

**REGISTERED NUMBER: 04280977 (England and Wales)**

**Think Insure Limited**  
**Annual Report and Financial Statements**  
**for the Year Ended 31 January 2019**

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**Think Insure Limited**

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for the Year Ended 31 January 2019**

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**Think Insure Limited**

**Company Information  
for the Year Ended 31 January 2019**

**Directors:**

M Aldred  
G Dearden  
S Kay  
S Stylianou  
J Warr

**Company Secretary:**

R Swann

**Registered Office:**

Think Park  
Mosley Road  
Trafford Park  
Manchester  
M17 1FQ

**Registered Number:**

04280977 (England and Wales)

**Auditor:**

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

## **Think Insure Limited**

### **Directors' Report for the Year Ended 31 January 2019**

The directors present their annual report and the audited financial statements for the year ended 31 January 2019.

#### **Principal Activities and Business Review**

The Company's principal activity is that of an insurance intermediary.

The Company continued to focus on its core offerings of home, motor and life insurance with turnover 23% lower year on year at £1.5m (2018: £1.9m). The operating profit for the year was £0.65m (2018: £0.34m). The Company has net assets of £0.4m (2018: £0.3m) at the year end.

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

The number of clients paying premiums for ongoing policies at the year end decreased by 23% year on year (2018: 18% decrease).

#### **Change of Ownership**

During the year, the Group entered into an agreement for the intermediate parent company, Milan Midco Limited, to sell its interests in Milan Bidco Limited along with all subsidiaries. Following receipt of Financial Conduct Authority (FCA) approval for the change in control, the transaction completed on 7 August 2018. The ultimate parent company is now Tomahawk Bidco Limited, a company incorporated and registered in Jersey.

#### **Non-Recurring Costs**

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

#### **Dividends**

A dividend of £450,000 (£450,000 per share) was paid in the year (2018: £200,000 dividend - £200,000 per share). The directors do not recommend payment of a final dividend (2018: £Nil).

#### **Directors**

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

M Aldred  
G Dearden  
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 year and remain in force at the date of this report.

#### **Political Contributions**

The Company made no political contributions in the year (2018: £Nil).

#### **Principal Risks and Uncertainties**

The principal risks and uncertainties arising relate to the provision of regulated services. Some credit risk also arises on the premium funding provided to customers by another Group company, Ideal Finance Limited. The Company maintains policies and procedures and provides regular training to staff to ensure that all relevant regulatory requirements are met. 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 be directly affected by the volume of customers receiving services from other Group subsidiaries.

## **Think Insure Limited**

### **Directors' Report - continued for the Year Ended 31 January 2019**

#### **Brexit**

The UK is now in a period of uncertainty as the UK Government seeks to establish Brexit terms 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 when the UK leaves 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 EU exit negotiation.

#### **Financial Risk Management Objectives and Policies**

See note 16 for details of financial risk management, exposure to risks and the Company's risk management framework.

#### **Future Developments**

Following the year end, the Company took the decision to cease writing any form of new business but still continue to service and administer existing customer portfolios. The necessary notification and request to amend regulatory permissions was submitted to the FCA in October 2019.

#### **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.

#### **Going Concern**

After making appropriate enquiries, the directors consider 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 in preparing the financial statements.

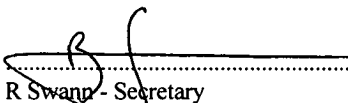
#### **Auditor**

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.

The Company has taken advantage of the exemption in Section 414 A(2) of the Companies Act 2006 from the requirement to prepare a strategic report on the basis that it would be entitled to prepare financial statements for the year in accordance with the small companies regime but for being a member of an ineligible group.

#### **On behalf of the board:**

  
.....  
R Swann - Secretary

Think Park  
Mosley Road  
Trafford Park  
Manchester  
M17 1FQ

Date: 13 Nov '19 .....

## **Think Insure Limited**

### **Statement of Directors' Responsibilities for the Year Ended 31 January 2019**

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 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 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;
- 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 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 Insure Limited**

### **Opinion**

We have audited the financial statements of Think Insure Limited ("the Company") for the year ended 31 January 2019 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 2019 and of its profit for the 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.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **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, including the impact of Brexit, 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 judgements 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.

### **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.

## **Independent Auditor's Report to the Members of Think Insure Limited - continued**

### **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; or
- 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.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4 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.

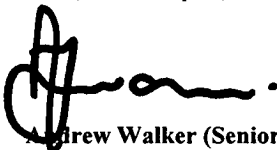
### **Auditor's responsibilities**

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.



**Andrew Walker (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One St Peter's Square  
Manchester  
M2 3AE

Date: .....



**Think Insure Limited**

**Profit and Loss Account  
for the Year Ended 31 January 2019**

	Note	2019 £	2018 £
<b>Turnover</b>	1	1,454,177	1,892,053
Cost of sales		(400,978)	(858,408)
<b>Gross Profit</b>		1,053,199	1,033,645
Administrative expenses		(348,554)	(605,594)
- Ongoing		(53,142)	(88,214)
- Non-recurring	4		
- Total		(401,696)	(693,808)
<b>Operating Profit</b>	3	651,503	339,837
<b>Profit Before Taxation</b>		651,503	339,837
Tax on profit	7	(125,791)	(69,469)
<b>Profit After Taxation</b>		525,712	270,368

All activity has arisen from continuing operations.

The notes on pages 10 to 20 form part of these financial statements.

There were no other components of recognised income or expense in either year and consequently no statement of comprehensive income has been prepared.

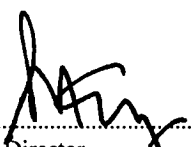
**Think Insure Limited**

**Balance Sheet**  
**As at 31 January 2019**

	Notes	2019 £	2018 £
<b>Fixed Assets</b>			
Tangible assets	9	11,239	108,230
		<u>11,239</u>	<u>108,230</u>
<b>Current Assets</b>			
Debtors	10	153,165	100,548
Deferred tax	15	65,031	47,986
Cash and cash equivalents	11	752,338	780,542
		<u>970,534</u>	<u>929,076</u>
<b>Creditors</b>			
Amounts falling due within one year	12	(385,905)	(310,669)
<b>Net Current Assets</b>		<u>584,629</u>	<u>618,407</u>
<b>Total Assets Less Current Liabilities</b>		<u>595,868</u>	<u>726,637</u>
<b>Provisions for Liabilities</b>	13	(221,067)	(427,548)
<b>Net Assets</b>		<u>374,801</u>	<u>299,089</u>
<b>Capital and Reserves</b>			
Called up share capital	14	1	1
Profit and loss account		<u>374,800</u>	<u>299,088</u>
<b>Total Equity Shareholders' Funds</b>		<u>374,801</u>	<u>299,089</u>

The notes on pages 10 to 20 form part of these financial statements.

The financial statements of Think Insure Limited (registered number: 04280977) were approved by the Board of Directors and authorised for issue on 12 November 19. They were signed on its behalf by:

  
.....  
S Kay - Director

**Think Insure Limited**

**Statement of Changes in Equity  
for the Year Ended 31 January 2019**

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>Balance at 1 February 2017</b>	1	228,720	228,721
Profit for the year	-	270,368	270,368
Dividends	-	(200,000)	(200,000)
<b>Balance at 31 January 2018</b>	<u>1</u>	<u>299,088</u>	<u>299,089</u>
Profit for the year	-	525,712	525,712
Dividends	-	(450,000)	(450,000)
<b>Balance at 31 January 2019</b>	<u><u>1</u></u>	<u><u>374,800</u></u>	<u><u>374,801</u></u>

## **Think Insure Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2019**

#### **1. Accounting Policies**

Think Insure Limited (the "Company") is a company limited by shares, incorporated and domiciled 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 shown on page 1.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued by the Financial Reporting Council. The presentational currency of these financial statements is sterling.

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, CrownWay, 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.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

The financial statements have been prepared under the historical cost accounting rules.

##### **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.

##### **Going concern**

After making appropriate enquiries, the directors consider 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 in preparing the financial statements.

##### **Basic financial instruments**

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

##### *Trade and other debtors*

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.

**Think Insure Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**1. Accounting Policies - continued**

**Basic financial instruments - continued**

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand are disclosed separately within trade and other creditors. Within cash balances are amounts received by the Company from clients; these are held within bank accounts which are segregated from, and do not have a legal right of set-off with the Company's own bank accounts. These monies are held on behalf of clients and as such are disclosed as 'Amounts held on behalf of clients' within Creditors.

*Trade and other creditors*

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**

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.

**Tangible fixed assets and depreciation**

*Recognition and measurement*

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*

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 estimated useful life of each part of property, plant and equipment as follows:

Computer equipment - 4 years

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

**Employee benefits**

*Defined contribution plans*

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 Insure Limited**

### **Notes to the Financial Statements - continued for the Year Ended 31 January 2019**

#### **1. Accounting Policies - continued**

##### **Provisions for liabilities and charges**

A provision is recognised on the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

A claw back provision is made in relation to life insurance policies sold, whereby an element of the commissions earned is clawed back upon cancellation of that policy before the end of the indemnity term.

##### **Turnover**

Turnover comprises principally of commissions receivable from the arrangement of motor, home, life and other insurance policies. Revenue is recognised at the point that the Company becomes entitled to the commission following apolicy sale. Turnover is stated net of VAT and consists of services provided in the United Kingdom.

##### **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.

##### **Non-recurring costs**

Non-recurring items are material and excluded from management's assessment of profit because, by their nature, they could distort the Company's underlying 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 note 4.

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 Insure Limited

### Notes to the Financial Statements - continued for the Year Ended 31 January 2019

#### 2. Estimates and Judgements

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 estimates that are considered to be the most important to the portrayal of the Company's financial condition are those relating to the life insurance cancellation provisions. An increase of 1% to the cancellation rates would increase the provision by £87,000 (2018: £114,000).

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, other than the clawback provision mentioned above, in the estimates applied.

#### 3. Operating Profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation and other amounts written off fixed assets	100,358	123,125
<i>Auditor's remuneration:</i>		
Audit of these financial statements	2,446	2,473
Taxation	801	728

#### 4. Non-Recurring Items

Non-recurring items incurred in the year were as follows:

	2019 £	2018 £
Redundancy costs	52,525	82,994
Regulatory costs	617	5,594
Onerous lease	-	(374)
	<u>53,142</u>	<u>88,214</u>

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

Regulatory costs relate to the movement in provisions made to refund customers who had either paid income protection premiums past the expiry of their policy, or in circumstances where they were ineligible to make a claim.

Onerous lease costs in the prior year relate to the release of Group onerous lease amounts provided at the end of 2016.

## Think Insure Limited

### Notes to the Financial Statements - continued for the Year Ended 31 January 2019

#### 5. Staff Numbers and Costs

The average monthly number of persons employed by the Company during the year, analysed by category was as follows:

	Number of employees	
	2019	2018
Sales	8	15
Administration	5	8
	<u>13</u>	<u>23</u>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Wages and salaries	389,280	687,975
Social security costs	35,654	60,041
Other pension costs	6,110	10,100
	<u>431,044</u>	<u>758,116</u>

#### 6. Remuneration of Directors

The directors who served during the year and in the previous year were paid by other Group subsidiaries: TMG Limited (formerly Think Money Group Limited), Think Money Limited and Intelligent Lending Limited and therefore there are no directors' emoluments to be disclosed in this Company's financial statements.

#### 7. Taxation

(a) Analysis of tax charge in year at 19% (2018: 19.16%)

	2019	2018
	£	£
<i>Current tax:</i>		
Adjustment in respect of prior period	-	13,897
Group relief payable	142,836	88,188
Total current tax	<u>142,836</u>	<u>102,085</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(17,045)	(20,804)
Adjustment in respect of prior periods	-	(11,812)
Total deferred tax	<u>(17,045)</u>	<u>(32,616)</u>
<b>Tax on profit</b>	<u>125,791</u>	<u>69,469</u>



**Think Insure Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019****7. Taxation - continued**

(b) Factors affecting effective tax charge in year

The total tax charge for the year is higher (2018: higher) than the standard rate of corporation tax in the UK of 19% (2018: 19.16%). The differences are explained below:

	2019 £	2018 £
Profit before tax	651,503	339,837
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19.16%)	123,786	65,118
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	49
Adjustment in respect of prior years	-	2,085
Transfer pricing adjustments	-	(429)
Other timing differences	2,005	2,646
<b>Total tax charge</b>	<b>125,791</b>	<b>69,469</b>

For details of future tax rate changes, see note 15.

**8. Dividends**

	2019 £	2018 £
<i>Equity dividends:</i>		
Ordinary dividends paid of £450,000 per share (2018: £200,000 per share)	450,000	200,000

**Think Insure Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**9. Tangible Assets**

	<b>Computer equipment £</b>	<b>Total £</b>
<b>COST</b>		
At 1 February 2018	544,746	544,746
Additions	3,367	3,367
At 31 January 2019	548,113	548,113
<b>DEPRECIATION</b>		
At 1 February 2018	436,516	436,516
Charge for year	100,358	100,358
At 31 January 2019	536,874	536,874
<b>NET BOOK VALUE</b>		
At 31 January 2019	11,239	11,239
At 31 January 2018	108,230	108,230

The Company held no assets under hire purchase or finance lease agreements at the year end (2018: £Nil).

**10. Debtors: Amounts Falling Due Within One Year**

	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	144,961	87,554
Prepayments and accrued income	8,204	12,994
	153,165	100,548

**11. Cash and Cash Equivalents**

	<b>2019 £</b>	<b>2018 £</b>
Cash and cash equivalents	752,338	780,542

At 31 January 2019 segregated deposits held by the Company on behalf of clients amounted to £69,189 (2018: £124,232). Within these balances are fees due to the Company with the remaining monies held of behalf of clients, in connection with insurance premiums paid, pending distribution. The corresponding liabilities are disclosed as 'Amounts held on behalf of clients' within Creditors.

**Think Insure Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**12. Creditors: Amounts Falling Due Within One Year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	18,085	14,678
Amounts owed to Group undertakings	124,555	35,304
Other taxation and social security	11,747	8,300
Amounts payable to Group undertakings in relation to Group relief	142,836	102,085
Other creditors	55	-
Accruals and deferred income	19,438	26,070
Amounts held on behalf of clients payable to creditors	69,189	124,232
	<u>385,905</u>	<u>310,669</u>

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

**13. Provisions for Liabilities**

	<b>Clawback provision</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 February 2018	427,548	427,548
Amounts booked through turnover	103,641	103,641
Amounts utilised against the provision	(310,122)	(310,122)
At 31 January 2019	<u>221,067</u>	<u>221,067</u>

A clawback provision is held for potential cancellations of life insurance policies where an element of the commission will be refunded upon cancellation.

**14. Called Up Share Capital and Reserves**

**Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2019</b>	<b>2018</b>
			<b>£</b>	<b>£</b>
1	Ordinary share	£1	<u>1</u>	<u>1</u>

The Company's other reserves are as follows:

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

**Think Insure Limited****Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019****15. Deferred Tax**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Opening balance	(47,986)	(15,370)
Movements in the year (note 7)	(17,045)	(32,616)
Closing balance	<u>(65,031)</u>	<u>(47,986)</u>

Please note that from 1 April 2017, the main rate of corporation tax was reduced to 19%. A further reduction to 18% (effective 1 April 2018) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. Any deferred tax at 31 January 2019 has been calculated based on the rate of 17% being the rate substantively enacted at the balance sheet date.

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

The net deferred taxation position in 2019 and 2018 gives rise to a deferred taxation asset.

The elements of deferred taxation are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	(64,973)	(47,912)
Other timing differences	(58)	(74)
	<u>(65,031)</u>	<u>(47,986)</u>

**16. Financial Instruments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	144,961	87,554
Cash and cash equivalents	<u>752,338</u>	<u>780,542</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(374,158)</u>	<u>(302,369)</u>

**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. The directors believe that there is no material difference between the carrying value and fair value of assets and liabilities.

## **Think Insure Limited**

### **Notes to the Financial Statements - continued for the Year Ended 31 January 2019**

#### **16. Financial Instruments - continued**

##### **Financial risk management**

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

- liquidity risk.

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

The Company suffers some credit risk from the premium funding product provided to its customers by another Group subsidiary, Ideal Finance Limited, although this is transferred via a servicing agreement and does not impact the Company's financial instruments directly.

##### **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.

##### **Trade debtors**

Financial assets include trade debtors, being commissions recognised in relation to insurance policies which have not yet been collected. At the year end, all trade debtors are less than 3 months old and expected to be collected within 3 months. Given the nature of these debtors, there is no provision required to be held against them.

##### **Cash and cash equivalents**

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

##### **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.

##### **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.

**Think Insure Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 January 2019**

**17. Ultimate Parent Company**

The immediate parent company is TMG Holdings 2 Limited (formerly Think Money Holdings 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.

Tomahawk Bidco Limited became the ultimate controlling company and Ares Management Limited became the ultimate controlling party on 7 August 2018 after Tomahawk Bidco Limited acquired 100% of the intermediate parent company, Milan Bidco Limited along with all other subsidiaries.