Unlimited Marketing Group Ltd
Annual Report and Financial Statements
for the year ended 31 March 2021

Registered number 10469103

Unlimited Marketing Group Ltd

Contents

Unlimited Marketing Group Ltd

Company information

Directors

T Hancock
J Mara
T Hassett
E Guest
M Smith
C Sweetland
J Addison (appointed on 20 April 2020)
S Farr (appointed on 13 July 2020)

M Branigan (resigned on 20 April 2020)
M Haxby (resigned on 20 April 2020)

Company Secretary

E Swain (appointed on 20 April 2020)
O Walker (resigned on 5 April 2020)

Registered Office

First Floor
Orion House
5 Upper St. Martin's Lane
London
WC2H 9EA

Independent Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Unlimited Marketing Group Ltd

Strategic Report

The Directors present their Strategic Report of the company for the year to 31 March 2021.

Principal Activity, Business Review and Strategy

Unlimited Marketing Group Ltd is the holding company for the leading independent integrated digital marketing services *group trading as 'UNLIMITED'. The principal activity of the Group is to deliver a range of digital and* technology-based marketing solutions to blue-chip global clients. The Group is known for its market leading capabilities in: data analytics & insights; CRM & customer engagement; technology & healthcare communications; and digital transformations.

For the year to 31 March 2021 ('FY21') the Group reports revenue from continuing operations of £43.3m (2020: £50.8m) and a headline earnings before interest and tax from continuing operations ("headline EBITDA" – *see note 2 for definition*) of £3.6m profit (2020: £1.6m loss). Discontinued operations in the comparative year related to those of Health Unlimited LLC, a US based subsidiary that was disposed of in October 2019.

The Group commenced FY21 in a strong position to drive revenue and profit growth through its streamlined divisional structure and an award-winning collaborative new business and business development approach.

In March 2020 the Covid-19 pandemic brought significant uncertainty to both UK and global markets, and with many businesses having to adapt to a new way of working, as well as focusing on cost and liquidity measures to ensure business survival, there was a temporary impact on revenues in the first half of the financial year as customer spend reduced. Management responded proactively to mitigate the impact on headline EBITDA through cost reduction measures and the adoption of government schemes introduced to support businesses throughout the pandemic. Despite a 23% sequential fall in revenue versus the second half of the year ended 31 March 2020 ('FY20'), the Group maintained headline EBITDA profitability and strong liquidity.

In the second half of FY21, revenue returned to above pre-pandemic levels by the final quarter of the financial year, with the group generating a revenue run-rate of over £50m in that quarter. As a result of strategic repositioning, the Group successfully maintained a leaner cost base and margin structure by scaling productivity through more streamlined and agile ways of working.

Some of the strategic initiatives undertaken over the course of the year included:

- Implementing an award-winning new business development process to drive systemic marketing capability and expertise;
- Establishing "Human Understanding Lab" as UNLIMITED's data analytics and insights centre of excellence, and creating products that are embedded in client offerings throughout the Group;
- Further enhancing market leading CRM capability by using leading edge diagnostic automation;
- Combining Group-wide digital offerings to enable end-to-end marketing solutions that incorporate design, development, marketing strategy, performance marketing and creative content with campaign marketing optimisation.
- Automating core functional processes across Group departments to drive further operational efficiencies and margin improvement.
- Implementing a hybrid working model for employees, facilitating the sale of the London Head Office after the year end, termination of the Bristol lease and reduction of property costs.

During FY21, the business focused on increasing existing client revenue. Despite the challenges of the pandemic, our top 30 clients (including BMW, Canon, Vodafone and Ipsen) increased revenue via improved business development and cross selling capabilities across the Group. This growth was underpinned by the longstanding strength of relationship between the Group and our top 30 clients, with an average tenure of 11 years. Our cross-sell initiatives within the business have enabled us to enhance existing relationships with our clients by offering new products, services, and expertise to help solve business challenges. In addition in FY21, the Group won new clients including Tik Tok, Govia Thameslink, Castrol, Fiat Chrysler Automotive and Aston Martin.

Client satisfaction scores increased from 8.0 to 8.4, 15% above the industry average. Our ability to adapt to remote working during the pandemic was demonstrated with the score of 9.2 for 'Adapting to remote working / continuity of service'.

Strategic Report continued

The year has also seen the Group nominated for a number of industry awards, including:

- The Drum Awards 2020 (New Business Development Team of the year) – *Winner*
- Worldwide Partners Impact Awards B2B – *Winner*
- Creativepool Awards (Social, Graphic, Copywriting, Integrated, and Effectiveness) – *Winner*
- Webby Awards (Best Apps, Mobile, and Voice: Health, Fitness & Lifestyle) – *Winner*
- MRS Operational Awards (Oppies) 2020 – *Finalist*
- MRS Awards 2020 – *Finalist*
- AQR Awards 2020 (Qualitative Excellence Awards) – *Shortlisted*
- Confirmit AIR Awards 2020 (Judges' Choice: AIR Agency, AIR Project and Innovation) – *Winner*
- Quirk's Marketing Research and Insight Excellence Awards (Technology Impact Award) - *Finalist*
- MRG Awards 2020 (Best International Research) – *Finalist*
- Campaign's Agency of the year 2021 (New Business Development Team of the year) – *Finalist*

In summary, whilst FY21 has been challenging, it has been a year of exceptional transformation and success for the Group. Over the last 12 months the Group has developed deeper relationships with our clients and robust new ways of working, enhanced core data analytics, insights and CRM capabilities, and driven operational efficiencies by embracing technology and change. Adapting to the needs of our clients, as well as enhancing our capabilities, has resulted in the growth of our biggest and most tenured clients, with client satisfaction ratings at an historic high for the business. Divisions have been working in unity to progress the business forward, with unprecedented levels of cross-selling and collaboration. The Directors consider UNLIMITED to be in an exceptional position to drive future growth and further success.

Future Outlook

Momentum from the final quarter of FY21 has continued into the first half of FY22 with the business seeing continued revenue and EBITDA growth over that period, as well as a healthy pipeline. New business wins have continued strongly into FY22, including Freesat, StartArt, IOC, Hasbro, Ocado, Bayer, the RFU and Centre Parcs.

Each division in the Group is focused on the implementation of strategic 'building blocks' to further develop new and existing revenue streams with the aim of driving 20%+ top-line growth for the current financial year, sustained double-digit growth for the medium term and industry leading profitability margins.

As well as continued improvements in operational efficiency, the termination of the head office lease at 10 Great Pulteney Street in April 2021 and relocation to Orion House has enabled the company's modern flexible work model, as well as a significant reduction in occupancy expenses.

Principal risks and uncertainties

The following are what we consider to be the key risks facing the Group, along with the associated mitigating controls which are regularly assessed and monitored by the board:

COVID-19

The possibility of further business interruption as a result of the Covid-19 pandemic, or indeed new future pandemics creates a substantial amount of risk over client revenue and the Group's ability to deliver work for our clients. The business has developed an operating model that significantly mitigates these risks via a modern and agile way of working and flexible cost base, and is therefore well positioned to weather the impact of any such risk in the future.

Globalisation and macro-economic events affecting client decision-making process

Globalisation and macro-economic events, such as Brexit uncertainty and the Covid-19 global pandemic have transformed client decision-making processes, reactiveness, and budget allocation. A volatile macro-economic environment could result in short-term and dynamic budget reallocation processes and could result in strategic decisions being independent of performance and client satisfaction. We mitigate this through proactive client relationship management which allows the Group to better understand the client decision-making process.

Loss of key clients

Loss of key clients would lead to loss of revenues, impacting the Group's financial performance. We mitigate this through proactive account management to identify potential issues early on and an annual independent client satisfaction survey. Additionally, multi-divisional engagements help to create long-lasting client relationships, senior management engages in proactive client relationship alongside the accounts team and we continuously target new clients in new markets to reduce client concentration.

Loss of key staff

Loss of key staff could impair the ability to deliver projects and indirectly affect client retention and acquisition performance. In addition, creative edge and brand reputation are equally affected by the loss of key creative talent. We mitigate this through an annual staff satisfaction survey to gauge engagement and annual performance reviews. There is also succession planning in place for all key positions and client relationships are maintained as a team, to reduce the focus on individual relationships.

Cyber and data security

The Group holds data, both its own and that entrusted to us by our clients, which in some cases includes sensitive information and/or personal data. There is always a risk that this information could be susceptible to cyber-attacks where external parties seek unauthorised access to this data. We have established strong data privacy and security programs with the aim of ensuring that data is protected, and that we comply with relevant legislative, regulatory and contractual requirements, including ISO/IEC 27001, the Data Protection Act 2018, and GDPR.

Financial risks

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, liquidity risk and credit risk. The Group manages these risks by financing its operations through equity, retained profits and borrowings.

The management objectives are to retain sufficient liquid funds to enable it to meet its day-to-day requirements, manage the Group's exposure to fluctuating interest rates, foreign currency exchange rate shifts, and match the repayment schedule of external borrowings or overdrafts with future cash flows expected to arise from the Group's trading activities.

The Group is required to meet covenant obligations set by its lenders, with any breach of these obligations leading to the risk of recall of debt. To mitigate this risk the Group operates a cash flow forecast model to determine forecast covenant headroom and determine cash flow viability.

Section 172 statement

The Board recognises the importance of the Group's wider stakeholders when performing their duties under Section 172(1) of the Companies Act and their duties to act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long term,
b) the interests of the Group's employees,
c) the need to foster the company's business relationships with suppliers, customers, and others,
d) the impact of the Group's operations on the community and the environment,
e) the desirability of the Group maintaining a reputation for high standards of business conduct, and
f) the need to act fairly between members of the Group.

The Board considers that all their decisions are taken with the long-term in mind, understanding that these decisions need to regard the interests of the company's employees, its relationships with suppliers, customers, the communities and the environment in which it operates. It is the view of the Board that these requirements have been met.

Key actions undertaken by the Group include:

- ***Group repositioning.*** *The Group has recently been restructured into four divisions: Marketing, Communications,* Insight and Analytics, and Digital, strengthening our strategic position for years to come.

- **People.** The success of the Group hinges on our people and their talent. Despite the challenges of Covid-19, our focus on people has not wavered. Flexible working is in effect across multiple agencies and our mental health first aid programme now boasts 20 individuals across locations. Meanwhile, a team of peers across divisions steered *by UNLIMITED have formed our diversity and inclusion committee. They have agreed missions,* KPI's and started influencing change. Many of our outputs and marketing materials have reflected this commitment, with panel discussions, blog content and social posts focussed on sharing, educating and celebrating diversity – including material around International Women's Day, Diwali, Black History Month and Pride Month. Individual divisions have also reaffirmed their commitment to diversity and inclusion: Walnut have signed the MRS CEO

Pledge for Diversity and TMW have piloted pronouns and phonetic spellings in e-signatures with many more endeavours on the horizon. We have continued with our Apprenticeship schemes and additionally being one of the first agency's involved in the marketing debuts programme and committed to 10,000 black interns initiative. We are also ensuring that we take advantage of the apprenticeship levy to upskill and develop new and existing staff.

- **Business relationships.** *The Group relies on building and maintaining strong relationships.* We undergo due diligence across all supplier and customer relationships and are committed to acting ethically and with integrity in all business dealings. We regularly send out an independent client satisfaction survey to each of our clients across 19 key areas. This allows us to consistently improve and adapt our working methods to maintain our strong client satisfaction scores.

- **Business conduct and governance**. The Group has in place a number of procedures and policies to ensure all applicable laws and regulations are adhered to. Policies are reviewed regularly, including the Bribery Act, GDPR, and the whistleblowing policy, and mandatory training is provided to all employees. A risk register is also in the process of being established. During the year, the group strengthened its board of Directors and implemented an audit committee to provide oversight of financial reporting and compliance.

Key Performance Indicators

The Group's principal financial KPIs for year to 31 March 2021 are as follows:

	Financial Year ended 31 March 2021	**Financial Year ended 31 March 2020**
Revenue from continuing operations	**£43.3m**	**£50.8m**
Headline EBITDA* from continuing operations	**£3.6m**	**(£1.6m)**
Relationship Audits & Management (RAM) score	**8.4**	**8.0**
Operating cash flow	**£5.0m**	**(£10.8m)**

*defined in note 2

By order of the board

Timothy Hassett
CEO

29th July 2021

Unlimited Marketing Group Ltd

Directors' report

The Directors present their report together with the audited consolidated financial statements for the year ended 31 March 2021.

Principal activities

The principal activities of the Company and the Group are stated in the Strategic Report.

Dividends

No dividends have been declared and none are recommended.

Directors

The Directors who held office during the year and at the date of approval of this Directors' report were as follows:

T Hancock
J Mara
T Hassett
E Guest
M Smith
C Sweetland
J Addison (appointed on 20 April 2020)
S Farr (appointed on 13 July 2020)

M Branigan (resigned on 20 April 2020)
M Haxby (resigned on 20 April 2020)

Going concern

In accordance with their responsibilities as Directors, the Directors have considered the appropriateness of the going concern basis for the preparation of the financial statements and they continue to adopt the going concern basis in preparing the financial statements. The Covid-19 pandemic has had an impact on the business since the end of the financial year and the Directors have undertaken appropriate mitigating actions (see the going concern note 1.2 for further information)

Employees

The Group's greatest asset is its people and they are integral to the future success of the business. The Group remains committed to investing in its people and encourages professional and personal development appropriate to each individual's skills, whilst creating an environment where our employees are involved in driving the success of the Group.

Employees are consulted regarding any changes to the business that may affect them and are briefed regularly regarding market and industry developments to ensure that all relevant information affecting the Group is readily available.

The Group believes in equal opportunities for all employees and prospective employees irrespective of an individual's age, gender, disability, nationality, ethnicity or religion. The Group does not tolerate discrimination in any shape or form.

The Group applies a policy of giving full and fair consideration to applications for employment that disabled people make to the Group and ensures that there are relevant opportunities for training, career development and promotion of disabled people, and for the continuing employment and training of employees who have become disabled while employed by the Group.

Future developments

Likely future developments are discussed in the Strategic Report.

Directors' report continued

Political Donations

The Company has not made any political donations or incurred any political expenditure in the financial year. The Company has not made any contributions to a non-EU political party during the financial year.

Financial Instruments

As the Group's business includes a proportion of international revenue and costs, it has some exposure to foreign currency rates and any associated movements.

Directors' indemnities

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company and any of its subsidiaries.

Strategic report

In accordance with S414C(11) of the Companies Act, included in the Strategic Report is the review of the business and principal risks and uncertainties. This information would have otherwise been required by Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report.

Environment

The Group estimates it was responsible for c. 290 CO_2E tonnes of emissions in the UK resulting from activities of the Group. This includes the general operations of the business and transportation. This was equivalent to c. 1.3m kWh of energy.

Post balance sheet events

On 12th April 2021 the Group forfeited its leasehold in Unlimited House, 10 Great Pulteney Street, W1F 9NB and moved head office location to First Floor, Orion House, 5 Upper St. Martin's Lane, London, WC2H 9EA.

Six of the Groups non-trading subsidiaries were struck off on 8 June 2021. These were: DJMPAN Unlimited Ltd, Emo Group Ltd, Emery Mclaven Orr Ltd, ICM Research Ltd, ICM Direct Ltd, and Red Door Communications Ltd.

On 1 July 2021, £4,704,124 of interest on the 11% Loan Notes (see note 17) was converted via payment-in-kind (PIK) to principal loan note balance, repayable in 2024.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.

Timothy Hassett
CEO

29th July 2021

Statement of Directors' responsibilities in respect of the annual report and the financial statements

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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.

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.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Timothy Hassett
CEO

29th July 2021

Independent auditor's report to the members of Unlimited Marketing Group Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent Company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Unlimited Marketing Group Limited ("the Parent Company") and its' subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statements of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Unlimited Marketing Group Limited continued

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic and Directors' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Group and Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Independent auditor's report to the members of Unlimited Marketing Group Limited continued

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and relevant tax compliance legislation.
- We understood how the Group and Parent Company are complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and discussion with management.
- We assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud.
- Our audit planning identified fraud risks in relation to management override and inappropriate or incorrect revenue recognition. We obtained an understanding of the processes and controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those processes and controls;
- With regards to the fraud risk in management override, our procedures included journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates which are subject to management's judgement and estimation, and could be subject to potential bias; and
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Nicole Martin

Nicole Martin (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
29 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Unlimited Marketing Group Ltd

Consolidated income statement
for the year ended 31 March 2021

	Note	**Total**	Continuing operations	Discontinued operations	Total
		2021	2020	2020	2020
		£'000	£'000	£'000	£'000
Turnover		**56,793**	64,292	6,988	71,280
Cost of sales		**(13,445)**	(13,508)	(415)	(13,923)
Revenue	3	**43,348**	50,784	6,573	57,357
Other income	5	**1,513**	-	-	-
Operating Costs		**(48,193)**	(63,220)	(5,015)	(68,235)
Operating (loss) / profit	6	**(3,332)**	(12,436)	1,558	(10,878)
Non-operating (expense) / income		**(254)**	12,760	-	12,760
Net financing expense	9	**(6,775)**	(6,930)	(5)	(6,935)
Income / (loss) from associate	13	**32**	(18)	-	(18)
Loss profit before taxation		**(10,329)**	(6,624)	1,553	(5,071)
Taxation	10	**1,171**	1,371	(354)	1,017
(Loss) / profit for the year		**(9,158)**	(5,253)	1,199	(4,054)
Attributable to:					
Equity holders of the parent		**(9,158)**	(5,253)	1,199	(4,054)
		(9,158)	(5,253)	1,199	(4,054)
Headline EBITDA	4	**3,601**	(1,662)	1,740	78

The notes on pages 19 to 38 form an integral part of these consolidated financial statements.

Unlimited Marketing Group Ltd

Consolidated statement of comprehensive income
for the year ended 31 March 2021

	2021 £'000	2020 £'000
Loss for the year	**(9,158)**	(4,054)
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss:		
Revaluation of interest rate swaps	-	(30)
Exchange differences on translation of foreign operations	-	(57)
Other comprehensive loss for the year, net of tax	-	(87)
Total comprehensive loss for the year	**(9,158)**	(4,141)
Attributable to:		
Equity holders of the parent	**(9,158)**	(4,141)
	(9,158)	(4,141)

The notes on pages 19 to 38 form an integral part of these consolidated financial statements.

Unlimited Marketing Group Ltd

Consolidated balance sheet
as at 31 March 2021

Non-current assets	Note	**31 March 2021 £'000**	31 March 2020 £'000
Goodwill	11	**3,317**	5,638
Property, plant and equipment	12	**554**	1,117
Investments	13	**486**	454
		4,357	7,209
Current assets			
Work in progress	14	**616**	390
Debtors	15	**18,278**	21,674
Deferred tax asset	19	**1,238**	385
Corporation tax receivable		**490**	758
Cash and cash equivalents		**6,586**	4,372
		27,208	27,579
Current liabilities			
Trade and other payables	16	**(24,843)**	(18,915)
Bank overdraft, loans and loan notes	18,22	**(2,156)**	(4,370)
		(26,999)	(23,285)
Net current assets		**209**	4,294
Total assets less current liabilities		**4,566**	11,503
Non-current liabilities			
Trade and other payables	16	**-**	(1,186)
Provisions for other liabilities and charges	17	**(733)**	(695)
Bank overdraft, loans and loan notes	18,22	**(57,454)**	(53,643)
Deferred tax liabilities	19	**(631)**	(1,071)
		(58,818)	(56,595)
Net liabilities		**(54,252)**	(45,092)
Equity			
Called-up share capital	20	**20,144**	20,141
Foreign currency translation reserve		**(62)**	(62)
Retained earnings		**(74,334)**	(65,171)
Total equity		**(54,252)**	(45,092)

Company registered number: **10469103**

The notes on pages 19 to 38 form an integral part of these consolidated financial statements. The Directors consider that all results derive from continuing activities.

The financial statements, which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated statement of changes in equity, the *Consolidated statement of cash flows and the related notes, were approved by the Board on 29th July 2021 and were* signed on its behalf by:

Edward Guest
CFO
29th July 2021

Unlimited Marketing Group Ltd

Consolidated statement of changes in equity
for the year ended 31 March 2021

	Called-up share capital	Foreign currency translation reserve	Retained earnings	Total Equity
	£'000	£'000	£'000	£'000
At 1 April 2020	**20,141**	**(62)**	**(65,171)**	**(45,092)**
Loss *for the year*	-	-	**(9,158)**	**(9,158)**
Total comprehensive loss for the financial year	-	-	**(9,158)**	**(9,158)**
Other	-	-	**(5)**	**(5)**
Shares cancelled in period	**(2)**	-	-	**(2)**
Shares issued in period	**5**	-	-	**5**
At 31 March 2021	**20,144**	**(62)**	**(74,334)**	**(54,252)**

The notes on pages 19 to 38 form and integral part of these consolidated financial statements. The Directors consider that all results derive from continuing activities.

Unlimited Marketing Group Ltd

Consolidated statement of changes in equity
for the year ended 31 March 2020

	Called-up share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
At 1 April 2019	11,108	(5)	30	(61,159)	(50,026)
Loss for the year	-	-	-	(4,054)	(4,054)
Other comprehensive income:	-	-	(30)	-	(30)
Exchange differences on translation of foreign operations	-	(57)	-	-	(57)
Total comprehensive loss for the financial year	-	(57)	(30)	(4,054)	(4,141)
Other	-	-	-	42	42
Shares cancelled in period	(2)	-	-	-	(2)
Preference shares issued in period	9,035	-	-	-	9,035
At 31 March 2020	20,141	(62)	-	(65,171)	(45,092)

The notes on pages 19 to 38 form and integral part of these consolidated financial statements. The Directors consider that all results derive from continuing activities.

Unlimited Marketing Group Ltd

Consolidated statement of cash flows
for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Loss for the financial year		**(9,158)**	(4,054)
Taxation	10	**(1,171)**	(1,017)
Loss before taxation		**(10,329)**	(5,071)
Finance costs	9	**6,775**	6,933
Investment (profit) / loss	13	**(32)**	19
(Loss) / profit before finance income, finance costs and taxation		**(3,586)**	1,881
Depreciation of property, plant and equipment	12	**641**	1,007
Amortisation of goodwill	11	**2,321**	7,741
Profit on disposal of subsidiary		**-**	(12,760)
Revaluation of consideration receivable		**252**	-
Disposal costs		**-**	(1,921)
R&D tax credit		**(55)**	(217)
Deemed remuneration credit in respect of acquisitions		**(355)**	(10)
Increase in inventories and work in progress	14	**(226)**	(60)
Increase in trade and other receivables	15	**(10)**	(1,321)
Decrease / (increase) in trade and other payables	16	**5,978**	(5,122)
Operating cash flow		**4,960**	(10,782)
Interest paid	9	**(1,113)**	(2,041)
Tax received / (paid)		**203**	(896)
Net cash inflow / (outflow) from operating activities		**4,050**	(13,719)
Investing activities			
Deferred consideration payments in respect of acquisitions		**(1,022)**	(25)
Cash consideration received in respect of disposal of subsidiary		**2,911**	21,170
Cash disposed of		**-**	(864)
Purchase of property, plant and equipment	12	**(82)**	(249)
Net cash inflow from investing activities		**1,807**	20,032
Financing activities			
Capitalised loan fee additions		**(145)**	(1,534)
Net proceeds from issuance of ordinary shares		**3**	8,998
Net decrease in borrowings	18,22	**(3,727)**	(19,461)
Net cash outflow from financing activities		**(3,869)**	(11,997)
Increase / (decrease) in cash and cash equivalents		**1,988**	(5,684)
Cash and cash equivalents at start of the financial year		**4,372**	10,118
Effect of foreign exchange rates		226	(62)
Cash and cash equivalents at end of the financial year		**6,586**	4,372

Notes to the consolidated financial statements

1. Accounting policies

1.1 Basis of preparation

Unlimited Marketing Group Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 10469103 and the registered address is First Floor, Orion House, 5 Upper St. Martin's Lane, London, England, WC2H 9EA.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associates. The parent company financial statements present information about the Company as a separate entity and not about its group.

The group financial statements have been prepared and approved by the Directors in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The Company has elected to prepare its parent company financial statements in accordance with FRS 102; these are presented on pages 39 to 42.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.2 Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

On 11 March 2020, the World Health Organisation announced the pandemic status of Covid-19. As a result of the restrictions and limitations imposed, the virus has had, and is expected to continue to have, an impact on both UK and global economies.

The Directors acknowledge that Covid-19 had a significant impact to FY21 performance, as a result of a reduction to typical revenue. However, successful actions were taken by management to mitigate the impact of the pandemic on the Group, including:

- Working hours being reduced for certain staff and utilisation of the government furlough scheme to help support this.
- Staff salaries were temporarily reduced for the first quarter of the financial year.
- Reduction of freelance staff
- All discretionary spend was frozen.
- Rent deferrals were negotiated with landlords.
- HMRC payments were deferred under government schemes.

The success of these mitigating actions in maintaining profitability and liquidity during a uniquely challenging period has provided leadership with the confidence and experience required to respond to the risk of any further economic downturns as a result of the ongoing pandemic moving into FY22 and beyond.

During the Covid-19 period, management took the opportunity to address the positioning and organisational structure of the Group and executed a strategic plan to drive both structural and systemic change. This allowed the Group to re-base its margin structure, putting it in a better position to grow as revenue recovered from the impact of Covid-19. Furthermore, management were quick to identify and design a post Covid-19 hybrid working model and as a result commenced negotiations around the forfeiture of its head office lease in London in the third quarter of FY21. This process was finalised on 12 April 2021, resulting in a significant reduction in operating costs and increased margin.

In November 2020 the Group successfully renegotiated its quarterly covenants tests from 31 December 2020 and loan repayment terms with its lenders, which has provided the covenant headroom required for the remainder of the facility arrangement, and has allowed management to focus on driving business performance and further enhancing the Group's capabilities. As at 31 March 2021, the Group was funded through a shareholder loan of £42,648,000 and various banking facilities (as set out in note 17) of £14,038,000.

1. Accounting policies continued

1.2 Going concern continued

Revenue has started to recover to pre-pandemic levels in FY22, which combined with improved margin structure has resulted in a significant forecast improvement in profitability and cashflow generation for the Group.

To assess going concern the Directors have prepared monthly cash flow forecasts to 31 July 2022 which project that the Group will operate within covenant limits and revised repayment terms over the foreseeable future.

The Directors have applied four stress test scenarios to these projections: the point at which a decrease in revenue with no corresponding cost reduction results in a covenant breach (1), revenue held flat with minor cost mitigation (2), base revenue growth/recovery reduced by 50% with no cost reduction (3), and the impact of a doubling of debtor days (4). In scenario 1, liquidity remained strong and there were sufficient mitigating actions that management could take to avoid a covenant breach. Scenarios 2 and 3 demonstrated sufficient liquidity and covenant headroom. Scenario 4, had the impact of a breach in covenants and liquidity, however management consider it to be highly unlikely and sufficient mitigating actions would be available to restore headroom to both covenants and liquidity.

Consequently, and whilst acknowledging that there still remains some uncertainty as a result of the Covid-19 pandemic, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

1.3 Basis of consolidation

The consolidated financial statements present the results of Unlimited Marketing Group Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Business combinations
The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Subsidiaries
Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Associates
An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions. An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in associated undertakings and joint ventures are accounted for using the *equity method of accounting. Under this method an equity investment is initially recognised at the transaction price* (including transaction costs) and is subsequently adjusted to reflect the share of the profit or loss, other comprehensive income and equity of the associate, or joint venture. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. Any share of losses are only recognised to the extent that they do not reduce the investment balance below zero as the group has no obligations to make payments on behalf of the associate or joint venture, and any share of subsequent profits shall be accounted for once the unrecognised profits are equal to the unrecognised losses.

Where there are indicators of impairment, the investment as a whole is tested for impairment.

1. Accounting policies continued

1.4 Turnover and other income

Turnover represents amounts received or receivable from clients for the rendering of services and is stated after deduction of trade discounts and excluding value-added tax or similar sales taxes outside the UK. Turnover includes recognition of the Group's fees and commission, plus third-party cost of services billed to clients.

Revenue comprises fees, commission, and gross third-party cost of services. Revenue from marketing services is recognised by reference to the stage of completion of the contract determined by the value of the services provided at the balance sheet date as a proportion of the total value of the engagement. This value is largely derived from the time value spent on an engagement and a proportion of the total expected time value to complete the engagement. Where the amount of revenue is contingent on future events, this is only recognised where the amount of revenue can be measured reliably and it is probable that the economic benefits will be received. When this cannot be estimated reliably, revenue is only recognised to the value of the expenses that it is considered probably will be recovered, with a "catch up" element of revenue recognized based on stage of completion once a reliable estimate can be made. Marketing services provided to the client which at the balance sheet date have not been billed have been recognised as revenue and are included in debtors as accrued income.

Further details on revenue recognition in terms of the nature of contractual agreements are as follows:

Project fees for creative services
Where project fees relate to bespoke assignments carried out under contractual or demonstrable terms which entitle the Group to payment for its performance to date in the event of contract termination, then fees are recognised over the period of the relevant assignments. The level of services performed is based off the total costs incurred to date as a percentage of total budgeted costs. This percentage of completion is corroborated with progress against agreed project milestones to ensure the level of work undertaken is in line with actual service delivery.

Retainers
Retainer fees relate to arrangements whereby there is an obligation to perform services to the customer on an ongoing basis over the life of the contract. The level of services performed is based on the total costs incurred to date as a proportion of the total cost committed under the retainer.

Third-party cost of services
Cost of sales comprise fees paid to external suppliers when they are engaged to perform part or all of a specific project and are charged directly to clients. Out-of-pocket costs such as travel are also recognised at the gross amount billed with a corresponding amount recorded in cost of sales.

Revenue comprises revenue less third-party cost of sales.

1.5 Intangible assets

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. Management has estimated Goodwill to have a useful life of 10 years, the period over which it is being amortised to 'administrative expenses'.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

1. Accounting policies continued

1.6 Provisions for other liabilities and charges

Provisions are recognised where there is a present obligation, arising from a past event, that has a probable future economic outflow that can be estimated reliably. The amount of each provision recognised is based on management's best estimate.

1.7 Property, plant and equipment

All property, plant and equipment is stated at historical cost (or fair value on acquisition where appropriate) less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less the estimated residual value of each asset, evenly over its expected useful economic life, as follows:

Property, plant and equipment	Period of depreciation
Leasehold improvements	Period of the lease on a straight-line basis
Fixtures, fittings and equipment	Three to ten years
Software development and licences	Three to six years

Residual values and lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Software development and licences

Tangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives, which range from 3 to 6 years. Amortisation begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset and amortised over their expected useful lives. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred. Development costs that are capitalised in accordance with the requirements of FRS 102 are not treated, for dividend purposes, as a realised loss.

1. Accounting policies continued

1.8 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined based on the rates expected to apply at the date of reversal, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.9 Leases

All leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued and expensed in profit or loss as the 'wear and tear' occurs.

1.10 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Share-based payment transactions

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

1. Accounting policies continued

1.10 Employee benefits continued

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received.

1.11 Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Issue costs for financial instruments carried at amortised cost are offset against the proceeds of such instruments. 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

1.11 *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated balance sheet.

1.12 Furlough of employees

During the year the group took advantage of the Government furlough scheme to help support the business through the Covid-19 pandemic. Furlough receipts were treated as government grants and recognised in other income.

1.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

1.15 Trade receivables and work in progress

Trade receivables are stated net of provisions for bad and doubtful debts. Bad debt provisions are assessed by management and provided for where the likelihood of failure to recover the debt is probable.

Work in progress includes outlays incurred on behalf of clients, including production costs, and other third-party costs that have not yet been billed.

1. Accounting policies continued

1.16 Foreign currencies

Transactions in currencies other than the functional currency of the individual Group entities are recorded at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary assets and liabilities and those arising on retranslation are included within operating costs in the period in which the difference arose.

On consolidation, the assets and liabilities of the Group's operations are translated at the exchange rate prevailing on the balance sheet date. The trading results and cash flows are translated at the average exchange rate for the period. Exchange differences arising upon consolidation are taken directly to the consolidated statement of comprehensive income.

Goodwill and fair value adjustments arising on acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the exchange rate prevailing on the balance sheet date.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The Group makes a number of accounting estimates and judgements and the resulting estimates may, by definition, vary from the related actual results. The Directors have considered the critical accounting estimates and judgements used in the financial statements and have concluded that the main areas are as follows:

Goodwill valuations

The Group tests annually whether goodwill has suffered any impairment, in accordance with the Group's accounting policy. These calculations require the use of estimates in relation to future cashflows and discount factors. Management exercises judgement in defining CGUs in a way that reflects the operational model of the Group.

Where possible, impairment is assessed at the level of individual assets. When, however, this is not possible, then the Cash Generating Unit ('CGU') level is used. A CGU is the smallest identifiable asset or group of assets that generates independent cash flows. Judgement is applied to identify the Group's CGUs; however, they are typically comprised of the underlying entities (both trading subsidiaries and associates) which comprise the Group. This is on the basis that each of these entities represents a stand-alone operating business, none of which holds a cluster of assets which could constitute a CGU in their own right. Goodwill is always allocated to a CGU and never considered in isolation. External and internal factors are monitored for indicators of impairment. In terms of such indicators, management typically consider adverse changes in the economy or political situation of the geographic location in which the underlying entity operates in addition to risk of client loss or gain and internal reporting being indicative that an entity's future economic performance is better or worse than expected. Where management have concluded that such an indication of impairment exists then the recoverable amount of the asset is assessed.

Management's approach for determining the recoverable amount of an individual asset or CGU is based on their value in use. Generally, discounted cash flow models are used to determine the recoverable amount of CGUs. The appropriate estimates and assumptions used require judgement and there is significant estimation uncertainty.

Revenue recognition and percentage of completion

In determining the level of services performed management must determine the percentage of completion, which is an estimate due to the inherent uncertainty in forecasting total budgeted hours. Management also exercises judgement around the accuracy of percentage of completion estimates through detailed discussions with those individuals directly involved in the relevant projects.

Control of subsidiaries

Management has exercised judgement in the treatment of subsidiaries in which it does not hold a 100 per cent shareholding, yet in which the Group is considered to have full control. Specifically, this applies to How Splendid Limited for which the shareholders holding the minority shareholdings are not deemed to hold any control of the entity.

2. Judgements in applying accounting policies and key sources of estimation uncertainty continued

There are three key consequences as a result of this judgement: any future consideration payments in respect of the acquisition are estimated by management and vested through deemed remuneration in the income statement up to the payment date of the consideration; dividends paid to the minority shareholding are considered to be deemed remuneration; no non-controlling interest is recognised in respect of the subsidiary.

Share based payments

Management has exercised judgement in determining that the share option scheme which is based on the future sale price of the company by the current shareholders, DBAY Advisors, reflects performance-based remuneration which should pass through the income statement. Management has estimated the value of the share option scheme at the date of initial grant and will vest the amount through share option charge on the income statement up to the expected exercise date. The exercise date used is also a management estimate.

Alternative performance measures

Headline profit before interest, tax, depreciation and amortisation (headline EBITDA) is one of the primary KPIs on which financial performance of the group is measured and monitored. This is a non-GAAP measure of performance which management considers to be both useful and necessary. It is used by management for internal performance analyses; the presentation of this measure facilitates comparability with other companies, although management's measure may not be calculated in the same way as similarly titled measures reported by other companies; and these measures are useful in connection with discussions with the investment community.

The principal of headline EBITDA is to exclude any credits or charges through profit or loss that are not reflective of the financial operating performance of the business. This allows management to better assess performance of continuing operations to manage the business going forward.

Headline EBITDA consists of reported profit before income, finance costs, taxation, depreciation, and amortisation less:

Non-recurring items
Consist of standalone non-recurrent costs that are expensed through the income statement in relation to M&A activity, start-up operations, and restructuring; as well as profit or loss on disposal of tangible assets, intangibles assets, subsidiaries and associates.

Deemed remuneration credit / charge
Deemed remuneration in respect of acquisitions is vested through the income statement up to the payment date of contingent consideration. It is considered by management to be a cost of investment and not to reflect the financial performance of operations.

Amortisation and Impairment of non-current assets
Non-current assets such as acquisition intangibles and associate investments are not deemed by management to be operational assets and therefore the amortisation and impairment of such assets are not considered to reflect operational performance. This does not include amortisation of software intangibles.

Share based payment credit / charge
Share based payment charges are fixed at grant date, are non-cash, and offset through retained earnings. Therefore they are not considered by management to align with the true financial performance of operations.

DBAY Advisors monitoring fee
An annual fee is paid to the Group's shareholders, Dbay advisors in relation to the investment management of the Group. This is not considered by management to be an operating cost of the business.

Foreign exchange credit / charge
To preserve a like-for-like comparison of operational performance, foreign exchange credits / charges are excluded from Headline EBITDA.

Associate profit or loss
The exclusion of results from interests in which the shareholders do not exercise significant control.

A full reconciliation of headline EBITDA can be found in note 4.

3. Revenue

All revenue generated across the group is in respect of the provision of marketing services.

	2021 £'000	2020 £'000
UK	**32,515**	40,121
Europe	**8,095**	8,719
Rest of the World (including US)	**2,738**	8,517
	43,348	57,357

Revenue generated for the year from continuing operations was £43,348,000 *(2020: £50,784,000)*, with £nil *(2020:* £6,573,000) generated from discontinued operations.

4. Headline earnings before interest, tax, depreciation and amortisation

Headline profit before interest and tax (headline EBITDA) is one of the primary KPIs on which financial performance of the group is measured and monitored. This is a non-GAAP measure of performance which management considers to be both useful and necessary. It is used by management for internal performance analyses; the presentation of this measure facilitates comparability with other companies, although management's measure may not be calculated in the same way as similarly titled measures reported by other companies; and these measures are useful in connection with discussions with the investment community. The full definition of Headline EBITDA can be found in note 2.

Reconciliation of profit before finance income, finance costs and taxation to headline EBITDA:

	2021 £'000	2020 £'000
Operating loss	**(3,332)**	(10,878)
Add:		
Non-recurring items*	**1,366**	1,820
Deemed remuneration credit in respect of acquisitions	**(355)**	(10)
Excess property costs[1]	**2,200**	-
Dbay advisors monitoring Fee	**443**	443
Exchange differences	**317**	(46)
Amortisation of intangibles	**2,321**	7,741
Depreciation of tangible assets	**641**	1,008
Headline EBITDA[2]	**3,601**	78

*Non-recurring items include redundancy pay, furlough receipts in respect of employees on redundancy notice, and non-recurring professional fees.

[1]For the duration of the financial year ended 31 March 2021, vacant floors 3, 4 and 5 from the head office at 10 Great Pulteney Street were marketed for sublet. Due to the Covid-19 pandemic's impact on the property market, no sublet *agreement was made, however, their fair value has been added back in determining adjusted EBITDA. Property* savings have subsequently been released post the year end with the forfeiture of the lease at 10 Great Pulteney Street.

2 Includes £1,740,000 headline EBITDA from discontinued operations for the year ended 31 March 2020. This gives a headline EBITDA for continuing operations in that year of £1,662,000 loss.

5. Other Income

	2021 £'000	2020 £'000
Government grants receivable	**1,513**	-
	1,513	-

The Group has received grants totaling £1,513,000 (2020: £nil) under the Government's furlough scheme which has been created for the purpose of support businesses during the pandemic. The grants are recognized as other income when the grant becomes receivable. Such grants are recognised on an accruals basis in line with when the expense would have been incurred.

6. Operating (loss) / profit

This is arrived at after charging / (crediting):

	2021 £'000	2020 £'000
Depreciation of fixed assets	**641**	1,008
Amortisation of intangible assets including goodwill	**2,321**	7,741
Operating lease expense	**4,124**	4,124
Exchange differences	**317**	(46)
Defined contribution pension cost	**997**	1,334
Government furlough grants received	**(1,513)**	-
Fees payable to the company's tax advisors (BDO LLP)	**60**	84
Fees payable to the company's auditor (BDO LLP)	**160**	188

The amount of exchange differences recognised in other comprehensive income arising during the year was £nil (2020: £57,000 loss).

7. Staff numbers and costs

The monthly average number of employees of the Group during the year was:

	2021 Number	2020 Number
Directors	**8**	6
Administration	**80**	75
Marketing services	**450**	611
	538	692

The aggregate payroll costs of these persons were as follows:

	2021 £'000	2020 £'000
Wages and salaries	**24,525**	32,963
Social security costs	**2,661**	3,336
Contributions to defined contribution pension plans	**997**	1,334
	28,183	37,633

Unlimited Marketing Group Ltd

Notes to the consolidated financial statements continued

8. Directors' remuneration

Directors' remuneration is as follows:

Directors	**2021**	2020
	£'000	£'000
Salaries and other short-term employee benefits	**729**	476
Other pension costs	**7**	7
Aggregate emoluments	**736**	483

Three Directors, who do not have an operational role within the business, are remunerated by the shareholder, DBAY Advisors. These are J Mara, J Addison, and T Hancock.

Highest paid director	**2021**	2020
	£'000	£'000
Salaries and other short-term employee benefits	**384**	**241**
Other pension costs	**-**	**5**
Aggregate emoluments	**384**	**246**

9. Finance income and expense

Finance costs include:

	2021	2020
	£'000	£'000
Amortisation of loan fees	**794**	448
Bank loan interest (note 17)	**1,077**	2,040
HMRC interest	**15**	-
Interest payable to related parties	**7**	36
Loan note interest (PIK) (note 17)	**4,882**	4,411
	6,775	6,935

Finance costs on bank overdrafts and loans comprises interest charges, facility fees and non-utilisation fees.

Unlimited Marketing Group Ltd

Notes to the consolidated financial statements continued

10. Taxation

	2021	2020
	£'000	£'000
The tax charge comprises:		
Current tax:		
Corporation tax at 19% (2019: 19%)	-	(13)
Foreign taxation	-	354
Under / (over)-provision of corporation tax in previous year	**122**	(276)
	122	65
Deferred tax:		
Origination and reversal of temporary differences	**(1,280)**	(1,236)
Effect of tax rate change on opening balance	-	178
Under-provision of deferred tax in previous year	**(13)**	(24)
Tax charge for the year	**(1,171)**	(1,017)

The tax rate for the year is different from the standard rate of corporation tax in the UK, i.e. 19 per cent (2020: 19 per cent). The differences are explained below:

	2021	2020
	£'000	£'000
Loss before taxation	**(10,329)**	(5,071)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**(1,963)**	(963)
Effects of:		
Expenses not deductible for tax purposes	**999**	1,405
Other permanent differences	**4**	-
R&D expenditure credits	**(11)**	(41)
Difference in foreign tax rate	-	58
Adjustments in respect of prior periods	**109**	(300)
Income not taxable for tax purposes	-	(3,004)
Impairment of deferred assets in respect of tax losses brought forward	-	1,654
Adjustment of deferred tax to average rate	-	183
Deferred tax not recognised	**(309)**	(8)
Tax credit for the year	**(1,171)**	(1,017)

11. Goodwill

The goodwill relates to certain assets that cannot be separated from the acquiree, due to their nature. These items include sector knowledge, access to new markets, value of assembled workforce, and the anticipated future profitability that the Group can bring to the businesses.Goodwill represents the excess of the cost of acquisition over fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

	£'000
At 31 March 2020	**5,638**
Amortisation	(2,321)
At 31 March 2021	**3,317**

Goodwill arising on consolidation is being amortised over the Directors' estimate of its useful life of 10 years.

The Group regularly reviews goodwill for impairment where indicators of impairment exist. This review included an assessment of the value in use at the reporting date. The value in use was calculated using discounted cash flow projections using a discount rate of 14% (2020 – 14%) over a period of 3 years to perpetuity which is based on management's most recent business forecast. No impairment of Goodwill was required.

Unlimited Marketing Group Ltd

Notes to the consolidated financial statements continued

12. Property, plant and equipment

	Software development and licences	Leasehold improvements	Fixtures,fittings, and equipment	Total
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 31 March 2020	1,389	847	1,665	3,901
Additions	-	-	82	82
Disposals	(52)	(188)	(330)	(570)
At 31 March 2021	**1,337**	**659**	**1,417**	**3,413**
Accumulated depreciation				
At 31 March 2020	868	768	1,148	2,784
Charge for the year	243	25	373	641
Disposals	(53)	(188)	(325)	(566)
At 31 March 2021	**1,058**	**605**	**1,196**	**2,859**
Net book amount				
At 31 March 2020	521	79	517	1,117
At 31 March 2021	**279**	**54**	**221**	**554**

13. Investments

Associates

Set out below are the details of the associate investment held by the Group at 31 March 2021.

Name of entity	Country of incorporation	% ownership	Accounting Method
And Rising Limited	UK	27	Equity

And Rising Limited is a private company with a registered office address of: 49 Camden Road, London, England, NW1 9LS.

The group holds 2660 Ordinary shares with a nominal value of £250p per share.

	2020	2020
	£'000	£'000
Opening balance	**454**	473
Loss	**32**	(19)
Closing balance	**486**	454

Notes to the consolidated financial statements continued

13. Investments continued

Subsidiaries

Set out below are the details of subsidiaries held by the Group at 31 March 2021.

			Proportion of the Ordinary Shares and voting rights held by:	
Operating company	**Company number**	**Country of incorporation**	**Direct**	**Indirect**
Bough and Harriss*	08249308	United Kingdom[1]		100%
Colombus Communications Limited*	02980909	United Kingdom[1]		100%
Creston Connections Limited*	03745386	United Kingdom[1]		100%
Creston Overseas Holdings Limited*	05964051	United Kingdom[1]		100%
Digital Unlimited Group Limited*	00210505	United Kingdom[1]		100%
DirectionGroup Limited*	01653414	United Kingdom[1]		100%
First Base Communications Limited*	08312019	United Kingdom[1]		100%
Health Unlimited Limited*	03574785	United Kingdom[1]		100%
How Splendid Limited	04692212	United Kingdom[1]		75.5%
Nelson Bostock Group Limited*	02143374	United Kingdom[1]		100%
Realise Unlimited Limited*	06300211	United Kingdom[1]		100%
The Unlimited Group Holdings Limited*	02636904	United Kingdom[1]		100%
Tullo Marshall Warren Limited*	01332638	United Kingdom[1]		100%
Unlimited Group Solutions Limited*	08659372	United Kingdom[1]		100%
Unlimited Group United Limited*	09321509	United Kingdom[1]		100%
Unlimited Marketing Finco Limited*	10469168	United Kingdom[1]	100%	
Walnut Unlimited Limited*	01317137	United Kingdom[1]		100%
Dormant entities				
DJMPAN Unlimited Limited*	06638236	United Kingdom[1]		100%
Emery McLaven Orr Limited*	01913706	United Kingdom[1]		100%
EMO Group Limited*	02592744	United Kingdom[1]		100%
ICM Direct Limited*	03543454	United Kingdom[1]		100%
ICM Research Limited*	02571387	United Kingdom[1]		100%
Red Door Communications Group Limited*	03957171	United Kingdom[1]		100%

* subsidiary undertaking is exempt from the Companies Act 2006 relating to the audit of their individual accounting by virtue of section 479A of the act, whereby this company has guaranteed the subsidiary company.

[1] Registered address: First Floor, Orion House, 5 Upper St. Martin's Lane, London, England, WC2H 9EA

Notes to the consolidated financial statements continued

13. Investments continued

All subsidiary undertakings have been included in the consolidated financial statements. In the year ending 31 March 2021, the following wholly owned subsidiaries were exempt from audit of their individual financial statements under section 479a of the Companies Act 2006:

EMO Group Limited *(Company number 02592744)*	Health Unlimited Limited *(Company number 03574785)*	Creston Connections Limited *(Company number 03745386)*
Nelson Bostock Group Limited (Company number 02143374)	ICM Research Limited (Company number 02571387)	ICM Direct Limited (Company number 03543454)
Colombus Communications Limited (Company number 02980909)	DirectionGroup Limited (Company number 01653414)	Walnut Unlimited Limited (Company number 01317137)
Emery Mclaven Orr Limited (Company number 01913706)	Red Door Communications Group Limited (Company number 03957171)	Unlimited Group United Limited (Company number 09321509)
Creston Overseas Holdings Limited. (Company number 05964051)	Unlimited Marketing Finco Limited (Company number 10469168)	Tullo Marshall Warren Limited (Company number 01332638)
First Base Communications Limited (Company number 08312019)	The Unlimited Group Holdings Limited (Company number 02636904)	Bough and Harriss Limited (Company number 08249308)
Realise Unlimited Limited (Company number 06300211)	Unlimited Group Solutions Limited (Company number 08659372)	DJMPAN Unlimited Limited (Company Number 06638236)

14. Work in progress

	2021 **£'000**	2020 £'000
Work in progress	**616**	**390**

Unlimited Marketing Group Ltd

Notes to the consolidated financial statements continued

15. Debtors

	2021 £'000	2020 £'000
Trade receivables	**10,671**	10,771
Contingent consideration receivable	**2,098**	5,504
Other receivables	**88**	266
Prepayments	**2,831**	1,659
Accrued income	**2,590**	3,474
	18,278	21,674

All amounts shown under debtors fall due for payment within one year.

16. Trade and other payables

Current liabilities	2021 £'000	2020 £'000
Trade payables	**3,025**	3,107
Social security and other taxes	**4,511**	2,814
Accruals	**6,362**	3,911
Accrued PIK note interest	**1,927**	1,748
Deferred revenue	**8,078**	6,204
Contingent consideration in respect of acquisitions*	**481**	672
Other payables	**459**	459
	24,843	18,915

Non-current liabilities	2021 £'000	2020 £'000
Contingent consideration in respect of acquisitions*	-	1,186
	-	1,186

*Contingent consideration is in respect of future earn out payments in respect of acquisitions.

[1]Accrued PIK note interest is payable within one year until converted to principal loan notes.

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The group considers that the above liabilities approximate to their fair value.

17. Provision for other liabilities and charges

Dilapidation provisions	£'000
At 1 April 2020	**695**
Additions	**38**
At 31 March 2021	**733**

Dilapidation provisions represent the unavoidable costs of restoring leasehold properties to the condition specified in the lease at the end of the contractual term. The amount of each provision has been determined based on management's best estimate. During the year a debit of £40,000 (2020: £151,000) was recognised in the consolidated income statement in relation to dilapidation repairs.

The Group considers that the above liabilities approximate to their fair value.

18. Bank overdraft, loans and loan notes

The group has a banking arrangement with Barclays Bank plc, HSBC Bank plc and The Governor and Company of the Bank of Ireland. Capitalised refinancing fees in relation to the loan are amortised over the term of the loan through interest expense in the profit and loss account.

There is a commitment to the three lending banks in the form of a security over trading subsidiaries of the Group.

In addition to these the Group has loan notes (PIK) of £42.6 million (2020: £42.6 million) at a fixed interest rate of 11% repayable in 2024. The holder of these loan notes is a related group company, RedWhiteBlue Cayman II (Cayman). The loan notes are listed on The International Stock Exchange.

		2021 **£'000**			2020 £'000	
	Current	**Non-current**	**Total**	Current	Non-current	Total
Bank loans	**2,947**	**11,091**	**14,038**	6,011	11,754	17,765
Capitalised loan fees	**(791)**	**(989)**	**(1,780)**	(1,641)	(759)	(2,400)
Loan notes	**-**	**47,352**	**47,352**	-	42,648	42,648
	2,156	**57,454**	**59,610**	4,370	53,643	58,013

19. Deferred taxation

The deferred taxation asset of £1,238,000 (2020: £385,000) recognised in the financial statements is set out below:

	2021 **£'000**	2020 £'000
Accelerated capital allowances	**316**	341
Short-term timing differences	**88**	44
Losses and other deductions	**834**	-
At 31 March	**1,238**	385

The Group has recognised deferred tax assets where there are forecast profits in the next 12 months from which the future reversal of the underlying timing differences can be deducted.

19. Deferred taxation continued

The deferred taxation liability of £631,000 (2020: £1,071,000) recognised in the financial statements is set out below:

	2021 **£'000**	2020 £'000
Business combinations	**631**	1,071

There are no material unprovided deferred tax assets or liabilities.

20. Called-up share capital

Group and Company	**2021** **£'000**	2020 £'000
Authorised:		
11,100,001 ordinary Shares of £1 each, 1085 A ordinary shares of £10 each[2], 100 C ordinary shares of £1 each[3], £9,035,616 preference shares of £1 each4, (2020: 11,100,001 ordinary Shares of £1 each, 430 A ordinary shares of £10 each[2], 100 C ordinary shares of £1 each[3], £9,035,616 preference shares of £1 each[4])	**20,144**	20,141
Called-up and fully paid:		
11,100,001 ordinary Shares of £1 each, 1085 A ordinary shares of £10 each[2], 100 C ordinary shares of £1 each[3], £9,035,616 preference shares of £1 each4, (2020: 11,100,001 ordinary Shares of £1 each, 430 A ordinary shares of £10 each[2], 100 C ordinary shares of £1 each[3], £9,035,616 preference shares of £1 each[4])	**20,144**	20,141

[1] Full voting, dividend and capital distribution rights.
[2] No voting rights, no dividend rights, capital distribution rights.
[3] No voting rights, no dividend rights, capital distribution rights.
[4] Full voting, dividend and capital distribution rights.

Unlimited Marketing Group Ltd

Notes to the consolidated financial statements continued

21. Commitments under operating leases

As at 31 March the Group had future aggregate minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021		2020	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Not later than one year	**3,728**	**-**	1,481	8
Later than one year and not later than five years	**9,180**	**-**	11,992	-
	12,908	**-**	13,473	8

Operating lease commitments represent rentals payable by the Group primarily for its office properties.

22. Net debt reconciliation

	As at 1 April 2020	Acquisition related	Cash flow	Foreign exchange	Non-cash Movements	**As at 31 March 2021**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Net cash and cash equivalents	4,372	(1,022)	3,010	226	-	**6,587**
Capitalised loan fees	2,400	-	145	-	(765)	**1,780**
Bank loan	(17,765)	-	3,727	-	-	**(14,038)**
Loan notes	(42,648)	-	-	-	(4,704)	**(47,352)**
Net debt	(53,641)	(1,022)	6,882	226	(5,469)	**(53,024)**

23. Directors' interests in transactions and shares and other related party transactions

The immediate parent of the Group is DouglasBay Capital II Fund LP, which is managed by DBAY Advisors Limited.

The ultimate controlling party of the Group is RedWhiteBlue Champion Limited (incorporated in the Cayman Islands).

The Group has a related party relationship with its subsidiaries and with its Directors. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

A monitoring fee is charged by RedWhiteBlue Champion Limited (controlled by DBAY Advisors Limited) to the Group. This totaled £443,000 (2020: £443,000) for the year.

RedWhiteBlue Cayman II (controlled by DBAY Advisors Limited) is the holder of loan notes (PIK) of up to £47.4 million (2020: £42.6 million) at a fixed interest rate of 11% repayable in 2024. Interest of £4,882,000 (2020: £4,411,000) was accrued on these loan notes during the period.

24. Post balance sheet events

On 12th April 2021 the Group forfeited its leasehold in Unlimited House, 10 Great Pulteney Street, W1F 9NB and moved head office location to First Floor, Orion House, 5 Upper St. Martin's Lane, London, WC2H 9EA.

Six of the Groups non-trading subsidiaries were struck off on 8 June 2021. These were: DJMPAN Unlimited Ltd, Emo Group Ltd, Emery Mclaven Orr Ltd, ICM Research Ltd, ICM Direct Ltd, Red Door Communications Ltd.

On 1 July 2021, £4,704,124 of interest on the 11% Loan Notes (see note 18) was converted via payment-in-kind (PIK) to principal loan note balance, repayable in 2024.

Unlimited Marketing Group Ltd

Company balance sheet
as at 31 March 2021

	Note	2021 £'000	2020 £'000
Current assets			
Cash and cash equivalents		**8**	2
Trade and other receivables	2	**10,360**	9,955
		10,368	9,957
Current liabilities			
Trade and other payables	3	**(5,419)**	(4,282)
Corporation tax payable		**(123)**	-
		(5,542)	(4,282)
Net current assets		**4,826**	5,675
Total assets less current liabilities		**4,826**	5,675
Non-current liabilities			
Bank overdraft, loans and loan notes	4	**(47,352)**	(42,648)
		(47,352)	(42,648)
Net liabilities		**(42,526)**	(36,973)
Equity			
Called-up share capital		**20,144**	20,141
Retained earnings		**(62,670)**	(57,114)
Total equity		**(42,526)**	(36,973)

Company registered number: **10469103**

The notes on pages 41 to 42 form an integral part of these financial statements. The Directors consider that all results derive from continuing activities.

The financial statements, which comprise the Company statement of financial position, the Company statement of changes in equity and the related notes, were approved by the Board of Directors on 29th July 2021.

Edward Guest
CFO
29th July 2021

Unlimited Marketing Group Ltd

Company statement of changes in equity
for the year ended 31 March 2021

Changes in equity for 2021	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2020	20,141	(57,114)	(36,973)
Loss for the financial year	-	(5,556)	(5,556)
Total comprehensive loss for the financial year	-	(5,556)	(5,556)
Issue of share capital	5	-	5
Shares cancelled in period	(2)	-	(2)
At 31 March 2021	20,144	(62,670)	(42,526)

The notes on pages 41 to 42 form an integral part of these financial statements. The Directors consider that all results derive from continuing activities.

Company statement of changes in equity
for the year ended 31 March 2020

Changes in equity for 2020	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2019	11,109	(52,143)	(41,034)
Loss for the financial year	-	(4,971)	(4,971)
Total comprehensive loss for the financial year	-	(4,971)	(4,971)
Issue of share capital	9,035	-	9,035
Shares cancelled in period	(3)	-	(3)
At 31 March 2020	20,141	(57,114)	(36,973)

The notes on pages 41 to 42 form an integral part of these financial statements. The Directors consider that all results derive from continuing activities.

Unlimited Marketing Group Ltd

Notes to the Company financial statements

1. Accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102. The Company's domicile and country of incorporation is England and Wales. Its registered office is First Floor, Orion House, 5 Upper St. Martin's Lane, London, England, WC2H 9EA.

The financial statements have been prepared in Sterling, the currency in which the majority of the Company's transactions are denominated, on the historical cost basis, except where UK Accounting Standards require a fair value adjustment, and on a going concern basis.

The principal accounting policies applied in the preparation of these financial statements are consistent with the policies adopted by the Group as set out on pages 19 to 27.

The additional accounting policies that are relevant to the Company but not the Group are:

Investments

Investments are stated at cost less provision for any impairment in value. The Company has an £11,100,001 investment in Unlimited Marketing Finco Limited which is fully impaired.

Impairment of investments

The Company assesses annually whether an investment may be impaired or more frequently if events or changes in circumstances indicate that an investment may be impaired. If any such indicator exists, the Company tests for impairment by estimating the recoverable amount. If the recoverable amount is less than the carrying value of an investment, an impairment loss is required.

2. Trade and other receivables

	2021	2020
	£'000	£'000
Prepayments	**16**	1
VAT receivable	**3**	43
Amounts owed by Group undertakings*	**10,341**	9,911
	10,360	9,955

*amounts are interest free and repayable on demand.

The carrying amounts of the trade and other receivables are denominated in Sterling.

3. Trade and other payables

	2021	2020
Current	**£'000**	£'000
Amounts owed to group undertakings	**2,414**	1,910
Trade payables	**11**	-
Accrued PIK note interest	**1,927**	1,748
Accruals	**1,067**	624
	5,419	4,282

*amounts are interest free and repayable on demand.

The carrying amounts of the trade and other payables are denominated in Sterling.

Notes to the Company financial statements continued

4. Bank overdraft, loans and loan notes

Non-Current	2021 £'000	2020 £'000
Principal loan notes	**47,352**	42,648
	47,352	42,648

Amounts owed to parent undertakings are related to intra-group loan notes and accrued interest between Unlimited Marketing Group Ltd and RedWhiteBlue Cayman II (controlled by DBAY Advisors Limited). The loan notes are held at amortised cost and are repayable in November 2024.

The principal amount of the loan notes is £47,352,000 (2020: £42,648,000) with interest accrued at 11%. During the year £nil of PIK note certificates were issued.

5. Share capital

The components of share capital are consistent with the Group and disclosed in note 19 of the consolidated financial statements.

6. Profit for the financial period

As permitted by section 408 of the Companies Act 2006, the Company has not presented its own income statement and statement of comprehensive income. The loss for the financial period relating to the Company amounted to £5,556,000 (2020: £4,971,000).

7. Related party transactions

The Company does not actively trade with its subsidiary companies.

Key management and Directors' remuneration disclosures are contained in note 7 to the consolidated financial statements. Remuneration for key management, other than the Executive Directors, is not included in the Company's operating costs. Remuneration for key management is disclosed in the financial statements of their respective employing companies. Amounts owing from or to subsidiaries are disclosed in note 2 and note 3. Additional related party disclosures are provided in note 22 to the consolidated financial statements and note 4 above.