

**Company No: 05530040 (England and Wales)**

**THINK MONEY LIMITED**  
**Annual Report and Financial Statements**  
**For the financial year ended 31 January 2020**



**THINK MONEY LIMITED**

**Annual Report and Financial Statements  
For the financial year ended 31 January 2020**

---

**Contents**

<b>Company Information</b>	<b>2</b>
<b>Strategic Report</b>	<b>3</b>
<b>Directors' Report</b>	<b>5</b>
<b>Directors' Responsibilities Statement</b>	<b>8</b>
<b>Independent Auditor's Report</b>	<b>9</b>
<b>Profit and Loss Account</b>	<b>12</b>
<b>Balance Sheet</b>	<b>13</b>
<b>Statement of Changes in Equity</b>	<b>14</b>
<b>Notes to the Financial Statements</b>	<b>15</b>

**THINK MONEY LIMITED**

---

**COMPANY INFORMATION**

**For the financial year ended 31 January 2020**

---

**DIRECTORS**

M Aldred  
S Kay  
S Stylianou  
J Warr

**SECRETARY**

R Swann

**REGISTERED OFFICE**

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

**COMPANY NUMBER**

05530040 (England and Wales)

**AUDITOR**

KPMG LLP  
Statutory Auditor & Chartered Accountants  
One St Peter's Square  
Manchester  
M2 3AE

**THINK MONEY LIMITED**  
**STRATEGIC REPORT**  
**For the financial year ended 31 January 2020**

---

The directors present their Strategic Report for the financial year ended 31 January 2020.

**REVIEW OF THE BUSINESS**

The Company's principal activity is the provision of personal account services.

The Company's loss after tax for the year was £0.6m (2019: profit of £0.9m). The Company has net assets of £1.5m (2019: £2.0m) at the year end.

Turnover remained broadly in line year on year at £17.8m (2019: £19.1m), and profit before interest and taxation decreased to a loss of £0.8m for the year (2019: profit of £1.2m).

Management review key performance indicators for the Company on a monthly basis.

New customers setting up personal accounts doubled year on year (2019: increased threefold) whilst the number of ongoing customers at the year end was 6% higher year on year (2019: 1% lower).

During the year, the Group carried out a strategic review of its lending activities and took the decision to cease any form of new lending from December 2019 onwards. As a consequence, the Company introduced a marketplace to provide its customers with access to a range of credit products provided by third parties.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties arising relate to the provision of regulated services. The Company maintains policies and procedures and provides regular training to staff to ensure that all regulatory requirements are met.

Some credit risk also arises on the short term lending products provided to the Company's customers by another Group company, Ideal Finance Limited. Credit risk is managed at a group level by the Credit Risk Committee to whom the Group Risk Committee has delegated the responsibility for specific credit risk management policies and monitoring. The Credit Risk Committee regularly monitors underwriting policies and procedures, the losses incurred on lending products and the level of provisioning required.

Management continuously review the key risks facing the business. Demand for the Company's services over the next 12 months will continue to be affected by its ability to attract and retain customers in a competitive market.

**FUTURE DEVELOPMENTS**

The Company is well placed to maintain its position in the sector over the coming year and continues to invest in its infrastructure, systems and staff alike.

**EXCEPTIONAL ITEMS**

The exceptional items in the profit and loss account relate to non-recurring costs incurred by the business during the year, including: redundancy costs arising from a reorganisation, regulatory costs in relation to GDPR and onerous contract costs.

THINK MONEY LIMITED

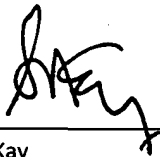
STRATEGIC REPORT (continued)

For the financial year ended 31 January 2020

**BREXIT**

The UK economy is now in a period of transition as it begins to trade under new Brexit terms and conditions agreed with the EU. At a macro level, the UK and world have already experienced volatility in the financial markets which in turn may affect UK financial stability and ultimately our customers' financial decisions. At a Company level, legislation and regulation currently applicable may change following the UK's exit from the EU. At present it is still too early to speculate on what form such changes may take and their impact, if any, on the Company. The Board nonetheless considers the need for our customers to access financial solutions in a timely and professional manner to be of paramount importance and will ensure that the Company is positioned to comply with any regulatory or commercial changes which result from the UK's exit from the EU.

Approved by the Board of Directors and signed on its behalf by:



S Kay  
Director

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

Date: 20 Jan '21

## **THINK MONEY LIMITED**

### **DIRECTORS' REPORT**

**For the financial year ended 31 January 2020**

---

The directors present their Annual Report on the affairs of the Company, together with the financial statements and Auditor's Report, for the financial year ended 31 January 2020.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company during the financial year was the provision of personal account services.

#### **GOING CONCERN**

The financial statements are prepared on a going concern basis notwithstanding that the Company has reported an operating loss of £0.8m for the year to 31 January 2020 (2019: operating profit £1.2m). It has reported a net asset position of £1.5m as at 31 January 2020. This has increased to £4.8m at 30 November 2020.

At the ultimate parent Group level (Tomahawk Bidco Limited), the directors of the parent company have prepared a base case forecast and a forecast with sensitivities, which considers profitability, liquidity and performance against financial covenants, for a period of at least 12 months from the date of approval of these financial statements. These forecasts incorporate the current economic uncertainty, in particular the effects of the COVID-19 pandemic. The directors have considered these forecasts their going concern assessment for the Company.

The effects of COVID-19 have been severely felt throughout the world in since World Health Organization declared the outbreak a global pandemic in March 2020 and the future impact on the results of the Company are difficult to predict. In response to the pandemic, operational measures continue to be in place, with employees working from home where possible. The Company has continued to provide consistent levels of customer service. Consequently, the directors do not anticipate a significant impact on the Company's ability to serve its customers as a result of the ongoing effects of the pandemic.

The directors have made an assessment covering a period of at least 12 months from the date of approval of these financial statements which indicates that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

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.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

See the financial instruments note for details of financial risk management, exposure to risks and the Company's risk management framework.

**THINK MONEY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**For the financial year ended 31 January 2020**

---

**DIRECTORS**

The directors, who served during the financial year and to the date of this report except as noted, were as follows:

M Aldred  
S Kay  
S Stylianou  
J Warr

**DIRECTORS' INDEMNITIES**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the financial year and remain in force at the date of this report.

**POLITICAL CONTRIBUTIONS**

The Company made no political contributions in the year (2019: £Nil).

**EMPLOYEES AND EMPLOYMENT POLICIES**

The Company has implemented detailed policies in relation to all aspects of personnel matters and acts as an equal opportunities employer.

The Company is also committed to increasing employee involvement and believes that effective communication between the Company and its employees can only benefit the business.

It is the policy of the Company to give full and fair consideration to applications for employment by disabled people. For the purpose of training, career development and promotion, disabled employees are treated in the same way as other employees.

**REGULATORY CAPITAL**

In line with the Company's authorisation from the FCA, there is a regulatory capital requirement to ensure that the Company maintains adequate capital throughout the year. The directors confirm that the Company has maintained sufficient levels of capital throughout the reporting period to consistently exceed the regulatory requirement. Management review the Company's capital in line with the requirements on a monthly basis.

**MATTERS COVERED IN THE STRATEGIC REPORT**

See the Strategic Report for future developments and details of the principal risks and uncertainties.

**DIVIDENDS**

A dividend of £Nil (£Nil per share) was paid in the year (2019: £850,000 - £850,000 per share). The directors do not recommend payment of a final dividend (2019: £Nil).

**THINK MONEY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**For the financial year ended 31 January 2020**

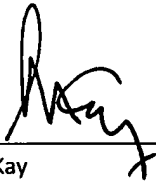
---

**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.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors and signed on its behalf by:



S Kay  
Director

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

Date: 20 Jan '21



**THINK MONEY LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

**For the financial year ended 31 January 2020**

---

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial period.

*In preparing these financial statements, the directors are required to:*

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THINK MONEY LIMITED  
For the financial year ended 31 January 2020**

---

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Think Money Limited ("the Company") for the year ended 31 January 2020 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2020 and of its loss for the financial year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THINK MONEY LIMITED (continued)  
For the financial year ended 31 January 2020**

---

**Strategic report and directors' report**

The directors are responsible for the Strategic Report and Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Report on other legal and regulatory requirements**

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an Auditor's Report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THINK MONEY LIMITED (continued)  
For the financial year ended 31 January 2020**

---

**The purpose of our audit work and to whom we owe our responsibilities**

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.

*Jessica S.S. Katsouris*

---

Jessica Katsouris (Senior Statutory Auditor)  
For and on behalf of KPMG LLP  
Statutory Auditor & Chartered Accountants

One St Peter's Square  
Manchester  
M2 3AE

Date: 21/01/2021

**THINK MONEY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
For the financial year ended 31 January 2020

	Note	2020 £	2019 £
Turnover		17,797,312	19,124,570
Cost of sales		(15,788,828)	(14,041,364)
<b>Gross profit</b>		<b>2,008,484</b>	<b>5,083,206</b>
Administrative expenses		(2,314,721)	(3,519,713)
Exceptional items	5	(515,885)	(363,581)
<b>Operating (loss)/profit</b>		<b>(822,122)</b>	<b>1,199,912</b>
Interest payable and similar expenses	3	(4,437)	(6,639)
<b>(Loss)/profit before taxation</b>	4	<b>(826,559)</b>	<b>1,193,273</b>
Tax on (loss)/profit	8	273,631	(299,332)
<b>(Loss)/profit for the financial year attributable to the equity shareholders of the Company</b>		<b>(552,928)</b>	<b>893,941</b>

All amounts relate to continuing operations.

There were no items of other comprehensive income or losses for the current or prior year other than those included in the Profit and Loss Account, accordingly no Statement of Comprehensive Income is presented.


THINK MONEY LIMITED

BALANCE SHEET

As at 31 January 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	1,401,799	798,795
		<b>1,401,799</b>	<b>798,795</b>
<b>Current assets</b>			
Debtors	11	2,554,336	2,151,685
Cash at bank and in hand	12	1,229,951	2,636,788
		<b>3,784,287</b>	<b>4,788,473</b>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	13	(3,706,025)	(3,534,077)
<b>Net current assets</b>		<b>78,262</b>	<b>1,254,396</b>
<b>Total assets less current liabilities</b>		<b>1,480,061</b>	<b>2,053,191</b>
Creditors: Amounts falling due after more than one year	14	(18,518)	(38,720)
<b>Net assets</b>		<b>1,461,543</b>	<b>2,014,471</b>
<b>Capital and reserves</b>			
Called-up share capital	17	1	1
Profit and loss account	17	1,461,542	2,014,470
<b>Total shareholders' funds</b>		<b>1,461,543</b>	<b>2,014,471</b>

The financial statements of Think Money Limited (registered number: 05530040) were approved and authorised for issue by the Board of Directors on 20 Jan '21. They were signed on its behalf by:

  
 S Kay  
 Director

**THINK MONEY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the financial year ended 31 January 2020**

	Called-up share capital	Profit and loss account	Total
	£	£	£
<b>At 01 February 2019</b>	<b>1</b>	<b>2,014,470</b>	<b>2,014,471</b>
Loss for the financial year	-	(552,928)	(552,928)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(552,928)</b>	<b>(552,928)</b>
<b>At 31 January 2020</b>	<b>1</b>	<b>1,461,542</b>	<b>1,461,543</b>
<b>At 01 February 2018</b>	<b>1</b>	<b>1,970,529</b>	<b>1,970,530</b>
Profit for the financial year	-	893,941	893,941
<b>Total comprehensive income</b>	<b>-</b>	<b>893,941</b>	<b>893,941</b>
Dividends paid on equity shares (note 9)	-	(850,000)	(850,000)
<b>At 31 January 2019</b>	<b>1</b>	<b>2,014,470</b>	<b>2,014,471</b>

**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 January 2020**

---

**1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year.

**General information and basis of accounting**

Think Money Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Think Park, Mosley Road, Trafford Park, Manchester, M17 1FQ, United Kingdom.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

The functional currency of Think Money Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company's ultimate parent undertaking, Tomahawk Bidco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Tomahawk Bidco Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are filed with the financial statements of the intermediate Group company Milan Bidco Limited and are available to the public from Companies House, Crown Way, Cardiff. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.



**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

---

**Going concern**

The financial statements are prepared on a going concern basis notwithstanding that the Company has reported an operating loss of £0.8m for the year to 31 January 2020 (2019: operating profit £1.2m). It has reported a net asset position of £1.5m as at 31 January 2020. This has increased to £4.8m at 30 November 2020.

At the ultimate parent Group level (Tomahawk Bidco Limited), the directors of the parent company have prepared a base case forecast and a forecast with sensitivities, which considers profitability, liquidity and performance against financial covenants, for a period of at least 12 months from the date of approval of these financial statements. These forecasts incorporate the current economic uncertainty, in particular the effects of the COVID-19 pandemic. The directors have considered these forecasts their going concern assessment for the Company.

The effects of COVID-19 have been severely felt throughout the world in since World Health Organization declared the outbreak a global pandemic in March 2020 and the future impact on the results of the Company are difficult to predict. In response to the pandemic, operational measures continue to be in place, with employees working from home where possible. The Company has continued to provide consistent levels of customer service. Consequently, the directors do not anticipate a significant impact on the Company's ability to serve its customers as a result of the ongoing effects of the pandemic.

The directors have made an assessment covering a period of at least 12 months from the date of approval of these financial statements which indicates that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

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.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are recognised in the Profit and Loss Account in the period in which they arise.

**Turnover**

Turnover comprises principally of fees receivable from managed personal account services which are recognised in full at the point that the Company becomes entitled to charge the fee to its customers. Other commissions are receivable from financial services intermediary activities and are recognised on confirmation of a completed transaction. Turnover is stated net of VAT and consists of services provided in the United Kingdom.

**Employee benefits**

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

**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

---

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**Exceptional items**

Exceptional items relate to non-recurring expenses which are material and excluded from management's assessment of profit because, by their nature, they could distort the Company's underlying quality of earnings. These are excluded to reflect performance in a consistent manner and in line with how the business is managed and measured on a day to day basis. These items are disclosed separately on the face of the profit and loss account and are explained in more detail in the notes to the financial statements.

Subsequent revisions of estimates of items initially recognised as non-recurring provisions are recorded as non-recurring expenses in the year that the revision is made.

**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

---

**Tangible fixed assets**

Fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the profit and loss account.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the profit and loss account on a straight-line basis over the useful life of each part of property, plant and equipment as follows:

Office equipment - 4 years

Computer equipment - 4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**Leases**

***The Company as lessee***

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, assets held under finance leases and hire purchase contracts are measured at an amount equal to the lower of their fair values and the present value of the minimum lease payments. Subsequent to initial recognition, these assets are accounted for in accordance with the accounting policy applicable to those assets. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments due under them are charged to the profit and loss account on a straight-line basis over the lease term.

THINK MONEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 January 2020

**Financial instruments**

Basic financial instruments comprise debtors, cash and cash equivalents and creditors.

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand are disclosed separately within trade and other creditors. Monies held on behalf of customers in designated bank accounts are not recorded as an asset on the balance sheet when there are no substantive risks and rewards from these monies.

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. The gain or loss on remeasurement is recognised immediately in the profit and loss account.

**Related parties**

As the Company is a wholly owned subsidiary of Tomahawk Bidco Limited, the Company has taken advantage of the exemption contained in Section 33 of FRS 102 and not disclosed transactions or balances with other wholly owned entities which form part of the Group.

**2. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The directors do not believe there are any material critical judgements made in applying the accounting policies in these statements nor do the directors believe that there are any material sources of estimation uncertainty in the estimates applied.

**3. Finance costs**

	2020	2019
	£	£
Interest payable and similar expenses	(4,437)	(6,639)
	(4,437)	(6,639)

**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

**Interest payable and similar expenses**

	2020	2019
	£	£
Finance leases and hire purchase contracts	(4,437)	(6,639)
	<b>(4,437)</b>	<b>(6,639)</b>

**4. (Loss)/profit before taxation**

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

	2020	2019
	£	£
Depreciation of tangible fixed assets (note 10)	349,983	142,535
Fees payable to the Company's auditor for the audit of these financial statements	18,000	3,058
Fees payable to the Company's auditor for taxation services	2,659	2,417
Fees payable to the Company's auditor for other assurance services	-	18,000

**5. Exceptional items**

	2020	2019
	£	£
Redundancy costs	179,121	62,771
Group sale transaction costs	-	244,017
Regulatory costs	9,135	56,793
Onerous contract	294,600	-
Other non-recurring costs	33,029	-
	<b>515,885</b>	<b>363,581</b>

**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

Redundancy costs relate to settlement payments made to staff following a reorganisation.

Group sale transaction costs in the prior year are made up of payments made to staff as part of the sale of the wider Group during the prior year.

Regulatory costs in the current year include costs incurred as part of ensuring compliance with GDPR. Regulatory costs in the prior year include costs incurred as part of ensuring compliance with GDPR and costs associated with the re-authorisation of the business under PSD2.

Onerous contract costs relate to a contract terminated before its end date and the remaining payments required under that contract.

Other costs relate to one-off costs incurred as customer redress following a system issue.

**6. Staff number and costs**

	2020	2019
	Number	Number
The average monthly number of employees (including directors) was:		
Sales	22	32
Administration	281	240
	<b>303</b>	<b>272</b>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	9,401,197	8,249,043
Social security costs	834,575	704,905
Other retirement benefit costs	192,759	121,863
	<b>10,428,531</b>	<b>9,075,811</b>

**7. Directors' remuneration**

	2020	2019
	£	£
Emoluments	202,768	391,836
	<b>202,768</b>	<b>391,836</b>

The aggregate of emoluments, including benefits in kind was paid to one director in the year (2019: one), with pension costs of £5,695 (2019: £4,020) paid on their behalf. The other directors who served during the year and in the previous year were paid by other Group subsidiaries, TMG Limited and Gregory Pennington Limited, and therefore there are no directors' emoluments to be disclosed for them in this Company's financial statements.

**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

**8. Tax on (loss)/profit**

	2020	2019
	£	£
<b>Current tax on (loss)/profit</b>		
UK corporation tax	-	-
Adjustment in respect of prior periods	(385,692)	195,223
Group relief (receivable)/payable	(89,315)	301,906
<b>Total current tax</b>	<b>(475,007)</b>	<b>497,129</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(58,901)	(24,597)
Adjustment in respect of prior year	260,277	(173,200)
<b>Total deferred tax</b>	<b>201,376</b>	<b>(197,797)</b>
<b>Total tax on (loss)/profit</b>	<b>(273,631)</b>	<b>299,332</b>

**Tax reconciliation**

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK:

	2020	2019
	£	£
<b>(Loss)/profit before tax</b>	<b>(826,559)</b>	<b>1,193,273</b>
Tax on (loss)/profit at standard UK corporation tax rate of 19.00% (2019: 19.00%)	(157,046)	226,722
Effects of:		
- Expenses not deductible for tax purposes	1,900	47,693
- Adjustments in respect of prior years	(385,692)	195,223
- Adjustments to deferred tax in respect of previous periods	260,277	(173,200)
- Adjustment to tax rate on deferred tax	6,930	-
- Other timing differences	-	2,894
<b>Total tax (credit)/charge for year</b>	<b>(273,631)</b>	<b>299,332</b>

For details of future tax rate charges, see deferred tax note (note 15). Prior year adjustments to current tax relate to the allocation of group relief throughout the group. Prior year adjustments to deferred tax relate to short term timing differences in relation to the movement in provisions held against trade debtors.

**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

**9. Dividends on equity shares**

	2020	2019
	£	£
Amounts recognised as distributions to equity holders in the financial period:		
Interim dividend for the financial year of £Nil (2019: £850,000) per ordinary share	-	850,000
	-	850,000

**10. Tangible assets**

	Office equipment	Computer equipment	Total
	£	£	£
<b>Cost/Valuation</b>			
At 01 February 2019	-	3,113,430	3,113,430
Additions	410	952,577	952,987
<b>At 31 January 2020</b>	<b>410</b>	<b>4,066,007</b>	<b>4,066,417</b>
<b>Accumulated depreciation</b>			
At 01 February 2019	-	2,314,635	2,314,635
Charge for the financial year	43	349,940	349,983
<b>At 31 January 2020</b>	<b>43</b>	<b>2,664,575</b>	<b>2,664,618</b>
<b>Net book value</b>			
<b>At 31 January 2020</b>	<b>367</b>	<b>1,401,432</b>	<b>1,401,799</b>
At 31 January 2019	-	798,795	798,795

Assets held under finance leases and hire purchase agreements originally cost £60,606 (2019: £60,606) and have a net book value of £45,455 (2019: £60,606) at the year end. Depreciation charged for the year on those assets was £15,151 (2019: £Nil).



**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

**11. Debtors**

	2020	2019
	£	£
Trade debtors	406,722	585,300
Amounts owed by Group undertakings	475,007	-
Other debtors	-	67,322
Prepayments	1,481,508	1,106,588
Deferred tax asset	191,099	392,475
	<b>2,554,336</b>	<b>2,151,685</b>

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

Included in amounts owed by Group undertakings is £475,007 (2019: £Nil) in respect of group relief.

**12. Cash and cash equivalents**

	2020	2019
	£	£
Cash at bank and in hand	1,229,951	2,636,788
	<b>1,229,951</b>	<b>2,636,788</b>

At 31 January 2020 segregated deposits held by the Company on behalf of customers amounted to £88.8m (2019: £84.7m). The customer retains the beneficial interest in these deposits and accordingly they are not included in the balance sheet of the Company.

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

	2020	2019
	£	£
Obligations under finance leases and hire purchase contracts	20,202	80,476
Trade creditors	2,150,783	2,130,219
Amounts owed to Group undertakings	642,681	503,250
Other taxation and social security	252,166	294,201
Other creditors	145,014	-
Accruals	495,179	525,931
	<b>3,706,025</b>	<b>3,534,077</b>

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

Included in amounts owed to Group undertakings is £Nil (2019: £497,129) in respect of group relief.

**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

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

	2020	2019
	£	£
Obligations under finance leases and hire purchase contracts	18,518	38,720
	<b>18,518</b>	<b>38,720</b>

Included in obligations under hire purchase and finance leases is £Nil (2019: £60,274) which relates to assets held by another Group subsidiary, TMG Limited on its behalf and are due within 1 year.

**Finance leases**

	2020	2019
	£	£
Between two and five years	18,518	38,720
	<b>18,518</b>	<b>38,720</b>
On demand or within one year	20,202	80,476
	<b>38,720</b>	<b>119,196</b>

**15. Deferred tax**

	2020	2019
	£	£
At the beginning of financial year	392,475	194,678
(Charged)/credited to the Profit and Loss Account	(201,376)	197,797
At the end of financial year	<b>191,099</b>	<b>392,475</b>

The deferred taxation balance is made up as follows:

	2020	2019
	£	£
Accelerated capital allowances	188,662	184,889
Other timing differences	2,437	207,586
	<b>191,099</b>	<b>392,475</b>

Finance Act 2016 included a reduction in the main rate of UK corporation tax from 19% to 17% from 1 April 2020. However, in the UK budget on 11 March 2020, it was announced that the cut in the tax rate to 17% will now not occur and the UK Corporation Tax Rate will instead remain at 19%. As this was not substantively enacted by the Balance Sheet date, deferred tax balances as at 31 January 2020 continue to be measured at 17%. The change of rate will affect the size of the Company's deferred tax assets and liabilities in the future.

There is no deferred taxation unprovided for in these financial statements.

The net deferred taxation position in 2020 and 2019 give rise to a deferred taxation asset.

**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

**16. Financial instruments**

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	2020	2019
	£	£
<b>Financial assets</b>		
<i>Measured at undiscounted amount receivable</i>		
- Trade debtors (note 11)	406,722	585,300
- Other debtors (note 11)	-	67,322
- Amounts owed by Group undertakings (note 11)	475,007	-
	<b>881,729</b>	<b>652,622</b>
<b>Financial liabilities</b>		
<i>Measured at amortised cost</i>		
- Obligations under finance leases	(38,720)	(119,196)
<i>Measured at undiscounted amount payable</i>		
- Trade creditors (note 13)	(2,150,783)	(2,130,219)
- Other payables (note 13)	(145,014)	-
- Amounts owed to Group undertakings (note 13)	(642,681)	(503,250)
	<b>(2,977,198)</b>	<b>(2,752,665)</b>

*Accounting classifications and fair value*

All of the Company's financial assets and liabilities are classified as loans and receivables or other financial liabilities and are measured at amortised cost. There are no financial instruments held in the Company accounts which are held at fair value.

*Financial risk management*

The Company has exposure to the following risks arising from financial instruments:

- credit risk; and
- liquidity risk.

The business does not suffer significant exposure to market risk, and therefore credit risk and liquidity risk are considered to be most relevant to the Company.

*Regulatory capital (unaudited)*

In line with the Company's authorisation from the FCA, there is a regulatory capital requirement to ensure that the Company maintains adequate capital throughout the year. The directors confirm that the Company has maintained sufficient levels of capital throughout the reporting period to consistently exceed the regulatory requirement. Management review the Company's capital in line with the requirements on a monthly basis.

## THINK MONEY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 January 2020

#### *Risk management framework*

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Group has a Risk Committee in place, which is responsible for developing and monitoring the Group's risk management policies, and ensuring that its strategy, principles, policies and resources are aligned to the Group's risk appetite. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect the Group's activities. Through its training and competency standards and procedures, the Group aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Group Internal Audit.

#### *Credit risk*

The Group Risk Committee delegates its specific credit risk management policies and monitoring to the Credit Risk Committee. The Credit Risk Committee reports regularly to the Risk Committee and the board of directors on its activities.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises from the Group's lending activities as a result of defaulting loan contracts, and is a significant risk faced by the Group.

The directors do not believe that there is significant credit risk within this Company given that the short term lending products provided to its customers are provided by another Group company, Ideal Finance Limited.

#### *Trade debtors*

Financial assets include trade debtors, being fees recognised in relation to personal managed account services which have not yet been collected. Provisions are held for the estimated non-collection of these debtors. All debtors at the year end are less than 6 months old. Gross trade debtors is £406,722 (2019: £1,819,907) and the associated provision against this balance is £Nil (2019: £1,234,607) resulting in a net debtor of £406,722 (2019: £585,300).

#### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. It arises from the Company's management of working capital and the finance charges and principal repayments on debt instruments.

The Group monitors its risk to a shortage of funds through regular cash management and forecasting.

The directors do not believe that there is significant liquidity risk within this Company.

#### *Cash and cash equivalents*

The Company held cash and cash equivalents with bank and financial institution counterparties, which are rated A+ to BB+, based on Fitch ratings.

**THINK MONEY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 31 January 2020**

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

	2020	2019
	£	£
<b>Allotted, called-up and fully-paid</b>		
1 Ordinary share of £1.00	1	1
	<u>1</u>	<u>1</u>
<b>Presented as follows:</b>		
Called-up share capital presented as equity	1	1
	<u>1</u>	<u>1</u>

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

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

Since the period under review, the rapid spreading of COVID-19 has become a significant emerging risk to the global economy. The directors continue to monitor the impact of the virus on the business as more information about the epidemic emerges. The directors note this is a non-adjusting post balance sheet event. Further details are provided in the going concern section of the accounting policies note.

After the year end, the Company issued shares to its parent company to the value of £6.0m.

**19. Controlling party**

The immediate parent company is TMG Holdings 2 Limited, a company incorporated and registered at Think Park, Mosley Road, Trafford Park, Manchester, M17 1FQ.

The ultimate controlling company is Tomahawk Bidco Limited, a company incorporated and registered in Jersey. The consolidated Group financial statements of Tomahawk Bidco Limited are filed with the financial statements of the intermediate Group company Milan Bidco Limited and are available to the public from Companies House, Crown Way, Cardiff.

The ultimate controlling party is Ares Management Limited. 99.7% of the Issued share capital of Tomahawk Bidco Limited is held by Ares Management Limited on behalf of funds managed by that company.