Company No: 05987151 (England and Wales)

TMG LIMITED

Annual Report and Financial Statements

For the financial year ended 31 January 2021

Contents

TMG LIMITED

COMPANY INFORMATION

For the financial year ended 31 January 2021

DIRECTORS	M Dennis W Grout S Kay P Storey S Stylianou J Warr
SECRETARY	R Swann
REGISTERED OFFICE	Think Park Mosley Road Trafford Park Manchester M17 1FQ United Kingdom
COMPANY NUMBER	05987151 (England and Wales)
AUDITOR	BDO LLP Statutory Auditor 3 Hardman Street Spinningfields Manchester M3 3AT United Kingdom

The directors present their Strategic Report for the financial year ended 31 January 2021.

REVIEW OF THE BUSINESS

The Company's principal activity is 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.

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 £8.3m (2020: £6.4m). Turnover remained stable at £0.5m (2020: £0.6m), whilst operating losses decreased to £6.7m (2020: £8.2m).

During the year, there was a fair value adjustment to reduce the Company's investments by £233k (2020: increased by £256k). The investment in a captive insurance cell registered in Guernsey was subsequently transferred to another group company on 24 September 2020 and the fair value reserve in equity was released.

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.

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.

FUTURE DEVELOPMENTS

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

After the year end on 29 June 2021, the Group incorporated three new subsidiaries, Wellbeing-UK Limited, Benesse Insolvency Services Limited and Well Tech-UK Limited.

The unquoted company in which the Company holds an investment undertook and completed the de-merger of a non-core business line on 2 February 2021. The non-core business was subsequently sold on 5 February 2021 with the transaction completing on 14 May 2021. The Company maintained its economic rights in the de-merged business and realised proceeds of £3.3m from the sale on 14 May 2021.

After the year end, the Company acquired the intangible assets of Intelligent Lending Limited as part of an internal reorganisation. The transfer consideration was equal to the net book value of the intangible assets of Intelligent Lending Limited at the date of transfer.

EXCEPTIONAL ITEMS

The exceptional items in the profit and loss account relate to non-recurring costs incurred by the business during the year, including: redundancy costs arising from settlement payments made to staff following a restructuring of the Group support function.

BREXIT

The UK economy is now in a period of transition as it begins to trade under new Brexit terms and conditions agreed 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, the business has seen little or no impact from Brexit although legislation and regulation currently applicable may change following the UK's exit from 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 result from the UK's exit from the EU.

SECTION 172 OF THE COMPANIES ACT 2006

Section 172 of the Companies Act 2006 ("s.172") imposes a general duty on Directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders. The statement of the Directors performing their duties under Section 172 relevant to this company can be found in the financial statements of the intermediate Group company Milan Bidco Limited and are available to the public from Companies House, Crown Way, Cardiff.

Approved by the Board of Directors and signed on its behalf by:

S Kay
Director

Think Park
Mosley Road
Trafford Park
Manchester
M17 1FQ
United Kingdom

Date: 31 Jan '22

The directors present their Annual Report on the affairs of the Company, together with the financial statements, for the financial year ended 31 January 2021.

For the prior financial year ending 31 January 2020, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was 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.

GOING CONCERN

The financial statements are prepared on a going concern basis notwithstanding that the Company has reported an operating loss of £6.7m for the year to 31 January 2021 (2020: £8.2m) and has reported a net liability position of £18.6m as at 31 January 2021 (2020: £9.9m).

At the ultimate parent Group level (Tomahawk Bidco Limited), the directors have prepared a base case and a forecast with sensitivities, which considers profitability, liquidity and performance against financial covenants, for a period of at least 12 months from the date of approval of these financial statements. In preparing those forecasts, the directors have considered the current economic uncertainty, in particular the ongoing effects of the COVID-19 pandemic. The directors have considered these forecasts in their going concern assessment for the Company.

The effects of COVID-19 have been severely felt throughout the world in recent months and the future impact on the results of the Company are difficult to predict. In response to the pandemic, operational measures are already in place, with employees working from home where possible. The Company has continued to provide consistent levels of customer service. Consequently, the directors do not anticipate a significant impact on the Company's ability to serve its customers as a result of the pandemic.

The directors continuously review the key risks facing the business and recognise that demand for the Company's services over the next 12 months will continue to be affected to a substantial degree by the COVID-19 pandemic and by macroeconomic factors (including those that might be influenced by Brexit) such as the strength of the UK economy, the availability of loan and re-mortgage products and prevailing interest rates, as well as by the attitude and policies of Government, banks, building societies and large financial institutions towards over-indebted consumers. In assessing the going concern basis of preparation, the directors have therefore considered a severe but plausible downside scenario.

This scenario demonstrates that:
• in the event that there is a continued trading impact from COVID-19 over the period and a lessened demand for the Company's services, the Company would still be able to meet its commitments and would be able to take further action such as reducing its overheads, marketing activity and capital expenditure in order to do so;
• the Company would be able to trade through a continued impact from COVID-19, in advance of the required re-financing of the group in 2024;
• the Company continues to receive support from its immediate parent undertaking and the wider group and the Group continues to receive confirmation that the ultimate controlling party, Ares Management Limited, is willing to support the Group to trade through the impact of the pandemic.

As with any company placing reliance on its investor for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on the above and through funding from the Company's intermediate parent company, Milan Bidco Limited, the Company will have sufficient funds to meet its liabilities as they fall due for the period of at least 12 months from the date of approval of these financial statements. Therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's board of directors has overall responsibility for the establishment and oversight of the Company'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.

DIRECTORS

The directors, who served during the financial year and to the date of this report except as noted, were as follows:

M Dennis

W Grout

S Kay

P Storey

S Stylianou

J Warr

DIRECTORS' INDEMNITIES

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

POLITICAL CONTRIBUTIONS

The Company made no political contributions in the year (2020: £Nil).

MATTERS COVERED IN THE STRATEGIC REPORT

See the Strategic Report for future developments and details of the principal risks and uncertainties.

DIVIDENDS

There were no dividends paid in the year (2020: £Nil) and the directors do not recommend payment of a final dividend (2020: £Nil).

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.

During the year KPMG LLP resigned as auditors and BDO LLP were appointed. Pursuant to Sections 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

Approved by the Board of Directors and signed on its behalf by:

S Kay
Director

Think Park
Mosley Road
Trafford Park
Manchester
M17 1FQ
United Kingdom

Date: 31 Jan '22

DIRECTORS' RESPONSIBILITIES STATEMENT

For the financial year ended 31 January 2021

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK 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 financial 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;
- 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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 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 TMG Limited ("the Company") for the year ended 31 January 2021, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the 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 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 Company'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.

Other Matter

The corresponding figures are unaudited.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TMG LIMITED (continued)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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 Directors' responsibilities statement, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

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:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group accounting policies, UK GAAP, the Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TMG LIMITED (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Revenue year end cut-off procedures;
- In addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management, privileged users or with unusual account combinations;
- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of minutes of Board meetings throughout the period, reviewing correspondence with regulators;
- We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- We considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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 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.

DocuSigned by:
Julien Rye
657B95FCEECB4FF...
Julien Rye (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester, UK

31 January 2022

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

TMG LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 January 2021

	Note	2021 £'000	2020 £'000 Restated - note 3
Turnover		**474**	**556**
Cost of sales		(1,058)	(1,880)
Gross loss		**(584)**	**(1,324)**
Administrative expenses		(6,176)	(6,814)
Other operating income		46	-
Exceptional items	6	(25)	(76)
Operating loss		**(6,739)**	**(8,214)**
Income from participating interests		200	-
Gain on financial instruments	12	243	-
Loss before interest and taxation		**(6,296)**	**(8,214)**
Finance costs	4	(411)	(527)
Loss before taxation	5	**(6,707)**	**(8,741)**
Tax on loss	9	(1,571)	2,372
Loss for the financial year attributable to the equity shareholders of the Company		**(8,278)**	**(6,369)**
(Loss)/gain arising on fair value movement of investments	12	(233)	256
Other comprehensive (loss)/income		**(233)**	**256**
Total comprehensive loss attributable to equity shareholders of the Company		**(8,511)**	**(6,113)**

All amounts relate to continuing operations.

TMG LIMITED

BALANCE SHEET

As at 31 January 2021

	Note	2021 £'000	2020 £'000 Restated - note 3
Fixed assets			
Intangible assets	10	15,643	17,176
Tangible assets	11	296	440
Investments	12	27,171	27,657
		43,110	**45,273**
Current assets			
Debtors	13	207	3,657
Cash at bank and in hand		-	1
		207	**3,658**
Current liabilities			
Creditors: amounts falling due within one year	14	(59,447)	(58,803)
Net current liabilities		**(59,240)**	**(55,145)**
Total assets less current liabilities		**(16,130)**	**(9,872)**
Creditors: amounts falling due after more than one year	15	(2,511)	(15)
Net liabilities		**(18,641)**	**(9,887)**
Capital and reserves	17		
Called-up share capital		500	500
Fair value reserve		-	476
Other reserves		4,530	4,530
Profit and loss account		(23,671)	(15,393)
Total shareholders' deficit		**(18,641)**	**(9,887)**

The financial statements of TMG Limited (registered number: 05987151) were approved and authorised for issue by the Board of Directors on 31 Jan '22. They were signed on its behalf by:

S Kay
Director

TMG LIMITED

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2021

	Called-up share capital	Fair value reserve	Other reserves	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 01 February 2019 (as previously stated)	**500**	**220**	**4,530**	**(7,248)**	**(1,998)**
Prior year adjustment (note 3)	-	-	-	(1,776)	(1,776)
At 01 February 2019 (as restated)	**500**	**220**	**4,530**	**(9,024)**	**(3,774)**
Loss for the financial year	-	-	-	(6,369)	(6,369)
Other comprehensive income	-	256	-	-	256
Total comprehensive loss	**-**	**256**	**-**	**(6,369)**	**(6,113)**
At 31 January 2020	**500**	**476**	**4,530**	**(15,393)**	**(9,887)**
At 01 February 2020 (as previously stated)	**500**	**476**	**4,530**	**(13,746)**	**(8,240)**
Prior year adjustment (note 3)	-	-	-	(1,647)	(1,647)
At 01 February 2020 (as restated)	**500**	**476**	**4,530**	**(15,393)**	**(9,887)**
Loss for the financial year	-	-	-	(8,278)	(8,278)
Other comprehensive income	-	(233)	-	-	(233)
Total comprehensive loss	**-**	**(233)**	**-**	**(8,278)**	**(8,511)**
Release of fair value reserve on disposal of investments	-	(243)	-	-	(243)
At 31 January 2021	**500**	**-**	**4,530**	**(23,671)**	**(18,641)**

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year.

General information and basis of accounting

TMG Limited (the Company) is a private company, limited by shares, incorporated 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 Think Park, Mosley Road, Trafford Park, Manchester, M17 1FQ , United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

The functional currency of TMG Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

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:

- 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 values of Paragraph36(4) of Schedule 1.

For the prior financial year ending 31 January 2020, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and therefore the comparatives in the financial statements for the year ended 31 January 2021 are unaudited.

Going concern

The financial statements are prepared on a going concern basis notwithstanding that the Company has reported an operating loss of £6.7m for the year to 31 January 2021 (2020: £8.2m) and has reported a net liability position of £18.6m as at 31 January 2021 (2020: £9.9m).

At the ultimate parent Group level (Tomahawk Bidco Limited), the directors have prepared a base case and a forecast with sensitivities, which considers profitability, liquidity and performance against financial covenants, for a period of at least 12 months from the date of approval of these financial statements. In preparing those forecasts, the directors have considered the current economic uncertainty, in particular the ongoing effects of the COVID-19 pandemic. The directors have considered these forecasts in their going concern assessment for the Company.

The effects of COVID-19 have been severely felt throughout the world in recent months and the future impact on the results of the Company are difficult to predict. In response to the pandemic, operational measures are already in place, with employees working from home where possible. The Company has continued to provide consistent levels of customer service. Consequently, the directors do not anticipate a significant impact on the Company's ability to serve its customers as a result of the pandemic.

The directors continuously review the key risks facing the business and recognise that demand for the Company's services over the next 12 months will continue to be affected to a substantial degree by the COVID-19 pandemic and by macroeconomic factors (including those that might be influenced by Brexit) such as the strength of the UK economy, the availability of loan and re-mortgage products and prevailing interest rates, as well as by the attitude and policies of Government, banks, building societies and large financial institutions towards over-indebted consumers. In assessing the going concern basis of preparation, the directors have therefore considered a severe but plausible downside scenario.

This scenario demonstrates that:

- in the event that there is a continued trading impact from COVID-19 over the period and a lessened demand for the Company's services, the Company would still be able to meet its commitments and would be able to take further action such as reducing its overheads, marketing activity and capital expenditure in order to do so;
- the Company would be able to trade through a continued impact from COVID-19, in advance of the required re-financing of the group in 2024;
- the Company continues to receive support from its immediate parent undertaking and the wider group and the Group continues to receive confirmation that the ultimate controlling party, Ares Management Limited, is willing to support the Group to trade through the impact of the pandemic.

As with any company placing reliance on its investor for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on the above and through funding from the Company's intermediate parent company, Milan Bidco Limited, the Company will have sufficient funds to meet its liabilities as they fall due for the period of at least 12 months from the date of approval of these financial statements. Therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation

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 2006.

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.

Employee benefits

Defined contribution schemes

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.

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 equity, in which case it is recognised directly in equity.

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.

Exceptional items

Exceptional items relate to non-recurring expenses which 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 the notes to the financial statements.

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.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Intangible assets

Intangible fixed assets are held at cost less accumulated amortisation and impairment. Intangible fixed assets are amortised on a straight line basis in the profit and loss account over the useful life of the asset as follows:

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

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.

Tangible fixed assets

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.

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 useful life as follows:

Motor vehicles - 4 years
Office equipment - 4 years
Computer equipment - 4 years

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

Leases

The Company as lessee

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.

Financial instruments

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

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 comprise cash balances. Bank overdrafts that are repayable on demand are disclosed separately within 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 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.

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 are held at cost less any provision for impairment.

Investments in associates are accounted for at cost less impairment.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in other operating income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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.

2. Critical accounting judgements and key sources of estimation uncertainty

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 directors do not believe there are any material critical judgements made in applying the accounting policies in these statements nor do the directors believe that there are any material sources of estimation uncertainty in the estimates applied.

3. Prior year adjustment

Prior period error

The Company performed a reconciliation of the current tax balance as at 31 January 2021 and comparative periods and it was noted that due to the timing of posting of R&D tax credits, along with the timing of adjustments in relation to group relief, a mismatch arose, and therefore the current tax balance held on the Balance Sheet of the Company was incorrect. As a result, management have corrected the comparative period balances via a prior period adjustment.

The impact of the prior period error on the lines affected in the Profit and Loss Account for the year ended 31 January 2020 is as follows:

	Previously reported £'000	Adjustment £'000	Restated £'000
Tax credit	2,243	129	2,372
Profit for the financial year	(6,498)	129	(6,369)

The impact on the lines affected in the Balance Sheet for the year ended 31 January 2020 is as follows:

	Previously reported £'000	Adjustment £'000	Restated £'000
Amounts due from Group undertakings	3,110	(1,647)	1,463
Debtors	5,304	(1,647)	3,657
Net current liabilities	(53,498)	(1,647)	(55,145)
Total assets less current liabilities	(8,225)	(1,647)	(9,872)
Net liabilities	(8,240)	(1,647)	(9,887)

The adjustment impacts the opening balance sheet at 1 February 2019. The impact is as follows:

	Adjustment £'000
Amounts due from Group undertakings	(1,776)
Net assets	(1,776)

	Previously reported £'000	Adjustment £'000	Restated £'000
Profit and loss account	(7,248)	(1,776)	(9,024)

4. Finance costs

	2021 £'000	2020 £'000
Interest payable and similar expenses	411	527

Interest payable and similar expenses

	2021 £'000	2020 £'000
Bank loans and overdrafts	185	-
Loans from group undertakings	213	512
Finance leases and hire purchase contracts	4	6
Other interest payable and similar expense	9	9
	411	**527**

5. Loss before taxation

Loss before taxation is stated after charging/(crediting):

	2021	2020
	£'000	£'000
Depreciation of tangible fixed assets (note 11)	151	184
Amortisation of intangible assets (note 10)	5,019	5,134
Government grants	(46)	-
Gain on disposal of fixed assets	(1)	-
Fees payable to the Company's current auditor for the audit of these financial statements	4	-
Fees payable to the Company's former auditor for the audit of these financial statements	-	6
Fees payable to the Company's former auditor for taxation services	-	4
Fees payable to the Company's former auditor for other taxation services	-	13
Fees payable to the Company's current auditor for the audit of subsidiary financial statements	9	-
Fees payable to the Company's former auditor for the audit of subsidiary financial statements	-	10
Hire of plant and machinery	10	396

Depreciation of £151,000 (2020: £184,000) consists of depreciation on owned assets of £33,000 (2020: £58,000) and depreciation of assets on hire purchase contracts or finance leases of £118,000 (2020: £126,000).

During the year the Company received government grants amounting to £46,000 (2020: £Nil) under the Coronavirus Job Retention Scheme.

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

6. Exceptional items

	2021	2020
	£'000	£'000
Redundancy costs	25	33
Group sale transaction costs	-	37
Other non-recurring costs	-	6
	25	**76**

Redundancy costs relate to settlement payments made to staff following a restructuring of the Group support function.

Group sale transaction costs in the prior year are made up of costs incurred as part of the sale of the wider Group during the prior year, including the wind up of entities removed from the structure.

Other costs in the prior year relate to one-off IT infrastructure costs.

7. Staff number and costs

	2021	2020
	Number	Number
The average monthly number of employees (including directors) was:		
Administration	25	28

Their aggregate remuneration comprised:

	2021	2020
	£'000	£'000
Wages and salaries	1,200	1,522
Social security costs	239	181
Other retirement benefit costs	20	24
	1,459	**1,727**

8. Directors' remuneration

	2021	2020
	£'000	£'000
Emoluments	472	594

The aggregate of emoluments, including benefits in kind, of the highest paid director was £234,516 (2020: £224,921). There were no pension costs paid on behalf of directors during the year. Payment for the services of M Dennis and W Grout are made by another Group company, Milan Bidco Limited.

9. Tax on loss

	2021	2020
	£'000	£'000
		Restated
Current tax on loss		
UK corporation tax	-	-
Adjustment in respect of prior periods	(34)	(527)
Group relief receivable	-	(1,065)
Total current tax	**(34)**	**(1,592)**
Deferred tax		
Origination and reversal of timing differences	2,064	(533)
Adjustment in respect of prior year	(263)	(247)
Effects of changes in tax rate	(196)	-
Total deferred tax	**1,605**	**(780)**
Total tax on loss	**1,571**	**(2,372)**

Tax reconciliation

The tax assessed for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK:

	2021	2020
	£'000	£'000
		Restated
Loss before taxation	**(6,707)**	**(8,741)**
Tax on loss at standard UK corporation tax rate of 19.00% (2020: 19.00%)	(1,274)	(1,661)
Effects of:		
- Expenses not deductible for tax purposes	-	(122)
- Income not taxable in determining taxable profit	(83)	-
- Change in unrecognised deferred tax assets	3,421	-
- Adjustments in respect of prior years	(34)	(527)
- Fixed asset timing differences	-	122
- Adjustment to deferred tax in respect of prior periods	(263)	(247)
- Adjustment to tax rate on deferred tax	(196)	63
Total tax charge/(credit) for year	**1,571**	**(2,372)**

The Company has unrecognised tax losses carried forward of £12,215,776 (2020: £5,390,686).

For details of future tax rate charges, see deferred tax note (note 16).

10. Intangible assets

	Computer software	Total
	£'000	£'000
Cost		
At 01 February 2020	49,019	49,019
Additions	3,486	3,486
At 31 January 2021	**52,505**	**52,505**
Accumulated amortisation		
At 01 February 2020	31,843	31,843
Charge for the financial year	5,019	5,019
At 31 January 2021	**36,862**	**36,862**
Net book value		
At 31 January 2021	**15,643**	**15,643**
At 31 January 2020	17,176	17,176

11. Tangible assets

	Vehicles	Office equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 01 February 2020	86	4,950	3,919	8,955
Additions	-	-	11	11
Disposals	(5)	-	-	(5)
At 31 January 2021	**81**	**4,950**	**3,930**	**8,961**
Accumulated depreciation				
At 01 February 2020	80	4,786	3,649	8,515
Charge for the financial year	2	71	78	151
Disposals	(1)	-	-	(1)
At 31 January 2021	**81**	**4,857**	**3,727**	**8,665**
Net book value				
At 31 January 2021	**-**	**93**	**203**	**296**
At 31 January 2020	6	164	270	440

Assets held under finance leases and hire purchase agreements originally cost £3,101,970 (2020: £3,091,939) and have a net book value of £295,269 (2020: £407,762) at the year end. Depreciation charged for the year on those assets was £118,043 (2020: £125,875).

12. Fixed asset investments

	2021	2020
	£'000	£'000
Subsidiary undertakings	22,417	22,417
Investments in associates	4,754	4,754
Other investments	-	486
	27,171	**27,657**

Investments in subsidiaries

	2021
	£'000
Cost	
At 01 February 2020	22,417
At 31 January 2021	**22,417**
Carrying value at 31 January 2021	**22,417**
Carrying value at 31 January 2020	22,417

	Investments in associates	Other investments	Total
	£'000	£'000	£'000
Carrying value before impairment			
At 01 February 2020	4,754	486	5,240
Disposals	-	(253)	(253)
Movement in fair value	-	(233)	(233)
At 31 January 2021	**4,754**	**-**	**4,754**
Provisions for impairment			
At 01 February 2020	-	-	-
At 31 January 2021	-	-	-
Carrying value at 31 January 2021	**4,754**	**-**	**4,754**
Carrying value at 31 January 2020	4,754	486	5,240

The disposal in other investments has given rise to a gain on financial instruments of £243,000 being released from the fair value reserve.

Investments in shares

Name of entity	Nature of business	Class of shares	% of ownership 2021	% of ownership 2020
TMG Holdings 1 Limited*	Holding company	Ordinary	100%	100%
TMG Holdings 2 Limited	Holding company	Ordinary	100%	100%
Gregory Pennington Limited	Provision of debt service	Ordinary	100%	100%
Freeman Jones Limited	Insolvency practice	Ordinary	100%	100%
Intelligent Lending Limited	Arrangement of consumer finance	Ordinary	100%	100%
Credability Limited	Consumer finance intermediary	Ordinary	100%	100%
Benesse Advice Limited (formerly All About Money Limited)	Claims administration	Ordinary	100%	100%
Wilson Andrews Limited	Insolvency practice	Ordinary	100%	100%
Think Money Limited	Personal account services	Ordinary	100%	100%

Investments in shares (continued)

Name of entity	Nature of business	Class of shares	% of ownership 2021	% of ownership 2020
Think Insure Limited	Insurance intermediary	Ordinary	100%	100%
Money Wellness Limited (formerly Think Café Limited)	Restaurant / gym for Group staff	Ordinary	100%	100%
Ideal Finance Limited	Consumer finance provider	Ordinary	100%	100%
Ocean Finance Limited	Dormant	Ordinary	100%	100%
Financial Wellness Group Limited	Holding company	Ordinary	100%	100%

- * held directly by TMG Limited.

All of the entities are registered at Think Park, Mosely Road, Trafford Park, Manchester, M17 1FQ.

Investments in associates relates to the Company's investment in Comparitec Group Limited, a company registered in the United Kingdom, where the Company holds ordinary 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 2021 the business reported a loss before tax of £0.5m (2020: profit before tax of £2.5m). 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.

The unquoted company in which the Company holds an investment undertook and completed the de-merger of a non-core business line on 2 February 2021. The non-core business was subsequently sold on 5 February 2021 with the transaction completing on 14 May 2021. The Company maintained its economic rights in the de-merged business and realised proceeds of £3.3m from the sale on 14 May 2021.

Other investments relates to the Group's holding of 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.

On 22 September 2020, the cell was novated to another captive insurance cell based in Guernsey, Windward Insurance PCC Limited, and the original cell was closed on 23 September 2020. On 24 September 2020, the Company transferred its ownership of this investment to another Group subsidiary, Financial Wellness Group Limited, at fair value.

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

13. Debtors

	2021	2020
	£'000	£'000
		Restated
Amounts owed by Group undertakings	-	1,463
Prepayments	207	589
Deferred tax asset	-	1,605
	207	**3,657**

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

Included in amounts owed by Group undertakings is £Nil (2020: £1,463,000) in respect of Group relief.

14. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Bank loans and overdrafts	1,651	1,808
Obligations under finance leases and hire purchase contracts	10	38
Trade creditors	1,141	1,675
Amounts owed to Group undertakings	56,044	52,387
Other taxation and social security	63	69
Accruals	538	2,826
	59,447	**58,803**

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

Included in amounts owed to Group undertakings is £389,000 (2020: £Nil) in respect of Group relief.

15. Creditors: amounts falling due after more than one year

	2021	2020
	£'000	£'000
Bank loans and overdrafts	2,500	-
Obligations under finance leases and hire purchase contracts	11	15
	2,511	**15**

Bank loans

	2021	2020
	£'000	£'000
Between two and five years	2,500	-

Finance leases

	2021	2020
	£'000	£'000
Between two and five years	11	15
On demand or within one year	10	38
	21	**53**

Total borrowings including finance leases

	2021	2020
	£'000	£'000
Between two and five years	2,511	15
On demand or within one year	10	38
	2,521	**53**

16. Deferred tax

	2021	2020
	£'000	£'000
At the beginning of financial year	1,605	825
(Charged)/credited to the Profit and Loss Account	(1,605)	780
At the end of financial year	**-**	**1,605**

The deferred taxation balance is made up as follows:

	2021	2020
	£'000	£'000
Fixed asset timing differences	-	1,445
Other timing differences	-	160
	-	**1,605**

Finance Act 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 January 2020 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year end. The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as a result deferred tax balances as at 31 January 2021 continue to be measured at 19%. The change of rate will affect the size of the Company's deferred tax assets and liabilities in the future.

Unrecognised deferred tax in respect of fixed asset timing differences, other timing differences and losses carried forwards amounts to £901,403 (2020: £Nil), £894 (2020: £Nil) and £2,320,997 (2020: £1,024,230) respectively.

The net deferred taxation position in 2021 gives rise to a nil deferred tax balance. The net deferred taxation position in 2020 gives rise to a deferred taxation asset.

17. Called-up share capital and reserves

	2021	2020
	£	£
Allotted, called-up and fully-paid		
215,000 Ordinary shares of £1.00 each	215,000	215,000
285,000 A Ordinary shares of £1.00 each	285,000	285,000
	500,000	**500,000**
Presented as follows:		
Called-up share capital presented as equity	500,000	500,000

The 'A' ordinary shares carry a participating dividend payable in preference to the ordinary shares. In the event of a winding up or other retum 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 I 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 reserve represents cumulative profits or losses net of dividends paid and other adjustments.

The fair value 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.

18. Financial commitments

Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£'000	£'000
- within one year	-	288

19. Events after the Balance Sheet date

After the year end on 29 June 2021, the Group incorporated three new subsidiaries, Wellbeing-UK Limited, Benesse Insolvency Services Limited and Well Tech-UK Limited.

The unquoted company in which the Company holds an investment undertook and completed the de-merger of a non-core business line on 2 February 2021. The non-core business was subsequently sold on 5 February 2021 with the transaction completing on 14 May 2021. The Company maintained its economic rights in the de-merged business and realised proceeds of £3.3m from the sale on 14 May 2021.

After the year end, the Company acquired the intangible assets of Intelligent Lending Limited as part of an internal reorganisation. The transfer consideration was equal to the net book value of the intangible assets of Intelligent Lending Limited at the date of transfer.

20. 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.

21. 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 £99.3m (2020: £78.4m). Financial guarantees held are valued under FRS 103 Insurance Contracts, and therefore are treated as insurance contracts.

22. Controlling party

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.