

SIMPLESTREAM LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	58,413	58,430
		<u>58,413</u>	<u>58,430</u>
Current assets			
Debtors	5	773,439	1,405,604
Cash at bank and in hand	6	627,206	150,347
		<u>1,400,645</u>	<u>1,555,951</u>
Creditors: amounts falling due within one year	7	(1,835,539)	(1,740,977)
Net current liabilities		<u>(434,894)</u>	<u>(185,026)</u>
Total assets less current liabilities		<u>(376,481)</u>	<u>(126,596)</u>
Creditors: amounts falling due after more than one year	8	(426,722)	(819,909)
Net liabilities		<u><u>(803,203)</u></u>	<u><u>(946,505)</u></u>
Capital and reserves			
Called up share capital		1,482	1,482
Share premium account		206,205	206,205
Profit and loss account		(1,010,890)	(1,154,192)
		<u><u>(803,203)</u></u>	<u><u>(946,505)</u></u>

SIMPLESTREAM LIMITED
REGISTERED NUMBER: 07244424

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 July 2020.

A Smith
Director

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

1. General information

Simplestream Limited is a private company limited by share capital, is incorporated in England & Wales and its registered office is at 3rd Floor, 30 Haymarket, London, SW1Y 4EX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The accounts have been prepared on the going concern basis which assumes that the Company will be able to meet its liabilities as they fall due. The Company made a loss before tax of £109,518 and at the year end had net current liabilities of £434,894. The Directors 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 in preparing the financial statements.

In light of the impact of the worldwide outbreak of the COVID-19 virus upon consumer demand, the Company has reviewed its cashflow forecasts and considered the impact on going concern, concluding that the going concern basis remains an appropriate basis of preparation for these financial statements given the cash flow impact of operations 12 months from the date of approving these financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.5 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	33%
Fixtures and fittings	-	33%
Office equipment	-	33%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

3. Employees

The average monthly number of employees, including directors, during the year was 32 (2019 - 30).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

4. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 June 2019	86,493	54,411	84,497	88,234	313,635
Additions	-	14,688	17,815	-	32,503
At 31 May 2020	<u>86,493</u>	<u>69,099</u>	<u>102,312</u>	<u>88,234</u>	<u>346,138</u>
Depreciation					
At 1 June 2019	79,257	53,346	73,583	49,019	255,205
Charge for the year on owned assets	2,627	1,190	5,566	23,137	32,520
At 31 May 2020	<u>81,884</u>	<u>54,536</u>	<u>79,149</u>	<u>72,156</u>	<u>287,725</u>
Net book value					
At 31 May 2020	<u>4,609</u>	<u>14,563</u>	<u>23,163</u>	<u>16,078</u>	<u>58,413</u>
At 31 May 2019	<u>7,236</u>	<u>1,065</u>	<u>10,914</u>	<u>39,215</u>	<u>58,430</u>

Included in computer equipment are assets held under finance leases with a net book value of £16,078 (2019: £39,215).

5. Debtors

	2020 £	2019 £
Trade debtors	531,192	885,258
Other debtors	117,525	372,548
Prepayments and accrued income	124,722	147,798
	<u>773,439</u>	<u>1,405,604</u>

6. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>627,206</u>	<u>150,347</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	393,079	400,347
Trade creditors	224,502	280,805
Other taxation and social security	480,862	208,785
Obligations under finance lease and hire purchase contracts	4,623	35,400
Other creditors	20,735	8,127
Accruals and deferred income	711,738	807,513
	<u>1,835,539</u>	<u>1,740,977</u>

8. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	426,722	815,286
Net obligations under finance leases and hire purchase contracts	-	4,623
	<u>426,722</u>	<u>819,909</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

9. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	393,079	400,347
	<u>393,079</u>	<u>400,347</u>
Amounts falling due 1-2 years		
Bank loans	426,723	446,675
	<u>426,723</u>	<u>446,675</u>
Amounts falling due 2-5 years		
Bank loans	-	368,611
	<u>-</u>	<u>368,611</u>
	<u>819,802</u>	<u>1,215,633</u>

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £36,912 (2019 - £32,173). Contributions totalling £7,745 (2019 - £6,502) were payable to the fund at the reporting date and are included in creditors.

11. Commitments under operating leases

At 31 May 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	3,009	213,209
Later than 1 year and not later than 5 years	478,081	21,002
	<u>481,090</u>	<u>234,211</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

12. Related party transactions

During the year, up until 3 August 2019, the Company has two directors in common with TVPlayer Limited (2019: two), the Company's former subsidiary. During the year the Company invoiced £153,473 (2019: £240,859) in respect of services supplied to TVPlayer Limited. During the year, TVPlayer Limited entered administration owing the Company £259,600. The Company has written off all amounts owed from TVPlayer Limited, having provided fully for this in the year ended 31 May 2019.

13. Share based payments

In the year ended May 2017 the Company granted 4,338 share options to company employees, of which 3,115 have since lapsed.

14. Controlling party

The directors do not consider there to be any single ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.