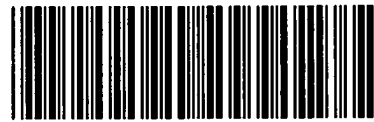


**Company No: 05987151 (England and Wales)**

**TMG LIMITED**

**Annual Report and Financial Statements  
For the financial year ended 31 January 2023**

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**TMG LIMITED**  
**Annual Report and Financial Statements**  
**For the financial year ended 31 January 2023**

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**TMG LIMITED**

**COMPANY INFORMATION**

**For the financial year ended 31 January 2023**

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**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  
55 Baker Street  
London  
W1U 7EU  
United Kingdom

**TMG LIMITED**  
**STRATEGIC REPORT**  
**For the financial year ended 31 January 2023**

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The directors present their Strategic Report for the financial year ended 31 January 2023.

**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 £6.7m (2022: £7.6m). Turnover remained stable at £0.2m (2022: £0.3m), whilst operating losses increased to £8.4m (2022: £7.3m).

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.

On 4 May 2022 one of the Company's subsidiaries held indirectly through TMG Holdings 2 Limited, Financial Wellness Group Limited, transferred its 100% shareholding in another subsidiary, Benesse Advice Limited, to TMG Holdings 2 Limited for a total consideration of £1.

On 26 May 2022 one of the Company's subsidiaries, held indirectly through TMG Holdings 2 Limited, Gregory Pennington Limited completed a capital reduction under the Companies Act 2006 totalling £0.5m by redeeming a proportion of the share premium associated with issued ordinary shares and returned it to its 100% shareholder.

On 1 November 2022 one of the Company's subsidiaries, TMG Holdings 2 Limited purchased the entire share capital of a technology services provider, Ecaards Limited, for a total consideration of £1.

**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 Company is not expected to be impacted by the current geopolitical conflicts and uncertainty, with management instead focused on the cost of living crisis and rising interest rates in the UK and the subsequent impact of both on consumers. Management will ensure the Company is appropriately positioned to deal with any resultant change in customer behaviour and the impact this may have on the business in the coming months.

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 a process to voluntarily dissolve four of the Company's subsidiaries was undertaken and completed on 17 October 2023 when Ideal Finance Limited, Wilson Andrews Limited, Benesse Insolvency Services Limited and Ecaards Limited were dissolved and removed from the register at Companies House.

**TMG LIMITED**  
**STRATEGIC REPORT (continued)**  
**For the financial year ended 31 January 2023**


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**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:

*Simon Kay*

 Simon Kay (Apr 30, 2024, 4:27pm)

Director

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

Date: 30 Apr 2024

**TMG LIMITED**  
**DIRECTORS' REPORT**  
**For the financial year ended 31 January 2023**

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The directors present their Annual Report on the affairs of the Company, together with the financial statements, for the financial year ended 31 January 2023.

**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 £8.4m for the year to 31 January 2023 (2022: £7.3m) and has reported a net liability position of £31.8m as at 31 January 2023 (2022: £25.1m).

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, including the current cost of living crisis and rising interest rates in the UK. The directors have considered these forecasts in their going concern assessment for the Company.

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 macroeconomic factors 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 macroeconomic factors 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 any continued impact;
- the Company continues to receive support from its immediate parent undertaking and the wider group and is in receipt of a letter of support to confirm this situation, 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 wider economic factors.

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.

**TMG LIMITED**  
**DIRECTORS' REPORT (continued)**  
**For the financial year ended 31 January 2023**

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**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 (2022: £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 (2022: £Nil) and the directors do not recommend payment of a final dividend (2022: £Nil).

**TMG LIMITED**  
**DIRECTORS' REPORT (continued)**  
**For the financial year ended 31 January 2023**

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**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.

BDO LLP have expressed their willingness to continue in office as auditor and 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:

*Simon Kay*

---

Simon Kay (Apr 30, 2024, 4:27pm)

S Kay

Director

Think Park

Mosley Road

Trafford Park

Manchester

M17 1FQ

United Kingdom

Date: 30 Apr 2024



**TMG LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

**For the financial year ended 31 January 2023**

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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**

**For the financial year ended 31 January 2023**

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**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 2023 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 2023 which comprise Statement of comprehensive Income, Balance sheet, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the 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 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)**

**For the financial year ended 31 January 2023**

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**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 Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, 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:

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the company and the industry in which it operates;
- Discussion with management, those charged with governance and legal counsel; and
- Obtaining and understanding of the company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be UK GAAP, UK tax legislation, and the Companies Act 2006.

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

**For the financial year ended 31 January 2023**

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The company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be GDPR, the health and safety legislation and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

**Fraud**

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the area's most susceptible to fraud to be revenue recognition and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias by challenging relevant assumptions and judgements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

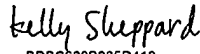
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
TMG LIMITED (continued)**

**For the financial year ended 31 January 2023**

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**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:  
  
BDBC628B985D418...

Kelly Sheppard (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

Date: 30 April 2024

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 2023

	Note	2023 £'000	2022 £'000
Turnover		228	280
Cost of sales		(1,285)	(967)
<b>Gross loss</b>		<b>(1,057)</b>	<b>(687)</b>
Administrative expenses		(7,174)	(6,661)
Exceptional items	5	(120)	-
<b>Operating loss</b>		<b>(8,351)</b>	<b>(7,348)</b>
Income from shares in a Group undertaking		2,500	-
<b>Loss before interest and taxation</b>		<b>(5,851)</b>	<b>(7,348)</b>
Interest payable and similar expenses	3	(661)	(709)
<b>Loss before taxation</b>	4	<b>(6,512)</b>	<b>(8,057)</b>
Tax on loss	8	(189)	408
<b>Loss for the financial year</b>		<b>(6,701)</b>	<b>(7,649)</b>
Other items of other comprehensive income		-	1,165
<b>Other comprehensive income</b>		<b>-</b>	<b>1,165</b>
<b>Total comprehensive loss</b>		<b>(6,701)</b>	<b>(6,484)</b>

All amounts relate to continuing operations.

**TMG LIMITED**  
**BALANCE SHEET**  
**As at 31 January 2023**

	Note	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Intangible assets	9	11,995	15,977
Tangible assets	10	173	231
Investments	11	25,055	25,055
		<b>37,223</b>	<b>41,263</b>
<b>Current assets</b>			
Debtors	12	274	766
		<b>274</b>	<b>766</b>
Creditors: amounts falling due within one year	13	(69,323)	(67,150)
<b>Net current liabilities</b>		<b>(69,049)</b>	<b>(66,384)</b>
<b>Total assets less current liabilities</b>		<b>(31,826)</b>	<b>(25,121)</b>
Creditors: amounts falling due after more than one year	14	-	(4)
<b>Net liabilities</b>		<b>(31,826)</b>	<b>(25,125)</b>
<b>Capital and reserves</b>	16		
Called-up share capital		500	500
Other reserves		5,695	5,695
Profit and loss account		(38,021)	(31,320)
<b>Total shareholders' deficit</b>		<b>(31,826)</b>	<b>(25,125)</b>

The financial statements of TMG Limited (registered number: 05987151) were approved and authorised for issue by the Board of Directors on 30 Apr 2024. They were signed on its behalf by:

*Simon Kay*

S. Kay  
 Simon Kay (Apr 30, 2024, 4:27pm)  
 Director

**TMG LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
For the financial year ended 31 January 2023

	Called-up share capital	Other reserves	Profit and loss account	Total
	£'000	£'000	£'000	£'000
<b>At 01 February 2021</b>	<b>500</b>	<b>4,530</b>	<b>(23,671)</b>	<b>(18,641)</b>
Loss for the financial year	-	-	(7,649)	(7,649)
Other items of other comprehensive income	-	1,165	-	1,165
<b>Total comprehensive loss</b>	<b>-</b>	<b>1,165</b>	<b>(7,649)</b>	<b>(6,484)</b>
<b>At 31 January 2022</b>	<b>500</b>	<b>5,695</b>	<b>(31,320)</b>	<b>(25,125)</b>
 <b>At 01 February 2022</b>	 <b>500</b>	 <b>5,695</b>	 <b>(31,320)</b>	 <b>(25,125)</b>
Loss for the financial year	-	-	(6,701)	(6,701)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>(6,701)</b>	<b>(6,701)</b>
<b>At 31 January 2023</b>	<b>500</b>	<b>5,695</b>	<b>(38,021)</b>	<b>(31,826)</b>



**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 January 2023**

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**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, unless otherwise stated.

**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 Paragraph 36(4) of Schedule 1.

## TMG LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 January 2023

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#### Going concern

The financial statements are prepared on a going concern basis notwithstanding that the Company has reported an operating loss of £8.4m for the year to 31 January 2023 (2021: £7.3m) and has reported a net liability position of £31.8m as at 31 January 2023 (2022: £25.1m).

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, including the current cost of living crisis and rising interest rates in the UK. The directors have considered these forecasts in their going concern assessment for the Company.

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 macroeconomic factors 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 macroeconomic factors 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 any continued impact;
- the Company continues to receive support from its immediate parent undertaking and the wider group and is in receipt of a letter of support to confirm this situation, 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 wider economic factors.

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.

**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

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**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 software	5 years straight line
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**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

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***Research and development***

Computer software as noted above relates to Computer development (software) relating to the Banking Platform which is amortised over 10 years on a straight line basis.

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:

Office equipment	4 years straight line
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Computer equipment	4 years straight line
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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.

**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

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**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.

**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 estimate that is considered to be the most important to the Company's financial condition is that associated with the carried forward value of the investment in associates, which is based on the Company's share of net assets in Comparitec Group Limited at the balance sheet date on the basis the business is trading on a break even basis or better. Any future change to the trading of Comparitec Group Limited may lead to a change in the value of this investment.

**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

**3. Finance costs**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable and similar expenses	<u>661</u>	<u>709</u>

**Interest payable and similar expenses**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	-	125
Loans from group undertakings	654	571
Finance leases and hire purchase contracts	-	2
Other interest payable and similar expense	<u>7</u>	<u>11</u>
	<u><b>661</b></u>	<u><b>709</b></u>

**4. Loss before taxation**

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation of tangible fixed assets (note 10)	98	128
Amortisation of intangible assets (note 9)	6,743	5,665
Research and development	-	(215)
Gain on disposal of fixed assets	-	(1)
Fees payable to the Company's auditor for the audit of these financial statements	5	3
Fees payable to the Company's auditor for the audit of subsidiary financial statements	8	8
Hire of plant and machinery	8	9

The Company pays the audit fees on behalf of the following Group subsidiaries: TMG Holdings 2 Limited and TMG Holdings 1 Limited.

**5. Exceptional items**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Corporate finance advice	<u>120</u>	<u>-</u>

**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

**6. Staff number and costs**

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
The average monthly number of employees (including directors) was:		
Administration	39	20

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	2,395	1,052
Social security costs	268	125
Other retirement benefit costs	50	12
	<b>2,713</b>	<b>1,189</b>

**7. Directors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Directors' emoluments	777	675

The aggregate of emoluments, including benefits in kind, of the highest paid director was £452,662 (2022: £368,495). 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.

**8. Tax on loss**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax on loss</b>		
UK corporation tax	(99)	(408)
Adjustment in respect of prior periods	247	-
<b>Total current tax</b>	<b>148</b>	<b>(408)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	41	-
<b>Total deferred tax</b>	<b>41</b>	<b>-</b>
<b>Total tax on loss</b>	<b>189</b>	<b>(408)</b>

**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

**Tax reconciliation**

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK:

	2023	2022
	£'000	£'000
<b>Loss before taxation</b>	<b>(6,512)</b>	<b>(8,057)</b>
Tax on loss at standard UK corporation tax rate of 19.00% (2022: 19.00%)	(1,237)	(1,531)
Effects of:		
- Expenses not deductible for tax purposes	12	3
- Income not taxable in determining taxable profit	(477)	(3)
- Change in unrecognised deferred tax assets	1,645	1,123
- Adjustments in respect of prior years	246	-
<b>Total tax charge/(credit) for year</b>	<b>189</b>	<b>(408)</b>

The Company has unrecognised tax losses carried forward of £20,239,441 (2022: £12,098,005).

For details of future tax rate charges, see deferred tax note (note 15).

**9. Intangible assets**

	Computer software	Total
	£'000	£'000
<b>Cost</b>		
At 01 February 2022	59,347	59,347
Additions	2,761	2,761
<b>At 31 January 2023</b>	<b>62,108</b>	<b>62,108</b>
<b>Accumulated amortisation</b>		
At 01 February 2022	43,370	43,370
Charge for the financial year	6,743	6,743
<b>At 31 January 2023</b>	<b>50,113</b>	<b>50,113</b>
<b>Net book value</b>		
<b>At 31 January 2023</b>	<b>11,995</b>	<b>11,995</b>
At 31 January 2022	15,977	15,977



**TMG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the financial year ended 31 January 2023**

**10. Tangible assets**

	Office equipment	Computer equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 01 February 2022	4,929	3,992	8,921
Additions	-	40	40
<b>At 31 January 2023</b>	<b>4,929</b>	<b>4,032</b>	<b>8,961</b>
<b>Accumulated depreciation</b>			
At 01 February 2022	4,900	3,790	8,690
Charge for the financial year	28	70	98
<b>At 31 January 2023</b>	<b>4,928</b>	<b>3,860</b>	<b>8,788</b>
<b>Net book value</b>			
<b>At 31 January 2023</b>	<b>1</b>	<b>172</b>	<b>173</b>
At 31 January 2022	29	202	231

Assets held under finance leases and hire purchase agreements originally cost £3,101,970 (2022: £3,101,970) and have a net book value of £121,936 (2022: £186,532) at the year end. Depreciation charged for the year on those assets was £64,596 (2022: £108,737).

The Company has fixed and floating charges over its assets.

**11. Fixed asset investments**

	2023	2022
	£'000	£'000
Subsidiary undertakings	22,417	22,417
Participating interests	2,638	2,638
	<b>25,055</b>	<b>25,055</b>

**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

The participating interests above relates to Investments in associates.

**Investments in subsidiaries**

	<b>2023</b>
	<b>£'000</b>
<b>Cost</b>	
At 01 February 2022	22,417
<b>At 31 January 2023</b>	<b>22,417</b>
<b>Carrying value at 31 January 2023</b>	<b>22,417</b>
Carrying value at 31 January 2022	22,417

On 26 May 2022 one Group entity, Gregory Pennington Limited indirectly held by TMG Limited, completed a capital reduction under the Companies Act totalling £5.0m by redeeming a proportion of the share premium associated with issued ordinary shares and returning it to the Company's shareholders.

During the year a Group entity indirectly held by TMG Limited, subscribed for additional share capital in it's subsidiary Intelligent Lending Limited, to the value of £0.5m.

On 4 May 2022, one Group entity, Financial Wellness Group Limited indirectly held by TMG Limited, transferred its 100% shareholding in Benesse Advice Limited to another Group entity, for the total consideration of £1.

On 1 November 2022 a Group entity indirectly held by TMG Limited purchased the entire share capital of the subsidiary Ecaards Limited for £1.

	<b>Investments in associates</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation before impairment</b>		
At 01 February 2022	2,638	2,638
<b>At 31 January 2023</b>	<b>2,638</b>	<b>2,638</b>
<b>Carrying value at 31 January 2023</b>	<b>2,638</b>	<b>2,638</b>
Carrying value at 31 January 2022	2,638	2,638

**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

Investments in shares				
Name of entity	Registered office	Principal activity	Class of shares	Ownership
TMG Holdings 1 Limited*	Note 1	Holding company	Ordinary	31.01.2023
TMG Holdings 2 Limited	Note 1	Holding company	Ordinary	31.01.2022
Gregory Pennington Limited	Note 1	Provision of debt advice	Ordinary	100.00%
Freeman Jones Limited	Note 1	Insolvency practice	Ordinary	100.00%
Intelligent Lending Limited	Note 1	Consumer finance	Ordinary	100.00%
Credability Limited	Note 1	Dormant intermediary	Ordinary	100.00%
Benesse Advice Limited	Note 1	Provision of debt advice	Ordinary	100.00%
Willson Andrews Limited	Note 1	Dormant	Ordinary	100.00%
Think Money Limited	Note 1	Personal account services	Ordinary	100.00%
Think Insure Limited	Note 1	Insurance intermediary	Ordinary	100.00%
Money Wellness Limited	Note 1	Dormant	Ordinary	100.00%
Ideal Finance Limited	Note 1	Dormant	Ordinary	100.00%
Ocean Finance Limited	Note 1	Dormant	Ordinary	100.00%
Financial Wellness Group Limited	Note 1	Holding company	Ordinary	100.00%
Money Freedom Limited	Note 1	Dormant	Ordinary	100.00%
Benesse Insolvency Services Limited	Note 1	Dormant	Ordinary	100.00%
Well Tech - UK Limited	Note 1	Dormant	Ordinary	100.00%
Ecards Limited	Note 1	Dormant	Ordinary	0.00%

\* held directly by TMG Limited.

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

Investments in associates relates to the Company's investment in Compartec 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 2023 the business reported a profit before tax of £0.3m (2022: loss £1.7m). 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.

**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

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

After the year end a process to voluntarily dissolve four Company's held indirectly through TMG Holdings 2 Limited was undertaken and completed on 17 October 2023. Ideal Finance Limited, Wilson Andrews Limited, Benesse Insolvency Services Limited and Ecaards Limited were dissolved and removed from the register at Companies House.

**12. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by Group undertakings	-	408
Corporation tax	-	12
Prepayments	274	305
Deferred tax asset	-	41
	<u><b>274</b></u>	<u><b>766</b></u>

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

Deferred tax asset relates to the withholding tax on the Research and Development claims made in prior years £Nil (2022: £41k).

Included in amounts owed by Group undertakings is £Nil (2022: £408,000) in respect of Group relief.

**13. Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Bank overdrafts	1,223	4,469
Obligations under finance leases and hire purchase contracts	-	7
Trade creditors	615	835
Amounts owed to Group undertakings	67,017	61,392
Other taxation and social security	94	41
Accruals	374	406
	<u><b>69,323</b></u>	<u><b>67,150</b></u>

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 £147,000 (2022: £Nil) in respect of Group relief.

Included in bank overdrafts is £Nil (2022 : £2.5m) which relates to a bank loan repaid during the year.

**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

**14. Creditors: amounts falling due after more than one year**

	2023	2022
	£'000	£'000
Obligations under finance leases and hire purchase contracts	-	4
<b>Finance leases</b>		
	2023	2022
	£'000	£'000
Between one and two years	-	-
Between two and five years	-	4
After five years	-	-
	-	4
On demand or within one year	-	7
	-	11

**15. Deferred tax**

	2023	2022
	£'000	£'000
At the beginning of financial year	41	-
Charged to the Profit and Loss Account	(41)	-
Research and Development Credit	-	41
At the end of financial year	-	41

The deferred taxation balance is made up as follows:

	2023	2022
	£'000	£'000
Other timing differences	-	41

Following the Budget announcement on 3 March 2021 the UK Corporation Tax rate from 1 April 2023 will be 25% for companies with profits over £250,000 and continue to be 19% for companies with profits of £50,000 or less. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief that provides a gradual increase in the effective Corporation Tax rate. The tax rate change was enacted in Finance Act 2021 on 24 May 2021.

Unrecognised deferred tax in respect of fixed asset timing differences, other timing differences and losses carried forwards amounts to £2,811,895 (2022: £2,819,641), £203,086 (2022: £389) and £5,082,174 (2022: £3,024,501) respectively.

**TMG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2023**

**16. Called-up share capital and reserves**

	2023	2022
	£	£
<b>Allotted, called-up and fully-paid</b>		
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
	<u>500,000</u>	<u>500,000</u>
 <b>Presented as follows:</b>		
Called-up share capital presented as equity	<u>500,000</u>	<u>500,000</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 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.

**17. Events after the Balance Sheet date**

After the year end a process to voluntarily dissolve four Companies held indirectly through TMG Holdings 2 Limited was undertaken and completed on 17 October 2023. Ideal Finance Limited, Wilson Andrews Limited, Benesse Insolvency Services Limited and Ecaards Limited were dissolved and removed from the register at Companies House.

**18. 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.

## TMG LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 January 2023

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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.

## 19. 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 £116.9m (2022: £106.7m). Financial guarantees held are valued under FRS 103 Insurance Contracts, and therefore are treated as insurance contracts.

## 20. 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.