

Registered number: 07244424

SIMPLESTREAM LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021



SIMPLESTREAM LIMITED
REGISTERED NUMBER: 07244424

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	29,468	58,413
		<u>29,468</u>	<u>58,413</u>
Current assets			
Debtors	5	1,326,124	773,439
Cash at bank and in hand	6	731,466	627,206
		<u>2,057,590</u>	<u>1,400,645</u>
Creditors: amounts falling due within one year	7	(2,016,167)	(1,835,539)
Net current assets/(liabilities)		<u>41,423</u>	<u>(434,894)</u>
Total assets less current liabilities		<u>70,891</u>	<u>(376,481)</u>
Creditors: amounts falling due after more than one year	8	(908,177)	(426,722)
Net liabilities		<u>(837,286)</u>	<u>(803,203)</u>
Capital and reserves			
Called up share capital	10	1,494	1,482
Share premium account		206,226	206,205
Profit and loss account		(1,045,006)	(1,010,890)
		<u>(837,286)</u>	<u>(803,203)</u>

SIMPLESTREAM LIMITED
REGISTERED NUMBER: 07244424

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2021

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.

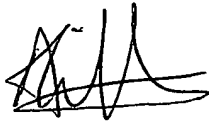
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 12 January 2022.

A Smith
Director



The notes on pages 4 to 12 form part of these financial statements.

SIMPLESTREAM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 June 2019	1,482	206,205	(1,154,192)	(946,505)
Loss for the year	-	-	143,302	143,302
At 1 June 2020	1,482	206,205	(1,010,890)	(803,203)
Loss for the year	-	-	(34,116)	(34,116)
Shares issued during the year	12	21	-	33
At 31 May 2021	<u>1,494</u>	<u>206,226</u>	<u>(1,045,006)</u>	<u>(837,286)</u>

The notes on pages 4 to 12 form part of these financial statements.

SIMPLESTREAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

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.

The functional and presentational currency of the accounts is GBP.

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 £189,537 (2020: £109,518) and at the year end had net current assets of £76,423 (2020: 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.

SIMPLESTREAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

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 profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Government grants

Government grants relating to staff expenditure are recognised in accordance with the accrual model and on systematic basis over the employment periods covered by the grant.

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Finance costs

Finance costs are charged to profit or loss 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.

SIMPLESTREAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)**2.9 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 profit or loss 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.

2.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.11 Taxation

Tax is recognised in profit or loss 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.

2.12 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.

SIMPLESTREAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

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 profit or loss.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.14 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.

2.15 Creditors

Short term creditors are measured at the transaction price.

2.16 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.

SIMPLESTREAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)

2.17 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 34 (2020 - 32).

SIMPLESTREAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

4. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 June 2020	86,493	69,099	102,312	88,234	346,138
Additions	-	-	18,260	-	18,260
Disposals	-	(6,253)	(4,250)	-	(10,503)
At 31 May 2021	<u>86,493</u>	<u>62,846</u>	<u>116,322</u>	<u>88,234</u>	<u>353,895</u>
Depreciation					
At 1 June 2020	81,884	54,536	79,149	72,156	287,725
Charge for the year on owned assets	2,681	5,153	13,339	16,078	37,251
Disposals	-	(347)	(202)	-	(549)
At 31 May 2021	<u>84,565</u>	<u>59,342</u>	<u>92,286</u>	<u>88,234</u>	<u>324,427</u>
Net book value					
At 31 May 2021	<u>1,928</u>	<u>3,504</u>	<u>24,036</u>	<u>-</u>	<u>29,468</u>
At 31 May 2020	<u>4,609</u>	<u>14,563</u>	<u>23,163</u>	<u>16,078</u>	<u>58,413</u>

Included in computer equipment are assets held under finance leases with a net book value of £NIL (2020: £16,078).

5. Debtors

	2021 £	2020 £
Trade debtors	949,532	531,192
Other debtors	190,416	117,524
Prepayments and accrued income	186,176	124,723
	<u>1,326,124</u>	<u>773,439</u>

SIMPLESTREAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	731,466	627,206

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	-	393,079
Other loans	406,310	-
Trade creditors	275,380	224,502
Other taxation and social security	318,798	480,862
Obligations under finance lease and hire purchase contracts	-	4,623
Other creditors	79,315	20,735
Accruals and deferred income	936,364	711,738
	<u>2,016,167</u>	<u>1,835,539</u>

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

	2021 £	2020 £
Bank loans	-	426,722
Other loans	908,177	-
	<u>908,177</u>	<u>426,722</u>

SIMPLESTREAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

9. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	-	393,079
Other loans	406,310	-
Amounts falling due 1-2 years		
Bank loans	-	426,723
Other loans	203,034	-
Amounts falling due 2-5 years		
Other loans	705,143	-
	<u>1,314,487</u>	<u>819,802</u>

Included within other loans due within one year is £314,487 received under the Future Fund loan scheme. This loan will automatically convert into a variable number of shares on the company's next qualifying funding round. If not converted earlier, then at the maturity of the loan (expected to be no longer than 36 months) the holders have the option to choose: (i) for it to be repaid by the company with a redemption premium (being a premium equal to 100% of the principal of the bridge funding); or (ii) to convert into equity at the Discount Rate to the price set by the most recent funding round. The Conversion will be at a minimum conversion discount of 20% (the "Discount Rate") to the price set by that funding round, with a company repayment right in respect of the accrued interest. The Discount Rate will be higher if a higher rate is agreed between the company and the matched investors. In addition, interest will accrue annually at a rate that will be the higher of the rate agreed between the company and the matched investors, and an 8% minimum interest rate that is required by the Government.

Under IAS 32, the loan notes are accounted for as a compound financial instrument. The value of the liability component and the equity conversion component were determined at the date the instrument was issued. The fair value of the liability component, included in other borrowings, was calculated using a market interest rate for an equivalent instrument without conversion option with the balance recorded as a convertible debt reserve.

On 28th April 2021 the company received a loan of £1,000,000. This loan is secured with fixed and floating charges over the assets of the company. The loan is due for repayment over a period of 5 years. Interest becomes payable after 12 months at a rate of 10.5 percent per annum.

SIMPLESTREAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

10. Share capital

	2021 £	2020 £
Shares classified as equity		
Allotted, called up and fully paid		
108,250 (2020 - 107,027) Ordinary shares of £0.01 each	1,082	1,070
41,186 (2020 - 41,186) A Ordinary shares of £0.01 each	412	412
1 (2020 - 1) B Preference share of £0.01	-	-
	<u>1,494</u>	<u>1,482</u>

During the year 1,223 Ordinary shares of £0.01 were issued for a total consideration of £33, following the exercise of share options.

11. 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 £44,742 (2020 - £36,912). Contributions totalling £10,729 (2020 - £7,745) were payable to the fund at the reporting date and are included in creditors.

12. Commitments under operating leases

At 31 May 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	195,840	195,840
Later than 1 year and not later than 5 years	587,520	783,360
	<u>783,360</u>	<u>979,200</u>

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. During the year 1,223 share options were exercised.

As at the year end 31 May 2021 there were no share options in issue.

14. Controlling party

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