It will be argued that a central tool of early cognition are object files and situation files. They can be developed early as basic mental representations which furthermore unfold in ontogeny until we develop full-blown representations of desires, beliefs and other propositional attitudes. In this cognitive development, we are dealing with one central challenge, namely the paradox of false-belief understanding: if infants pass the implicit false belief task (FBT) by nonverbal behavioural responses like looking or helping behaviour why do they nonetheless fail the explicit FBT till they are 4 years old? Starting with the divide between pragmatic and cognitive account of the development of false-belief understanding, I argue that we need to consider both, pragmatic and cognitive factors to account for the development of children’s Theory of Mind (ToM) ability. A second challenge is raised by discussing the helping behaviour versions of the FBT. I argue that the common two-stage accounts are inadequate: we need to presuppose three central stages in a rather continuous development. Using the recent mental files account, I will provide a new account of the development of ToM ability by describing the changes of the structure and organization of mental files including the systematic triggering role of types of situations. Thereby it is possible to unfold a pragmatic mental file (PMF) account as a new and adequate solution to the paradox of false-belief understanding. This is at the same time a key example of cognitive development which is usually shaped by the two factors, namely the reorganization of mental representations and modifications of the embedding of the cognitive system in the environment.