Registered Number: 06649631

hibu Mediaworks Limited

Annual Report for the year ended 31 March 2015

hibu Mediaworks Limited

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hibu Mediaworks Limited

Company Information

Directors

Robert Kenneth Hall

Richard Hanscott

Paul Russo — Appointed: 30 April 2014

Company secretary

Christian Wells

Registered office

One Reading Central
Forbury Road
Reading
RG1 3YL

Registered number

06649631

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

All references to Hibu Group in this document are references to the ultimate parent company Hibu Group 2013 Limited, which changed its name from Eagle Topco 2013 Limited on 2 December 2014. All references to the Group are references to Hibu Group and its consolidated subsidiaries.

hibu Mediaworks Limited

Strategic report for the year ended 31 March 2015

The directors present their strategic report on hibu Mediaworks Limited (the "Company") for the year ended 31 March 2015.

Principal activities

The Company's principal activity was the fulfilment of print advertisements, videos and websites sold by hibu (UK) Limited in the United Kingdom.

Review of business and future developments

The Company is incorporated and domiciled in the United Kingdom and is an integral part of the Hibu Group. The Company incurs costs in respect of the fulfilment of print advertisements, videos and websites sold by hibu (UK) Limited. These costs are recharged to hibu (UK) Limited. The principal risk to the Company is the loss of income if hibu (UK) Limited ceases to reimburse the Company for the costs incurred. The directors of hibu (UK) Limited have no plans to change the current arrangement. The key perfomance indicators applicable to hibu (UK) Limited may be found in the Strategic Report of that company.

Principal risks and uncertainties

The principal risks and uncertainties that may affect the Company's long term value or prospects, including significant relationships with stakeholders, are given below.

Financial risk management

The Company, amongst other group undertakings, is a guarantor under the terms of the Facilities agreement entered into on 3 March 2014.

This 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.

The Company's operations do not expose it to any other financial risks as all its trading is with fellow Group undertakings.

Risk management and principal risks

The risks that could have the most significant effect on the immediate parent undertaking, hibu (UK) Limited, are discussed below. Discussion of these risks is not an indication that the directors of that company believe this list to be exhaustive nor is it indicative of the probability that one or more of these risks may be realised.

Risk from: Debt covenants

On 3 March 2014, a financial restructuring became effective and the Company, amongst other group undertakings, became a guarantor under the terms of a new Facilities Agreement dated 3 March 2014.

This Facilities Agreement includes certain financial covenants with which the Company and Group were in full compliance at the date these financial statements were approved. Forecasts indicate that covenants will be met and repayments of principal amounts will continue over the next 12 months and therefore these risks are considered to be low.

Potential effect - In the unlikely event that financial covenants are breached without remedy or waiver, the lenders' agent may, and must if directed by two-thirds of lenders (by reference to the value of debt held) demand immediate repayment of all amounts due to them.

Risk from: Debt covenants (continued)

Mitigation: The Company and Group were in full compliance with the financial covenants at the date these financial statements were signed. The risk of a covenant breach is not likely to crystallise over the next 12 months. In addition, the Board considers that it is unlikely that a covenant waiver or reset would not be obtained in the unlikely event it were required.

Risk from: Change of strategy

On 3 March 2014, the Company was acquired by a new ultimate holding company, Hibu Group. The new Board immediately implemented a number of wide ranging strategic changes including a significant reduction in the cost base, a rationalisation of the product offering and a refocus of the Company back towards a geographical rather than a global management structure. Initial results of these changes have returned the Group to EBITDA growth but, as with any change, there are execution risks including the risk of insufficient investment or the potential loss of market focus.

Potential effect – Potential revenue and profit could be lost.

Mitigation: To mitigate this risk the new strategy has been executed quickly to eliminate any uncertainty and the management of the strategy and cost base is being carried out locally, where management is more sensitive to local requirements.

Risk from: Strong competition in existing and new markets

hibu (UK) Limited faces strong competition in all of its markets from both the arrival of new products, such as the replacement of print with digital alternatives, and from the action of other companies, some of whom have significant resources, particularly in hibu (UK) Limited's new digital markets.

Potential effect - hibu (UK) Limited might be unable to replace quickly enough the cash flow lost from the decline in its legacy directory products with that from new products and markets.

Mitigation: hibu (UK) Limited has a very strong asset in its sales force, employed by hibu Sales Limited, and customer relationships. This allows hibu (UK) Limited to profitably sell a wide range of its own and its partners' digital products. The increased fragmentation of the digital market is therefore an opportunity as the Group increasingly becomes the provider of digital solutions to its large customer base of small and medium sized businesses. This effort is being managed locally as the local sales and marketing teams are best placed to determine which products and partners' are most appropriate for their market.

Risk from: Market demand uncertainty

Economic uncertainty and tight credit markets can lead to SMEs spending less money on advertising. There continues to be a degree of economic uncertainty in the markets in which hibu (UK) Limited operates, although generally the economic outlook is improving. Demand for hibu (UK) Limited's products could also be affected by changes in what the market wants or its perception of hibu (UK) Limited's products.

Potential effect - Lost revenue and profits, asset impairments and long-term funding issues could result if the markets in which we operate were to suddenly contract.

Mitigation: hibu (UK) Limited has implemented an aggressive cost reduction programme and is moving increasingly towards a variable cost model that will allow it to better manage any fluctuations in demand.

Risk from: Dependence on IT

The Company is dependent on effective IT systems to maintain efficient and effective operations. The Company is dependent upon the uninterrupted and secure operation of its computer systems and databases. These systems are important to both the legacy print products and to the delivery of the newer digital products.

Potential effect - Lost revenue and profits, asset impairments, breach of legislation or damage to reputation could result if there were a catastrophic failure of the IT systems.

Mitigation: The Company is focusing resources on a small number of key, locally managed IT systems and increasingly using best in class cloud services to mitigate the risk of owning and maintaining its own systems. The Company has in place a disaster recovery plan to replicate the data stored on its business critical computer systems and maintains firewalls and IT security controls.

Risk from: Failure to adhere to applicable laws, rules and regulations

Any failure to comply with applicable laws, rules and regulations may result in civil and/or criminal legal proceedings being filed against the Company, or in the Company becoming subject to regulatory sanctions.

Regulatory authorities have wide-ranging administrative powers to deal with any failure to comply with regulatory oversight (and this could affect the Company, whether such failure is the Company's or, in some cases, that of third party contractors).

Potential effect - The damage to reputation and the diversion of management time that would result from an authority attempting to sanction the Company could result in lost revenue and profits. There would also be costs associated with any such action.

Mitigation: The Company devotes significant resources to the considerable challenge of compliance with applicable current and emerging laws. The Company through its in-house legal team establishes specific policies and guidelines as appropriate. The Company requires at least two people to be involved in all transactions and, through its Authorities System, ensures that senior managers are involved in all key transactions and decisions. The Company ensures that the integrity of its control framework is maintained through both internal and external audit.

Risk from: Key people leaving the business

The success of the Company is in part dependent upon the continued service of its key management personnel and its ability to attract, motivate and retain suitably qualified employees. Due to the continuing level of change and market challenges that the business faces the risk of key people leaving the business is high and recruiting replacements is challenging.

Potential effect – An internal loss of market, industry or financial expertise could lead to lost revenue and profits or damage to reputation.

Risk from: Key people leaving the business (continued)

Mitigation: Succession planning for key roles is continually being addressed by the Company's Human Resources (HR) departments. The HR strategy is also being evolved to have an increased local focus and appropriate compensation schemes to address the particular challenges in each of the geographical markets in which hibu operates.

Approved by the board and signed on behalf of the board by

Robert Kenneth Hall

Director

Date: 20 July 2015

hibu Mediaworks Limited

Report of the directors for the year ended 31 March 2015

The directors present their Annual Report and the audited financial statements of hibu Mediaworks Ltd (the "Company") for the year ended 31 March 2015.

Results and dividends

The Company's loss for the financial year to 31 March 2015 was £5,000 (2014: loss of £6,000).

The directors do not recommend the payment of a dividend (2014: £nil).

Strategic report

The Company is required by the Companies Act 2006 to set out development and performance of the business of the Company during the financial year ended 31 March 2015, the position of the Company at the end of the year and a description of the principal risks and uncertainties facing the Company. The Strategic Report can be found on pages 2 to 5.

Future developments of the business

The directors' assessment and evaluation of future developments for the business is discussed in the Strategic Report which can be found on pages 2 to 5.

Directors and their interests

The directors who held office during the year to 31 March 2015 and up to the date of approval of the financial statements are stated on page 1. None of the directors were remunerated for their services as directors of the Company (2014: none).

Article 77 of the Articles of Association of the Hibu Group, the Company's ultimate holding company, permit the 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 the Hibu Group or any of its subsidiaries. In December 2013, the Hibu Group entered deeds of indemnity in favour of its current and former executive and non-executive directors and officers of the Hibu Group, its subsidiaries and any other companies to which the Hibu Group or any of its subsidiaries has nominated or appointed any such person as a director or officer. The deeds of indemnity are qualifying third party indemnities for the purposes of section 234 of the Companies Act 2006, and were in force during the financial year and at the date of approval of these financial statements.

Related party transactions

Details are provided in note 9 to the financial statements.

Employees

The Hibu Group, inclusive of the Company, has a Recruitment and Selection Policy that states that we are committed to the employment of people with disabilities. Moreover, we guarantee an interview to people with disabilities who meet the minimum selection criteria for any vacancy. The Company is registered as a Two Tick employer as it satisfies the UK government's criteria on the employment of people with disabilities.

Employees (continued)

Our Equal Opportunities Policy contains a code of good practice on disability which states that an individual who becomes disabled whilst in employment will receive support to ensure, wherever possible, they are able to continue in their role. This will involve whatever reasonable adjustments can be made on consultation with the individual. Alternatively, in consultation with the individual, other positions will be considered where the individual's skills and abilities match the requirements of the role making reasonable adjustments where appropriate.

We will ensure that training and career development is equally available to people with disabilities, tailored where practicable for their specific needs. An extensive range of communication and consultative arrangements are instigated by the Company such as the intranet, various printed publications and live briefings. These help to ensure that employees are kept fully informed about developments in the Group, including the Group's financial performance.

Management encourage employee participation in the Company's performance via the Company's bonus and commission schemes. In addition, each department elects a representative to the Company's employee forum, which meets regularly with senior management to discuss a wide variety of issues.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, report of the directors 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 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 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

hibu Mediaworks Limited

Report of the directors for the year ended 31 March 2015

Statement of directors' responsibilities (continued)

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.

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

Risks and going concern

The Company and other subsidiaries of the Hibu Group, became Guarantors under the terms of a new Facilities Agreement dated 3 March 2014. 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. The directors have considered the implications of this and the risks set out in the Strategic Report above and in the Hibu Group strategic report for the period ended 31 March 2015, 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 note that the directors of the Hibu Group reviewed forecasts of future performance, which indicate that the Hibu Group and subsidiaries will continue to comply comfortably with financial covenants, generate sufficient cash flows to make debt repayments and be able to meet fully the interest payments 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 Group were unable to continue as a going concern.

The Company's deficit is indirectly tied to intercompany financing of hibu (UK) Limited that is not due for payment until 4 March 2019 unless payment is directed to be paid earlier by the Board of YH Limited, which has issued a letter of support to hibu (UK) Limited.

Statement of disclosure to auditors

As at the date of signing their report, so far as each director was aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware. The directors have taken necessary steps to make themselves aware of relevant audit information and to establish that the auditors are aware of that information.

By order of the Board

Robert Kenneth Hall

Director

Date: 20 July 2015

Independent auditors' report to the members of hibu Mediaworks Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, which are prepared by hibu Mediaworks Limited, comprise:

- the income statement and statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of financial position as at 31 March 2015;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of hibu Mediaworks Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 7 and 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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Independent auditors' report to the members of hibu Mediaworks Limited (continued)

What an audit of financial statements involves (continued)

We primarily focus our work in these areas by assessing the directors' judgments against available evidence, forming our own judgments, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Pauline Campbell

Pauline Campbell (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

20 July 2015

hibu Mediaworks Limited

Income statement for the year ended 31 March 2015

	Note	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Revenue	2	**7,127**	9,169
Cost of sales		**(5,767)**	(6,865)
Gross profit		**1,360**	2,304
Administrative expenses		**(1,360)**	(2,304)
Result before taxation		**-**	-
Taxation	4	**(5)**	(6)
Loss for the financial year		**(5)**	(6)

Statement of comprehensive income for the year ended 31 March 2015

There is no other comprehensive income for the year (2014: none).

hibu Mediaworks Limited

Statement of cash flows for the year ended 31 March 2015

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Cash flows from operating activities:		
Net cash flows from operating activities	-	-
Cash flows from financing activities:		
Net cash flows from financing activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

Cash generated from operations

Loss for the financial year	(5)	(6)
Adjustments for:		
Taxation	5	6
Cash generated from operations	-	-

hibu Mediaworks Limited

Statement of financial position at 31 March 2015

	Notes	At 31 March 2015 £'000	At 31 March 2014 £'000
Current liabilities			
Trade and other payables	5	**(5,178)**	(5,173)
Total current liabilities		**(5,178)**	(5,173)
Net current liabilities		**(5,178)**	(5,173)
Net liabilities		**(5,178)**	(5,173)
Equity			
Share capital		**-**	-
Share premium	6	**3,900**	3,900
Accumulated deficit	7	**(9,078)**	(9,073)
Total deficit		**(5,178)**	(5,173)

The financial statements on pages 12 to 24 were approved for issue by the Board of directors and were signed on its behalf on 20 July 2015 by:

Robert Kenneth Hall
Director

Registration no 06649631

hibu Mediaworks Limited

Statement of changes in equity for the year ended 31 March 2015

2015	Share capital £'000	Share premium £'000	Accumulated losses £'000	Total deficit £'000
Balance at beginning of year	-	**3,900**	**(9,073)**	**(5,173)**
Loss for the financial year	-	-	**(5)**	**(5)**
Total comprehensive income for the year	-	-	**(5)**	**(5)**
Balance at 31 March 2015	-	**3,900**	**(9,078)**	**(5,178)**
2014				
Balance at the beginning of year	-	3,900	(9,067)	(5,167)
Loss for the financial year	-	-	(6)	(6)
Total comprehensive income for the year	-	-	(6)	(6)
Balance at 31 March 2014	-	3,900	(9,073)	(5,173)

1. Basis of preparation, accounting policies and critical accounting estimates and judgments

Entity information

The financial statements have been prepared under the historical cost convention, in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. Accordingly, these financial statements comply with Article 4 of the EU IAS resolution. A summary of the more important Company accounting policies is set out below.

Going concern

The financial statements have been prepared on a going concern basis. The Company and other subsidiaries of Hibu Group 2013 Limited (formerly Eagle Topco 2013 Limited), became Guarantors under the terms of a new Facilities Agreement dated 3 March 2014. 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. The directors have concluded that the going concern basis of accounting continues to be appropriate as set out in the directors report on page 8.

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the immediate parent company.

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

a. Revenue

Revenue, which excludes value added tax, is a service recharge from hibu (UK) Limited, the Company's parent undertaking, to cover the costs incurred.

b. Cost of sales

Cost of sales is the result of staff costs incurred in respect of providing the fulfilment of presentation products for hibu (UK) Limited.

c. Employee benefits

The Company expenses employee benefits as employees render the services that give rise to the benefits in accordance with IAS 19, Employee Benefits.

Pension obligations

Employees are members of the Company's defined contribution scheme. Contributions are charged against profit as incurred. All pension schemes are independent of the Company's finances.

1. Basis of preparation, accounting policies and critical accounting estimates and judgments (continued)

d. Taxation

The charge for taxation is based on the result for the period 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.

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.

Critical accounting estimates and judgments

In general, our accounting policies under IFRSs as adopted by the European Union are consistent with those generally adopted by others operating within the same industry in the UK.

In preparing the Company financial statements, the Company management have made their 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 below. The Company considers the following to be a description of the most significant estimates, which require the Company's management to make subjective and complex judgments, or matters that are inherently uncertain.

Taxation

The determination of our 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 the Company 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 it has 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 our liabilities are different than the amounts recorded, then the Company would increase or decrease income as appropriate in the period such determination was made. At 31 March 2015 the Company believes it has recognised all potential deferred tax assets.

1. Basis of preparation, accounting policies and critical accounting estimates and judgments (continued)

Standards that have been adopted during the current period

The following standards, interpretations and amendments became effective during the current period:

- Amendment to IAS 32, 'Financial instruments: presentation', clarifies the requirements for offsetting financial assets and liabilities on the balance sheet.

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

- Amendment to IAS 36, 'Impairment of assets', addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.

- IFRS 10, 'Consolidated financial statements', which builds on the concept of controls as the determining factor in whether an entity should be included within the consolidated financial statements.

- 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.

- IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities.

- 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.

- 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.

- Amendment to IAS 39, 'Financial instruments: recognition and measurement', narrows the scope under which hedge accounting can continue when a derivative is novated to effected clearing with a central counterparty as a result of laws or regulation.

- IFRIC 21, 'Levies', which clarifies that the obligating event giving rise to a liability is the activity that triggers the payment of the levy.

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 2015 or later periods but which the Company has chosen not to adopt early. There are two new standards and two amendments to current standards that could be relevant to the Company's operations:

- Amendment to IAS 19, 'Employee benefits', to simplify the accounting for contributions that are independent of the number of years of employee service. It has received EU endorsement and is effective for accounting periods beginning after 1 July 2014.

1. Basis of preparation, accounting policies and critical accounting estimates and judgments (continued)

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

- Amendment to IAS 27, 'Separate financial statements', allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. It has not received EU endorsement and is effective for accounting periods beginning after 1 January 2016.

- IFRS 15, 'Revenue from contracts with customers', is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. It has not received EU endorsement and is effective for accounting periods beginning after 1 January 2017.

- IFRS 9, 'Financial instruments', replaces the guidance in IAS 39 and includes requirements on the classification and measurement of financial assets and liabilities. It has not received EU endorsement and is effective for accounting periods beginning after 1 January 2018.

2. Revenue

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Service recharges (See note 9)	**7,127**	9,169
Total revenue	**7,127**	9,169

3. Employees

	Year ended 31 March 2015	Year ended 31 March 2014
Average monthly number of employees (including executive directors):		
By activity:		
Management and office	**39**	44
Production	**212**	308
Total	**251**	352

3. Employees (continued)

	Note	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Staff costs during the year:			
Wages and salaries		**6,529**	8,206
Social security costs		**458**	705
Other pension costs	8	**140**	183
Share-based payments		**-**	75
Total staff costs payable for the year		**7,127**	9,169

Directors' remuneration

The directors and other key management personnel did not receive remuneration for their services to the Company (2014: £nil).

4. Taxation

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Current tax:		
Current year corporation tax	**-**	12
Adjustments in respect of prior years	**5**	(6)
Total current tax charge	**5**	6
Tax charge on profit before taxation	**5**	6

The tax charge for both years is higher than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Profit before tax multiplied by standard rate of corporation tax in the UK	**-**	-
Effects of:		
Non-deductible items	**-**	12
Adjustments in respect of prior years	**5**	(6)
Tax charge on profit before taxation	**5**	6

4. Taxation (continued)

The adjustments in respect of prior years relates to share-based payments.

Legislation to reduce the UK corporation tax rate from 21% to 20% with effect from 1 April 2015 was substantively enacted at the date of the statement of financial position. These changes do not have any effect on these financial statements.

5. Trade and other payables

	At 31 March 2015 £'000	At 31 March 2014 £'000
Amounts falling due within one year		
Amounts owed to group undertakings (note 9)	**5,178**	5,173
Total amounts falling due in one year	**5,178**	5,173
Total trade and other payables	**5,178**	5,173

Current amounts owed to group undertakings are repayable at the discretion of the ultimate parent company and are not interest-bearing. All amounts are denominated in sterling. The fair value is approximate to their carrying amount.

6. Share capital and premium

Called up share capital:

	At 31 March 2015 £	At 31 March 2014 £
Authorised		
12 (2014: 12) ordinary shares of £1 each	**12**	12
Allotted, called up and fully paid		
12 (2014: 12) Ordinary shares of £1 each	**12**	12

Share premium:

	At 31 March 2015 £'000	At 31 March 2014 £'000
Share premium	**3,900**	3,900
Total share premium	**3,900**	3,900

7. Accumulated deficit

	At 31 March 2015 £'000	At 31 March 2014 £'000
Balance at beginning of year	**9,073**	9,067
Loss for the financial year	**5**	6
Balance at end of the year	**9,078**	9,073

8. Pensions

The Company operates a defined contribution scheme for its employees. The Company's income statement for the years ended 31 March 2015 and 2014 included the following charges:

Amounts charged to operating loss	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Amounts expensed for defined contribution schemes	**140**	183
Total operating charge	**140**	183

The above pension cost in respect of this section represents contributions payable to the funds. Outstanding contributions amounted to £nil at 31 March 2015 (2014: £nil).

9. Related party transactions

Details of transactions with other group undertakings during the years ended 31 March 2015 and 2014 and balances outstanding as at those dates are as follows:

Service recharge income	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Income recharged to hibu (UK) Limited	**7,127**	9,169
Total service recharge income	**7,127**	9,169

Service recharge costs	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Costs payable to hibu (UK) Limited	**7,127**	9,169
Total service recharge costs	**7,127**	9,169

9. Related party transactions (continued)

Current liabilities	At 31 March 2015 £'000	At 31 March 2014 £'000
Trade and other payables		
Amounts owed to hibu (UK) Limited	**5,161**	5,173
Amounts owed to YH Limited	**17**	-
Total trade and other payables	**5,178**	5,173
Total current liabilities	**5,178**	5,173

10. Auditors' remuneration

The following fees were paid or are payable to the Company's auditors for the years ended 31 March 2015 and 2014 respectively:

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
For the audit of the Company financial statements in respect of the current year	**5**	5
For the audit of the Company financial statements in respect of the prior year	**1**	-
Total auditors' remuneration	**6**	5

The auditors' remuneration has been accounted for and paid by hibu (UK) Limited, a fellow group company. Fees for non-audit services were £nil (2014: £nil).

11. Contingent liabilities

At 31 March 2015, there were no contingent liabilities or guarantees other than that mentioned below and those arising in the ordinary course of the Company's business and on these no material losses are anticipated.

The Company is party to various contractual arrangements associated with the debt structure for the subsidiaries of the Hibu Group, including as a guarantor of one of the borrowing facilities. Amongst other things, these borrowing facilities contain financial covenants as detailed in the financial statements of Eagle Bidco 2013 Limited. The Company, and fellow Hibu Group undertakings were in full compliance with their respective covenants and undertakings at the date these financial statements were signed.

12. Controlling entity

The immediate parent undertaking is hibu (UK) Limited.

The ultimate holding company and controlling party at 31 March 2015 is Hibu Group 2013 Limited.

The smallest group in which the financial statements of this company are consolidated is Eagle Bidco 2013 Limited. The largest group in which the financial statements of this company are consolidated is the Hibu Group. Financial statements for both of these companies are publicly available from One Reading Central, Forbury Road, Reading, Berkshire, RG1 3YL.

13. Liquidity

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.