

Registered number. 5041905

Think Finance (UK) LIMITED

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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THINK FINANCE (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

Mr K J Moulden
Mr K Rees
Mr C Lutes

COMPANY SECRETARY

M&R Secretarial Services Limited

COMPANY NUMBER

5041905

REGISTERED OFFICE

Fortress House
Skyliner Way
Bury St Edmunds
Suffolk
IP32 7YA

AUDITORS

Grant Thornton UK LLP
101 Cambridge Science Park
Milton Road
Cambridge
CB4 0FY

THINK FINANCE (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The principal activity of the company in the year was that of making short term loans to customers who are charged a fee for the costs of borrowing. The company also receives commission generated from clients who have been compensated for the mis-selling of financial products.

REVIEW OF BUSINESS

The company made a loss after tax of £2,616,441 (2010: £260,952 profit). The loss made, despite a 75% increase in turnover, was due to the continued significant expenses associated with growing the short-term-loan part of the business. The Directors believe that this part of the business will provide significant growth and profits in the future and so continue to invest in its development.

DIVIDENDS

No dividends have been paid in the year (2010: £158,000).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 prepared the company's 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 company, and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- make judgements and 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, 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.

THINK FINANCE (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

In so far as each of the directors is aware.

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

DIRECTORS

The directors who served during the year were

Mr K J Moulden
Mr K Rees
Mr C Lutes

NAME CHANGE

On 23rd April 2012, the company's name was changed from Fortress Group (UK) Ltd to Think Finance (UK) Ltd

INDEPENDENT AUDITORS

The auditors Grant Thornton UK LLP have been appointed during the year and have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting

SMALL COMPANIES PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

This report was approved by the board on 20th September 2012 and signed on its behalf



Mr K Moulden
Director

THINK FINANCE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THINK FINANCE (UK) LIMITED

We have audited the financial statements of Think Finance (UK) Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities Effective April 2008 (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1 and 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Basis for qualified opinion on financial statements

With respect to the reported turnover figure of £7,046,520 and the bad debt charge within administrative expenses of £4,151,274 the audit evidence available to us was limited as the reported figures had in part been netted off each other. Owing to the nature of the company's accounting records, we were unable to obtain sufficient appropriate audit evidence by using other audit procedures regarding the level of netting off. We have therefore been unable to obtain sufficient appropriate audit evidence concerning the reported turnover figure or the reported administrative expenses.

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to turnover and the bad debt charge, described above

THINK FINANCE (UK) LIMITED

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been kept.

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

- returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report

Grant Thornton UK LLP

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
20th September 2012

THINK FINANCE (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
TURNOVER		7,046,520	4,020,630
Cost of sales		<u>(2,314,469)</u>	<u>(606,146)</u>
GROSS PROFIT		4,732,051	3,414,484
Administrative expenses		<u>(6,903,691)</u>	<u>(3,152,808)</u>
OPERATING LOSS	2	(2,171,640)	261,676
Interest payable		(446,256)	(771)
Interest receivable		<u>1,455</u>	<u>47</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,616,441)	260,952
Tax on loss on ordinary activities	4	<u>85,362</u>	<u>(38,068)</u>
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	11	<u>(2,531,079)</u>	<u>222,884</u>

The notes on pages 7 to 11 form part of these financial statements

THINK FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	£	2011 £	2010 £
FIXED ASSETS				
Tangible fixed assets	5		249,234	55,314
CURRENT ASSETS				
Debtors	6	2,715,919		847,857
Cash at bank		<u>1,176,599</u>		<u>441,807</u>
		3,892,518		1,289,664
CREDITORS , amounts falling due within one year	7	<u>(5,866,263)</u>		<u>(526,662)</u>
NET CURRENT ASSETS			<u>(1,973,745)</u>	<u>763,002</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,724,510)</u>	<u>818,316</u>
PROVISIONS FOR LIABILITIES				
Deferred tax	8		<u>-</u>	<u>(11,747)</u>
NET ASSETS			<u><u>(1,724,510)</u></u>	<u><u>806,569</u></u>
CAPITAL AND RESERVES				
Called up share capital	9		1,000	1,000
Capital Reserve	10		100,000	100,000
Profit and loss account	10		<u>(1,825,510)</u>	<u>705,569</u>
SHAREHOLDERS' (DEFICIT) / FUNDS	11		<u><u>(1,724,510)</u></u>	<u><u>806,569</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20th September 2012. The accounts are prepared in accordance with the provisions applicable to entities subject to the small entities regime.



Mr K J Moulden
Director

The notes on pages 7 to 11 form part of these financial statements

THINK FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis which assumes that the company will continue as a going concern for the foreseeable future. The financial statements have been prepared in accordance with the FRSSE effective April 2008.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Turnover on short-term loans is recognised on receipt of repayment. In the case of part repayment, interest & fees are deemed to have been paid first and capital repaid last.

Turnover is 100% generated in the UK.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	20%	straight line
Office equipment	-	33%	straight line
Leasehold improvements	-		charged over the duration of the lease
Motor Vehicle	-	25%	reducing balance
Software Development	-	33%	straight line

1.4 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

THINK FINANCE (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

2 OPERATING (LOSS) / PROFIT

The operating loss is stated after charging

	2011 £	2010 £
Wages & salaries	1,602,517	1,087,859
Social security costs	162,972	93,042
Other pension costs	17,719	13,954
Staff costs	1,783,208	1,194,855
Bad debts	4,151,274	1,533,987
Depreciation of tangible fixed assets		
- owned by the company	68,375	24,658
Operating lease charges		
- plant & machinery	21,026	22,233
Services provided by the company's auditor		
- Fees payable for the audit	33,000	20,000

3 DIRECTORS' REMUNERATION

	2011 £	2010 £
Aggregate emoluments	101,581	179,380
Pension contributions	3,000	5,435
	104,581	184,815

4. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
UK corporation tax charge on (loss) / profit for the year		73,615
Adjustments in respect of prior periods	(73,615)	(32,094)
	(73,615)	41,521
Deferred tax (see note 8)		
Origination and reversal of timing differences	(11,747)	(3,453)
Tax on (loss) / profit on ordinary activities	(85,362)	38,068

THINK FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

5. TANGIBLE FIXED ASSETS

	Office Equipment £	Fixtures & Fittings £	Leasehold Improvements £	Motor Vehicle £	Software Development £	Total £
Cost						
At 1 Jan 2011	41,040	54,717	4,114	-	-	99,871
Additions	198,771	15,773	14,611	10,300	24,000	263,455
Disposals	(1,955)	-	-	-	-	(1,955)
At 31 Dec 2011	237,856	70,490	18,725	10,300	24,000	361,371
Depreciation						
At 1 Jan 2011	23,904	19,918	735	-	-	44,557
Charge for the year	48,466	13,723	1,598	1,288	3,300	68,375
Disposals	(795)	-	-	-	-	(795)
At 31 Dec 2011	71,575	33,641	2,333	1,288	3,300	112,137
Net book value						
At 31 Dec 2011	166,281	36,849	16,392	9,012	20,700	249,234
At 31 Dec 2010	17,136	34,799	3,379	-	-	55,314

Assets are valued using the historic cost convention

6. DEBTORS

	2011 £	2010 £
Trade debtors	2,646,741	809,243
Prepayments and accrued income	69,178	38,614
	2,715,919	847,857

THINK FINANCE (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

7. CREDITORS

Amounts falling due within one year

	2011 £	2010 £
Trade creditors	416,733	65,772
Corporation tax	-	61,404
Social security and other taxes	74,604	29,012
Other creditors	623,280	370,474
Pension creditor	1,646	
Other borrowing – from group	4,750,000	-
	<u>5,866,263</u>	<u>526,662</u>

8. OTHER BORROWING

Included in creditors are:-

	2011 £	2010 £
Secured group loan	4,750,000	-
Accrued interest	446,256	-
	<u>5,196,256</u>	<u>-</u>

The secured group loan is secured by a fixed and floating charge over all the undertaking and all property assets and rights of the Borrower

9. DEFERRED TAXATION

	2011 £	2010 £
At beginning of year	11,747	15,200
Deferred tax (credited)/charged in the P&L account for the period	(11,747)	(3,453)
	<u>-</u>	<u>11,747</u>
At end of year	-	11,747
The provision for deferred taxation is made up as follows		
Accelerated capital allowances	-	12,018
Short term timing differences	-	(271)
	<u>-</u>	<u>11,747</u>

THINK FINANCE (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

A potential deferred tax asset of £598,724 (2010 £Nil) has not been recognised as the Directors have concluded, on the basis of reasonable assumptions, that it is unlikely that the asset will be realised in the foreseeable future

10 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
1,000 - Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>

11. RESERVES

	Profit and loss account £	Capital reserve £
At 1 January 2011	705,569	100,000
Profit for the year	(2,531,079)	-
	<u> </u>	<u> </u>
At 31 December 2011	<u>(1,825,510)</u>	<u>100,000</u>

12 SHAREHOLDERS (DEFICIT) / FUNDS

	2011 £	2010 £
(Loss) / Profit for the financial year	(2,531,079)	222,884
Dividends	-	(158,000)
	<u>(2,531,079)</u>	<u>64,884</u>
Retained (Loss) / Profit for the year		100,000
Capital contribution		
	<u>(2,531,079)</u>	<u>164,884</u>
Net addition to shareholders funds		
	<u>(1,724,510)</u>	<u>806,569</u>

THINK FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

13 PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately to those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £17,718 (2010: £13,954).

14. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	2011 £	2010 £
Land & Buildings:		
Expiring within 1 year	-	-
Expiring during years 2 & 5	124,753	124,753
	<u>124,753</u>	<u>124,753</u>
Plant & Equipment:		
Expiring within 1 year	4,141	4,685
Expiring during years 2 & 5	6,189	11,709
	<u>10,330</u>	<u>16,394</u>

15 DIRECTORS' BENEFITS, ADVANCES, CREDIT AND GUARANTEES

Mr K Moulden and Mr S P Carter, who were both directors of the company in 2010, were repaid the money they had loaned to The Company on an interest-free basis on 11 February 2011. At the year end the company owed Mr K Moulden £nil (2010: £110,699) and Mr S P Carter £nil (2010: £104,859).

16 RELATED PARTY TRANSACTIONS

There were no dividends paid this year (2010: £158,000). During the year the company took out a loan from its parent company of £4,750,000 which accrued interest to the value of £446,256.

17. ULTIMATE PARENT COMPANY

The ultimate parent company is Think Finance Inc, 4150 International Plaza, Suite 400, Fort Worth, Texas 76109.