

Registered number: 07244424

**SIMPLESTREAM LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2019**

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**SIMPLESTREAM LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MAY 2019**

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The directors present their report and the financial statements for the year ended 31 May 2019.

**Business review**

The company made a loss in the year of £685,120 (2018: £722,187) which included a one off charge for doubtful debts of £216,333. In the year the Company invested heavily in product development, financed by a £2,325,000 loan facility from Harbert European Growth Fund. As at the date of signing of these financial statements the Company has drawn down £1,308,048 of this facility. As a result of the investment in product development the Company's sales pipeline is such that it does not expect to draw further on this facility. Subsequent to the year end the Company has also received £233,093 in R&D tax relief, and has prepared claims for a further £210,978, which strengthen the Company's Balance Sheet.

**Directors**

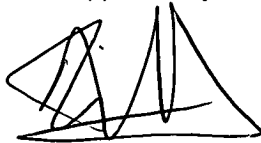
The directors who served during the year were:

A Smith  
D Finch  
N Blackley  
S Robinson  
E Malinger (resigned 15 January 2019)  
P Edmondson-Jones (appointed 16 January 2019)

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on *22 October 2019* and signed on its behalf.



A Smith  
Director

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	4	58,430	45,113
		<u>58,430</u>	<u>45,113</u>
<b>Current assets</b>			
Debtors	5	1,405,603	1,027,406
Cash at bank and in hand	6	150,347	445,099
		<u>1,555,950</u>	<u>1,472,505</u>
Creditors: amounts falling due within one year	7	<u>(1,740,976)</u>	<u>(1,574,753)</u>
<b>Net current liabilities</b>		<u>(185,026)</u>	<u>(102,248)</u>
<b>Total assets less current liabilities</b>		<u>(126,596)</u>	<u>(57,135)</u>
Creditors: amounts falling due after more than one year	8	(819,909)	(204,250)
<b>Net liabilities</b>		<u>(946,505)</u>	<u>(261,385)</u>
<b>Capital and reserves</b>			
Called up share capital		1,482	1,482
Share premium account		206,205	206,205
Profit and loss account		(1,154,192)	(469,072)
		<u>(946,505)</u>	<u>(261,385)</u>

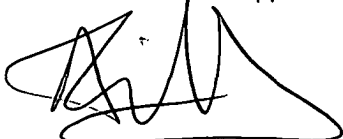
The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

**A Smith**  
Director



**22 October 2019**

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**SIMPLESTREAM LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAY 2019**

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 June 2017</b>	1,482	206,205	253,115	460,802
Loss for the year	-	-	(722,187)	(722,187)
<b>At 1 June 2018</b>	<u>1,482</u>	<u>206,205</u>	<u>(469,072)</u>	<u>(261,385)</u>
Loss for the year	-	-	(685,120)	(685,120)
<b>At 31 May 2019</b>	<u>1,482</u>	<u>206,205</u>	<u>(1,154,192)</u>	<u>(946,505)</u>

The notes on pages 4 to 11 form part of these financial statements.

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## SIMPLESTREAM LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

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#### 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 in the year of £685,120 (2018: £722,187) and at the year end had net current liabilities of £185,026 (2018: £102,248) and total net liabilities of £946,505 (2018: £261,385). In the year the Company invested heavily in product development, financed by a £2,325,000 loan facility from Harbert European Growth fund. As at the date of signing of these financial statements the Company has drawn down £1,308,048 of this facility. As a result of the investment in product development the Company's sales pipeline is such that it does not expect to draw further on this facility. Subsequent to the year end the Company has also received £233,093 in R&D tax relief, and has prepared claims for a further £210,978. The Directors have approved the budget for the year ending 31 May 2020 and extended for a five month period to 31 October 2020. The Directors consider the forecasts to be reasonable. Based on this, 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.

##### 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**2. Accounting policies (continued)**

**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.

**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.*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**2. Accounting policies (continued)**

**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.

**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 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**2. Accounting policies (continued)**

**2.11 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 the Statement of Comprehensive Income.

**2.12 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.

**2.13 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.

**2.14 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.

**2.15 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 non-puttable 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.

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**SIMPLESTREAM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**2. Accounting policies (continued)****2.16 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 30 (2018 - 27).

**4. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 June 2018	78,531	53,043	69,662	44,117	245,353
Additions	7,962	1,368	14,835	44,117	68,282
At 31 May 2019	<u>86,493</u>	<u>54,411</u>	<u>84,497</u>	<u>88,234</u>	<u>313,635</u>
<b>Depreciation</b>					
At 1 June 2018	78,281	43,946	57,180	20,833	200,240
Charge for the year	976	9,400	16,403	28,186	54,965
At 31 May 2019	<u>79,257</u>	<u>53,346</u>	<u>73,583</u>	<u>49,019</u>	<u>255,205</u>
<b>Net book value</b>					
At 31 May 2019	<u>7,236</u>	<u>1,065</u>	<u>10,914</u>	<u>39,215</u>	<u>58,430</u>
At 31 May 2018	<u>250</u>	<u>9,097</u>	<u>12,482</u>	<u>23,284</u>	<u>45,113</u>

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**SIMPLESTREAM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**4. Tangible fixed assets (continued)**

Included in computer equipment are assets held under finance leases with a net book value of £39,215 (2018: £23,284).

**5. Debtors**

	2019 £	2018 £
Trade debtors	885,258	730,731
Other debtors	372,547	137,054
Prepayments and accrued income	147,798	159,621
	<u>1,405,603</u>	<u>1,027,406</u>

**6. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	150,347	445,099
	<u>150,347</u>	<u>445,099</u>

**7. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Bank loans	400,347	111,111
Other loans	-	47,097
Trade creditors	280,805	464,742
Other taxation and social security	208,785	208,741
Obligations under finance leases	35,400	15,294
Other creditors	8,126	6,116
Accruals and deferred income	807,513	721,652
	<u>1,740,976</u>	<u>1,574,753</u>

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**SIMPLESTREAM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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

	2019 £	2018 £
Bank loans	815,286	192,593
Net obligations under finance leases	4,623	11,657
	<u>819,909</u>	<u>204,250</u>

Included in bank loans falling due in less than and more than one year is a loan from Harbert European Growth Fund, in the amount of £1,215,633, secured via a fixed charge and floating charge over the assets, property or undertakings of the Company.

**9. Loans**

Analysis of the maturity of loans is given below:

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
Bank loans	400,347	111,111
Other loans	-	47,097
	<u>400,347</u>	<u>158,208</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	446,675	111,111
	<u>446,675</u>	<u>111,111</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	368,611	81,482
	<u>368,611</u>	<u>81,482</u>
	<u>1,215,633</u>	<u>350,801</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 £32,173 (2018 - £30,629). Contributions totalling £6,502 (2018 - £4,666) were payable to the fund at the reporting date and are included in creditors.

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**SIMPLESTREAM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**11. Related party transactions**

At the balance sheet date, A Smith, a director and shareholder owed the Company £Nil (2018: £3,234).

The Company has 2 directors in common with TVPlayer Limited (2018: 3), the Company's former subsidiary. During the year the Company invoiced £240,859 (2018: £488,042) in respect of services supplied to TVPlayer Limited. At the year-end TVPlayer Limited owed the Company £350,685 (2018: £135,742). The Company has provided £216,333 against this balance being the amount, net of VAT, that has not been received since the year end, as it is not confident in collectability.

**12. Share based payments**

In the year ended May 2017 the Company granted 4,338 share options to company employees, of which 723 have since lapsed.

**13. Controlling party**

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