Unlimited Marketing Group Ltd
Annual Report and Financial Statements
for the year ended 31 March 2023

Registered number 10469103

Unlimited Marketing Group Ltd

Contents

Unlimited Marketing Group Ltd

Company information

Directors

T Hancock
J Mara
T Hassett
E Guest
M Smith
C Sweetland
J Addison
S Farr

Company Secretary

E Swain (resigned 3rd February 2023)

Registered Office

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

Independent Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Unlimited Marketing Group Ltd

Strategic Report

The Directors present their Strategic Report of the company for the year to 31 March 2023.

Principal Activity, Business Review and Strategy

Unlimited Marketing Group Ltd is the holding company for the leading independent integrated digital marketing services group trading as 'UNLIMITED'. As the UK's leading conversion agency, UNLIMITED is the only conversion agency at scale delivering insight-led, tech-enabled marketing and activation to drive ROI, sales and loyalty for clients. *The Group is known for its market leading capabilities, B2C, CRM, sales activation, B2B, influencers/social, Insight* and CX all enabled by the Human Understanding Lab. The Human Understanding Lab ("HUL") is a differentiated suite of behavioural, neurological and data products and capabilities that deliver unique human insights and are integrated in client work throughout the Group.

For the year to 31 March 2023 ('FY23') the Group reports turnover of £77.8m (2022: £68.6m), revenue of £56.9m (2022: £53.4m), loss after tax of £2.4m (2022: £0.1m profit) and an adjusted earnings before interest and tax ("adjusted EBITDA" – *see note 2 for definition*) of £10.7m profit (2022: £8.4m profit).

During FY23, the Group's continued focus on the development of strategic 'building blocks' saw considerable growth opportunities arise from existing clients and strong new business momentum, driving a 27% organic adjusted EBITDA increase versus FY22, with each quarter ahead of the corresponding previous year quarter.

The Group's margin strengthened 1.6% points in FY23 from 16.1% in FY22 to 17.6% in FY23. The improvement in margin is driven by a productivity agenda, a streamlined divisional structure and a focus on automation which combined have improved the efficiency of core functional processes across the Group's departments. Overall group margin grew to 20.5% in Q4, a platform on which the Group will build going forward.

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

- Acceleration and commercialisation of HUL, focusing on science led core proposition across all divisions. This has improved conversion rates, allowed us to better service our client's needs and is integral to everything we do as a Group.
- Acceleration and commercialisation of LUCA, our innovative, AI-powered human insights platform that delivers actionable insights for brands.
- Business development and client development focus.
- Acceleration of cross selling multiple capabilities to clients.
- Automating core functional processes across Group departments to drive further operational efficiencies and margin improvement.
- Establishing a modern flexible work culture following the exit of the London and Bristol offices and a move to collaborative working spaces.
- Continued improvements in employee utilisation and recovery, resulting in margin improvements.

During FY23, client development and nurturing of key client relationships was a key focus. By focusing on our strategic 'building blocks', we achieved 21.5% net revenue growth versus FY22 with our top 25 clients. This growth was underpinned by the longstanding strength of relationship between the Group and our top 25 clients, with an average tenure of 10.2 years. Our cross-sell initiatives within the business have enabled us to enhance existing relationships with our clients by offering HUL enhanced new products, services, and expertise to help solve business challenges. FY23 was also the Group's first full year operating as 1 of 12 agency groups on the prestigious Crown Commercial Services Government roster.

Client satisfaction scores remain consistently industry leading at 8.2 – 8% above the industry average with 91% positive reviews. The Group is in the top quartile for every measure (insight, strategy, creative, relationship and value for money).

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

- The Drum Agency Business Awards (Best Performance Agency Group of the Year) - Winner
- The Drum Agency Business Awards (CEO of the Year) - Winner
- UK Business & Innovation Awards '23 (Business Change and Transformation) - Winner
- Management Today Business Leadership Awards 2023 (Business Services inc Media) - Winner
- *UK Agency Awards (Integrated Agency of the Year) - Silver*
- UK Agency Awards (Independent Agency of the Year) - Silver
- UK Business & Innovation Awards '23 (Team the Year) - Silver
- UK Business & Innovation Awards '23 (Leader of the Year) - Silver

- SME Enterprise Awards (Best Business Support Agency Group 2022) - Finalist
- The Drum Agency Business Awards (Leadership Team of the Year) - Finalist
- Management Today Business Leadership Awards 2023 (CEO of the Year) - Highly Commended
- Campaign Agency of the Year Awards (Business Development Team of the Year) - Shortlisted
- Female Frontiers (Visionary Business Leader) - Shortlisted

In summary, FY23 has been characterised by success of the strategic growth agenda, a successful focus on existing client development, the acceleration of HUL as a key differentiator for clients, productisation and a keen productivity and automation focus which collectively have yielded exceptional net revenue and margin growth across the business. Combining the above with a shift towards an efficient streamlined operating model and a modern flexible work culture, we leave FY23 with an optimum and scalable operating structure, an established base 20% Adjusted EBITDA margin, a suite of long tenure blue chip clients and key market differentiators meaning we are primed for further significant growth in FY24.

Future Outlook

As we enter FY24, the Group is well positioned to deliver continued exceptional results by leveraging our HUL unique service proposition, and value enhancing strategic growth drivers and accelerating AI and Tech capabilities:

- Further embracement of AI across the Group, to better serve our client's and to further improve efficiency and productivity metrics
- Our Human Understanding Lab presents new product-offerings – building on our AI-powered human insights tool, LUCA – in place to offer industry leading insight to our clients
- Continued success from the Crown Commercial Services roster with further growth driven from Clients won via this portal and the development of those already on board
- Further growth of our Health Division via key client development and international expansion, building on exceptional growth of the Division in FY23
- Continued focus on the Productivity agenda, further cementing and surpassing 20% as the baseline Adjusted EBITDA margin

The Group will capitalise on these strategic 'building blocks' with the aim of driving 20%+ top-line growth, sustained double-digit growth for the medium term and industry leading profitability margins.

Principal risks and uncertainties

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

Pandemic

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

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

Globalisation and macro-economic events, such as the cost-of-living crises and the Covid-19 global pandemic have transformed client decision-making processes, reactiveness, and budget allocation. A volatile macro-economic environment could result in short-term and dynamic budget reallocation processes and could result in strategic decisions being independent of performance and client satisfaction. We mitigate this through proactive client relationship management which allows the Group to better understand the client decision-making process. We also provide flexibility in our workforce to withstand macro-economic events through a careful mix of permanent and flexible headcount.

Loss of key clients

Loss of key clients would lead to loss of revenues, impacting the Group's financial performance. We mitigate this through proactive account management to identify potential issues early on and an annual independent client satisfaction survey. Additionally, multi-divisional engagements help to create long-lasting client relationships, senior management engages in proactive client relationship alongside the account teams, and we continuously target new clients in new markets to reduce client concentration. We have very established relationships across our client base with 10.2 years across the top 25 (61% of our revenue base) and 18.2 years across the Top 5 (32% of revenue base).

Loss of key staff

Loss of key staff could impair the ability to deliver projects and indirectly affect client retention and acquisition performance. We mitigate this through an annual staff satisfaction survey to gauge engagement and annual performance reviews. There is also succession planning in place for all key positions and client relationships are maintained as a team, to reduce the focus on individual relationships. In addition to managing flex in our workforce through a careful mix of both permanent and flexible headcount, we are increasingly looking to productisation of our services and management of our capacity through productivity improvements and automation of processes and tasks.

Cyber and data security

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

Financial risks

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

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

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

Section 172 statement

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

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

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

Key actions undertaken by the Group include:

- **People.** The Group's success is due to the exceptional talent of the people within our business, so we put 'Human Understanding' into everything we do. Our established hybrid working model continues to offer flexibility and empowers our people to balance their commitments at home and at work. Our newly launched (January 2023) Group benefits mean we are now aligned across the Group with some fantastic and market leading benefits including flexibility on 2 chosen Bank Holidays to support the beliefs and faiths of our employees. We also have *in place the option to take 1 day as a volunteer day – 'giving something back to the community' drives employee* engagement, which in turn impacts productivity. These and other benefits have been hugely welcomed by our incumbent employees and make us stand out in the market when attracting the best talent. Supporting mental health continues to be a focus. This works well together with our mental health first aid programme which includes over 20 individuals from all parts of the business trained as certified Mental Health First Aiders. We have evolved our UNLIMITED equality, diversity and inclusion committee (known as Unlimited Voices) and welcomed a specialist ED&I consultant to help us further identify how we can continually improve everything we do.

Strategic Report (continued)

We are well on our way to achieving our KPIs and have embedded and continue to influence change. We continue to focus on increasing the diversity of our employee base by ensuring a strong focus on D&I in our recruitment strategy. The recruitment team are working even more closely with hiring managers and partnering with bodies e.g. Brixton Finishing school to ensure we facilitate diversity in our applications at grassroots level, as well as more senior hires. Further supporting our ambitions, we have partnered again this year with the 10,000 black interns programme, as well as newly partnering in 2023 with 10,000 Able Interns. We currently have 12 interns in total from both programmes working in our business through summer of 2023. Individual divisions continue to focus on their commitment to diversity and inclusion, and with that in mind, we have extended our Mentoring programme which will now sit across the Group and has a specific focus on mentoring our people with a D&I lens. In particular, the programme aims to support women at the points in their career where pay can diverge (e.g. return to work after maternity leave, entering menopause). All employees have had the chance to increase their knowledge and understanding via training in Neurodiversity, and to date, we have trained over 300 of our employees. Finally, we continue to ensure that we take advantage of the apprenticeship level when we can, upskilling and developing new and existing staff.

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

- **Business conduct and governance**. The Group has in place a number of procedures and policies to ensure all applicable laws and regulations are adhered to. Policies are reviewed regularly, including the Bribery Act, GDPR, and the whistleblowing policy, and mandatory training is provided to all employees. The Group also maintains a risk register which is reviewed regularly by the Board.

Key Performance Indicators

The Group's principal financial KPIs for year to 31 March 2023 are as follows:

	Financial Year ended 31 March 2023	**Financial Year ended 31 March 2022**
Net revenue	**£56.9m**	**£53.4m**
Adjusted EBITDA*	**£10.7m**	**£8.4m**
Relationship Audits & Management (RAM) score	**8.2**	**8.3**
Operating cash flow	**£6.4m**	**£2.2m**

*defined in notes 2 and 4

By order of the board

Timothy Hassett
CEO

28 July 2023

Unlimited Marketing Group Ltd

Directors' report

The Directors present their report together with the audited consolidated financial statements for the year ended 31 March 2023.

Principal activities

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

Dividends

No dividends have been declared and none are recommended.

Directors

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

T Hancock
J Mara
T Hassett
E Guest
M Smith
C Sweetland
J Addison
S Farr

Going concern

In accordance with their responsibilities as Directors, the Directors have considered the appropriateness of the going concern basis for the preparation of the financial statements and they continue to adopt the going concern basis in preparing the financial statements (see the going concern note 1.2 for further information).

Employees

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

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

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

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

Future developments

Likely future developments are discussed in the Strategic Report.

Political Donations

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

Financial Instruments

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

Unlimited Marketing Group Ltd

Directors' report (continued)

Directors' indemnities

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

Strategic report

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

Environment

The Group commissioned an external carbon footprint report for the period September 2021 to August 2022 which estimates c. 101 CO_2E tonnes of emissions in the UK resulting from activities of the Group. This includes the general operations of the business and transportation and was equivalent to c. 502m kWh of energy. The carbon inventory for quantifying GHG emissions followed the principles described in ISO 14064-1:2018 and the Greenhouse Protocol Corporate Standard. In the prior year, an internal exercise was completed for the period April 2021 to March 2022 which estimated c. 175 CO_2E tonnes of emissions which was equivalent to c. 509 kWh of energy. Using average headcount, the ratio emissions are 0.16 tonnes per employee (2022: 0.3 tonnes)

The Group has adopted a carbon reduction plan which includes a commitment to achieving net zero emissions by 2050. Completed carbon reduction initiatives include IS014001 certification across all sites, waste reduction plans, an Ad Green levy within TMW Unlimited and supporting flexible working to reduce commute related emissions. Future planned initiatives include a roll out of the Ad Green levy across the group, employee training in environmental management, reviewing our procurement company and joining the Ad Net Zero pledge.

Disclosure of information to auditor

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

Independent auditor

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

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

Timothy Hassett
CEO

28 July 2023

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Timothy Hassett
CEO

28 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNLIMITED MARKETING GROUP LIMITED

Opinion on the financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Unlimited Marketing Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

Independence
We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent 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 Strategic and Director's Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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

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

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- *the Parent Company financial statements are not in agreement with the accounting records and returns;* or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors
As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

Use of our report

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

DocuSigned by:
Andrew Viner
7597681D367A41B

Andrew Viner (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
28 July 2023

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

Unlimited Marketing Group Ltd

Consolidated income statement
for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	**77,849**	68,599
Cost of sales		**(20,907)**	(15,239)
Net revenue		**56,942**	53,360
Other income	5	**-**	128
Operating costs		**(50,752)**	(46,050)
Amortisation of goodwill	11	**(641)**	(751)
Operating profit	6	**5,549**	6,687
Net financing expense	9	**(7,013)**	(6,789)
(Loss) / income from associate	14	**(17)**	195
(Loss) / profit before taxation		**(1,481)**	93
Taxation	10	**(933)**	-
(Loss) / profit for the year		**(2,414)**	93

The notes on pages 19 to 39 form an integral part of these consolidated financial statements.

Unlimited Marketing Group Ltd

Consolidated statement of comprehensive income
for the year ended 31 March 2023

	2023	2022
	£'000	£'000
(Loss) / profit for the year	**(2,414)**	93
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss:		
Other comprehensive income for the year, net of tax	**-**	-
Total comprehensive (loss) / income for the year	**(2,414)**	93
Attributable to:		
Equity holders of the parent	**(2,414)**	93
	(2,414)	93

The notes on pages 19 to 39 form an integral part of these consolidated financial statements.

Unlimited Marketing Group Ltd

Consolidated balance sheet
as at 31 March 2023

	Note	**31 March 2023 £'000**	31 March 2022 £'000
Non-current assets			
Goodwill	11	**1,495**	2,136
Intangible assets	12	**182**	205
Property, plant and equipment	13	**524**	458
Investments	14	**714**	681
		2,915	3,480
Current assets			
Work in progress		**1,003**	551
Trade and other receivables	15	**17,621**	19,728
Deferred tax asset	19	**354**	1,347
Corporation tax receivable		**523**	-
Cash and cash equivalents		**3,815**	3,189
		23,316	24,815
Current liabilities			
Trade and other payables	16	**(20,977)**	(22,918)
Corporation tax payable		**(295)**	(168)
Provisions for other liabilities and charges	17	**(224)**	(404)
Bank overdraft, loans and loan notes	18,22	**(2,740)**	(3,349)
		(24,236)	(26,839)
Net current assets/(liabilities)		**(920)**	(2,024)
Total assets less current liabilities		**1,995**	1,456
Non-current liabilities			
Provisions for other liabilities and charges	17	**(225)**	(293)
Bank overdraft, loans and loan notes	18,22	**(58,342)**	(55,319)
Deferred tax liabilities	19	**-**	-
		(58,567)	(55,612)
Net liabilities		**(56,572)**	(54,156)
Equity			
Called-up share capital	20	**20,145**	20,147
Retained earnings		**(76,717)**	(74,303)
Total equity		**(56,572)**	(54,156)

Company registered number: **10469103**

The notes on pages 19 to 39 form an integral part of these consolidated financial statements. The Directors consider that all results derive from continuing activities.

The financial statements, which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated statement of changes in equity, the Consolidated statement of cash flows and the related notes, were approved by the Board on 28 July 2023 and were signed on its behalf by:

Edward Guest
CFO
28 July 2023

Unlimited Marketing Group Ltd

Consolidated statement of changes in equity
for the year ended 31 March 2023

	Called-up share capital	Retained earnings	Total Equity
	£'000	£'000	£'000
At 1 April 2022	20,147	(74,303)	(54,156)
Loss for the year	-	(2,414)	(2,414)
Total comprehensive loss for the financial year	-	(2,414)	(2,414)
Cancellation of shares in period	(2)	-	(2)
At 31 March 2023	20,145	(76,717)	(56,572)

The notes on pages 19 to 39 form and integral part of these consolidated financial statements. The Directors consider that all results derive from continuing activities.

Unlimited Marketing Group Ltd

Consolidated statement of changes in equity
for the year ended 31 March 2022

	Called-up share capital	Retained earnings	Total Equity
	£'000	£'000	£'000
At 1 April 2021	20,144	(74,396)	(54,252)
Profit for the year	-	93	93
Total comprehensive income for the financial year	-	93	93
Shares issued in period	3	-	3
At 31 March 2022	20,147	(74,303)	(54,156)

The notes on pages 19 to 39 form and integral part of these consolidated financial statements. The Directors consider that all results derive from continuing activities.

Unlimited Marketing Group Ltd

Consolidated statement of cash flows
for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
(Loss) / profit for the financial year		**(2,414)**	93
Taxation	10	**933**	-
(Loss) / profit before taxation		**(1,481)**	93
Finance costs	9	**7,013**	6,789
Investment (profit) / loss	14	**(17)**	(195)
Profit before finance income, finance costs and taxation		**5,515**	6,687
Depreciation of property, plant and equipment	13	**532**	451
Amortisation of goodwill	11	**641**	751
Deemed remuneration credit in respect of acquisitions		**-**	(19)
(Increase) / decrease in work in progress		**(452)**	65
(Increase) / decrease in trade and other receivables	15	**2,075**	(3,548)
Increase / (decrease) in trade and other payables	16	**(1,931)**	(2,185)
Operating cash flow		**6,380**	2,202
Tax (paid) / received		**(319)**	421
Net cash flow from operating activities		**6,061**	2,623
Investing activities			
Deferred consideration payments in respect of acquisitions	16	**(462)**	-
Cash consideration received in respect of disposal of subsidiary		**-**	2,130
Purchase of property, plant and equipment	13	**(577)**	(564)
Purchase of intangible assets	11	**-**	(59)
Net cash flow from investing activities		**(1,039)**	1,507
Financing activities			
Net proceeds from issuance of ordinary shares		**(2)**	3
Repayment of bank loan	18,22	**(4,077)**	(6,975)
Interest paid		**(310)**	(546)
Net cash flow from financing activities		**(4,389)**	(7,518)
Increase / (decrease) in cash and cash equivalents		**633**	(3,388)
Cash and cash equivalents at start of the financial year		**3,189**	6,586
Effect of foreign exchange rates		**(7)**	(9)
Cash and cash equivalents at end of the financial year		**3,815**	3,189

The notes on pages 19 to 39 form and integral part of these consolidated financial statements. The Directors consider that all results derive from continuing activities.

Notes to the consolidated financial statements

1. Accounting policies

1.1 Basis of preparation

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

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

The group financial statements have been prepared and approved by the Directors in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The Company has elected to prepare its parent company financial statements in accordance with FRS 102; these are presented on pages 36 to 39.

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

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

1.2 Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The company loan notes have a final repayment date of 16th November 2024; however, the loan note holders have issued a letter of support to confirm that they will not be demanding repayment for a period of at least 12 months from that date.

To assess going concern the Directors have prepared monthly cash flow forecasts to 31 March 2025 which project that the Group will maintain adequate liquidity and operate within covenant limits over the foreseeable future. The Group's remaining term loan facility is due for repayment by December 2023, and the Directors expect the Group to make a full repayment.

The Directors have applied four stress test scenarios to these projections: (1) Increase in trade debtor days (2) Loss of a key customer (3) New business revenue is 25% below expectations (4) No margin improvement expectations are achieved. All scenarios demonstrated sufficient liquidity and covenant headroom. The Directors consider that the downside scenarios considered cover a sufficient range of severity to adequately assess going concern.

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

1.3 Basis of consolidation

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

Business combinations

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

Subsidiaries

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

1. Accounting policies (continued)

1.3 Basis of consolidation (continued)

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

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

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

1.4 Turnover

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

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

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

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

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

Third-party cost of services in which the group acts as principal
Cost of sales comprise fees paid to external suppliers when they are engaged by the Group to perform part or all of a specific project and are charged directly to clients but where the Group retains quality control oversight, such as production or research costs. The Group acts as principal when it controls the specified good or service prior to transfer. When the Group acts as principal the revenue recorded is the gross amount billed. Out-of-pocket costs such as travel are also recognised at the gross amount billed with a corresponding amount recorded in cost of services.

1. Accounting policies (continued)

1.4 Turnover (continued)

Third-party cost of services in which the group acts as agent

Certain other arrangements with our clients are such that our responsibility is to arrange for a third party to provide a specified good or service to the client. In these cases, we are acting as an agent and we do not control the relevant good or service before it is transferred to the client. When the Group is acting as an agent, the revenue is recorded at the net amount retained.

Net revenue comprises revenue less third-party cost of sales.

1.5 Intangible assets

Goodwill

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

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

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

Software development and licenses

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

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

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

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

1.6 Provisions for other liabilities and charges

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

1. Accounting policies (continued)

1.7 Property, plant and equipment

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

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

1.8 Impairment of fixed assets and goodwill

Fixed assets and goodwill are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased, except for goodwill where impairment losses previously recognised are not reversed.

1.9 Current and deferred taxation

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

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

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

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

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

1.10 Leases

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

1. Accounting policies (continued)

1.10 Leases (continued)

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

1.11 Employee benefits

Defined contribution plans

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

Share-based payment transactions

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

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

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

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

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

1.12 Financial instruments

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

1.13 Cash and cash equivalents

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

1.14 Furlough of employees

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

1. Accounting policies (continued)

1.15 Finance costs

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

1.16 Holiday pay accrual

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

1.17 Trade receivables and work in progress

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

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

1.18 Foreign currencies

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

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

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

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

Goodwill valuations

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

Where possible, impairment is assessed at the level of individual assets. When, however, this is not possible, then the Cash Generating Unit ('CGU') level is used. A CGU is the smallest identifiable asset or group of assets that generates independent cash flows. Judgement is applied to identify the Group's CGUs; following a restructure of the legal entity structure during FY23, they have been identified as being the trading divisions of the Group (Marketing, Communications and Insights and Analytics), with the exception of the Health Unlimited Limited legal entity which is considered to be a separate CGU. This is on the basis that each of these divisions represents a stand-alone operating business, none of which holds a cluster of assets which could constitute a CGU in their own right. The Health Unlimited Limited business has an asset base and revenue mix which is separately identifiable from the Communications division and is therefore considered to be a separate CGU. Goodwill is always allocated to a CGU and never considered in isolation. External and internal factors are monitored for indicators of impairment. In terms of such indicators, management typically consider adverse changes in the economy or political situation of the geographic location in which the underlying entity operates in addition to risk of client loss or gain and internal reporting being indicative that an entity's future economic performance is better or worse than expected. Where management have concluded that such an indication of impairment exists then the recoverable amount of the asset is assessed.

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

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

Revenue recognition and percentage of completion

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

Evaluation of third-party costs as principal or agent

The Group enters into contracts with customers which includes arrangements where it purchases services or goods from third parties on behalf of the client. In these instances, the Group considers the substance of the overall contract in order to assess whether such arrangements constitute the Group acting as either Agent or as Principal. The key judgement the Group make when assessing whether they are acting as an Agent in a contractual relationship relates to whether they control either the good or the service prior to transfer to the customer. This assessment includes consideration of the following indicators of control:

- Is the Group responsible for fulfilling the promise to provide the goods or services in an acceptable format or to a satisfactory quality to meet the customer requirements?
- Does the Group direct the activity of the other party performing the services?
- Does the Group provide a service of integrating or combining the third-party goods or services with other goods or services?

Alternative performance measures

Adjusted profit before interest, tax, depreciation and amortisation (adjusted EBITDA) is one of the primary KPIs on which financial performance of the group is measured and monitored. This is a non-GAAP measure of performance which management considers to be both useful and necessary. It is used by management for internal performance analyses; the presentation of this measure facilitates comparability with other companies, although management's measure may not be calculated in the same way as similarly titled measures reported by other companies; and these measures are useful in connection with discussions with the investment community. EBITDA and Adjusted EBITDA are not measures of financial performance under UK GAAP and should not be considered as an alternative to operating profit or as a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measure of performance derived in accordance with UK GAAP.

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

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

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

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

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

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

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

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

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

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

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

3. Turnover

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

	2023	2022
	£'000	£'000
UK	59,882	49,923
Europe	13,982	10,583
Rest of the World (including US)	3,985	8,093
	77,849	68,599

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

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

Reconciliation of Operating profit / (loss) to adjusted EBITDA:

	2023	2022
	£'000	£'000
Operating profit	5,549	6,687
Add:		
Non-recurring items*	3,601	192
Deemed remuneration credit in respect of acquisitions	-	(19)
Excess property costs	-	(111)
Dbay advisors monitoring Fee	443	443
Exchange differences	(60)	1
Amortisation of goodwill	641	751
Depreciation of tangible assets	532	451
Adjusted EBITDA	10,706	8,395

*Non-recurring items include redundancy pay, a one-off write-off of bad debts, non-executive director fees, restructuring costs, start-up operations and non-recurring professional fees.

5. Other Income

	2023 £'000	2022 £'000
Government grants	-	128
	-	128

In 2022, The Group received grants totaling £128,000 under the Government's furlough scheme which was created for the purpose of supporting businesses during the pandemic. The grants were recognised as other income when the *grant became receivable. Such grants are recognised on an accruals basis in line with when the expense would have* been incurred.

6. Operating profit / (loss)

This is arrived at after charging / (crediting):

	2023 £'000	2022 £'000
Depreciation of fixed assets	532	451
Amortisation of goodwill	641	751
Operating lease expense	2,027	1,998
Exchange differences	(60)	1
Defined contribution pension cost	1,136	1,036
Government furlough grants received	-	(128)
Fees payable to the company's tax advisors (BDO LLP)	60	52
Fees payable to the company's auditor (BDO LLP)	190	157

7. Staff numbers and costs

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

	2023 Number	2022 Number
Directors	8	8
Administration	69	68
Marketing services	540	506
	617	582

The aggregate payroll costs of these persons were as follows:

	2023 £'000	2022 £'000
Wages and salaries	30,226	27,580
Social security costs	3,419	2,976
Contributions to defined contribution pension plans	1,136	1,036
	34,781	31,592

Unlimited Marketing Group Ltd

Notes to the consolidated financial statements (continued)

8. Directors' remuneration

Directors' remuneration is as follows:

Executive Directors	**2023** **£'000**	2022 £'000
Salaries and other short-term employee benefits	**755**	1,018
Other pension costs	**11**	11
Aggregate emoluments	**766**	1,029

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

Highest paid director	**2023** **£'000**	2022 £'000
Salaries and other short-term employee benefits	**353**	576
	353	576

9. Net financing expense

Finance costs include:

	2023 **£'000**	2022 £'000
Amortisation of loan fees	**709**	825
Bank loan interest (note 18)	**310**	542
HMRC interest	**(23)**	1
Interest payable to related parties	**-**	-
Loan note interest (PIK) (note 18)	**6,017**	5,421
	7,013	6,789

10. Taxation

	2023 **£'000**	2022 £'000
The tax charge comprises:		
Current tax:		
Corporation tax at 19% (2022: 19%)	**86**	294
(Over)-provision of corporation tax in previous year	**(145)**	(44)
	(59)	250
Deferred tax:		
Origination and reversal of temporary differences	**1,338**	55
Effect of tax rate change on opening balance	**(317)**	(80)
Under-provision of deferred tax in previous year	**(29)**	(224)
Tax charge for the year	**933**	-

10. Taxation (continued)

The tax rate for the year is different from the standard rate of corporation tax in the UK, i.e. 19 per cent (2022: 19 per cent). The differences are explained below:

	2023	2022
	£'000	£'000
Profit/(loss) before taxation	**(1,481)**	93
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	**(281)**	18
Effects of:		
Expenses not deductible for tax purposes	**1,433**	1,457
Other permanent differences	**(22)**	8
R&D expenditure credits	**-**	(10)
Adjustments in respect of prior periods (current tax)	**(95)**	(43)
Adjustments in respect of prior periods (deferred tax)	**(317)**	(70)
Income not taxable	**(16)**	(20)
Remeasurement of deferred tax for changes in tax rates	**167**	(108)
Deferred tax not recognised	**-**	(1,220)
Other tax adjustments, reliefs and transfers	**64**	(12)
Tax charge for the year	**933**	-

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate to from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

For further information on deferred tax balances see note 19.

11. Goodwill

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

	£'000
Cost	
At 31 March 2022	**73,326**
At 31 March 2023	**73,326**
Accumulated amortisation	
At 31 March 2022	**71,190**
Charge for the year	641
At 31 March 2023	**71,831**
Net book value	
At 1 April 2022	2,136
At 31 March 2023	**1,495**

11. Goodwill (continued)

Goodwill arising on consolidation is being amortised over the Directors' estimate of its useful life of 10 years. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

12. Intangible assets

	Software development and licences	Total
	£'000	£'000
Cost		
At 31 March 2022	1,444	1,444
Additions	180	180
Disposals	(10)	(10)
At 31 March 2023	**1,614**	**1,614**
Accumulated depreciation		
At 31 March 2022	1,239	1,239
Charge for the year	203	203
Disposals	(10)	(10)
At 31 March 2023	**1,432**	**1,432**
Net book amount		
At 31 March 2022	205	205
At 31 March 2023	**182**	**182**

13. Property, plant and equipment

	Leasehold improvements	Fixtures, fittings, and equipment	Total
	£'000	£'000	£'000
Cost			
At 31 March 2022	135	1,847	1,982
Additions	8	389	397
Disposals	-	(4)	(4)
At 31 March 2023	**143**	**2,232**	**2,375**
Accumulated depreciation			
At 31 March 2022	74	1,450	1,524
Charge for the year	8	321	329
Disposals	(1)	(1)	(2)
At 31 March 2023	**81**	**1,770**	**1,851**
Net book amount			
At 31 March 2022	61	397	458
At 31 March 2023	**62**	**462**	**524**

Notes to the consolidated financial statements (continued)

14. Interests in associates and subsidiaries

Associates

Set out below are the details of the associate investment held by the Group at 31 March 2023.

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

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

The group holds 2660 Ordinary shares with a nominal value of £1 per share.

	2023	2022
	£'000	£'000
Opening balance	**681**	486
Profit / (loss)	**(17)**	195
Historic contingent consideration	**50**	-
Closing balance	**714**	681

Subsidiaries

Set out below are the details of subsidiaries held by the Group at 31 March 2023.

Operating company	Company number	Country of incorporation	Proportion of the Ordinary Shares and voting rights held by: Direct	Indirect
Bough & Harriss Limited*	08249308	United Kingdom[1]		100%
Colombus Communications Limited*	02980909	United Kingdom[1]		100%
Creston Overseas Holdings Limited*	05964051	United Kingdom[1]		100%
Digital Unlimited Group Limited	00210505	United Kingdom[1]		100%
DirectionGroup Limited*	01653414	United Kingdom[1]		100%
Health Unlimited Limited*	03574785	United Kingdom[1]		100%
How Splendid Limited*	04692212	United Kingdom[1]		100%
Nelson Bostock Group Limited*	02143374	United Kingdom[1]		100%
Realise Unlimited Limited*	06300211	United Kingdom[1]		100%
The Unlimited Group Holdings Limited*	02636904	United Kingdom[1]		100%
Tullo Marshall Warren Limited*	01332638	United Kingdom[1]		100%
Unlimited Group United Limited*	09321509	United Kingdom[1]		100%
Unlimited Marketing Finco Limited*	10469168	United Kingdom[1]		100%
Walnut Unlimited Limited*	01317137	United Kingdom[1]		100%

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

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

All subsidiary undertakings have been included in the consolidated financial statements.

Notes to the consolidated financial statements (continued)

15. Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables	**10,384**	11,141
Other receivables	**328**	302
Prepayments	**1,354**	2,392
Accrued income	**5,555**	5,893
	17,621	19,728

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

16. Trade and other payables

Current liabilities	2023 £'000	2022 £'000
Trade payables	**2,318**	2,174
Social security and other taxes	**1,820**	2,299
Accruals	**2,167**	4,806
Accrued PIK note interest	**2,374**	2,138
Deferred revenue	**11,708**	10,423
Contingent consideration in respect of acquisitions*	-	462
Other payables	**590**	616
	20,977	22,918

*Contingent consideration is in respect of future earn out payments in respect of acquisitions. This was settled during FY22 and FY23.

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

17. Provision for other liabilities and charges

Dilapidation provisions	£'000
At 1 April 2022	697
Utilised in year	(260)
Additions	12
At 31 March 2023	**449**

Dilapidation provisions represent the unavoidable costs of restoring leasehold properties to the condition specified in the lease at the end of the contractual term. The amount of each provision has been determined based on management's best estimate.

Of the total dilapidation provisions balance, £224,000 is expected to unwind over the next 12 months.

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

18. Loans and loan notes

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

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

During the year ended 31 March 2022, the terms of the banking arrangement were amended such that the variable rate benchmark was changed from LIBOR to SONIA as part of the Interest rate benchmark reform.

The group has applied the Amendments to FRS 102: Interest rate benchmark reform (Phase 1 and Phase 2). Applying the practical expedient introduced by the amendments, when the benchmark affecting the Group's loans are replaced, the adjustments to the contractual cash flows will be reflected as an adjustment to the effective interest rate. Therefore, the replacement of the loans' benchmark interest rate will not result in an immediate gain or loss recorded in profit or loss, which may have been required if the practical expedient was not available or adopted.

In addition to the banking arrangement, the Group has loan notes (PIK) of £58.3 million (2022: £52.6 million) at a fixed interest rate of 11% repayable in November, 2024. The holder of these loan notes is a related group company, RedWhiteBlue Cayman II (Cayman). The loan notes are listed on The International Stock Exchange.

	2023 £'000			2022 £'000		
	Current	**Non-current**	**Total**	Current	Non-current	Total
Bank loans	**2,986**	-	**2,986**	4,058	3,005	7,063
Capitalised loan fees	**(246)**	-	**(246)**	(709)	(246)	(955)
Loan notes	-	**58,342**	**58,342**	-	52,560	52,560
	2,740	**58,342**	**61,082**	3,349	55,319	58,668

19. Deferred taxation

The deferred taxation asset of £354,000 (2022: £1,347,000) recognised in the financial statements is set out below:

	2023 £'000	2022 £'000
Accelerated capital allowances	**220**	287
Short-term timing differences	**91**	151
Losses and other deductions	**24**	909
Other	**19**	-
At 31 March	**354**	1,347

The Group has recognised deferred tax assets where there are forecast profits in the next 12 - 24 months from which the future reversal of the underlying timing differences can be deducted.

There are no material unprovided deferred tax assets or liabilities.

20. Called-up share capital

Group and Company	2023 £'000	2022 £'000
Authorised:		
11,100,001 ordinary Shares of £1 each[1], 890 A ordinary shares of £10 each[2], 100 C ordinary shares of £1 each[3], 9,035,616 preference shares of £1 each[4], (2022: 11,100,001 ordinary Shares of £1 each, 1085 A ordinary shares of £10 each[2], 100 C ordinary shares of £1 each[3], 9,035,616 preference shares of £1 each[4])	**20,145**	20,147
Called-up and fully paid:		
11,100,001 ordinary Shares of £1 each[1], 890 A ordinary shares of £10 each[2], 100 C ordinary shares of £1 each[3], 9,035,616 preference shares of £1 each[4], (2022: 11,100,001 ordinary Shares of £1 each, 1085 A ordinary shares of £10 each[2], 100 C ordinary shares of £1 each[3], 9,035,616 preference shares of £1 each[4])	**20,145**	20,147

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

On 7 November 2022, the Group purchased 75 of its own A ordinary shares. On 31 January 2023, the Group purchased 100 of its own A ordinary shares. On 15 February 2023, 20 A ordinary shares were purchased by employees as part of a Management Incentive Plan.

21. Commitments under operating leases

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

	2023 Land and buildings £'000	2022 Land and buildings £'000
Not later than one year	**761**	254
Later than one year and not later than five years	**279**	470
	1,040	724

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

22. Net debt reconciliation

	As at 1 April 2022	Cash flow	Foreign exchange	Non-cash movements	**As at 31 March 2023**
	£'000	£'000	£'000	£'000	**£'000**
Net cash and cash equivalents	3,189	633	(7)	-	**3,815**
Capitalised loan fees	955	-	-	(709)	**246**
Bank loan	(7,063)	4,077	-	-	**(2,986)**
Loan notes	(52,560)	-	-	(5,782)	**(58,342)**
Net debt	**(55,479)**	**4,710**	**(7)**	**(6,491)**	**(57,267)**

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

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

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

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

A monitoring fee is charged by RedWhiteBlue Champion Limited (controlled by DBAY Advisors Limited) to the Group. This totaled £443,000 (2022: £443,000) for the year.

RedWhiteBlue Cayman II (controlled by DBAY Advisors Limited) is the holder of loan notes (PIK) of up to £58.3 million (2022: £52.6 million) at a fixed interest rate of 11% repayable in 2024. Interest of £6,016,912 (2022: £5,420,642) was accrued on these loan notes during the period.

Company balance sheet
as at 31 March 2023

	Note	2023 £'000	2022 £'000
Current assets			
Cash and cash equivalents		**25**	33
Deferred tax asset	4	**24**	90
Trade and other receivables	2	**10,816**	10,568
		10,865	10,691
Current liabilities			
Trade and other payables	3	**(8,225)**	(6,479)
Corporation tax payable		**(124)**	(124)
		(8,349)	(6,603)
Net current assets		**2,516**	4,088
Total assets less current liabilities		**2,516**	4,088
Non-current liabilities			
Bank overdraft, loans and loan notes	5	**(58,342)**	(52,560)
		(58,342)	(52,560)
Net liabilities		**(55,826)**	(48,472)

Equity			
Called-up share capital		**20,145**	20,147
Retained earnings		**(75,971)**	(68,619)
Total equity		**(55,826)**	(48,472)

The Company reported a loss for the year of £7,352,000 (2022: £5,949,000).

Company registered number: **10469103**

The notes on pages 38 to 40 form an integral part of these financial statements. The Directors consider that all results derive from continuing activities.

The financial statements, which comprise the Company statement of financial position, the Company statement of changes in equity and the related notes, were approved by the Board of Directors on 28 July 2023.

Edward Guest
CFO
28 July 2023

Unlimited Marketing Group Ltd

Company statement of changes in equity
for the year ended 31 March 2023

Changes in equity for 2023	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2022	20,147	(68,619)	(48,472)
Loss for the financial year	-	(7,352)	(7,352)
Total comprehensive loss for the financial year	-	(7,352)	(7,352)
Cancellation of shares in period	(2)	-	(2)
At 31 March 2023	20,145	(75,971)	(55,826)

The notes on pages 38 to 40 form an integral part of these financial statements. The Directors consider that all results derive from continuing activities.

Company statement of changes in equity
for the year ended 31 March 2022

Changes in equity for 2022	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2021	20,144	(62,670)	(42,526)
Loss for the financial year	-	(5,949)	(5,949)
Total comprehensive loss for the financial year	-	(5,949)	(5,949)
Shares issued in period	3	-	3
At 31 March 2022	20,147	(68,619)	(48,472)

The notes on pages 38 to 40 form an integral part of these financial statements. The Directors consider that all results derive from continuing activities.

Unlimited Marketing Group Ltd

Notes to the Company financial statements

1. Accounting policies

Basis of preparation

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

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

The principal accounting policies applied in the preparation of these financial statements are consistent with the policies adopted by the Group as set out on pages 19 to 24.

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

Investments

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

Impairment of investments

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

Impairment of intercompany receivables

The Company assesses annually whether there are any indicators of impairment of the Company's intercompany receivables. Factors taken into consideration include the economic viability and expected future financial performance of the asset.

2. Trade and other receivables

	2023	2022
	£'000	£'000
Prepayments	**16**	18
VAT receivable	**9**	3
Amounts owed by Group undertakings*	**10,791**	10,547
	10,816	10,568

*amounts are interest free and repayable on demand. The carrying amounts of the trade and other receivables are denominated in Sterling.

3. Trade and other payables

	2023	2022
Current	**£'000**	£'000
Amounts owed to group undertakings*	**4,939**	3,021
Trade payables	**814**	-
Other payables	**24**	25
Accrued PIK note interest	**2,374**	2,138
Accruals	**74**	1,295
	8,225	6,479

*amounts are interest free and repayable on demand. The carrying amounts of the trade and other payables are denominated in Sterling.

Notes to the Company financial statements (continued)

4. Deferred taxation

The deferred taxation asset of £24,000 (2022: £90,000) recognised in the financial statements is set out below:

	2023	2022
	£'000	£'000
Losses and other deductions	24	90
At 31 March	24	90

There are no material unprovided deferred tax assets or liabilities.

5. Loans and loan notes

	2023	2022
	£'000	£'000
	Non-current	Non-current
Loan notes	58,342	52,560
	58,342	52,560

Amounts owed to parent undertakings are related to intra-group loan notes and accrued interest between Unlimited Marketing Group Ltd and RedWhiteBlue Cayman II (controlled by DBAY Advisors Limited). The loan notes are held at amortised cost and are repayable in November 2024; however, the loan note holders have issued a letter of support to confirm that they will not be demanding repayment for a period of at least 12 months from that date.

The principal amount of the loan notes is £58,342,000 (2022: £52,560,000) with interest accrued at 11%. During the year £5,782,000 (2022: £5,208,725) of PIK note certificates were issued.

6. Share capital

The components of share capital are consistent with the Group and disclosed in note 20 of the consolidated financial statements.

7. Profit for the financial period

As permitted by section 408 of the Companies Act 2006, the Company has not presented its own income statement and statement of comprehensive income. The loss for the financial period relating to the Company amounted to £7,352,000 (2022: £5,949,000).

8. Related party transactions

The Company does not actively trade with its subsidiary companies.

Key management and Directors' remuneration disclosures are contained in note 8 to the consolidated financial statements. Remuneration for key management, other than the Executive Directors, is not included in the Company's operating costs. Remuneration for key management is disclosed in the financial statements of their respective employing companies. Amounts owing from or to subsidiaries are disclosed in note 2 and note 3. Additional related party disclosures are provided in note 23 to the consolidated financial statements and note 5 above.