

Company Registration No. 08815128 (England and Wales)

HIBU BIDCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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HIBU BIDCO LIMITED

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HIBU BIDCO LIMITED

COMPANY INFORMATION

Directors

Alfred Mockett
Atish Banerjea
Christopher Ripley
David Anderson
David Sharman
John Brantl
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 2019

The directors present their strategic report for Hibu Bidco Limited (the "Company") for the year ended 31 March 2019.

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 10.

The Company had net assets at 31 March 2019 of £245,530,000 (2018: £16,741,000). The directors consider the result for the year and the financial position at 31 March 2019 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 Company is subject are managed by Hibu Group and fully discussed in the context of the Group as a whole in the Strategic report of Hibu Group. Key financial risk management objectives and policies are discussed below to the extent they are specific to the Company.

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 Company and other subsidiaries of Hibu Group were Guarantors under a Common Terms Agreement dated 7 September 2016. The terms required the Company and its subsidiaries ("the Bidco Group") to keep net cash pay debt to less than four times the Bidco Group's EBITDA over the preceding twelve months. The Bidco Group was in compliance with the terms during the relevant periods through 2 May 2018, when this debt was replaced with £225 million of high yield bonds, issued by a subsidiary of Owl Finance Limited, that do not require specific financial ratio covenants, but are secured on the Company's shares in Owl Finance Limited, and the assets of Owl Finance Limited and its subsidiaries. Otherwise, the Company is not a guarantor of the new arrangements.

HIBU BIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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 2019 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 its subsidiaries should generate sufficient cash flows to be able to meet interest obligations where relevant and repay liabilities as they fall due for the next twelve months.

The Company's net current liabilities are tied to inter-company financing. Payment is not due in advance of the repayment dates unless directed by the Hibu Group board, which has issued a letter of support to the Company, confirming that intercompany financing will continue to be provided to the Company for the next twelve months from the date of approval of these financial statements to support the Company in meeting its obligations as they fall due.

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.

By order of the Board



Christian Wells

Secretary

23 July 2019

HIBU BIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors submit their Annual Report and the audited financial statements for Hibu Bidco Limited (the "Company") for the year ended 31 March 2019.

Dividends

Ordinary dividends were paid of £51,112,000 (2018: £nil). The directors do not recommend payment of a final dividend.

Strategic report

The Company is required by the Companies Act 2006 to set out development and performance of the business during the financial year ended 31 March 2019 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
Atish Banerjee
Christopher Ripley
David Anderson
David Sharman
John Brantl
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 2019

Post balance sheet event

At the 31 March 2019, the Company had short-term intercompany payables that included amounts totalling \$76,507,625 with a sterling equivalent of £58,706,596 (see note 14). On 21 June 2019, the lender released the Company from the obligation to pay an amount of \$40,131,058, which had a maturity date of 21 June 2019. The remaining \$36,376,567 has a maturity date of 6 November 2019. Payment is not due in advance of the repayment date unless directed by the Hibu Group board, which has issued a letter of support to the Company, confirming that intercompany financing will continue to be provided to the Company for the next twelve months from the date of approval of these financial statements to support the Company in meeting its obligations as they fall due.

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.

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.

HIBU BIDCO LIMITED

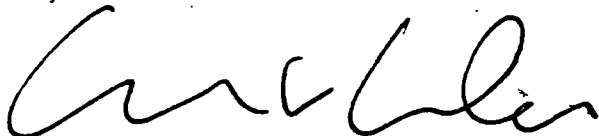
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Independent auditors

The auditors, Pricewaterhouse Coopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board



Christian Wells

Secretary

23 July 2019

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 2019 and of its profit 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 2019; 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

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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 or, 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)

Report on the audit of the financial statements

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 2019 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 of the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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

23 July 2019

HIBU BIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £000's	2018 £000's
Other income		80	-
Operating profit/result	4	80	-
Income from shares in group undertakings	7	164,956	-
Profit/result before interest and taxation		165,036	-
Finance income	8	46	-
Finance costs	8	(6,824)	-
Net finance costs	8	(6,778)	-
Profit/result before tax		158,258	-
Tax charge	9	(1,397)	-
Profit/result and total comprehensive income for the financial year		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 2019

	Note	2019 £000's	2018 £000's
Non-current assets			
Investments in subsidiaries	11	347,679	16,741
Total non-current assets		<u>347,679</u>	<u>16,741</u>
Current assets			
Trade and other receivables	13	4,674	-
Total current assets		<u>4,674</u>	<u>-</u>
Total assets		<u>352,353</u>	<u>16,741</u>
Current liabilities			
Trade and other payables	14	(63,890)	-
Net current liabilities		<u>(59,216)</u>	<u>-</u>
Total assets less current liabilities		<u>288,463</u>	<u>16,741</u>
Non-current liabilities			
Trade and other payables	14	(33,533)	-
Deferred tax liabilities	15	(9,400)	-
Total non-current liabilities		<u>(42,933)</u>	<u>-</u>
Total liabilities		<u>(106,823)</u>	<u>-</u>
Net assets		<u>245,530</u>	<u>16,741</u>
Equity			
Share capital	16	-	-
Share premium account	17	-	16,741
Retained earnings		245,530	-
Total equity		<u>245,530</u>	<u>16,741</u>

The notes on pages 13 to 24 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 23 July 2019 and are signed on its behalf by:



David Sharman

Director

Company Registration No. 08815128

HIBU BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Note	Share capital £000's	Share premium account £000's	Retained earnings £000's	Total equity £000's
Balance at 1 April 2017		-	16,741	-	16,741
Result for the financial year		-	-	-	-
Transactions directly with owners		-	-	-	-
Balance at 31 March 2018		-	16,741	-	16,741
Balance at 1 April 2018		-	16,741	-	16,741
Profit and total comprehensive income for the financial year		-	-	156,861	156,861
Shares issued	16	-	123,040	-	123,040
Capital reduction	17	-	(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

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

The Company is a private company limited by shares incorporated in England and Wales. 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 2019

1 Accounting policies

(Continued)

Going concern

The financial statements have been prepared on a going concern basis. The Company and other subsidiaries of Hibu Group were Guarantors under a Common Terms Agreement dated 7 September 2016. The terms required the Company and its subsidiaries ("the Bidco Group") to keep net cash pay debt to less than four times the Bidco Group's EBITDA over the preceding twelve months. The Bidco Group was in compliance with the terms during the relevant periods through 2 May 2018, when this debt was replaced with £225 million of high yield bonds, issued by a subsidiary of Owl Finance Limited, that do not require specific financial ratio covenants, but are secured on the Company's shares in Owl Finance Limited, and the assets of Owl Finance Limited and its subsidiaries. Otherwise, the Company is not a guarantor of the new arrangements.

The Company's net current liabilities are tied to inter-company financing. Payment is not due in advance of the repayment dates unless directed by the Hibu Group board, which has issued a letter of support to the Company, confirming that intercompany financing will continue to be provided to the Company for the next twelve months from the date of approval of these financial statements to support the Company in meeting its obligations as they fall due.

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 2019 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 its subsidiaries should generate sufficient cash flows to be able to meet interest obligations where relevant and repay liabilities 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. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect amounts due according to the original terms of receivables. The provision is calculated by estimating future cash flows from trade receivables on the basis of historical loss experience.

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.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Dividends

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

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.

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

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 9, 'Financial Instruments'. This standard replaces the guidance in IAS 39 and includes requirements on the classification and measurements of financial assets and liabilities. It also includes an expected credit losses model that replaces the current incurred loss impairment model. The standard is effective for annual periods beginning on or after 1 January 2018.
- IFRS 15, 'Revenue from Contracts with Customers'. This standard will improve the financial reporting of revenue and improve comparability of the top line in the financial statements globally. It is effective for annual periods beginning on or after 1 January 2018.
- Amendments to IFRS 2, 'Share-based Payment'. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount of the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. It is effective for annual periods beginning on or after 1 January 2018.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Standards that have become effective during the current year

(Continued)

- 'Annual Improvements 2014-16'. These amendments affect two standards being IFRS 1, 'First Time Adoption of IFRS' and IAS 28, 'Investments in Associates' regarding the measurement of an associate or joint venture at fair value. They are effective for annual periods beginning on or after 1 January 2018.
- IFRIC 22, 'Foreign currency transactions and advance consideration'. This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment or receipt is made as well as where multiple payments or receipts are made and is intended to reduce diversity in practice. It is effective for annual periods beginning on or after 1 January 2018.

3 Critical accounting estimates and judgments

In general, the Group's accounting policies under IFRSs, as adopted by the European Union, which are materially consistent with those applied under 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. We regularly review these estimates and update them when required. Actual results could differ from these estimates. Unless otherwise indicated, we do not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described below. We consider the following to be a description of the most significant estimates, which require our management to make subjective and complex judgments, or matters that are inherently uncertain.

Tax

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

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

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

The Company records deferred tax assets to the extent that it believes they are more likely than not to be realised. Should the Company determine in the future that it would be able to realise deferred tax assets in excess of the recorded amount or that the liabilities are different than the amounts it recorded, then it would increase or decrease income as appropriate in the period such determination was made. At 31 March 2019 it believes that there are no deferred tax assets or liabilities.

Carrying value of investments

The Company reviews the carrying value of investments and inter-company 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 2019

4 Operating profit/result

	2019 £000's	2018 £000's
Operating profit for the year is stated after crediting:		
Other income	(80)	-

Other income comprised the profit on sale of the Company's subsidiary undertaking, hibu pay LLC to hibu Inc, an indirect subsidiary undertaking.

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 £1,350 (2018: £1,300). No other fees were paid to PricewaterhouseCoopers LLP for non-audit services to the Company (2018: £nil).

6 Employees' and Directors' remuneration

There are no employees of the Company (2018: 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 (2018: £nil).

7 Income from shares in group undertakings

	2019 £000's	2018 £000's
Ordinary dividends received from subsidiary undertakings	53,803	-
Distribution from subsidiary undertaking	111,153	-
	<u>164,956</u>	<u>-</u>

On 21 November 2018, the Company received a dividend of \$50,000,000 (£38,763,000) from its subsidiary undertaking, hibu Group (USA), Inc. On 27 February 2019, the Company received a further dividend of \$20,000,000 (£15,040,000) from hibu Group (USA), Inc. These dividends were subject to a 5% withholding tax (see note 9).

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.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Net finance costs

	2019 £000's	2018 £000's
Finance income		
Interest receivable on loans due from group companies	46	-
	<u> </u>	<u> </u>
Finance costs		
Interest payable on loans due to group companies	(3,166)	-
Foreign exchange losses	(3,658)	-
	<u> </u>	<u> </u>
	(6,824)	-
	<u> </u>	<u> </u>
Net finance costs	<u>(6,778)</u>	<u>-</u>

9 Tax charge

	2019 £000's	2018 £000's
Current tax		
UK corporation tax on profits for the current year	(593)	-
Foreign withholding tax deducted (see note 7)	2,690	-
	<u> </u>	<u> </u>
Total current tax charge	2,097	-
	<u> </u>	<u> </u>
Deferred tax		
Reversal of temporary differences	(700)	-
	<u> </u>	<u> </u>
Total deferred tax credit	(700)	-
	<u> </u>	<u> </u>
Total tax charge for the year	<u>1,397</u>	<u>-</u>

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Tax charge

(Continued)

The tax charge (2018: £nil) for the year is lower than (2018: the same as) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £000's	2018 £000's
Profit before taxation	158,258	-
Profit before taxation multiplied by standard UK corporation tax rate of 19% (2018: 19%)	30,069	-
Non-taxable ordinary dividends and distributions receivable	(31,342)	-
Non-deductible foreign exchange losses	695	-
Irrecoverable withholding tax suffered	2,690	-
Decrease in deferred tax on unremitted earnings	(700)	-
Other	(15)	-
Tax charge for the year	1,397	-

Factors that may affect future tax charges:

Finance Act 2016 included legislation reducing the rate of corporation tax rate from 19% to 17% with effect from 1 April 2020. At 31 March 2019, the deferred assets and liabilities included in these financial statements were based on this reduced rate having regard to their reversal profiles.

10 Dividends

2019 £000's	2018 £000's
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Amounts recognised as distributions to equity holders:

Ordinary dividends paid	51,112	-
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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. Further dividends totalling \$4,750,000 (£3,694,000) have been declared and paid since 31 March 2019.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Investments in subsidiaries

	2019 £000's	2018 £000's
Cost		
At 1 April	16,741	16,741
Additions	331,009	-
Disposals	(71)	-
At 31 March	347,679	16,741
Carrying amount		
At 31 March	347,679	16,741

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 overseas subsidiaries.

On 28 February 2019, the Company transferred its direct interest in hibu pay LLC to hibu Inc. an indirectly held subsidiary undertaking.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Subsidiaries

Details of the Company's direct and indirect subsidiaries at 31 March 2019 and 31 March 2018 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Ownership interest (%)	
			2019	2018
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	Classified advertising publisher	100	100
Yell Mediaworks Limited	United Kingdom	Graphics services	100	100
Hibu Global Limited	United Kingdom	Digital product sales	100	100
Moonfruit Limited	United Kingdom	Holding company	100	100
Sitemaker Software Limited	United Kingdom	Website services	100	100
Yell Sales Limited	United Kingdom	Advertising space	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 India Private Limited	India	Not trading	100	100
hibu (Philippines) Private Limited, Inc	Philippines	Not trading	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	Classified advertising publisher	100	100
hibu of Pennsylvania, Inc	United States of America	Advertising space sales	-	100
hibu pay LLC	United States of America	Payment card services	100	100

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 2019, the Company directly held 100% of the ownership interest in Owl Finance Limited, hibu Group (USA), Inc, Hibu Asia Pacific Holdings Limited, Hibu Global Limited and Hibu Finance (FX) Limited. All other companies listed were indirectly held by the Company.

hibu pay LLC is incorporated in the U.S.A. but was managed and controlled in the United Kingdom. On 28 February 2019, the Company transferred its interest in hibu pay LLC to hibu Inc, an indirectly held subsidiary incorporated in the U.S.A. at which point hibu pay LLC became managed and controlled in the U.S.A.

During the year, hibu of Pennsylvania, Inc was merged into hibu Inc.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Subsidiaries

(Continued)

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

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

The registered address of hibu (Philippines) Private Limited, Inc is Unit 1815 Cityland Condominium 10 Tower 1, 156 H.V. Dela Costa Street, Ayala North, Makati City, Philippines 1226.

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.

13 Trade and other receivables

	2019 £000's	2018 £000's
Amounts falling due within one year		
Amounts due from group undertakings	4,673	-
Other receivables	1	-
	<u>4,674</u>	<u>-</u>

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

14 Trade and other payables

	2019 £000's	2018 £000's
Amounts falling due within one year		
Amounts due to other group undertakings	63,890	-
	<u>63,890</u>	<u>-</u>
Amounts falling due after more than one year		
Amounts due to other group undertaking	33,533	-
	<u>33,533</u>	<u>-</u>

The short-term inter-company payables include amounts totalling \$76,507,625 (2018: \$nil) with a sterling equivalent of £58,706,596 (2018: £nil). Interest is charged on these amounts at between 0.64% and 0.68%, these rates being the U.S. Applicable Federal Rates at the inception of the loans. These amounts are repayable within twelve months from the date of the statement of financial position. The long-term inter-company payable include an amount of £25,975,329 (2018: £nil), 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 £7,556,373 (2018: £ nil) 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 2019

15 Deferred taxation liabilities

	Unremitted earnings £000's	Total £000's
Deferred tax liability at 1 April 2017	-	-
Deferred tax movements in prior year	-	-
Deferred tax liability at 31 March 2018	-	-
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	9,400	9,400

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 (see note 11).

16 Share capital

	No. of shares of £0.00000001	£
Ordinary share: Allotted and fully paid At 1 April 2018	1,136,165,598	11
Share issue	1	-
At 31 March 2019	1,136,165,599	11

On 2 May 2018, as part of a Group restructuring, the Company issued one ordinary share with a nominal value of £0.00000001 to its parent company, Hibu Midco Limited, in exchange for PIK debt notes with a value of £123,039,646. The Company subsequently entered into an offset arrangement with Owl Finance Limited to settle the PIK debt notes against intercompany loan arrangements.

HIBU BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

17 Share premium account

	2019 £000's
At 1 April 2018	16,741
Share issue	123,040
Cancellation of share premium	(139,781)
At 31 March 2019	-

On 2 May 2018, as part of a Group restructuring, the Company issued one ordinary share with a nominal value of £0.00000001 to its parent company, Hibu Midco Limited, creating a share premium of £123,039,646.

On 26 September 2018, the Company cancelled its entire share premium of £139,780,546 creating distributable reserves.

18 Financial commitments, contingent liabilities and litigation

There are no capital or other commitments (2018: £nil).

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

19 Controlling party

At 31 March 2019 the Company was a wholly owned subsidiary of Hibu Group, the ultimate holding company and controlling party.

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.

20 Post balance sheet events

At the 31 March 2019, the Company had short-term intercompany payables that included amounts totalling \$76,507,625 with a sterling equivalent of £58,706,596 (see note 14). On 21 June 2019, the lender released the Company from the obligation to pay an amount of \$40,131,058, which had a maturity date of 21 June 2019. The remaining \$36,376,567 has a maturity date of 6 November 2019. Payment is not due in advance of the repayment date unless directed by the Hibu Group board, which has issued a letter of support to the Company, confirming that intercompany financing will continue to be provided to the Company for the next twelve months from the date of approval of these financial statements to support the Company in meeting its obligations as they fall due.