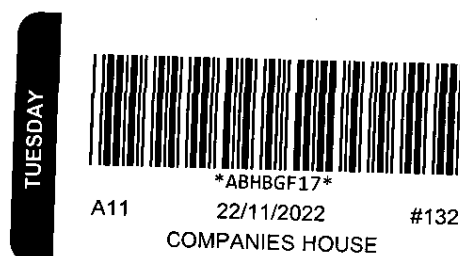


ThinkSmart Insurance Services Administration Limited

Annual Report and Financial Statements

For the Year Ended 30 June 2022

Company Number: 05932182



**THINKSMART INSURANCE SERVICES
ADMINISTRATION LIMITED**

YEAR ENDED 30 JUNE 2022

CONTENTS

Report of the Director	1
Statement of Director's responsibilities in respect of the Director's Report and Financial Statements	2
Statement of Total Comprehensive Income	3
Balance Sheet	4
Statement of Changes in Equity	5
Notes to the Financial Statements	6 – 10

**THINKSMART INSURANCE SERVICES
ADMINISTRATION LIMITED**

YEAR ENDED 30 JUNE 2022

REPORT OF THE DIRECTOR

The Director hereby submits their Report and the accounts for the year ended 30 June 2022.

Principal activities

The principal activities of the Company are providing insurance mediation services.

Going concern

The director confirms that he is 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 following director held office during the year and up to the date of this report:

G Halton

The following director was appointed after the year end and held office up to the date of this report:

N Montarello (appointed 18 September 2022)

Dividends

During the year ended 30 June 2022 a dividend of £200,000 was declared and paid (year ended 30 June 2021: £nil).

Political and charitable contributions

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

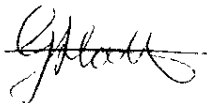
Small companies' exemption from strategic report

The Director has also taken advantage of the small companies exemption from the requirement to prepare a strategic report.

Exemption from audit

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.

By order of the board



Gary Halton

Director

7th Floor Oakland House,
Talbot Road, Old Trafford,
Manchester, M16 0PQ

Date: 18 November 2022

**THINKSMART INSURANCE SERVICES
ADMINISTRATION LIMITED**

YEAR ENDED 30 JUNE 2022

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

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director 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 director 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 director is 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 director is 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 INSURANCE SERVICES
ADMINISTRATION LIMITED**

YEAR ENDED 30 JUNE 2022

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Notes	30 June 2022	30 June 2021
		£	£
Turnover	2	61,729	168,948
Cost of sales		<u>(34,301)</u>	<u>(34,301)</u>
Gross profit		27,428	134,647
Administrative expenses		(183,787)	(214,384)
Other operating income	2.1	<u>18,729</u>	<u>51,839</u>
Loss before tax		(137,630)	(27,898)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year		<u><u>(137,630)</u></u>	<u><u>(27,898)</u></u>
Other comprehensive income net of income tax		-	-
Total comprehensive loss for the financial year		<u><u>(137,630)</u></u>	<u><u>(27,898)</u></u>

The loss for the year is derived from continuing operations.

The notes on pages 6 to 10 form an integral part of these financial statements.

**THINKSMART INSURANCE SERVICES
ADMINISTRATION LIMITED**

YEAR ENDED 30 JUNE 2022

BALANCE SHEET

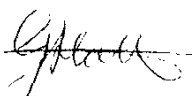
	Notes	30 June 2022 £	30 June 2021 £
Current assets			
Cash and cash equivalents		14,981	185,993
Accrued income		-	5,000
Other current assets	5	57,936	206,330
		<u>72,917</u>	<u>397,323</u>
Creditors: amounts falling due within one year			
Intercompany creditors	6	(24,428)	(10,107)
Other current liabilities	7	-	(1,097)
		<u>(24,428)</u>	<u>(11,204)</u>
Net current assets		<u>48,489</u>	<u>386,119</u>
Net assets		<u>48,489</u>	<u>386,119</u>
Capital and reserves			
Called up share capital	8	24,000	24,000
Profit and loss account		<u>24,489</u>	<u>362,119</u>
Equity shareholders' surplus		<u>48,489</u>	<u>386,119</u>

The notes on pages 6 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 3 to 10 were approved by the director on 18 November 2022 and were signed by:



Gary Halton (Director)

Company Number 05932182

**THINKSMART INSURANCE SERVICES
ADMINISTRATION LIMITED**

YEAR ENDED 30 JUNE 2022

STATEMENT OF CHANGES IN EQUITY

	Fully paid ordinary shares	Accumulated profit	Equity
	£	£	£
Balance at 1 July 2020	24,000	390,017	414,017
Loss for the year	-	(27,898)	(27,898)
Total comprehensive income for the financial year	-	(27,898)	(27,898)
Balance at 30 June 2021	24,000	362,119	386,119
Balance at 1 July 2021	24,000	362,119	386,119
Loss for the year	-	(137,630)	(137,630)
Total comprehensive income/(loss) for the financial year	-	(137,630)	(137,630)
Dividend	-	(200,000)	(200,000)
Balance at 30 June 2022	24,000	24,489	48,489

The notes on pages 6 to 10 form an integral part of these financial statements.

**THINKSMART INSURANCE SERVICES
ADMINISTRATION LIMITED**

YEAR ENDED 30 JUNE 2022

NOTES TO FINANCIAL STATEMENTS

1. Accounting Policies

ThinkSmart Insurance Services Administration Limited (the "Company") is a private company limited by shares incorporated and domiciled in England and Wales. The Company's registered address is 7th 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 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 Director 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 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 2022

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 are stated at the lower of previous carrying amount and fair value less costs to sell. The financial statements are presented in Pounds Sterling (GBP£), which is also the company's functional currency. All amounts in these financial statements have been rounded to the nearest £1.

1.2 Basis of preparation

The financial statements have been prepared on a going concern basis. 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. 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.

1.3 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 as insurance policy is agreed and effective over the term of the contract. The Company operates two models for payment of the insurance cover. "Upfront" and "Pay as You Go" (PAYG). In the first, 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. In the second model the Company recognises its income upfront and makes a monthly payment for the premium to the insurance company as the same time as it is collected from the customer.

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 (2021:30%, 2020:30%). To allow for the cash being received over the contract term the present value of the debtor is discounted for the time value of money and unwound over the contract term. This accounting recognition was applied to the entire insurance book.

	30 June 2022	30 June 2021
	£	£
Commissions	61,729	168,948

2.1 Other operating income

	30 June 2022	30 June 2021
	£	£
Interest income	18,729	51,839

**THINKSMART INSURANCE SERVICES
ADMINISTRATION LIMITED**

YEAR ENDED 30 JUNE 2022

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. 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 loss before tax	(137,630)	(27,898)
Tax using the UK corporation tax rate*	(26,150)	(5,301)
Group relief surrendered/(claimed) current year	26,150	5,301
Adjustments in respect for prior year	-	-
Total tax on profit on ordinary activities	<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. Other current assets

	30 June 2022	30 June 2021
	£	£
Insurance prepayments (i)	-	4,008
Accrued income (ii)	57,936	202,322
	<u>57,936</u>	<u>206,330</u>

- (i) On 1 June 2018 the Company entered into a new insurance programme agreement moving from an Upfront to PAYG (see note 1.3). Under the Upfront model the Company paid the insurance premium to the insurance company at the start of the customer contract creating an insurance prepayment. The result of moving from the Upfront to PAYG model is that the insurance prepayment is reducing as the contracts assigned to the Upfront model are collected out.
- (ii) Accrued income reflects brokerage commission earned from making insurance arrangements on behalf of leaseholders and is net of a clawback provision (see note 2). The balance of accrued income reduces as the insurance payments are collected from the leaseholders.

**THINKSMART INSURANCE SERVICES
ADMINISTRATION LIMITED**

YEAR ENDED 30 JUNE 2022

NOTES TO FINANCIAL STATEMENTS (continued)

6. Intercompany creditors

	30 June 2022	30 June 2021
	£	£
Intercompany loan – ThinkSmart Europe Limited	24,428	10,107
	<u>24,428</u>	<u>10,107</u>
Intercompany loan due less than one year	24,428	10,107
	<u>24,428</u>	<u>10,107</u>

Interest on the unsecured intercompany loan is charged at a rate of 4.5% per annum. The intercompany loans have no fixed repayment date and are due on demand. The directors of the ultimate parent company, ThinkSmart Limited, have indicated that intragroup loans will not be recalled until such time that the borrower is in a position to repay the loan.

7. Other current liabilities

	30 June 2022	30 June 2021
	£	£
Accruals	-	1,097
	<u>-</u>	<u>1,097</u>

8. Called up share capital

	30 June 2022	30 June 2021
	£	£
<i>Allotted, called up and fully paid</i>		
24,000 (2021: 24,000) ordinary authorised shares of £1 each (2021: £1 each)	<u>24,000</u>	<u>24,000</u>
Shares classified in shareholders' funds	<u>24,000</u>	<u>24,000</u>

9. Related parties

The Company 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.

**THINKSMART INSURANCE SERVICES
ADMINISTRATION LIMITED**

YEAR ENDED 30 JUNE 2022

NOTES TO FINANCIAL STATEMENTS (continued)

10. 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.

11. Events occurring after balance sheet date

On 18 September 2022 Natale Montarello was appointed as a Director of the Company. Mr Montarello is an existing board member of ThinkSmart Limited, the ultimate parent of the Company. Other than the appointment of Mr Montarello there has not arisen, in the interval between the end of the financial year and the date of this report, any subsequent events.