

Company Registration No. 06095563

SIMPLIFY DIGITAL LIMITED

Annual Report and Financial Statements

For the year ended 27 April 2019

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**SIMPLIFY DIGITAL LIMITED
REPORT AND FINANCIAL STATEMENT 2019**

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REPORT AND FINANCIAL STATEMENT 2019**

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**SIMPLIFY DIGITAL LIMITED
OFFICERS AND PROFESSIONAL ADVISORS**

DIRECTORS

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

	<u>Date of appointment</u>	<u>Date of resignation</u>
P M Davis		12 July 2018
J J Fennell		29 December 2018
R D Martin	12 July 2018	
J P Mason	29 December 2018	

COMPANY SECRETARY

	<u>Date of appointment</u>	<u>Date of resignation</u>
J H C Foo		17 December 2018
C Springett	17 December 2018	14 March 2019
S Thomas	14 March 2019	

REGISTERED OFFICE

1 Portal Way
London
W3 6RS
United Kingdom

BANKING

HSBC
8 Canada Square
London
E14 5HQ

SIMPLIFY DIGITAL LIMITED STRATEGIC REPORT

The Directors present their annual report and unaudited financial statements for the year ended 27 April 2019. The Directors, in preparing this Strategic Report, have complied with section 414C of the Companies Act 2006.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The principal activity of Simplify Digital Limited (the 'Company') in the year under review was retailing the digital TV, broadband and home phone packages of the major suppliers in the UK. In return for connecting customers to the various suppliers, the Company received varying levels of commission. The service was delivered by experts based in England, via freephone numbers, and online at www.simplifydigital.co.uk.

The Company also provided retail capabilities to other companies within the Group, including Carphone Warehouse and Currys PC World. To power the Company's own retail services, the Company focused on the research and development of its own portfolio of platforms, frameworks, engines and applications.

As with other Dixons Carphone plc group companies the accounts are made up to 27 April, the final Saturday in the accounting period.

During the year ended 27 April 2019 the Company sold the trade and assets of the Simplify Digital business to a fellow group company, The Carphone Warehouse Limited, at their net book value. Following the sale of the trade and assets the Company is not expected to trade in the foreseeable future and is expected to become dormant in future periods.

BUSINESS REVIEW

The loss after tax for the financial year was £4.5 million (2018: £10.8 million). The loss after tax includes exceptional charges of £1.2 million (2018: £3.9 million for impairment of assets, principally related to the Company's intangible development costs following a review of the long-term profitability of the associated projects).

Dixons Carphone plc manages its operations on a divisional basis. For this reason, the Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of Dixons Carphone plc and a description of the principal risks and uncertainties, which includes the Company, are discussed in Dixons Carphone plc's annual report, which does not form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT

Funding for all subsidiaries of Dixons Carphone plc, including Simplify Digital Limited, is arranged centrally. The Company does not use derivatives to manage its financial risks. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the main financial risk the Directors consider relevant to the Company is liquidity risk. Liquidity risk is mitigated by multi-currency revolving credit facilities. This policy is further explained in Note 25d of Dixons Carphone plc's annual report.

The Strategic Report is approved by the Board and authorised for issue and signed on behalf of the Board by:



R D Martin
Director
12 March 2020

Registered office:
1 Portal Way
London
W3 6RS
Registered number: 06095563

SIMPLIFY DIGITAL LIMITED

DIRECTORS' REPORT

The Directors present their report and the unaudited financial statements for the year ended 27 April 2019. Detail in relation to the future developments of the Company are provided in the Strategic Report.

RESULTS AND DIVIDENDS

The loss for the year after taxation was £4.5 million (2018: £10.8 million). The Directors recommend that no dividend be paid (2018: £nil).

GOING CONCERN

As discussed in the Strategic report on page 2, during the year ended 27 April 2019 the Company sold the trade and assets of the Simplify Digital business to a fellow group company, The Carphone Warehouse Limited, at their net book value. Following the sale of the trade and assets the Company is not expected to trade in the foreseeable future and is expected to become dormant in future periods. As a result the financial statements have been prepared on a basis other than the going concern basis. No material adjustments arose as a result of ceasing to apply the going concern basis of preparation.

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.

CAPITAL STRUCTURE

The Company's only class of share is ordinary shares. All ordinary shares are held by the Company's parent company, Dixons Carphone Holdings Limited. Details of the issued share capital during the year are provided in note 12 to the Financial Statements.

USE OF FINANCIAL INSTRUMENTS

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments. Information on the use of financial instruments can be found in the annual report and financial statements for Dixons Carphone plc. The Company does not manage its financial instruments through hedging.

SIMPLIFY DIGITAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the main financial risk the Directors consider relevant to the Company is liquidity risk.

Liquidity risk

Funding for all subsidiaries of Dixons Carphone plc, including the Company, is arranged centrally. In order to ensure that sufficient funds are available for ongoing operations and future developments, Dixons Carphone plc has multi-currency revolving credit facilities of £1,050 million which mature in October 2022.

RESEARCH AND DEVELOPMENT

The Company incurred £1.0 million of development costs for the year ended 27 April 2019 (2018: £2.0 million) in relation to the development of internal software.

EMPLOYEES

The Company places emphasis on its employees' involvement in the business at all levels. Managers are remunerated according to results wherever possible and all employees are kept informed of issues affecting the Company through formal and informal meetings and through the Company's intranet.

It is the Company's policy to assist the employment of disabled people, their training and career development, having regard to particular aptitudes and abilities. Every endeavour is made to find suitable alternative employment and to re-train any employee who becomes disabled while serving the Company.

ENVIRONMENT

A full analysis of the key regulatory and social risks of the industry in which Dixons Carphone plc Group operates is described in the Group's Annual Report, which does not form part of this Report. As a subsidiary entity, the Company operates in accordance with group policies.

AUDIT EXEMPTION

For the year ended 27 April 2019, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' 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 directors acknowledge their 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 D Martin

Director
12 March 2020

Registered office:
1 Portal Way
London
W3 6RS

Registered number: 06095563

SIMPLIFY DIGITAL LIMITED STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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 27 April 2019

	Note	Year ended 27 April 2019 £'000	Year ended 28 April 2018 £'000
Turnover	2	27,589	35,978
Cost of sales		<u>(29,022)</u>	<u>(37,682)</u>
Gross loss		(1,433)	(1,704)
Marketing expenses		(84)	(1,505)
Technology and development expenses		(1,396)	(2,808)
Administrative expenses		(48)	(790)
Loss before interest, tax and exceptional items		(2,961)	(6,807)
Exceptional Items – asset impairments	14	(1,212)	(3,899)
Finance income	4	<u>9</u>	<u>62</u>
Loss before tax		(4,164)	(10,644)
Tax charge	6	<u>(354)</u>	<u>(175)</u>
Loss for the year attributable to equity shareholders of the company		<u>(4,518)</u>	<u>(10,819)</u>

There was no other comprehensive income in the year ended 27 April 2019 and therefore no separate Statement of Comprehensive Income has been prepared. All activities derive from discontinued operations.

SIMPLIFY DIGITAL LIMITED
BALANCE SHEET
As at 27 April 2019

	Note	27 April 2019 £'000	28 April 2018 £'000
Non-current assets			
Intangible assets	7	-	-
Property, plant and equipment	8	-	-
Deferred tax	6b	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
Current assets			
Trade and other receivables	9	5	13,282
Cash and cash equivalents	10	7,730	5,619
		<hr/>	<hr/>
		7,735	18,901
		<hr/>	<hr/>
Total assets		7,735	18,901
		<hr/> <hr/>	<hr/> <hr/>
Current liabilities			
Trade and other payables	11	(7,767)	(14,415)
		<hr/>	<hr/>
		(7,767)	(14,415)
		<hr/>	<hr/>
Net current (liabilities) / assets		(32)	4,486
		<hr/>	<hr/>
Total assets less current liabilities		(32)	4,486
		<hr/> <hr/>	<hr/> <hr/>
Total liabilities		(7,767)	(14,415)
		<hr/>	<hr/>
Net (liabilities) / assets		(32)	4,486
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Share capital	12	2	2
Share premium account		4,171	4,171
Retained earnings		(4,205)	313
		<hr/>	<hr/>
Total equity		(32)	4,486
		<hr/> <hr/>	<hr/> <hr/>

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 Directors acknowledge their 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 of directors on 12 March 2020 and signed on its behalf by:



R D Martin
 Director

Registered number: 06095563

SIMPLIFY DIGITAL LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 27 April 2019

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 29 April 2017		2	4,171	11,132	15,305
Loss and total comprehensive income		-	-	(10,819)	(10,819)
At 28 April 2018		2	4,171	313	4,486
Loss and total comprehensive expense		-	-	(4,518)	(4,518)
At 27 April 2019		2	4,171	(4,205)	(32)

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 Strategic 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 comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, share based payments, and related party transactions. Where relevant, equivalent disclosures have been given in the group financial statements of Dixons Carphone plc.

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

The Company has adopted IFRS 9: 'Financial Instruments: Recognition and Measurement' and IFRS 15: 'Revenue from Contracts with Customers' effective for the current financial year from 29 April 2018. Both standards have been applied using the modified retrospective approach and therefore comparative amounts have not been restated. These new standards have not had any material impact on the financial statements of the Company.

Certain other new accounting standards, amendments to existing accounting standards and interpretations which are in issue but not yet effective, including IFRS 16: 'Leases', 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

As discussed in the Strategic report on page 2, during the year ended 27 April 2019 the Company sold the trade and assets of the Simplify Digital business to a fellow group company, The Carphone Warehouse Limited, at their net book value. Following the sale of the trade and assets the Company is not expected to trade in the foreseeable future and is expected to become dormant in future periods. As a result the financial statements have been prepared on a basis other than the going concern basis. No material adjustments arose as a result of ceasing to apply the going concern basis of preparation.

1.3 Revenue recognition

Revenue represents the amount receivable for the performance of the Company's services and is stated net of value added tax ("VAT").

The Company provides retail services to domestic customers, which generates revenue for the Company in the form of commissions when these customers are connected to digital TV, broadband and home phone services provided by the digital TV, broadband and home phone supplier. Due to the elapsed time between the digital TV, broadband and home phone connection, the act of which triggers the Company's revenue, and receipt of the confirmation from the digital TV, broadband and home phone supplier, the Company estimates the unbilled revenue receivable and records this as accrued revenues at the balance sheet date.

Revenues for the company's 'Software as a Service' propositions are recognised over the licence period on a straight-line basis.

SIMPLIFY DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.4 Property, plant and equipment

Fixtures, fittings and equipment for a value of up to £1,000 are recognised as an expense in the period in which it is incurred.

Tangible fixed assets are stated at historical cost less depreciation and any provision for impairment.

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives, as follows:

Fixtures, fittings and equipment	50% per annum
Short Leasehold land and buildings	in line with the length of the lease

1.5 Development costs – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Company's development is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense within technology and development costs in the period in which it is incurred.

The Company's price comparison technology and product database is amortised through cost of sales.

Developments costs are reviewed annually for impairment, or more frequently where there is an indication that such assets may be impaired. Impairment is assessed by measuring the future cash flows associated with the projects to which the development costs relate. Where the future discounted cashflows are less than the carrying value of the development costs an impairment charge is recognised in the income statement. If an impairment charge is identified it is immediately recognised and presented as an exceptional item in the income statement.

1.6 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. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other asset and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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)

1.7 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 receivables which involve a contractual right to receive cash from external parties. Under the classifications stipulated by IFRS 9 for the year ended 27 April 2019 cash and cash equivalents and trade and other receivables are classified as held at amortised cost. Under IAS 39, for the comparative period, cash and cash equivalents and trade and other receivables were classified as 'loans and other receivables' and subsequently held at amortised cost.

Trade and other receivables

Trade and other receivables are classified as measured at amortised cost and subject to impairments driven by the expected credit loss (ECL) model. The Company has adopted the simplified approach to calculate lifetime expected credit losses for its trade and other receivables. 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. For the year ended 28 April 2018, trade and other receivables were recorded at cost less an allowance for estimated irrecoverable amounts and any other adjustments required to align cost to fair value. The carrying amount of trade receivables was reduced through the use of a provision account. A provision for bad and doubtful debts was made for specific receivables when there was objective evidence that the Company would not be able to collect all of the amounts due under the original terms of the invoice.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term highly liquid deposits with a maturity of three months or less and which are subject to an insignificant risk of changes in value.

1.8 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 11 with the exception of social security and other taxes.

Under the classifications stipulated by IAS 39, trade and other payables were classified as 'financial liabilities measured at amortised cost'.

Trade and other payables

Trade and other payables are recorded at cost.

1.9 Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The Directors have 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.

1.10 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.

1.11 Exceptional items

Exceptional items are defined as items of income or expenditure which, in the opinion of the Directors, are material or unusual in nature or of such significance that they require separate disclosure on the face of the income statement. Should these items be reversed disclosure of this would also be as exceptional items.

Further detail on exceptional items is disclosed in note 14.

SIMPLIFY DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. REVENUE

For the year ended 27 April 2019, the Company's revenues are derived from the provision of services to consumers which result in new customers for which the Company receives a commission. Revenues are also derived from the provision of the Company's Software as a Service and Data & Analytics propositions.

All revenues are earned within the Company's domestic market, the United Kingdom.

3. EMPLOYEES AND DIRECTORS

Employment costs, including directors comprised:

	2019 £'000	2018 £'000
Wages and salaries	1,433	4,105
Social security costs	175	443
Pension costs	35	48
	<u>1,643</u>	<u>4,596</u>

Monthly average number of employees during the year was as follows:

	2019 Number	2018 Number
Directors	2	2
Administration	-	6
Marketing and technology	20	66
Selling	19	58
	<u>41</u>	<u>132</u>

The directors do not receive any emoluments in respect of services to the Company (2018: £nil). Directors are not remunerated for qualifying services provided to the Company. All Directors' emoluments are borne by a fellow Group company and have not been recharged.

4. FINANCE INCOME

	2019 £'000	2018 £'000
Bank interest	9	22
Interest from group loan	-	40
	<u>9</u>	<u>62</u>

SIMPLIFY DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. LOSS BEFORE TAX

	2019	2018
	£'000	£'000
The loss before tax is stated after charging:		
Staff costs	1,643	4,596
Hire of premises	200	283
Depreciation – owned assets	-	161
Development costs – amortised	-	1,104
Development costs – capitalised	-	(2,010)
Development costs – expensed	972	-
Impairment of non-current assets	-	3,899
Impairment of other assets	240	-
Auditor's remuneration – for the financial statements	-	45

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

SIMPLIFY DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. TAX

(a) Income tax (credit) / charge

	2019 £'000	2018 £'000
Current tax:		
Adjustments in respect of prior periods	509	-
Total current tax charge	509	-
Deferred tax:		
Origination and reversal of timing differences	-	(188)
Adjustments in respect of prior periods	(155)	363
Total deferred tax (credit) / charge	(155)	175
Total tax charge	354	175

The UK corporation tax rate for the years ended 27 April 2019 and 28 April 2018 was 19%.

A further reduction in the UK corporation tax rate to 17% from 1 April 2020 has been substantively enacted by the balance sheet date.

A reconciliation of notional to actual income tax expense is set out below:

	2019 £'000	2018 £'000
Loss before tax	(4,164)	(10,644)
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(791)	(2,022)
Effects of:		
Group relief surrendered free of charge	560	1,809
Other items attracting no tax relief or liability	231	25
Adjustments in respect of prior periods	354	363
Tax charge for the period	354	175

(b) Deferred Tax

	Other temporary differences £'000
At 29 April 2017	175
Charge to income	(175)
At 28 April 2018 and 27 April 2019	-

SIMPLIFY DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INTANGIBLE ASSETS

	Software (internally generated) £'000
Cost	
At 29 April 2018	7,492
Disposals	(7,492)
At 27 April 2019	-
Accumulated amortisation and impairment	
At 29 April 2018	7,492
Disposals	(7,492)
At 27 April 2019	-
Net book value at 27 April 2019	-
Net book value at 29 April 2018	-

8. PROPERTY, PLANT AND EQUIPMENT

	Short leasehold land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 29 April 2018	156	244	400
Disposals	(156)	(244)	(400)
At 27 April 2019	-	-	-
Accumulated depreciation			
At 29 April 2018	156	244	400
Disposals	(156)	(244)	(400)
At 27 April 2019	-	-	-
Net book value at 27 April 2019	-	-	-
Net book value at 29 April 2018	-	-	-

SIMPLIFY DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. TRADE AND OTHER RECEIVABLES

	2019	2018
	£'000	£'000
Trade receivables	-	4,716
Amounts due from fellow group subsidiaries	-	3,214
Accrued income	-	4,988
Prepayments	-	305
Other debtors	5	58
	<hr/> 5 <hr/>	<hr/> 13,282 <hr/>

The majority of trade receivables are non-interest bearing. Trade receivables mainly comprise commission receivable on sales. No allowance for doubtful debts has been made as the Directors believe all trade receivables to be recoverable in full.

Amounts due from other group undertakings above includes amounts receivables from other group companies, which are repayable within 30-60 days, and on which no interest is payable.

Accrued income consists mainly of commissions receivable on sales made but not yet billed. An appropriate 'drop-out' rate is used to take into account sales which are do not 'go-live' and are not billed.

10. CASH AND CASH EQUIVALENTS

	2019	2018
	£'000	£'000
Cash at bank	7,730	5,619
	<hr/> 7,730 <hr/>	<hr/> 5,619 <hr/>

11. TRADE AND OTHER PAYABLES

	2019	2018
	£'000	£'000
Trade creditors	-	2,509
Amount due to fellow group subsidiaries	7,767	11,092
Accruals	-	780
Social security and other taxes	-	34
	<hr/> 7,767 <hr/>	<hr/> 14,415 <hr/>

The majority of trade creditors are non-interest bearing, with most payable within 30-60 days.

Amounts due to other group undertakings above includes amounts payable to other group companies, which are payable within 30 – 60 days, and on which no interest is payable.

**SIMPLIFY DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

12. SHARE CAPITAL

Share capital

	2019	2018
	£'000	£'000
Allotted and fully paid		
2,415,548 ordinary shares of £0.001 each	<u>2</u>	<u>2</u>

All shares carry equal voting rights.

13. ULTIMATE CONTROLLING ENTITY

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

The Company's ultimate parent and controlling entity is Dixons Carphone plc, a company incorporated in the United Kingdom and which is registered in England and Wales. Dixons Carphone 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.

14. EXCEPTIONAL ITEMS

Exceptional items for the year ended 27 April 2019 relate to the write off of costs for the development of internal software (£972,000) and the impairment of other assets deemed not to be recoverable following the transfer of the Simplify Digital business to a fellow group company, The Carphone Warehouse Limited (£240,000).

For the year ended 28 April 2018, following an impairment review of the capitalised development costs at the balance sheet date the intangible assets balance (£3,899,000) was determined to be fully impaired and have a net book value of zero. This was determined based on the forecast future profitability of the associated projects which was determined to be less than the historical net book value of the capitalised development costs.