

Company Registration No. 06095563

SIMPLIFY DIGITAL LIMITED

Annual Report and Financial Statements

For the year ended 30 April 2022

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**SIMPLIFY DIGITAL LIMITED
REPORT AND FINANCIAL STATEMENTS 2022**

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SIMPLIFY DIGITAL LIMITED
OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

K Jamieson (appointed 1 September 2021 and resigned 1 November 2022)
R Martin
J Mason (resigned 9 July 2021)
K Semon (appointed 10 October 2022)

COMPANY SECRETARY

S Thomas

REGISTERED OFFICE

1 Portal Way
London
W3 6RS
United Kingdom

SIMPLIFY DIGITAL LIMITED DIRECTOR'S REPORT

The Director presents the annual report and the unaudited financial statements for the year ended 30 April 2022. Comparative figures are presented for the year ended 1 May 2021.

This report is prepared in accordance with the provisions applicable to companies entitled to the small companies exemption Section 415(a) of the Companies Act 2006. The exemption available from the requirements to prepare a strategic report has been taken in line with Section 414B of the Companies Act 2006.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The Company has ceased trading and is expected to become dormant in future periods.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £nil (2020/21: loss after taxation of £202,000). The Directors approved a dividend payment of £24,000 during the year (2020/21: £nil).

GOING CONCERN

After making enquiries, the Director has formed a judgement that, at the time of approving the financial statements, and having considered the Company's forecasts and projections, there is reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason the Directors continues to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The Directors who served throughout the period and subsequently (except as noted) are shown on page 1.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Pursuant to Article 26 of the Articles of Association, the Directors, Secretary and other officers of the Company are entitled to be indemnified by the Company out of its own funds against liabilities arising from the conduct of the Company's business to the extent permitted by law. Appropriate directors' and officers' liability insurance cover has been purchased which in general terms indemnifies individual directors' and officers' personal legal liability and costs for claims arising out of actions taken in connection with the Company's business.

AUDIT EXEMPTION

For the year ended 30 April 2022, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities in respect of audit exemption:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006; and
- The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the Board and authorised for issue and signed on behalf of the Board by:



R Martin

Director

23 January 2023

Registered office:

1 Portal Way

London

W3 6RS

Registered number: 06095563

SIMPLIFY DIGITAL LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- follow applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SIMPLIFY DIGITAL LIMITED
INCOME STATEMENT
For the year ended 30 April 2022

| | | Year ended 30 April 2022 £'000 | Year ended 1 May 2021 £'000 |
|---|-------------|---|--|
| | Note | | |
| Administrative expenses | | - | (20) |
| Asset impairments | 3 | - | (182) |
| Loss before tax | | - | (202) |
| Tax credit | 4 | - | - |
| Loss for the year attributable to equity shareholders of the company | | - | (202) |

There are no other items of comprehensive income or expense other than the loss for the current and preceding periods and therefore no separate Statement of Comprehensive Income has been prepared. All activities derive from discontinued operations.

SIMPLIFY DIGITAL LIMITED
BALANCE SHEET
As at 30 April 2022

| | Note | 30 April 2022 £'000 | 1 May 2021 £'000 |
|--|-------------|------------------------------------|---------------------------------|
| Current assets | | | |
| Trade and other receivables | 5 | 2 | 6,647 |
| | | <u>2</u> | <u>6,647</u> |
| Total assets | | <u>2</u> | <u>6,647</u> |
| Current liabilities | | | |
| Trade and other payables | 6 | - | (6,621) |
| | | <u>-</u> | <u>(6,621)</u> |
| Net current assets | | <u>2</u> | <u>26</u> |
| Total assets less current liabilities | | <u>2</u> | <u>26</u> |
| Total liabilities | | <u>-</u> | <u>(6,621)</u> |
| Net assets | | <u>2</u> | <u>26</u> |
| Capital and reserves | | | |
| Share capital | 7 | 2 | 2 |
| Share premium account | | - | 4,171 |
| Retained earnings | | - | (4,147) |
| Total equity | | <u>2</u> | <u>26</u> |

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The Director acknowledges his responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements of Simplify Digital Limited (registered number 06095563) were approved and authorised for issue by the Board on **23 January 2023** and signed on its behalf by:



R Martin
Director

Registered number: 06095563

SIMPLIFY DIGITAL LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 April 2022

| | Share capital £'000 | Share premium £'000 | Retained earnings £'000 | Total equity £'000 |
|-------------------------------------|------------------------------------|------------------------------------|--|-------------------------------|
| At 2 May 2020 | 2 | 4,171 | (3,945) | 228 |
| Loss and total comprehensive income | - | - | (202) | (202) |
| At 1 May 2021 | 2 | 4,171 | (4,147) | 26 |
| Capital reduction | - | (4,171) | 4,171 | - |
| Dividends paid | - | - | (24) | (24) |
| At 30 April 2022 | 2 | - | - | 2 |

SIMPLIFY DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation and general information

Simplify Digital Limited ("the Company") is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006. The Company is domiciled in the United Kingdom and is registered in England and Wales with its registered office at 1 Portal Way, London, W3 6RS. The nature of the Company's operations and its principal activities are set out in the Director's Report on page 2.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, incorporating the Amendments to FRS 101 issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, impairment of assets, standards not yet effective and related party transactions. Where relevant, equivalent disclosures have been given in the group financial statements of Currys plc.

The financial statements have been presented in Pound Sterling, the functional currency of the Company derived from the Company's primary economic environment, and on the historical cost basis.

There are no new accounting standards, amendments to standards or IFRIC interpretations which are effective for the Company for the first time during the current financial year ended 30 April 2022 which have had an impact on the Company's results or net assets. Certain other new accounting standards, amendments to existing accounting standards and interpretations which are in issue but not yet effective, either do not apply to the Company or are not expected to have any material impact on the Company's net results or net assets.

The principal accounting policies are set out below.

1.2 Going concern

After making enquiries, the Director has formed a judgement that, at the time of approving the financial statements, and having considered the Company's forecasts and projections, there is reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason, the Director continues to adopt the going concern basis in preparing the financial statements.

1.3 Taxation

The tax expense represents the sum of the currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible. The liability for the current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences that can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

SIMPLIFY DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.4 Non-derivative financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the investment. The Company's financial assets comprise cash and cash equivalents and those receivables which involve a contractual right to receive cash from external parties. Financial assets comprise all items shown in note 5.

When the Company recognises a financial asset, it classifies it in accordance with IFRS 9 depending on the Company's intention with regard to the collection, or sale, of contractual cash flows and whether the financial asset's cash flows relate solely to the payment of principal and interest on the principal outstanding. All of the Company's assets measured at amortised cost are subject to impairments driven by the expected credit loss (ECL) model. The Company has adopted the simplified approach to calculate lifetime expected credit losses. Historical credit loss rates are applied consistently to groups of financial assets with similar risk characteristics. These are then adjusted for known changes in, or any forward-looking impacts on creditworthiness.

Financial assets are derecognised when the contractual rights to the cash flows expire, or the Company transfers the financial asset in a way that qualifies for derecognition in accordance with IFRS 9.

Trade and other receivables

Trade and other receivables are initially measured at their transaction price. Where there is a significant financing component, trade and other receivables are discounted at contract inception using a discount rate that is at an arm's length basis and such that would be reflected in a separate financing transaction between the Company and the customer. Other receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, trade and other receivables are measured at amortised cost.

Receivable balances with other Group entities are reviewed for potential impairment based on the ability of the counterparty to meet its obligations. The net current asset / liability position of the entity is considered and where the amount due to the Company is not covered, the estimated cashflows of the counterparty and subsidiary companies with the ability to distribute cash to it are considered.

1.5 Non-derivative financial liabilities

The Company's financial liabilities are those which involve a contractual obligation to deliver cash to external parties at a future date. Financial liabilities comprise all items shown in note 6. Financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities (or a part of a financial liability) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. In the event that the terms in which the Company are contractually obliged are substantially modified, the financial liability to which it relates is derecognised and subsequently re-recognised on the modified terms.

Trade and other payables

Trade and other payables are initially recorded at fair value and subsequently measured at amortised cost.

1.6 Interest income and expense

Interest income and expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

1.7 Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The Director has considered whether there are any such sources of estimation or critical accounting judgements in forming the financial statements and do not determine there to be any for the purposes of disclosure.

2. EMPLOYEES AND DIRECTORS

The directors did not receive any remuneration during the year for services to the Company (2020/21: £nil). The Company had no employees during the year (2020/21: nil).

SIMPLIFY DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. LOSS BEFORE TAX

| | Year ended 30 April 2022 £'000 | Year ended 1 May 2021 £'000 |
|---|---|--------------------------------------|
| Loss before tax is stated after charging: | | |
| Impairment of other assets | - | 182 |

The Company was exempt from audit and therefore no audit fee was paid or accrued during the current or prior period. The Company's auditors received no fees for non-audit work in the current or prior period.

The impairment during the prior year primarily relates to the write off of an intercompany receivable.

4. TAX

There was no tax charge in either the current or comparative period. A reconciliation of notional to actual income tax expense is set out below:

| | Year ended 30 April 2022 £'000 | Year ended 1 May 2021 £'000 |
|--|---|--------------------------------------|
| Loss before tax | - | (202) |
| Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020/21: 19%) | - | (38) |
| Effects of: Group relief surrendered free of charge | - | 38 |
| Tax for the period | - | - |

On 24 May 2021 the Finance Bill 2021 passed through all stages in the House of Commons and became substantively enacted, which included a legislative change to increase the rate of corporation tax to 25% with effect from 1 April 2023.

5. TRADE AND OTHER RECEIVABLES

| | 30 April 2022 £'000 | 1 May 2021 £'000 |
|--|------------------------------------|------------------------|
| Amounts due from ultimate parent company | 2 | 6,096 |
| Amounts due from fellow group subsidiaries | - | 551 |
| | 2 | 6,647 |

Amounts due from ultimate parent company are receivable within 12 months and bear interest at the Group's average deposit rate.

Amounts due from fellow group subsidiaries above are repayable within 30 – 60 days and do not bear interest.

SIMPLIFY DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. TRADE AND OTHER PAYABLES

| | 30 April 2022 £'000 | 1 May 2021 £'000 |
|---|------------------------------------|---------------------------------|
| Amount due to fellow group subsidiaries | - | 6,621 |
| | - | 6,621 |

Amounts due to fellow group subsidiaries above are payable within 30 – 60 days and do not bear interest.

7. SHARE CAPITAL

| | 30 April 2022 £'000 | 1 May 2021 £'000 |
|--|------------------------------------|---------------------------------|
| Allotted and fully paid | | |
| 2,415,548 ordinary shares of £0.001 each | 2 | 2 |

All shares carry equal voting rights.

8. ULTIMATE CONTROLLING ENTITY

The Company's immediate parent and controlling entity is Currys Holdings Limited, a company incorporated in the United Kingdom.

On 5 October the Company's immediate parent entity changed its name from Dixons Carphone Holdings Limited to Currys Holdings Limited.

The Company's ultimate parent and controlling entity is Currys plc, a company incorporated in the United Kingdom and which is registered in England and Wales. Currys plc is the largest and smallest group which includes the Company and for which consolidated financial statements are prepared. Copies of its financial statements may be obtained from its registered office at 1 Portal Way, London W3 6RS.

On 15 September the Company's immediate parent and controlling entity changed its name from Dixons Carphone plc to Currys plc.