

# **ThinkSmart Financial Services Limited**

## **Annual Report and Financial Statements**

**For the Year Ended 30 June 2022**

*Company Number: 05176340*



**THINKSMART FINANCIAL SERVICES  
LIMITED**

**YEAR ENDED 30 JUNE 2022**

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# **THINKSMART FINANCIAL SERVICES LIMITED**

## **YEAR ENDED 30 JUNE 2022**

### **REPORT OF THE DIRECTORS**

The Directors hereby submit their Report and the accounts for the year ended 30 June 2022.

#### **Principal activities**

The principal activity of the Company is that of finance lessor, renting equipment through the consumer offering 'Upgrade Anytime'. The Company is a Special Purpose Vehicle that purchases lease agreements from its sister company RentSmart Ltd that originates and services the leases on its behalf. From August 2018 the Company is no longer purchasing any new lease agreements but will continue to collect out the lease agreements that it previously purchased. As of January 2021 all lease agreements have now reached the end of their minimum term. The Company maintains limited operations in order to service receipts in respect of bad debt payment plans which will continue until the Company ceases trading.

#### **Business review**

The Company is legally structured to only accept leases which were ultimately funded through a 5 year Santander £10m loan facility, which was signed in December 2014 and closed in September 2019. Following the closure of the Santander facility the remaining leases are self-funded as the lease book is collected out.

The level of business and the financial position at the end of the financial year were satisfactory. The profit and loss account is set out on page 4. The loss for the year ended 30 June 2022 of £1,410 (year ended 30 June 2021 profit of £14,097) has been transferred to reserves. During the year ended 30 June 2022 a dividend of £160,000 was declared and paid (year ended 30 June 2021: £nil).

#### **Basis of preparation**

In August 2018 the directors took the decision to no longer purchase any new lease agreements but to continue to collect out the lease agreements that it purchased prior to that point. This activity continued until January 2021 when all leases had reached the end of their minimum term. The Company continues to process a small number of receipts in respect of bad debt recoveries after which the Company will cease trading. As a result the directors have prepared the financial statements on a basis other than going concern. No adjustments have been made to the financial statements as a result of being prepared on a basis other than going concern. It is expected that the Company will remain profitable and cash generative during this collect out period.

#### **Directors**

The directors who held office during the year and up to the date of this report, were as follows:

G Halton  
N Montarello

**THINKSMART FINANCIAL SERVICES LIMITED**

**YEAR ENDED 30 JUNE 2022**

**REPORT OF THE DIRECTORS (CONTINUED)**

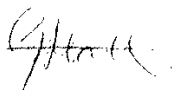
**Political and charitable contributions**

The Company made no political or charitable donations during the year ended 30 June 2022 (2021: £nil).

**Small companies exemption**

The Directors have taken advantage of the small companies exemption from the requirement to prepare a strategic report.

By order of the board



Gary Halton

Director

7<sup>th</sup> Floor Oakland House,  
Talbot Road, Old Trafford,  
Manchester, M16 0PQ

Date: 18 November 2022

## **THINKSMART FINANCIAL SERVICES LIMITED**

**YEAR ENDED 30 JUNE 2022**

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. As described in note 1.2, the financial statements have not been prepared on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**THINKSMART FINANCIAL SERVICES  
LIMITED**

**YEAR ENDED 30 JUNE 2022**

**STATEMENT OF TOTAL COMPREHENSIVE INCOME**

	Notes	30 June 2022	30 June 2021
		£	£
Turnover	2	<u>480</u>	<u>9,181</u>
<b>Gross profit</b>		480	9,181
Administrative expenses		(1,890)	(1,898)
Impairment credits	5	<u>-</u>	<u>6,834</u>
<b>Operating (loss)/profit</b>		(1,410)	14,117
Interest payable	3	<u>-</u>	<u>(20)</u>
<b>(Loss)/Profit before tax</b>		(1,410)	14,097
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>(Loss)/Profit for the financial year</b>		<u><b>(1,410)</b></u>	<u><b>14,097</b></u>
<b>Other comprehensive income net of income tax</b>		-	-
<b>Total comprehensive (loss)/income for the financial year</b>		<u><b>(1,410)</b></u>	<u><b>14,097</b></u>

The loss for the year is derived from dis-continuing operations.

The notes on pages 7 to 10 form an integral part of these financial statements.

**THINKSMART FINANCIAL SERVICES  
LIMITED**

**YEAR ENDED 30 JUNE 2022**

**BALANCE SHEET**

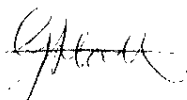
	Notes	30 June 2022	30 June 2021
		£	£
<b>Current assets</b>			
Cash at bank & in hand		<u>2,954</u>	<u>564,120</u>
		2,954	564,120
<b>Creditors: amounts falling due within one year</b>			
Other		<u>1,961</u>	<u>1,718</u>
		1,961	1,718
<b>Net assets</b>		<u><b>993</b></u>	<u><b>562,402</b></u>
<b>Capital and reserves</b>			
Called up share capital	6	1	400,000
Profit and loss account		992	162,402
<b>Equity shareholders' surplus</b>		<u><b>993</b></u>	<u><b>562,402</b></u>

The notes on pages 7 to 10 form an integral part of these financial statements.

For the financial year ending 30 June 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. In respect of the exemption from audit:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 7 to 10 were approved by the board of directors on 18 November 2022 and were signed on its behalf by:



Gary Halton (Director)

Company Number 05176340

**THINKSMART FINANCIAL SERVICES  
LIMITED**

**YEAR ENDED 30 JUNE 2022**

**STATEMENT OF CHANGES IN EQUITY**

	Fully paid ordinary shares	Accumulated profit	Equity
	£	£	£
<b>Balance at 1 July 2020</b>	400,000	148,305	548,305
Profit for the year	-	14,097	14,097
<b>Total comprehensive loss for the financial year</b>	-	14,097	14,097
<b>Balance at 30 June 2021</b>	<b>400,000</b>	<b>162,402</b>	<b>562,402</b>
 <b>Balance at 1 July 2021</b>	 400,000	 162,402	 562,402
Loss for the year	-	(1,410)	(1,410)
<b>Total comprehensive loss for the financial year</b>	-	(1,410)	(1,410)
Return of capital	(399,999)	-	(399,999)
Dividend	-	(160,000)	(160,000)
<b>Balance at 30 June 2022</b>	<b>1</b>	<b>992</b>	<b>993</b>

The notes on pages 7 to 10 form an integral part of these financial statements.



# THINKSMART FINANCIAL SERVICES LIMITED

YEAR ENDED 30 JUNE 2022

## NOTES TO FINANCIAL STATEMENTS

### 1. Accounting policies

ThinkSmart Financial Services Limited (the "Company") is a private company limited by shares incorporated and domiciled in England and Wales. The Company's registered office is 7<sup>th</sup> Floor Oakland House, Talbot Road, Old Trafford, Manchester, M16 0PQ.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("UK Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, ThinkSmart Ltd incorporated in Australia and listed on the Alternative Investment Market ("AIM"), a sub-market of the London Stock Exchange includes the Company in its consolidated financial statements. The consolidated financial statements of ThinkSmart Ltd are prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporation Act 2001. The consolidated financial statements comply with International Financial Reporting Standard (IFRS) adopted by the International Accounting Standards Board (IASB) as well as International Financial Reporting Standards as adopted by the UK ("UK Adopted IFRSs"). The consolidated financial statements of ThinkSmart Ltd are available to the public and may be obtained from Suite 5, 531 Hay Street, SUBIACO, WA 6008, Australia.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of ThinkSmart Ltd include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

# THINKSMART FINANCIAL SERVICES LIMITED

YEAR ENDED 30 JUNE 2022

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 1.1 Measurement convention

The Company's functional and presentation currency is GBP. All amounts in these financial statements are rounded to the nearest £1. The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

### 1.2 Basis of preparation

In August 2018 the directors took the decision to no longer purchase any new lease agreements but to continue to collect out the lease agreements that it purchased prior that point. This activity continued until January 2021 at which point all leases had reached the end of their minimum term. The Company continues to receive payments in respect of bad debts which it continues to service and after which the Company will cease trading. As a result the directors have prepared the financial statements on a basis other than going concern. No adjustments have been made to the financial statements as a result of being prepared on a basis other than going concern. It is expected that the Company will remain cash generative during this collect out period.

### 1.3 Taxation

The charge for taxation is based on the profit for the year.

## 2. Turnover

Turnover, all of which arose from activities within the United Kingdom, represents income from payments on bad debts in respect of historical rental agreements and associated services.

### Residual interest in equipment

#### Secondary rental income

Rental income from extended rental assets is recognised when receivable usually on a monthly basis. No ongoing rental income is brought to account in respect of the unexpired rental contracts.

	30 June 2022	30 June 2021
	£	£
Secondary rental income	480	9,181
	<u>480</u>	<u>9,181</u>

## 3. Interest payable

	30 June 2022	30 June 2021
	£	£
Related party interest	-	20
	<u>-</u>	<u>20</u>

**THINKSMART FINANCIAL SERVICES  
LIMITED**

**YEAR ENDED 30 JUNE 2022**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**4. Tax on profit on ordinary activities**

	30 June 2022	30 June 2021
	£	£
Current tax on income for the year	-	-
Adjustments in respect for prior year	-	-
Total tax on profit on ordinary activities	<u>-</u>	<u>-</u>

**Reconciliation of effective tax rate**

Accounting profit before tax	(1,410)	14,097
Tax using the UK corporation tax rate*	268	(2,678)
Group tax relief (surrendered)/received for nil consideration	(268)	2,678
Adjustments in respect for prior year	-	-
Current tax charge on profit for year	<u>-</u>	<u>-</u>

\* The Finance Act 2020 retains the current rate of 19% for financial years starting 1 April 2020 and 1 April 2021. The Finance Act 2021 increases the rate from 19% to 25% for years starting 1 April 2023.

**5. Impairment losses**

	30 June 2022	30 June 2021
	£	£
Balance at 1 July	-	7,564
Impairment charge/(credit) to profit or loss	-	(6,834)
Bad debts written off	-	(730)
Balance at 30 June	-	-

**6. Called up share capital**

	30 June 2022	30 June 2021
	£	£
<i>Allotted, called up and fully paid</i>		
1 (2021: 400,000) ordinary authorised share of £1 (2020: £1) each	1	400,000
Shares classified in shareholders' funds	1	400,000

**THINKSMART FINANCIAL SERVICES  
LIMITED**

**YEAR ENDED 30 JUNE 2022**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**7. Related parties**

ThinkSmart Financial Services Limited has taken advantage of the exemption under FRS 101 paragraph 8(k) 8(j) not to disclose key management personnel compensation or transactions and amounts due to and from fellow group companies that are wholly owned by the ultimate parent company, ThinkSmart Limited.

**8. Ultimate parent undertaking**

100% of the share capital of ThinkSmart Financial Services Limited is held by ThinkSmart Europe Limited, whose ultimate parent company is ThinkSmart Limited. ThinkSmart Limited is incorporated in Australia, and is the largest group in which the results of ThinkSmart Financial Services Limited are included. Copies of these group accounts are available from Suite 5, 531 Hay Street, SUBIACO, WA 6008, Australia.

**9. Events occurring after balance sheet date**

There has not arisen, in the interval between the end of the financial year and the date of this report, any subsequent events.