
FMG GROUP HOLDINGS LIMITED

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022



FMG GROUP HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | C Owens PH Stead PJ Vincent M Ward |
| Registered number | 09341508 |
| Registered office | Broad Lea House Dyson Wood Way Bradley Huddersfield West Yorkshire HD2 1GZ |

FMG GROUP HOLDINGS LIMITED

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FMG GROUP HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2022

Introduction

The directors present their annual strategic report and the financial statements for the year ended 30 April 2022.

Business review

For the financial year ended 30 April 2022 the Company generated a profit before tax of £5,836,000 (2021: £4,627,000). At 30 April 2022 the Company had net assets of £1,159,000 (2021: £1,159,000).

Principal risks and uncertainties and key performance indicators

The Directors of Redde Northgate plc, the ultimate parent company, manage the Group's risks and performance on a divisional basis. The Directors of the Company therefore believe that the principal risks and uncertainties of Redde Northgate plc, as well as the key performance indicators of Redde Northgate plc, encompass those of the Company. The principal risks and uncertainties of Redde Northgate plc are discussed on pages 30 to 34 of the Group's Annual Report, which does not form part of this report. The key performance indicators of Redde Northgate plc are discussed on pages 19 and 20 of the Group's Annual Report, which does not form part of this report.

Directors' statement of compliance with duty to promote the success of the Company

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The interests of the Group's employees;
- The need to foster the Company's relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment; and
- The desirability of the Company maintaining a reputation for high standards of business conduct.

Having regard to employees' interests

The Board attaches great importance to the skills and experience of the management and employees of the Group. Its aim is to retain the best talent and believes that they will benefit from the opportunities within the Group.

The Board is committed to consulting, as appropriate, with relevant employees and employee representatives on a regular basis and has worked hard to ensure effective communication with all employees during the year.

Fostering business relationships

The Company aims to be to the first choice for customers and partners' needs, enabling them to enjoy the full value of their relationship with the business. The Company builds long term customer relationships by providing unrivalled levels of service and an offering which is unmatched in its flexibility.

Customers receive a personal service, with dedicated relationship managers for our larger customers.

The Company collects regular customer feedback through surveys and consumer research which is fed back to the customer services and business development teams. The Board also makes regular visits to our operating sites throughout the financial year.

The Company recognises that maintaining strong and open relationships with suppliers is integral to our success. These relationships contribute to the Company's competitive advantage. They not only enable us to execute our strategy efficiently, but also help suppliers plan their business, managing cash flow and production.

The Company also engages actively with suppliers to make sure they fully comply with our code of conduct for suppliers and partners, which includes provisions on human rights and environmental standards.

FMG GROUP HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022**

Impact on community and environment

The Company values the communities in which it operates, and its aim is for its business activities to have a positive impact on them.

The Company will continue to promote green technology and initiatives to protect our environment, as well as being a contributor to the economies it operates in. We continue to seek to reduce the environmental impact of our business.

The Company continues to encourage employees to support charities that are close to their hearts. All charitable activity is promoted through ongoing internal communications.

Maintaining high standards of business conduct

The Board is committed to operating the Company in a responsible manner, operating with high standards of business conduct and good governance.

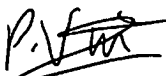
Going concern

The Directors have prepared the financial statements on the going concern basis. Further information on going concern is included in Note 2.4 of the financial statements.

Financial risk management

Financial risk is managed by Redde Northgate Group treasury and is discussed on page 34 of the Redde Northgate plc annual report, which does not form part of this report.

This report was approved by the board on 4 November 2022 and signed on its behalf.



PJ Vincent
Director

FMG GROUP HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2022**

The Directors present their report and the financial statements for the year ended 30 April 2022.

Principal activities

The principal activity of the company in the period under review was that of a holding company.

Results and dividends

The profit for the year, after taxation, amounted to £5,836,000 (2021: £4,627,000).

Dividends of £5,836,000 were paid during the period (2021: £4,627,000). No dividends have been proposed.

Directors

The Directors who served during the year were:

C Owens
PH Stead
PJ Vincent
M Ward

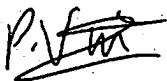
Future developments

The Directors consider that the Company is starting the new year from a position of strength and have the confidence that the business will continue to create value.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

This report was approved by the board on 4 November 2022 and signed on its behalf.



PJ Vincent
Director

FMG GROUP HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2022

| | Note | 2022 £000 | 2021 £000 |
|---|------|--------------|--------------|
| Income from investments in subsidiary companies | | 5,836 | 4,627 |
| Profit before tax | | 5,836 | 4,627 |
| Tax on profit | 6 | - | - |
| Profit for the financial year | | 5,836 | 4,627 |

There was no other comprehensive income for 2022 (2021:£000NIL).

FMG GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 09341508

BALANCE SHEET
AS AT 30 APRIL 2022

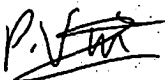
| | Note | 2022 £000 | 2021 £000 |
|--|------|---------------------|---------------------|
| Fixed assets | | | |
| Investments | 8 | 7,764 | 7,764 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 9 | 1,376 | 1,376 |
| Creditors: amounts falling due within one year | 10 | (7,981) | (7,981) |
| Net current liabilities | | <u>(6,605)</u> | <u>(6,605)</u> |
| Total assets less current liabilities | | <u><u>1,159</u></u> | <u><u>1,159</u></u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 15 | 15 |
| Share premium account | | 90 | 90 |
| Profit and loss account | | 1,054 | 1,054 |
| | | <u><u>1,159</u></u> | <u><u>1,159</u></u> |

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements on pages 4 to 12.

The financial statements on pages 4 to 12 were approved and authorised for issue by the board and were signed on its behalf on 4 November 2022.



PJ Vincent
Director

The notes on pages 7 to 12 form part of these financial statements.

FMG GROUP HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2022**

| | Called up share capital £000 | Share premium account £000 | Profit and loss account £000 | Total equity £000 |
|--|------------------------------------|-------------------------------------|------------------------------------|----------------------|
| At 1 May 2020 | 15 | 90 | 1,054 | 1,159 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 4,627 | 4,627 |
| Dividends: Equity capital | - | - | (4,627) | (4,627) |
| At 30 April and 1 May 2021 | 15 | 90 | 1,054 | 1,159 |
| Profit for the year | - | - | 5,836 | 5,836 |
| Dividends: Equity capital | - | - | (5,836) | (5,836) |
| At 30 April 2022 | 15 | 90 | 1,054 | 1,159 |

FMG GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

1. General information

FMG Group Holdings Limited is a private Company limited by shares, domiciled and incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The Company's registered number and registered offices can be found on the Company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given in note 13.

The financial statements are presented in UK Sterling because this is the currency of the primary economic environment in which the Company operates. The financial statements are rounded to the nearest £ thousand.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

First time application of FRS 100 and FRS 101

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows

FMG GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

The Directors have reviewed the Group's forecasts and projections taking account of reasonably possible downside sensitivities. The Company relies upon the support of its ultimate parent company, Redde Northgate plc, and the going concern status of the Company is dependent upon the ongoing support of its parent.

The ultimate parent company has confirmed that it will provide sufficient financial support to enable the Company to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the financial statements. The Directors have considered this letter of support, have made enquiries of Group management and have concluded that the Company is a going concern. On this basis, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

At the balance sheet date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

FMG GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Dividends

Dividends on Ordinary shares are recognised in the period in which they are either paid or formally approved, whichever is earlier.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies described above, the directors are required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The major significant area of estimates and judgments relates to the impairment of amounts owed by group undertakings and investments.

4. Auditors' remuneration

In 2021, auditors' remuneration in respect of the audit of the company financial statements of £23,000 was borne by a fellow subsidiary company without any right or reimbursement. In 2022, the company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

5. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2021 - no employees other than Directors and £NIL remuneration). The Directors are remunerated by another group company and it is not practical to split between entities within the Group.

FMG GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

6. Tax on profit

| | 2022 £000 | 2021 £000 |
|---------------------------|----------------------|----------------------|
| Total current tax | - | - |
| Deferred tax | | |
| Total deferred tax | - | - |
| Taxation on profit | - | - |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

| | 2022 £000 | 2021 £000 |
|--|----------------------|----------------------|
| Profit before tax | 5,836 | 4,627 |
| Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 -19%) | 1,109 | 879 |
| Effects of: | | |
| Dividends from UK companies | (1,109) | (879) |
| Total tax charge for the year | - | - |

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the UK corporation tax rate will increase to 25%. This change in the corporation tax rate was substantively enacted prior to the balance sheet date and has therefore been reflected in tax balances for the year ended 30 April 2022.

FMG GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

7. Dividends

| | 2022 £000 | 2021 £000 |
|---|----------------------|----------------------|
| Dividends paid of £39.28 per ordinary share (2021: £31.14 per ordinary share) | 5,836 | 4,627 |
| | <u>5,836</u> | <u>4,627</u> |

8. Investments

| | Investments in subsidiary companies £000 |
|---------------------|---|
| Cost and NBV | |
| At 1 May 2021 | 7,764 |
| At 30 April 2022 | <u>7,764</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Class of shares | Holding |
|--------------------------------------|----------------------------|----------------|
| FMG Finance Limited | Ordinary | 100% |
| Indirect: | Ordinary | 100% |
| FMG Support Group Limited | | |
| FMG Support Limited | Ordinary | 100% |
| FMG Support (HO) Limited | Ordinary | 100% |
| FMG Support (FIM) Limited | Ordinary | 100% |
| FMG Support (RRRM) Limited | Ordinary | 100% |
| GRG Public Resources Limited | Ordinary | 100% |
| Recovery Management Services Limited | Ordinary | 100% |

All subsidiaries are incorporated in England and Wales and operate in the UK. The registered office of the above subsidiary companies is the same as FMG Group Holdings Limited.

The Company is indirectly party to a joint venture through the partnership FMG Legal LLP with 72.5% ownership interest in FMG Support Group Limited. The registered office of FMG Legal LLP is Belmont House, Churchill Way, Cardiff, CF10 2HE.

In the opinion of the Directors, the aggregate value of the company's investments in subsidiary undertakings is not less than the amount included in the balance sheet.

FMG GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

9. Debtors

| | 2022 £000 | 2021 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed by group undertakings | 1,376 | 1,376 |
| | <u>1,376</u> | <u>1,376</u> |

All amounts owed by group undertakings are repayable on demand, unsecured and non-interest bearing.

10. Creditors: Amounts falling due within one year

| | 2022 £000 | 2021 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | 7,981 | 7,981 |
| | <u>7,981</u> | <u>7,981</u> |

All amounts owed to group undertakings are repayable on demand, unsecured and non-interest bearing.

11. Called up share capital

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Authorised, allotted, called up and fully paid | | |
| 148,585 (2021 - 148,585) Ordinary shares of £0.10 each | 15 | 15 |
| | <u>15</u> | <u>15</u> |

12. Controlling party

The immediate parent company is Zigup Ltd, a company incorporated in the UK.

The largest and smallest group in which the results of the company are consolidated is that headed by Redde Northgate plc, a company incorporated in the UK. No other group financial statements include the results of the company.

Redde Northgate plc are a publicly listed company whose shares are traded on the London Stock Exchange and whose accounts are publicly available from the Company Secretary, Northgate Centre, Lingfield Way, Darlington, England, DL1 4PZ.

13. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.