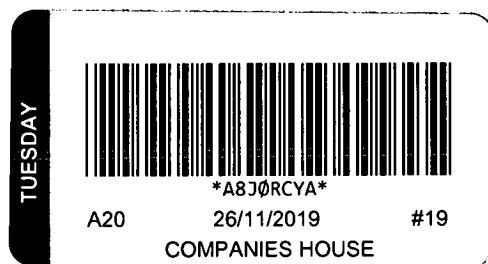


**REGISTERED NUMBER: 05987151 (England and Wales)**

**TMG Limited (formerly Think Money Group Limited)**

**Annual Report and Financial Statements**

**for the Year Ended 31 January 2019**



**TMG Limited (formerly Think Money Group Limited)**

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for the Year Ended 31 January 2019**

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**TMG Limited (formerly Think Money Group Limited)**

**Company Information  
for the Year Ended 31 January 2019**

**Directors:**

M Dennis	(appointed 7 August 2018)
W Grout	(appointed 7 August 2018)
S Kay	
R Price	(resigned 6 December 2018)
D Slade	(resigned 7 August 2018)
P Storey	
S Stylianou	
J Warr	

**Company Secretary:**

R Swann
---------

**Registered Office:**

Think Park
Mosley Road
Trafford Park
Manchester
M17 1FQ

**Registered Number:**

05987151 (England and Wales)
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**Auditor:**

KPMG LLP
Statutory Auditor & Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

## **TMG Limited (formerly Think Money Group Limited)**

### **Strategic Report for the Year Ended 31 January 2019**

The directors present their Strategic Report for the year ended 31 January 2019.

#### **Business Review**

The results for the year are in line with directors' expectations.

Turnover represents charges made to other Group companies in connection with the staff employed and services provided to support these companies.

The Company's loss after tax for the year was £8.2m (2018: £1.0m). The increase in losses during the year is driven by a reduction in turnover compared to the prior year. Turnover fell to £0.4m (2018: £6.0m), whilst operating losses increased to £9.8m (2018: £6.3m).

During the year, the fair value of the Company's investments were increased by £44k (2018: £2.3m) with the adjustment reflected in the available for sale reserve in equity. During the year, increased influence over the Company's investment in an unquoted start up company was secured and the investment became an associate undertaking. As a result the fair value of the investment at the date of the change of control was transferred to other reserves.

There are no key performance indicators produced for the Company given its activity as an intermediate holding company and no other significant transactions have occurred during the year.

#### **Non-Recurring Costs**

The non-recurring items in the profit and loss account relate to costs incurred by the business during the year, including: redundancy costs arising from a reorganisation and payments made to staff as part of the sale of the wider Group during the year.

#### **Future Developments**

There are no changes to the Company's principal activities expected in the coming year.

#### **Principal Risks and Uncertainties**

Management continuously review the key risks facing the business. Demand for the Company's services over the next 12 months will be directly affected by the requirements of other Group subsidiaries.

The principal risks and uncertainties that the Company is exposed to are operational and technological risks, including cyber risks. These arise from any failure of the Company's IT systems in the course of their development, implementation and operation. These risks are managed by the Group's IT staff and reported into the Group Risk Committee.

#### **Brexit**

The UK is now in a period of uncertainty as the UK Government seeks to establish Brexit terms with the EU. At a macro level, the UK and world have already experienced volatility in the financial markets which in turn may affect UK financial stability and ultimately our customers' financial decisions. At a Company level, legislation and regulation currently applicable may change when the UK leaves the EU. At present it is still too early to speculate on what form such changes may take and their impact, if any, on the Company. The Board nonetheless considers the need for our customers to access financial solutions in a timely and professional manner to be of paramount importance and will ensure that the Company is positioned to comply with any regulatory or commercial changes which results from the EU exit negotiations.

**TMG Limited (formerly Think Money Group Limited)**

**Strategic Report - continued  
for the Year Ended 31 January 2019**

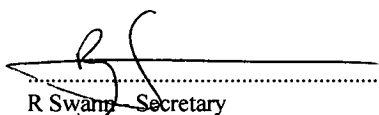
**Risk Management Framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has a Risk Committee in place, which is responsible for developing and monitoring the Group's risk management policies and ensuring that its strategy, principles, policies and resources are aligned to the Group's risk appetite. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect the Group's activities. Through its training and competency standards and procedures, the Group aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Group Internal Audit.

**On behalf of the Board:**

  
.....  
R Swann Secretary

Think Park  
Mosley Road  
Trafford Park  
Manchester  
M17 1FQ

Date: 13 Nov '19 .....

## **TMG Limited (formerly Think Money Group Limited)**

### **Directors' Report for the Year Ended 31 January 2019**

The directors present their annual report and the audited financial statements for the year ended 31 January 2019.

#### **Principal Activity**

The Company's principal activities are that of a holding company employing staff to provide support to other subsidiaries in the Group and developing software and systems for use by those subsidiaries.

#### **Change of Name**

The Company passed a special resolution on 10 April 2019 changing its name from Think Money Group Limited to TMG Limited.

#### **Change of Ownership**

During the year, the Group entered into an agreement for the intermediate parent company, Milan Midco Limited, to sell its interests in Milan Bidco Limited along with all subsidiaries. Following receipt of Financial Conduct Authority (FCA) approval for the change in control, the transaction completed on 7 August 2018. The ultimate parent company is now Tomahawk Bidco Limited, a company incorporated and registered in Jersey.

#### **Dividends**

The directors did not pay an interim dividend in the year (2018: £Nil). The directors do not recommend payment of a final dividend (2018: £Nil).

#### **Directors**

The directors who held office during the year and to the date of this report, unless otherwise noted, were as follows:

M Dennis (appointed 7 August 2018)

W Grout (appointed 7 August 2018)

S Kay

R Price (resigned 6 December 2018)

D Slade (resigned 7 August 2018)

P Storey

S Stylianou

J Warr

Details of directors' emoluments are set out in note 6 to the financial statements.

#### **Directors' Indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **Matters Covered in the Strategic Report**

See the Strategic Report for future developments, details of the principal risks and uncertainties and financial risk management objectives and policies.

#### **Political Contributions**

The Company made no political contributions in the year (2018: £Nil).

**TMG Limited (formerly Think Money Group Limited)**

**Directors' Report - continued  
for the Year Ended 31 January 2019**

**Employees and Employment Policies**

The Company has implemented detailed policies in relation to all aspects of personnel matters and acts as an equal opportunities employer.

The Company is also committed to increasing employee involvement and believes that effective communication between the Company and its employees can only benefit the business.

It is the policy of the Company to give full and fair consideration to applications for employment by disabled people. For the purpose of training, career development and promotion, disabled employees are treated in the same way as other employees.

**Going Concern**

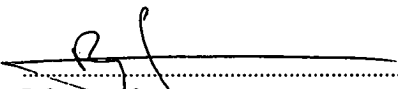
In considering the appropriateness of adopting the going concern basis in the preparation of these financial statements, the directors have reviewed the Company's ongoing financial commitments for the next 12 months and beyond. As a result of this review, and the continued support of other Group companies, the directors have satisfied themselves that it is appropriate to prepare these financial statements on a going concern basis.

**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.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**On behalf of the Board:**

  
.....  
R Swann - Secretary

Think Park  
Mosley Road  
Trafford Park  
Manchester  
M17 1FQ

Date: 13 Nov '19 .....

**TMG Limited (formerly Think Money Group Limited)**

**Statement of Directors' Responsibilities  
for the Year Ended 31 January 2019**

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 financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *"The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland"*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



## **Independent Auditor's Report to the Members of TMG Limited (formerly Think Money Group Limited)**

### **Opinion**

We have audited the financial statements of TMG Limited (formerly Think Money Group Limited) ("the Company") for the year ended 31 January 2019 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether based on our financial statements audit work, the information there in is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## **Independent Auditor's Report to the Members of TMG Limited (formerly Think Money Group Limited) - continued**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these reports.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 6 the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the 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 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Andrew Walker (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One St Peter's Square  
Manchester  
M2 3AE

**13 November 2019**

Date: .....

**TMG Limited (formerly Think Money Group Limited)**

**Statement of Profit and Loss and Other Comprehensive Income  
for the Year Ended 31 January 2019**

	Note	2019 £'000	2018 £'000
<b>Turnover</b>	1	397	6,000
Cost of sales		<u>(1,744)</u>	<u>(3,516)</u>
<b>Gross (Loss)/Profit</b>		<b>(1,347)</b>	<b>2,484</b>
Administrative expenses - Ongoing		(6,985)	(8,759)
- Non-recurring	4	<u>(1,481)</u>	<u>-</u>
- Total		<u>(8,466)</u>	<u>(8,759)</u>
<b>Operating Loss</b>	3	<b>(9,813)</b>	<b>(6,275)</b>
Income from shares in group undertakings		-	2,480
Income from investments		100	933
Interest payable and similar expenses	7	<u>(479)</u>	<u>(30)</u>
<b>Loss Before Taxation</b>		<b>(10,192)</b>	<b>(2,892)</b>
Tax on loss	8	<u>1,946</u>	<u>1,868</u>
<b>Loss After Taxation</b>		<b>(8,246)</b>	<b>(1,024)</b>
<i><b>Other Comprehensive Income</b></i>			
Net change in fair value of available for sale financial assets	11	<u>44</u>	<u>2,282</u>
<b>Other Comprehensive Income for the year</b>		<u><b>44</b></u>	<u><b>2,282</b></u>
<b>Total Comprehensive (Loss)/Income for the year</b>		<u><b>(8,202)</b></u>	<u><b>1,258</b></u>

All activity has arisen from continuing operations.

The notes on pages 12 to 24 form part of these financial statements.

**TMG Limited (formerly Think Money Group Limited)**

**Balance Sheet**  
**As at 31 January 2019**

	Note	2019 £'000	2018 £'000
<b>Fixed Assets</b>			
Intangible assets	9	17,369	22,240
Tangible assets	10	711	686
Investments	11	230	4,940
Investment in subsidiaries	12	22,417	22,417
Investment in associates	13	4,754	-
		<u>45,481</u>	<u>50,283</u>
<b>Current Assets</b>			
Debtors	14	4,166	3,873
Deferred tax	18	825	831
Cash at bank		1	-
		<u>4,992</u>	<u>4,704</u>
<b>Creditors</b>			
Amounts falling due within one year	15	(52,358)	(48,739)
<b>Net Current Liabilities</b>		<u>(47,366)</u>	<u>(44,035)</u>
<b>Total Assets Less Current Liabilities</b>		(1,885)	6,248
<b>Creditors</b>			
Amounts falling due after more than one year	16	(113)	(41)
<b>Net (Liabilities)/Assets</b>		<u>(1,998)</u>	<u>6,207</u>
<b>Capital and Reserves</b>			
Called up share capital	17	500	500
Share based payments reserve	21	-	3
Available for sale reserve		220	4,706
Other distributable reserves		4,530	-
Profit and loss account		(7,248)	998
<b>Total Equity Shareholders' (Deficit)/Funds</b>		<u>(1,998)</u>	<u>6,207</u>

The notes on pages 12 to 24 form part of these financial statements.

The financial statements of TMG Limited (formerly Think Money Group Limited) (registered number: 05987151) were approved by the Board of Directors and authorised for issue on 17 November 19. They were signed on its behalf by:

.....  
S Kay - Director

**TMG Limited (formerly Think Money Group Limited)**

**Statement of Changes in Equity  
for the Year Ended 31 January 2019**

	<b>Called up share capital £'000</b>	<b>Share based payments reserve £'000</b>	<b>Available for sale reserve £'000</b>
<b>Balance at 1 February 2017</b>	500	1	2,424
Total comprehensive income	-	-	2,282
Equity settled share based payments	-	2	-
<b>Balance at 31 January 2018</b>	500	3	4,706
Total comprehensive loss	-	-	44
Equity settled share based payments	-	(3)	-
Transfer on change of control	-	-	(4,530)
<b>Balance at 31 January 2019</b>	500	-	220

	<b>Other distributable reserves £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 February 2017</b>	-	2,022	4,947
Total comprehensive income	-	(1,024)	1,258
Equity settled share based payments	-	-	2
<b>Balance at 31 January 2018</b>	-	998	6,207
Total comprehensive loss	-	(8,246)	(8,202)
Equity settled share based payments	-	-	(3)
Transfer on change of control	4,530	-	-
<b>Balance at 31 January 2019</b>	4,530	(7,248)	(1,998)

## **TMG Limited (formerly Think Money Group Limited)**

### **Notes to the Financial Statements for the Year Ended 31 January 2019**

#### **1. Accounting Policies**

TMG Limited (formerly Think Money Group Limited) (the "Company") is a company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The Company, its subsidiaries and its parent undertakings are together referred to as the "Group".

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of preparation**

The financial statements present information about the Company as an individual undertaking and not about the Group of which it forms part. The Company has not prepared consolidated financial statements as it is exempt from the requirement under Section 400 of the Companies Act.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")* as issued by the Financial Reporting Council. The presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Tomahawk Bidco Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Tomahawk Bidco Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are filed with the financial statements of the intermediate Group company Milan Bidco Limited and are available to the public from Companies House, Crown Way, Cardiff. In these financial statements the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Tomahawk Bidco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

The financial statements have been prepared under the historical cost accounting rules.

#### **Related parties**

As the Company is a wholly owned subsidiary of Tomahawk Bidco Limited, the Company has taken advantage of the exemption contained in Section 33 of FRS 102 and not disclosed transactions or balances with other wholly owned entities which form part of the Group.

**TMG Limited (formerly Think Money Group Limited)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**1. Accounting Policies - continued**

**Going concern**

After making appropriate enquiries, and having received confirmation of the continued support of other Group companies, the directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**Foreign currency**

Transactions in foreign currency are recorded using the rate of exchange ruling at the date of the transaction. Assets and liabilities held at the balance sheet date are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange differences are charged or credited to the profit and loss account.

**Basic financial instruments**

Basic financial instruments comprise debtors, cash and cash equivalents and creditors.

*Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand are disclosed separately within trade and other creditors.

*Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

**Other financial instruments**

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. The gain or loss on remeasurement is recognised immediately in the profit and loss account.

**Equity investments**

Investments in equity securities held by the Company are classified as being available for sale and are stated at fair value, with any resultant gain or loss being recognised directly in other comprehensive income (in the available for sale reserve). Where it is not possible to determine a reliable estimate of fair value for an equity security, the investment is held at cost.

**Investments in subsidiaries**

Investments are held at cost less any provision for impairment.

**Investments in associates**

Investments in associates are accounted for at cost less impairment.

**Tangible fixed assets and depreciation**

*Recognition and measurement*

Fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the profit and loss account.

## **TMG Limited (formerly Think Money Group Limited)**

### **Notes to the Financial Statements - continued for the Year Ended 31 January 2019**

#### **1. Accounting Policies - continued**

##### **Tangible fixed assets and depreciation - continued**

###### *Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful life of each part of property, plant and equipment as follows:

Motor vehicles	- 4 years
Furniture and equipment	- 4 years
Computer equipment (hardware)	- 4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

###### *Leased assets*

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, assets held under finance leases and hire purchase contracts are measured at an amount equal to the lower of their fair values and the present value of the minimum lease payments. Subsequent to initial recognition, these assets are accounted for in accordance with the accounting policy applicable to those assets. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments due under them are charged to the profit and loss account on a straight-line basis over the lease term.

##### **Intangible fixed assets**

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment. Software is amortised on a straight line basis in the profit and loss account over the useful life from the date that it is available for use:

Computer development (software)	- 5 years
Computer development (banking platform)	- 10 years

##### **Employee benefits**

###### *Share based payment transactions*

TMG Limited (formerly Think Money Group Limited) operated an equity settled share option scheme that allowed certain Group employees to acquire shares in the previous ultimate holding company, Milan Topco Limited. The fair value of options granted was recognised as an employee expense with a corresponding increase in equity and was measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options was measured using an option pricing model, taking into account the terms and conditions upon which the options were granted.

###### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions to 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 profit and loss account in the periods during which services are rendered by employees.



## **TMG Limited (formerly Think Money Group Limited)**

### **Notes to the Financial Statements - continued for the Year Ended 31 January 2019**

#### **1. Accounting Policies - continued**

##### **Turnover**

Turnover represents charges made to other Group companies in connection with the staff employed and services provided to support those companies. Turnover is stated net of VAT and consists of services provided in the United Kingdom.

##### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

##### **Non-recurring costs**

Non-recurring items are material and excluded from management's assessment of profit because, by their nature, they could distort the Company's underlying quality of earnings. These are excluded to reflect performance in a consistent manner and in line with how the business is managed and measured on a day to day basis. These items are disclosed separately on the face of the profit and loss account and are explained in more detail in note 4.

Subsequent revisions of estimates of items initially recognised as non recurring provisions are recorded as non-recurring expenses in the year that the revision is made.

#### **2. Estimates and Judgements**

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The estimates and assumptions that are considered to be most important to the Company's financial standing are those relating to the valuation of available for sale investments. The fair value of this investment was calculated at the end of the previous year using a risk adjusted EBITDA multiple. An increase of 5% to this risk adjusted EBITDA multiple would have increased the fair value of the investment by £238,000 as at 31 January 2018. During the year the need to value available-for-sale investments, by using a risk adjusted EBITDA multiple, was removed when the Company increased its control and began accounting for this investment as an associate undertaking.

The directors do not believe there are any material critical judgements made in applying the accounting policies in these statements.

**TMG Limited (formerly Think Money Group Limited)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**3. Operating Loss**

The operating loss is stated after charging/(crediting):

	2019 £'000	2018 £'000
<i>Depreciation:</i>		
Owned assets	242	477
Assets on hire purchase contracts or finance leases	122	507
<i>Amortisation:</i>		
Intangible assets	5,754	5,845
<i>Auditor's remuneration:</i>		
Audit of these financial statements	5	5
Taxation services	14	2
Other tax advisory services	35	36
All other services	-	55
Audit of subsidiary financial statements pursuant to legislation	4	4
Hire of plant and machinery	403	384
Gain on disposal of fixed assets	(129)	-
	<u>          </u>	<u>          </u>

The Company pays the audit fees on behalf of the following Group subsidiaries; TMG Holdings 2 Limited (formerly Think Money Holdings Limited) and TMG Holdings 1 Limited (formerly Think Money Holdings 1 Limited).

**4. Non-Recurring Items**

Non-recurring items incurred in the year were as follows:

	2019 £'000	2018 £'000
Redundancy costs	67	-
Group sale transaction costs	1,414	-
	<u>          </u>	<u>          </u>
	1,481	-
	<u>          </u>	<u>          </u>

Redundancy costs relate to settlement payments made to staff following a reorganisation.

Group sale transaction costs are made up of payments made to staff as part of the sale of the wider Group during the year (note 24).

**5. Staff Numbers and Costs**

The average monthly number of persons employed by the Company during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Administration	36	183
	<u>          </u>	<u>          </u>

**TMG Limited (formerly Think Money Group Limited)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**5. Staff Numbers and Costs - continued**

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£'000	£'000
Wages and salaries	1,621	6,496
Social security costs	376	690
Pension contributions	30	92
Share based payments (note 21)	-	2
	<u>2,027</u>	<u>7,280</u>

**6. Remuneration of Directors**

	2019	2018
	£'000	£'000
Directors' emoluments	<u>1,854</u>	<u>686</u>

The aggregate of emoluments, including benefits in kind, of the highest paid director was £684,525 (2018: £225,529). There were no pension costs paid on behalf of directors during the year. Payment for the services of D Slade, M Dennis and W Grout are made by another Group company, Milan Bidco Limited.

**7. Interest Payable and Similar Expenses**

	2019	2018
	£'000	£'000
Other finance cost	7	5
Interest payable on finance lease and hire purchase contracts	6	25
Interest payable on loans from Group undertakings	466	-
	<u>479</u>	<u>30</u>

**8. Taxation**

**a) Analysis of the tax credit in year at 19% (2018: 19.16%)**

	2019	2018
	£'000	£'000
<i>Current tax:</i>		
Adjustment in respect of prior years	(846)	(1,228)
Group relief receivable	<u>(1,106)</u>	<u>(524)</u>
Total current tax	<u>(1,952)</u>	<u>(1,752)</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(504)	(586)
Adjustment in respect of prior years	<u>510</u>	<u>470</u>
Total deferred tax	<u>6</u>	<u>(116)</u>
<b>Tax on loss</b>	<u><u>(1,946)</u></u>	<u><u>(1,868)</u></u>

**TMG Limited (formerly Think Money Group Limited)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**8. Taxation - continued**

b) Factors affecting effective tax credit in year

The tax credit for the year is higher (2018: higher) than the standard rate of corporation tax in the UK of 19% (2018: 19.16%). The differences are explained below.

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Loss before tax	(10,192)	(2,892)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19.16%)	(1,936)	(554)
<i>Effects of:</i>		
Other timing differences	378	74
Transfer pricing adjustments	-	6
Adjustment in respect of prior years	(846)	(1,228)
Expenses not deductible for tax purposes	269	4
Adjustment to deferred tax in respect of prior years	510	470
Adjustment for non taxable income	(321)	(640)
<b>Total tax credit for the year</b>	<b>(1,946)</b>	<b>(1,868)</b>

The Company surrenders its losses to other Group subsidiaries.

For details of future tax rate changes, see note 18.

**9. Intangible Assets**

	<b>Computer development £'000</b>	<b>Total £'000</b>
<b>COST</b>		
At 1 February 2018	47,146	47,146
Additions	4,254	4,254
Disposals	(7,322)	(7,322)
At 31 January 2019	44,078	44,078
<b>AMORTISATION</b>		
At 1 February 2018	24,906	24,906
Amortisation for the year	5,754	5,754
Eliminated on disposal	(3,951)	(3,951)
At 31 January 2019	26,709	26,709
<b>NET BOOK VALUE</b>		
At 31 January 2019	17,369	17,369
At 31 January 2018	22,240	22,240

**TMG Limited (formerly Think Money Group Limited)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**10. Tangible Assets**

	<b>Motor vehicles £'000</b>	<b>Furniture and equipment £'000</b>	<b>Computer equipment £'000</b>	<b>Total £'000</b>
<b>COST</b>				
At 1 February 2018	77	4,694	3,937	8,708
Additions	9	248	132	389
Disposals	-	-	(55)	(55)
At 31 January 2019	<u>86</u>	<u>4,942</u>	<u>4,014</u>	<u>9,042</u>
<b>DEPRECIATION</b>				
At 1 February 2018	74	4,587	3,361	8,022
Charge for the year	4	113	247	364
Eliminated on disposal	-	-	(55)	(55)
At 31 January 2019	<u>78</u>	<u>4,700</u>	<u>3,553</u>	<u>8,331</u>
<b>NET BOOK VALUE</b>				
At 31 January 2019	<u>8</u>	<u>242</u>	<u>461</u>	<u>711</u>
At 31 January 2018	<u>3</u>	<u>107</u>	<u>576</u>	<u>686</u>

Assets held under finance leases and hire purchase agreements originally cost £3,091,939 (2018: £2,858,278) and have a net book value of £533,637 (2018: £421,881) at the year end. Depreciation charged for the year on those assets was £121,905 (2018: £506,555).

**11. Investments**

	<b>2019 £'000</b>	<b>2018 £'000</b>
<b>FAIR VALUE</b>		
At 1 February 2018	4,940	2,658
Movement in the year - other comprehensive income	44	2,282
Transfer to investment in associates	(4,754)	-
At 31 January 2019	<u>230</u>	<u>4,940</u>

The Group holds an unquoted investment in a start-up company that was purchased in January 2014. During the year the fair value of this investment has been calculated using a risk adjusted EBITDA multiple. On 14 June 2018, the Company subscribed for an additional 480 A ordinary shares in the same company. As a result, the investment is now considered to be an associate of the Company and has been transferred to investments in associates (note 13).

The Group holds a redeemable preference share in a captive insurance cell registered in Guernsey that is accounted for as an investment. Given the nature of the business carried out by the cell, the fair value has been deemed equivalent to the net asset value of the cell.

The required fair value adjustments to the investments have been recorded in the available for sale reserve in equity.

## TMG Limited (formerly Think Money Group Limited)

### Notes to the Financial Statements - continued for the Year Ended 31 January 2019

#### 12. Investments in Subsidiaries

	2019 £'000	2018 £'000
<b>COST</b>		
At 1 February 2018 and 31 January 2019	22,417	22,417

All of the subsidiaries set out below are wholly owned, registered in England and Wales at Think Park, Mosley Road, Trafford Park, Manchester, M17 1FQ (unless otherwise stated) and held directly where stated.

Name of subsidiary	Principal activity
TMG Holdings 1 Limited (formerly Think Money Holdings 1 Limited)*	Holding company
TMG Holdings 2 Limited (formerly Think Money Holdings Limited)	Holding company
Gregory Pennington Limited	Provision of debt service
Freeman Jones Limited	Insolvency practice
Intelligent Lending Limited	Arrangement and provision of consumer finance
Credability Limited (formerly My Credit Pal Limited)	Consumer finance intermediary
All About Money Limited	Claims administration
Wilson Andrews Limited	Insolvency practice
Think Money Limited	Managed personal account services
Think Insure Limited	Insurance intermediary
Think Café Limited	Restaurant and gym for TMG Limited Group staff
Ideal Finance Limited	Consumer finance provider
Ocean Finance Limited	Dormant
Financial Wellness Group Limited (formerly The Debt Advisory Centre Limited)	Dormant

\*held directly by TMG Limited (formerly Think Money Group Limited)

#### 13. Investments in Associates

	2019 £'000	2018 £'000
<b>FAIR VALUE</b>		
At 1 February 2018	-	-
Transfer from investments	4,754	-
At 31 January 2019	4,754	-

Investments in associates relates to the Company's investment in an unquoted start-up where the Company holds shares that give it 50% of the economic rights and 24% of the voting rights in the business. The business is run and managed by an independent Board of Directors on a stand-alone basis. In the year ending 28 February 2019 the business reported a profit before tax of £5.0m (2018: £3.8m). The initial cost recognised for the investment is deemed to be the fair value of the investment at the time the Company acquired increased control of the business and started to account for it as an associate undertaking.

#### 14. Debtors: Amounts Falling Due Within One Year

	2019 £'000	2018 £'000
Prepayments and accrued income	701	1,550
Amounts owed by Group undertakings in respect of Group relief	3,465	2,323
	4,166	3,873

Amounts due by Group undertakings are subject to interest of 1% per annum and are repayable on demand.

**TMG Limited (formerly Think Money Group Limited)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**15. Creditors: Amounts Falling Due Within One Year**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Bank overdrafts	1,606	1,640
Trade creditors	1,646	1,271
Amounts owed to Group undertakings	48,607	45,275
Other taxation and social security	72	93
Accruals and deferred income	369	394
Obligations under finance lease and hire purchase contracts (note 19)	58	66
	<u>52,358</u>	<u>48,739</u>

Amounts due to Group undertakings are subject to interest of 1% per annum and are repayable on demand.

**16. Creditors: Amounts Falling Due After More Than One Year**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Obligations under finance leases and hire purchase contracts (note 19)	<u>113</u>	<u>41</u>

**17. Called Up Share Capital and Reserves**

**Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2019</b>	<b>2018</b>
			<b>£'000</b>	<b>£'000</b>
215,000	Ordinary shares	£1	215	215
285,000	'A' Ordinary shares	£1	285	285
			<u>500</u>	<u>500</u>

The 'A' ordinary shares carry a participating dividend payable in preference to the ordinary shares. In the event of a winding up or other return of capital the surplus assets of the Company, after payment of its liabilities, are available for distribution to 'A' ordinary shareholders for the payment of any dividends accrued or dividend arrears together with amounts equal to the subscription value of those shares, in preference to ordinary shareholders. Any balance after repayment of the ordinary share capital will then be paid to the 'A' ordinary shareholders and ordinary share holders *pari passu*.

In the event of the Company becoming listed each 'A' ordinary share will convert into 1 ordinary share. The shares carry the same voting rights as ordinary shares, except in certain circumstances noted in the Articles when the 'A' ordinary shares shall represent 75% of the voting rights attached to each class of share in the share capital of the Company.

The Company's other reserves are as follows:

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

The share based payments reserve represents the fair value of options granted less equity settlements.

The available for sale reserve represents the fair value adjustments to investments held.

Other reserves represent the cumulative fair value adjustment on investments in associates at the date on which the Company acquired significant influence and the investment was treated as an associate.

**TMG Limited (formerly Think Money Group Limited)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**18. Deferred Tax**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Opening balance	(831)	(715)
Movement in the year (note 8)	6	(116)
Closing balance	<u>(825)</u>	<u>(831)</u>

Please note that from 1 April 2017, the main rate of corporation tax was reduced to 19%. A further reduction to 18% (effective 1 April 2018) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. Any deferred tax at 31 January 2019 has been calculated based on the rate of 17% being the rate substantively enacted at the balance sheet date.

There is no deferred taxation unprovided for in these financial statements.

The net deferred taxation position in 2019 and 2018 gives rise to a deferred taxation asset.

The elements of deferred taxation are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Accelerated capital allowances	(598)	(666)
Tax losses carried forward	(10)	(10)
Other timing differences	(217)	(155)
	<u>(825)</u>	<u>(831)</u>

**19. Obligations Under Hire Purchase and Finance Leases**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	58	66
Between two and five years	113	41
	<u>171</u>	<u>107</u>

**20. Operating Lease Commitments**

At 31 January 2019 the Company had commitments under non-cancellable operating leases which expire as set out below:

	<b>Plant and equipment</b>	<b>Plant and equipment</b>
	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	397	377
Between two and five years	328	685
	<u>725</u>	<u>1,062</u>



## TMG Limited (formerly Think Money Group Limited)

### Notes to the Financial Statements - continued for the Year Ended 31 January 2019

#### 21. Share Based Payments

TMG Limited (formerly Think Money Group Limited) established an employee share option scheme that allowed key employees of the Group to acquire shares in the previous ultimate holding company, Milan Topco Limited, in the event that the business is sold.

The fair value of options granted was recognised as an employee expense with a corresponding increase in equity. It was measured at grant date and spread over the period which was expected to pass before employees become unconditionally entitled to the shares.

The value is arrived at using an option pricing model taking into account the terms and conditions upon which the options were granted. No options vested.

The terms and conditions of options granted are as follows:

Grant Date	Employees	Granted By	Accounting Method	No. of Options	Vesting Conditions	Expiry Date
9 December 2009	Key Staff	Think Money Group Limited	Equity	500	Sale or listing of the business	7 December 2019

The number and weighted average exercise price of share options is as follows:

	Exercise Price		Number of Options	
	2019 £	2018 £	2019 No.	2018 No.
Brought forward	1	1	500	500
Lapsed in year	(1)	-	(500)	-
Outstanding at year end	-	1	-	500
Exercisable at year end	-	-	-	-

No options were exercised during the year.

The expense recognised for the year arising from equity settled share based payments is a credit of £2,750 (2018: £2,000). There is no potential deferred tax liability (2018: £Nil) arising from the share based payment expense in the year.

During the year, the employee share option scheme provided by the Group was removed as a consequence of the change of ownership, with all remaining options lapsing.

#### 22. Guarantees

The Company has guaranteed the bank loans of another Group company, Milan Bidco Limited; the total value of bank loans guaranteed by the Company at the year end was £61.6m (2018: £37.3m).

Financial guarantees held within the Group are valued under FRS 103 *Insurance Contracts*, and therefore are treated as insurance contracts.

## **TMG Limited (formerly Think Money Group Limited)**

### **Notes to the Financial Statements - continued for the Year Ended 31 January 2019**

#### **23. Financial Instruments**

##### **Accounting classifications and fair value**

All of the Company's financial assets and liabilities are classified as loans and receivables or other financial liabilities and are measured at amortised cost. Available for sale financial instruments are held at fair value.

In determining fair value, the Group uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the assets or liability; either directly or indirectly.
- Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Based on the fair value estimates and judgements detailed in note 2 and the fair value hierarchy above, the directors believe that the fair value of the investment would be categorized as Level 3.

##### **Financial risk management**

The business does not suffer significant exposure to market risk, liquidity risk or credit risk.

#### **24. Ultimate Parent Company**

The immediate parent company is Milan Bidco Limited, a company incorporated and registered at Think Park, Mosley Road, Trafford Park, Manchester, M17 1FQ.

The ultimate controlling company is Tomahawk Bidco Limited, a company incorporated and registered in Jersey. The consolidated Group financial statements of Tomahawk Bidco Limited, are filed with the financial statements of the intermediate Group company Milan Bidco Limited and are available to the public from Companies House, Crown Way, Cardiff.

The ultimate controlling party is Ares Management Limited. 99.7% of the issued share capital of Tomahawk Bidco Limited is held by Ares Management Limited on behalf of funds managed by that company.

Tomahawk Bidco Limited became the ultimate controlling company and Ares Management Limited became the ultimate controlling party on 7 August 2018 after Tomahawk Bidco Limited acquired 100% of the immediate parent company, Milan Bidco Limited along with all other subsidiaries.