

ThinkSmart UK Limited

Annual Report and Financial Statements

For the Year Ended 30 June 2019

Company Number: 06228172



THINKSMART UK LIMITED
YEAR ENDED 30 JUNE 2019

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THINKSMART UK LIMITED

YEAR ENDED 30 JUNE 2019

REPORT OF THE DIRECTORS

The Directors hereby submit their Report and the accounts for the year ended 30 June 2019.

Principal activities

The principal activities of the Company are that of finance lessor, renting equipment through the consumer offerings 'Flexible Leasing' and 'Upgrade Everytime' to lessee consumers introduced by Carphone Warehouse, part of the Dixons Carphone group. The Company is a Special Purpose Vehicle that purchases lease agreements from its sister company RentSmart Limited that originates and services the leases on its behalf. The lease receivables are funded through a £20m loan facility to 2 October 2020 with Secure Trust Bank.

Business review

The volume of new Flexible Leasing agreements originated in the year was significantly lower than the same period last year, and the group is in ongoing discussions with Dixons Carphone regarding this continued disappointing performance. Notwithstanding the disappointing volume performance, the business delivered a profit after tax for the year of £60,765 (2018: loss of £251,140) which reduced the equity shareholders deficit to £7,634 (2018: £68,399). The Company's policy is one of growth and it is hoped that the ongoing discussions with Dixons Carphone will result in this.

Going concern

The Company finances its day to day working capital needs with equity and loans from its parent company, ThinkSmart Europe Limited, which in turn relies on the continuing support from ThinkSmart Limited, the ultimate parent company.

Notwithstanding net liabilities of £7,634 as at 30 June 2019 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The Company made a profit for the year ended 30 June 2019 of £60,765. In forming their view, the directors have further considered the Company's prospects for a period exceeding twelve months, from the date the financial statements were approved. The directors have prepared cash flow forecasts for a period of three years from the date of these financial statements which indicate that the company will continue to require the support of ThinkSmart Limited (including additional funding) in order to support future growth, meet its liabilities as they fall due for that period and to ensure that the covenants related to the loan facility will continue to be met (see note 7).

ThinkSmart Limited has indicated its intention to continue to make available such funds as are needed by the company for at least the next twelve months. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors confirm 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.

Directors

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

N Montarello
G Halton

Political and charitable contributions

The Company made no political or charitable donations during the year ended 30 June 2019 (2018: £nil).

THINKSMART UK LIMITED

YEAR ENDED 30 JUNE 2019

REPORT OF THE DIRECTORS (continued)

Disclosure of information to auditor

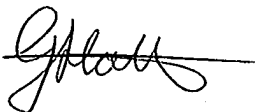
The directors who held office at the date of approval of this director's report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as a director to make themselves 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.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the board



Gary Halton

Director

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

Date: 20 December 2019

THINKSMART UK LIMITED

YEAR ENDED 30 JUNE 2019

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.

THINKSMART UK LIMITED

YEAR ENDED 30 JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THINKSMART UK LIMITED

Opinion

We have audited the financial statements of ThinkSmart UK Limited ("the Company") for the year ended 30 June 2019 which comprise the Statement of total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THINKSMART UK LIMITED

YEAR ENDED 30 JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THINKSMART UK LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities in respect of the Directors' report and the Financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THINKSMART UK LIMITED

YEAR ENDED 30 JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THINKSMART UK LIMITED (continued)

Use of our report

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.



Julien Rye (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester , UK

20 December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THINKSMART UK LIMITED
YEAR ENDED 30 JUNE 2019

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Notes	30 June 2019	30 June 2018
		£	£
Turnover	2	897,506	493,104
Gross profit		897,506	493,104
Administrative expenses		(400,813)	(299,951)
Impairment losses	7	(280,623)	(348,395)
Operating profit/(loss)		216,070	(155,242)
Interest receivable		139	271
Interest payable		(155,444)	(80,392)
Profit/(Loss) before tax		60,765	(235,363)
Tax on profit/(loss) on ordinary activities	3	-	(15,777)
Profit/(Loss) for the financial year		60,765	(251,140)
Other comprehensive income net of income tax		-	-
Total comprehensive profit/(loss) for the financial year		60,765	(251,140)

The profit for the period is derived from continuing operations.

The notes on pages 10 to 16 form an integral part of these financial statements.

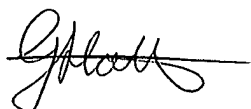
THINKSMART UK LIMITED
YEAR ENDED 30 JUNE 2019

BALANCE SHEET

	Notes	30 June 2019	30 June 2018
		£	£
Current assets			
Finance lease receivable		2,326,221	2,484,026
Cash at bank & in hand		198,658	232,068
Debtors		25,984	23,714
		2,550,863	2,739,808
Non-current assets			
Finance lease receivable		755,836	3,186,500
Tangible assets	5	-	9,260
		755,836	3,195,760
Creditors: amounts falling due within one year			
Borrowing from Bank	7	1,770,511	2,177,445
Intercompany creditors	8	500,000	500,000
Creditors		389,983	504,010
		2,660,494	3,281,455
Creditors: amounts falling due after more than one year			
Borrowing from Bank	7	631,869	2,579,318
Intercompany creditors	8	21,970	243,194
Total non-current liabilities		653,839	2,822,512
Net liabilities		(7,634)	(68,399)
Capital and reserves			
Called up share capital	9	250,000	250,000
Profit and loss account		(257,634)	(318,399)
Equity shareholders' deficit		(7,634)	(68,399)

The notes on pages 10 to 16 form an integral part of these financial statements.

The financial statements on pages 7 to 16 were approved by the board of directors on 20 December 2019 and were signed on its behalf by:



Gary Halton (Director)

Company Number 06228172

THINKSMART UK LIMITED
YEAR ENDED 30 JUNE 2019
STATEMENT OF CHANGES IN EQUITY

	Fully paid ordinary shares	Accumulated profit & loss	Equity
	£	£	£
Balance at 1 July 2017	250,000	(67,259)	182,741
(Loss) for the year	-	(251,140)	(251,140)
Other comprehensive income net of income tax	-	-	-
Total comprehensive income for the financial year	-	(251,140)	(251,140)
Issue of Share Capital	-	-	-
Balance at 30 June 2018	250,000	(318,399)	(68,399)
Balance at 1 July 2018	250,000	(318,399)	(68,399)
Profit for the year	-	60,765	60,765
Other comprehensive income net of income tax	-	-	-
Total comprehensive income for the financial year	250,000	(257,634)	(7,634)
Issue of Share Capital	-	-	-
Balance at 30 June 2019	250,000	(257,634)	(7,634)

The notes on pages 10 to 16 form an integral part of these financial statements.

THINKSMART UK LIMITED
YEAR ENDED 30 JUNE 2019
NOTES TO FINANCIAL STATEMENTS

1. Accounting policies

ThinkSmart UK 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 prepared in accordance with both Australian Accounting Standards and International Financial Reporting Standards 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 Ltd include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

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

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

1.2 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.

1.3 Basis of preparation

The Company finances its day to day working capital needs with equity and loans from its parent company, ThinkSmart Europe Limited, which in turn relies on the continuing support from ThinkSmart Limited, the ultimate parent company.

THINKSMART UK LIMITED
YEAR ENDED 30 JUNE 2019
NOTES TO FINANCIAL STATEMENTS (continued)

Notwithstanding net liabilities of £7,634 as at 30 June 2019 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The Company made a profit for the year ended 30 June 2019 of £60,765. In forming their view, the directors have further considered the Company's prospects for a period exceeding twelve months, from the date the financial statements were approved. The directors have prepared cash flow forecasts for a period of three years from the date of these financial statements which indicate that the company will continue to require the support of ThinkSmart Limited (including additional funding) in order to support future growth, meet its liabilities as they fall due for that period.

ThinkSmart Limited has indicated its intention to continue to make available such funds as are needed by the company for at least the next twelve months. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors confirm 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.

1.4 Taxation

The charge for taxation is based on the profit/(loss) for the year.

1.5 Finance Lease Receivable

The Company has entered into or received full beneficial interest of financing transactions with customers and has classified its leases as finance leases for accounting purposes. Under a finance lease, substantially all the risks and benefits incidental to the ownership of the leased asset are transferred by the lessor to the lessee. The Company recognises at the beginning of the lease term an asset at an amount equal to the aggregate of the present value (discounted at the interest rate implicit in the lease) of the minimum lease payments and the value of any guaranteed residual value expected to accrue to the benefit of the Company at the end of the lease term. This asset represents the Company's net investment in the lease.

Unearned finance lease income

Unearned interest on leases and other receivables is brought to account over the life of the lease contract based on the interest rate implicit in the lease using the effective interest rate method.

Initial direct transaction income and costs

Initial direct income/costs or directly attributable, incremental transaction income/costs incurred in the origination of leases are included as part of receivables in the balance sheet and are amortised in the calculation of lease income and interest income.

Allowance for expected credit losses

The collectability of lease receivables is assessed on an ongoing basis. A provision is made for expected credit losses using the simplified approach of measuring expected credit losses on a lifetime expected credit loss basis

Impairment of lease receivable

The Company recognises a loss allowance for expected credit losses on lease receivables which are measured at fair value through profit or loss. The company applies the simplified approach to measurement of credit losses and as such the loss allowance is based on the asset's lifetime expected credit losses. The measurement of the loss allowance is based on reasonable and supportable information that is available, without undue cost or effort to obtain.

THINKSMART UK LIMITED

YEAR ENDED 30 JUNE 2019

NOTES TO FINANCIAL STATEMENTS (continued)

The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit and loss when an asset is either non recoverable or has suffered arrears of at least 91 days.

2. Turnover

Turnover, all of which arose from activities within the United Kingdom, represents income from rental agreements and from associated services.

Operating lease income (Upgrade Everytime)

In accordance with IAS 17 the contracts are considered to be operating leases and the only source of revenue is Operating Lease Income. This Operating Lease Income is recognised on a straight-line basis over the lease term as the payments become receivable.

Finance lease income (Flexible Leasing)

In accordance with IAS 17 the contracts are considered to be finance leases and the only source of revenue is Finance Lease Income. This Finance Lease Income is recognised on the effective interest rate method at the constant rate of return. This method amortises the lease asset over its economic life down to the estimate of any unguaranteed residual value that is expected to be accrued to the Company at the end of the lease.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

	30 June 2019	30 June 2018
	£	£
Lease income	877,890	486,794
Other fee revenue - customer	19,616	6,310
	<u>897,506</u>	<u>493,104</u>

THINKSMART UK LIMITED
YEAR ENDED 30 JUNE 2019
NOTES TO FINANCIAL STATEMENTS (continued)

2.2 Future minimum lease payments

	30 June 2019	30 June 2018
	£	£
Less than one year	1,976,542	2,634,710
Between one and five years	<u>642,218</u>	<u>3,120,977</u>
	<u>2,618,760</u>	<u>5,755,687</u>

3. Tax on loss on ordinary activities

	30 June 2019	30 June 2018
	£	£
Current tax credit/(charge) on profit/(loss) for the year	-	(15,777)

Reconciliation of effective tax rate

Accounting profit/(loss) before tax	<u>60,765</u>	<u>(235,363)</u>
Tax using the UK corporation tax rate*	(11,545)	44,719
Losses carried forward not recognised	-	(44,719)
Deferred tax credit/(charge)	-	(15,777)
Utilisation in year of unrecognised tax losses brought forward	<u>11,545</u>	<u>-</u>
Current tax credit/(charge) on profit/(loss) for the year	<u>-</u>	<u>(15,777)</u>

Temporary differences and losses on which deferred tax not recognised at 30 June 2019 amounted to £257,634 (2018: £318,399).

*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.

4. Auditor's remuneration:

The auditor's remuneration is borne by RentSmart Limited.

5. Tangible assets

Cost	IT Equipment
	£
At 1 July 2017	30,411
Additions	<u>-</u>
Balance at 30 June 2018	<u>30,411</u>
At 1 July 2018	30,411
Additions	<u>-</u>
Balance at 30 June 2019	<u>30,411</u>

THINKSMART UK LIMITED
YEAR ENDED 30 JUNE 2019

NOTES TO FINANCIAL STATEMENTS (continued)

Accumulated depreciation

At 1 July 2017	10,299
Charge for the year	10,852
Impairment loss	-
Balance at 30 June 2018	<u>21,151</u>
At 1 July 2018	21,151
Charge for the year	9,260
Impairment loss	-
Balance at 30 June 2019	<u>30,411</u>

Net Book Value

At 30 June 2019	<u>-</u>
At 30 June 2018	<u>9,260</u>

6. Expected credit losses

	30 June 2019	30 June 2018
	£	£
Balance at 1 July	264,234	593
Impairment charge to profit or loss	280,623	348,395
Bad debts written off	(314,785)	(84,754)
Balance at 30 June	<u>230,072</u>	<u>264,234</u>

7. Borrowing from Bank

	30 June 2019	30 June 2018
	£	£
Current - Loan advances	1,944,691	2,177,445
Non-current - Loan advances	631,869	2,579,318

In November 2016 a 3 year loan facility up to £20m was signed with STB to fund the purchase of smartphones for the sole purpose of leasing. In October 2017 this loan facility was extended to 2 October 2020.

THINKSMART UK LIMITED

YEAR ENDED 30 JUNE 2019

NOTES TO FINANCIAL STATEMENTS (continued)

8. Intercompany creditors

	30 June 2019	30 June 2018
	£	£
Thinksmart Europe Limited	500,000	500,000
RentSmart Limited	21,970	243,194
	<u>521,970</u>	<u>743,194</u>

The Company is a Special Purpose Vehicle that purchases lease agreements from its sister company RentSmart Ltd that originates and services the leases on its behalf. RentSmart charges the Company a transaction fee for the work involved in generating the lease agreements and also charges the Company an annual rate of 9% interest on the outstanding loan each month.

9. Called up share capital

	30 June 2019	30 June 2018
	£	£
<i>Allotted, called up and fully paid</i>		
250,000 (2018: 250,000) ordinary authorised shares of £1 (2018: £1) each	250,000	250,000
Shares classified in shareholders' funds	250,000	250,000

10. 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.

11. Ultimate parent undertaking

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

THINKSMART UK LIMITED

YEAR ENDED 30 JUNE 2019

NOTES TO FINANCIAL STATEMENTS (continued)

12. Reclassifications

To align the prior year comparatives with the current period audited figures the below reclassifications have been made:

- a) Amounts of £174,180 previously capitalised against Intangibles have been reclassified against borrowing from bank for the current year
- b) Amounts of £244,017 previously capitalised against Intangibles have been reclassified against borrowings from bank for the prior year

The above adjustments have had £ Nil impact on the net assets held as at 30 June 2018 and £ Nil impact on profit for the prior year.

13. 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.