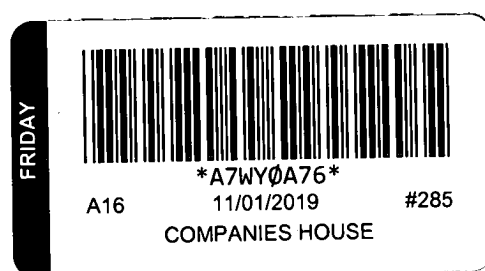


# **ThinkSmart Insurance Services Administration Limited**

## **Annual Report and Financial Statements**

**For the Year Ended 30 June 2018**

*Company Number: 05932182*



**THINKSMART INSURANCE SERVICES  
ADMINISTRATION LIMITED**

**YEAR ENDED 30 JUNE 2018**

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**THINKSMART INSURANCE SERVICES  
ADMINISTRATION LIMITED**

**YEAR ENDED 30 JUNE 2018**

**REPORT OF THE DIRECTORS**

The Directors hereby submit their Report and the accounts for the year ended 30 June 2018.

**Principal activities**

The principal activities of the Company are providing insurance mediation services. The Company is regulated by the Financial Conduct Authority (FCA).

**Going concern**

The director confirms that they are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the accounts. In forming their view, the director has considered the Company's prospects for a period exceeding twelve months, from the date the financial statements were approved.

**Directors**

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

G Halton

G Grimes (appointed 06 July 2017, resigned 03 January 2018)

**Dividends**

There were no dividends declared in the year ended 30 June 2018 (year ended 30 June 2017: £400,000).

**Political and charitable contributions**

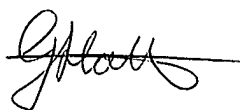
The Company made no political or charitable donations during the year ended 30 June 2018 (year ended 30 June 2017: £nil).

**Disclosure of information to auditor**

The director who held office at the date of approval of this director's report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and the 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.

The Directors have also 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: 12th December 2018

**THINKSMART INSURANCE SERVICES  
ADMINISTRATION LIMITED**

**YEAR ENDED 30 JUNE 2018**

**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.

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 THINKSMART INSURANCE SERVICES ADMINISTRATION LIMITED**

We have audited the financial statements of ThinkSmart Insurance Services Administration Limited for the year ended 30 June 2018 which comprise the ; Statement of total Comprehensive Income, 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 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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**

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THINKSMART INSURANCE SERVICES ADMINISTRATION LIMITED (continued)**

### **Directors' responsibilities**

As explained more fully in their statement set out on page 2, 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).

### **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  
St Peter's Square  
Manchester  
M2 3AE*

Date: 14 December 2018

**THINKSMART INSURANCE SERVICES  
ADMINISTRATION LIMITED**

**YEAR ENDED 30 JUNE 2018**

**STATEMENT OF TOTAL COMPREHENSIVE INCOME**

	Notes	30 June 2018	30 June 2017
		£	£
Turnover	2	544,514	674,541
Cost of sales		(34,301)	(34,301)
<b>Gross profit</b>		<b>510,213</b>	<b>640,240</b>
Administrative expenses		(413,252)	(426,618)
Other operating income	2.1	190,637	260,678
<b>Profit before tax</b>		<b>287,598</b>	<b>474,300</b>
Tax on profit on ordinary activities	5	-	(90,016)
<b>Profit for the financial year</b>		<b>287,598</b>	<b>384,284</b>
<b>Other comprehensive income net of income tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the financial year</b>		<b>287,598</b>	<b>384,284</b>

The profit for the year is derived from continuing operations.

The notes on pages 8 to 11 form an integral part of these financial statements.

**THINKSMART INSURANCE SERVICES  
ADMINISTRATION LIMITED**

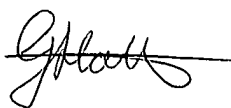
**YEAR ENDED 30 JUNE 2018**

**BALANCE SHEET**

	Notes	30 June 2018 £	30 June 2017 £
<b>Current assets</b>			
Cash and cash equivalents		357,050	1,223,736
Accrued income		48,322	74,667
Other current assets	6	1,328,159	1,768,476
Tax receivable		52,274	52,274
		<u>1,785,805</u>	<u>3,119,153</u>
<b>Creditors: amounts falling due within one year</b>	7	(2,126)	(22,802)
<b>Net current assets</b>		<u>1,783,679</u>	<u>3,096,351</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(1,398,438)	(2,998,708)
<b>Net assets</b>		<u>385,241</u>	<u>97,643</u>
<b>Capital and reserves</b>			
Called up share capital	9	24,000	24,000
Profit and loss account		361,241	73,643
<b>Equity shareholders' surplus</b>		<u>385,241</u>	<u>97,643</u>

The notes on pages 8 to 11 form an integral part of these financial statements.

The financial statements on pages 5 to 11 were approved by the board of directors on 12th December 2018 and were signed on its behalf by:



Gary Halton (Director)

Company Number 05932182



**THINKSMART INSURANCE SERVICES  
ADMINISTRATION LIMITED**

**YEAR ENDED 30 JUNE 2018**

**STATEMENT OF CHANGES IN EQUITY**

	Fully paid ordinary shares	Accumulated profit	Equity
	£	£	£
<b>Balance at 1 July 2016</b>	24,000	89,359	113,359
Profit for the year	-	384,284	384,284
Other comprehensive income net of income tax	-	-	-
<b>Total comprehensive income for the financial year</b>	-	384,284	384,284
Dividends paid	-	(400,000)	(400,000)
<b>Balance at 30 June 2017</b>	24,000	73,643	97,643
<b>Balance at 1 July 2017</b>	24,000	73,643	97,643
Profit for the year	-	287,598	287,598
Other comprehensive income net of income tax	-	-	-
<b>Total comprehensive income for the financial year</b>	-	287,598	287,598
<b>Balance at 30 June 2018</b>	24,000	361,241	385,241

The notes on pages 8 to 11 form an integral part of these financial statements.

# THINKSMART INSURANCE SERVICES ADMINISTRATION LIMITED

YEAR ENDED 30 JUNE 2018

## NOTES TO FINANCIAL STATEMENTS

### 1. Accounting Policies

ThinkSmart Insurance Services Administration Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("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 Limited 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 Limited are general purpose financial statements which have been prepared and approved by the Directors 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 EU ("Adopted IFRSs"). The consolidated financial statements were authorised for issue by the Board of Directors on 18 September 2018. The consolidated financial statements of ThinkSmart Limited 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;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy, the correction of error, or the reclassification of items in the financial statements;
- 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 Limited 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*.

**THINKSMART INSURANCE SERVICES  
ADMINISTRATION LIMITED**

**YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1. Accounting Policies (continued)**

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.

**1.1 Measurement convention**

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 Insurance Prepayment**

In relation to business customers of RentSmart Limited who do not already have insurance, a policy is set up through a third party insurance provider. The Company pays for the insurance cover upfront and also recognises its income upfront which creates an insurance prepayment on the balance sheet. The Company subsequently collects the insurance premium from the customer on a monthly basis over the life of the rental agreement, which reduces the prepayment. Where a policy is cancelled, the unexpired premiums are refunded to the Company.

**2. Turnover**

The Company earns a commission for supplying insurance to customers of RentSmart Limited through a third party. All of this income is recognised upfront net of a provision for future cancellations based on past experience (2017:30%, 2016:30%). To allow for the cash being received over the contract term the present value of the debtor is discounted by the Company's weighted cost of capital of 8.38% (2017:10%) and unwound over the contract term. This accounting recognition was applied to the entire insurance book.

	<b>30 June 2018</b>	30 June 2017
	£	£
Commissions	<b>544,514</b>	674,541

**2.1 Other operating income**

	<b>30 June 2018</b>	30 June 2017
	£	£
Interest income	<b>190,637</b>	260,678

**THINKSMART INSURANCE SERVICES  
ADMINISTRATION LIMITED**

**YEAR ENDED 30 JUNE 2018**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**3. Statement of Profit and Loss**

Turnover, all of which arose from activities within the United Kingdom, represents insurance commissions earned from the IT rental agreements provided by RentSmart Limited, which is also a wholly owned subsidiary of ThinkSmart Europe Limited.

**4. Profit on ordinary activities before taxation is stated after charging:**

The auditor's remuneration of £21,755 (2017: £16,164) is borne by RentSmart Limited.

**5. Tax on profit on ordinary activities**

	30 June 2018	30 June 2017
	£	£
Current tax on income for the year	-	142,290
Adjustments in respect for prior year	-	(52,274)
Total tax on profit on ordinary activities	<u>-</u>	<u>90,016</u>

**Reconciliation of effective tax rate**

Accounting profit before tax	287,598	474,300
Tax using the UK corporation rate*	54,644	93,677
Group relief claimed	(54,644)	48,613
Adjustments in respect for prior year	-	(52,274)
Total tax on profit on ordinary activities	<u>-</u>	<u>90,016</u>

\*The Finance Act 2015 reduced the main rate of corporation tax from 20% to 19% from 1 April 2017. The Finance Act 2016 will further reduce the main rate of corporation tax to 17% from 1 April 2020. This will reduce the Company's future current tax charge accordingly.

**6. Other current assets**

	30 June 2018	30 June 2017
	£	£
Insurance prepayments	553,525	747,114
Accrued income (i)	773,072	1,019,487
Prepayments and other debtors	1,562	1,875
	<u>1,328,159</u>	<u>1,768,476</u>

- (i) Accrued income reflects brokerage commission earned from making insurance arrangements on behalf of leaseholders and is net of a clawback provision. (see note 2)

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

	30 June 2018	30 June 2017
	£	£
Trade creditors	-	22,608
Accruals	2,126	194
	<u>2,126</u>	<u>22,802</u>

**THINKSMART INSURANCE SERVICES  
ADMINISTRATION LIMITED**

**YEAR ENDED 30 JUNE 2018**

**NOTES TO FINANCIAL STATEMENTS (continued)**

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

	30 June 2018	30 June 2017
	£	£
Intercompany loan – ThinkSmart Europe Limited	1,398,438	2,998,708
	<u>1,398,438</u>	<u>2,998,708</u>

**9. Called up share capital**

	30 June 2018	30 June 2017
	£	£
<i>Allotted, called up and fully paid</i>		
24,000 (2017: 24,000) ordinary authorised shares of £1 each (2017: £1 each)	<u>24,000</u>	<u>24,000</u>
Shares classified in shareholders' funds	<u>24,000</u>	<u>24,000</u>

**10. Related parties**

The Company does not hold any interests in any other subsidiaries, associates, joint ventures or other significant holdings.

In exchange for its services the Company pays a monthly management fee to its sister company RentSmart Limited.

**11. Ultimate parent undertaking**

100% of the share capital of ThinkSmart Insurance Services Administration 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 Insurance Services Administration Limited are included. Copies of these group accounts are available from Suite 5, 531 Hay Street, SUBIACO, WA 6008, Australia.

**12. 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.