

There are no capital or other commitments (2019: £nil).

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

18 Post balance sheet events

There are no material post balance sheet events to report, other than the effect of the Covid-19 pandemic as discussed in the Strategic Report, at the time of signing these financial statements.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

19 Controlling party

At 31 March 2020 the Company was a wholly owned subsidiary of Hibu Midco 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.