

COMPANY REGISTRATION NUMBER: NI603931

Simple Power Limited
Financial Statements
31 December 2019

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Simple Power Limited

Financial Statements

Year Ended 31 December 2019

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Simple Power Limited

Officers and Professional Advisers

The Board of Directors

M Hammond
J C Steven

Registered Office

C/O Pinsent Masons LLP The Soloist
1 Layon Place
Belfast
BT1 3LP

Independent Auditors

PricewaterhouseCoopers LLP
Chartered accountants & statutory auditors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Simple Power Limited

Directors' Report

Year Ended 31 December 2019

The directors present their report and the audited financial statements of Simple Power Limited ("the Company") for the year ended 31 December 2019.

Principal Activities

The principal activity of the company is the production of renewable energy using wind turbines.

Performance Review

The loss for the financial year, after taxation, amounted to £1,665,043 (2018: £3,835,492).

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

Going Concern

Whilst the Company has net liabilities, the financial statements have been prepared on a going concern basis as the Company's shareholders have confirmed the loan due to the immediate parent company will not be required to be repaid within twelve months from the date of approval of these financial statements.

Directors

The directors who served the company during the year and up to the date of this report were as follows:

M Hammond

J C Steven

C L Bourne

(Appointed 29 November 2019)

(Resigned 29 November 2019)

Dividends

The directors do not recommend the payment of a dividend.

Events after the End of the Reporting Period

Particulars of events after the reporting date are detailed in note 17 to the financial statements.

Qualifying Indemnity Provision

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Small Company Provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Simple Power Limited

Directors' Report *(continued)*

Year Ended 31 December 2019


Disclosure of Information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, are deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 9th December 2020.... and signed by order of the board by:



M Hammond
Director

Simple Power Limited

Directors' Responsibilities Statement

Year Ended 31 December 2019

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

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102"), and applicable law).

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 the profit or loss of the company for that period.

In preparing the 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, 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.

Simple Power Limited

Independent Auditors' Report to the Members of Simple Power Limited

Year Ended 31 December 2019

Report on the Audit of the Financial Statements

Opinion

In our opinion, Simple Power Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2019; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Simple Power Limited

Independent Auditors' Report to the Members of Simple Power Limited *(continued)*

Year Ended 31 December 2019

Reporting on Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the Financial Statements and the Audit

Responsibilities of the Directors for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Simple Power Limited

Independent Auditors' Report to the Members of Simple Power Limited *(continued)*

Year Ended 31 December 2019

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of This Report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other Required Reporting

Companies Act 2006 Exception Reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Simple Power Limited

Independent Auditors' Report to the Members of Simple Power Limited *(continued)*

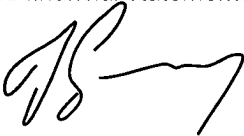
Year Ended 31 December 2019

Entitlement to Exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Other Matter

The financial statements for the period ended 31 December 2018, are unaudited.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered accountants & statutory auditors
Newcastle upon Tyne
9 December 2020

Simple Power Limited
Statement of Comprehensive Income
Year Ended 31 December 2019

| | | Year to 31 Dec 19 | Unaudited Period from 1 Aug 17 to 31 Dec 18 |
|--|-------------|------------------------------|--|
| | Note | £ | £ |
| Turnover | 4 | — | 89,470 |
| Gross profit | | — | 89,470 |
| Administrative expenses | | (60,419) | (2,103,922) |
| Operating loss | 5 | (60,419) | (2,014,452) |
| Interest payable and similar expenses | 7 | (1,604,624) | (1,821,040) |
| Loss before taxation | | (1,665,043) | (3,835,492) |
| Tax on loss | | — | — |
| Loss for the financial year/period and total comprehensive income | | (1,665,043) | (3,835,492) |

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these Financial Statements.

Simple Power Limited

Statement of Financial Position

As at 31 December 2019

| | | | Unaudited |
|--|------|---------------------|---------------------|
| | Note | 2019 £ | 2018 £ |
| Fixed assets | | | |
| Tangible assets | 8 | 321,533 | 354,614 |
| Investments | 9 | <u>1</u> | <u>1</u> |
| | | 321,534 | 354,615 |
| Current assets | | | |
| Debtors | 10 | 14,421,410 | 14,403,004 |
| Cash at bank and in hand | | <u>990</u> | <u>71,675</u> |
| | | 14,422,400 | 14,474,679 |
| Creditors: amounts falling due within one year | 11 | <u>425,614</u> | <u>58,378</u> |
| Net current assets | | 13,996,786 | 14,416,301 |
| Total assets less current liabilities | | 14,318,320 | 14,770,916 |
| Creditors: amounts falling due after more than one year | 12 | 25,471,908 | 24,259,462 |
| Provisions for liabilities | 13 | <u>19,030</u> | <u>19,030</u> |
| Net liabilities | | (11,172,618) | (9,507,576) |
| Capital and reserves | | | |
| Called up share capital | 15 | 124,017 | 124,017 |
| Share premium account | 16 | 3,618,986 | 3,618,986 |
| Profit and loss account | 16 | <u>(14,915,621)</u> | <u>(13,250,579)</u> |
| Total shareholders deficit | | (11,172,618) | (9,507,576) |

The Financial Statements were approved by the board of directors and authorised for issue on 9th December 2020, and are signed on behalf of the board by:



M Hammond
Director

Company registration number: NI603931

The notes on pages 12 to 21 form part of these Financial Statements.

Simple Power Limited

Statement of Changes in Equity

Year Ended 31 December 2019

| | Called up share capital £ | Share premium account £ | Profit and loss account £ | Total £ |
|---|---------------------------------|----------------------------------|---------------------------------|----------------------------|
| At 1 August 2017 | 124,017 | 3,618,986 | (9,415,087) | (5,672,084) |
| Loss for the financial period | — | — | (3,835,492) | (3,835,492) |
| Total comprehensive expense for the period | — | — | (3,835,492) | (3,835,492) |
| At 31 December 2018 (Unaudited) | 124,017 | 3,618,986 | (13,250,578) | (9,507,575) |
| Loss for the financial year | — | — | (1,665,043) | (1,665,043) |
| Total comprehensive expense for the year | — | — | (1,665,043) | (1,665,043) |
| At 31 December 2019 | <u>124,017</u> | <u>3,618,986</u> | <u>(14,915,621)</u> | <u>(11,172,618)</u> |

The notes on pages 12 to 21 form part of these Financial Statements.

Simple Power Limited

Notes to the Financial Statements

Year Ended 31 December 2019

1. General Information

Simple Power Limited is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is C/O Pinsent Masons LLP The Soloist, 1 Layon Place, Belfast, BT1 3LP, Northern Ireland.

The principal activity of the company is the production of renewable energy using wind turbines.

The Company's functional and presentation currency is the pound sterling.

2. Statement of Compliance

The individual financial statements of Simple Power Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

3. Accounting Policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

Going concern

Whilst the Company has net liabilities, the financial statements have been prepared on a going concern basis as the Company's shareholders have confirmed the loan due to the immediate parent company will not be required to be repaid within twelve months from the date of approval of these financial statements.

Disclosure exemptions

The Company has taken advantage of the exemption in FRS 102 Section 7 'Statement of Cash Flows' part 1B, which states that a small company is not required to prepare a cash flow statement.

Consolidation

The entity has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertaking comprise a small group.

Simple Power Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

3. Accounting Policies *(continued)*

Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

i) Impairment of assets

The carrying value of those assets recorded in the Company's Statement of Financial Position, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and/or value in use of the potentially impaired asset or assets and compare that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

Revenue recognition

Turnover, which excludes value added tax, represents the total invoiced value during the year and arises entirely in the UK. Turnover relates to the sale of renewable energy.

Simple Power Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

3. Accounting Policies *(continued)*

Income tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is also recognised on the revaluations of derivative financial instruments, with the movements going through the Statement of Comprehensive Income.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the deferred tax asset or liability.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Borrowings

Borrowings are recognised at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Statement of Comprehensive Income over the life of the borrowings. Borrowings with maturities greater than twelve months after the reporting date are classified as non-current liabilities.

Simple Power Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

3. Accounting Policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|---------------------------|---|------------------|
| Assets under construction | - | 5% straight line |
| Office Equipment | - | 5% straight line |

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Simple Power Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

3. Accounting Policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Statement of Financial Position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price and subsequently at amortised cost, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Comprehensive Income, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Simple Power Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

3. Accounting Policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised in the Statement of Comprehensive Income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Comprehensive Income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Turnover

Turnover arises from:

| | Year to 31 Dec 19 | Unaudited Period from 1 Aug 17 to 31 Dec 18 |
|---------------|----------------------|--|
| | £ | £ |
| Sale of goods | — | 89,470 |

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating Loss

Operating profit or loss is stated after charging:

| | Year to 31 Dec 19 | Unaudited Period from 1 Aug 17 to 31 Dec 18 |
|--|----------------------|--|
| | £ | £ |
| Depreciation of tangible assets | 33,081 | 27,033 |
| Fees payable for the audit of the financial statements | 8,285 | — |

6. Staff Costs

The average number of persons employed by the company during the year, including the directors, amounted to:

| | 2019 No. | Unaudited 2018 No. |
|----------------------|-------------|--------------------------|
| Administrative staff | — | 10 |

Simple Power Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

6. Staff Costs *(continued)*

| | | |
|--|------------------------------|--|
| The aggregate payroll costs incurred during the year, relating to the above, were: | | Unaudited Period from 1 Aug 17 to 31 Dec 18 |
| | Year to 31 Dec 19 | |
| | £ | £ |
| Wages and salaries | <u>–</u> | <u>1,704,832</u> |

The average number of persons employed by the Company during the financial year/period, including the directors, amounted to nil (2018: 10). The directors did not receive any remuneration from the Company during the year/period (2018: £500).

7. Interest Payable and Similar Expenses

| | | |
|---------------------------------------|------------------------------|--|
| | | Unaudited Period from 1 Aug 17 to 31 Dec 18 |
| | Year to 31 Dec 19 | |
| | £ | £ |
| Interest on bank loans and overdrafts | <u>–</u> | <u>323,949</u> |
| Interest due to Group undertakings | <u>1,604,624</u> | <u>1,497,091</u> |
| | <u>1,604,624</u> | <u>1,821,040</u> |

8. Tangible Assets

| | Plant and machinery £ | Equipment £ | Total £ |
|--|-----------------------------|----------------|----------------|
| Cost | | | |
| At 1 January 2019 and 31 December 2019 | <u>661,591</u> | <u>9,297</u> | <u>670,888</u> |
| Depreciation | | | |
| At 1 January 2019 | 306,977 | 9,297 | 316,274 |
| Charge for the year | 33,081 | – | 33,081 |
| At 31 December 2019 | <u>340,058</u> | <u>9,297</u> | <u>349,355</u> |
| Carrying amount | | | |
| At 31 December 2019 | <u>321,533</u> | <u>–</u> | <u>321,533</u> |
| At 31 December 2018 | <u>354,614</u> | <u>–</u> | <u>354,614</u> |

9. Investments

| | Shares in group undertakings £ |
|--|---|
| Cost | |
| At 1 January 2019 and 31 December 2019 | <u>1</u> |
| Impairment | |
| At 1 January 2019 and 31 December 2019 | <u>–</u> |

Simple Power Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

9. Investments *(continued)*

| | Shares in group undertakings £ |
|----------------------------|---|
| Carrying amount | |
| At 31 December 2019 | 1 |
| At 31 December 2018 | 1 |

Subsidiaries, associates and other investments

The company owns 100% of the issued share capital of Simple Power No.1 Limited. The registered office of Simple Power No.1 Limited is C/O Pinsent Masons LLP, The Soloist, 1 Lanyon Place, Belfast, Northern Ireland, BT1 3LP.

10. Debtors

| | 2019 £ | Unaudited 2018 £ |
|------------------------------------|-------------------|------------------------|
| Trade debtors | — | 22,197 |
| Amounts owed by Group undertakings | 14,407,493 | 14,319,515 |
| Other debtors | 13,917 | 61,292 |
| | 14,421,410 | 14,403,004 |

The amounts owed by group undertakings are interest free, unsecured and repayable on demand.

11. Creditors: amounts falling due within one year

| | 2019 £ | Unaudited 2018 £ |
|------------------------------|----------------|------------------------|
| Accruals and deferred income | 425,614 | 58,378 |

12. Creditors: amounts falling due after more than one year

| | 2019 £ | Unaudited 2018 £ |
|------------------------------------|-------------------|------------------------|
| Amounts owed to group undertakings | 25,471,908 | 24,259,462 |

Amount owned to Group undertakings - The Company issued £23,935,513 of Subordinated Loan Notes to its immediate parent company, Simple Power FinCo Limited. The investment bears interest at a rate of 6.5% and repayments are made semi-annually in March and September. The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the event of winding up.

Simple Power Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

13. Provisions for Liabilities

| | Deferred tax (note 14) £ |
|--|--------------------------------|
| At 1 January 2019 and 31 December 2019 | <u>19,030</u> |

14. Deferred Tax

| | | |
|---|---------------|---------------|
| The deferred tax included in the Statement of Financial Position is as follows: | 2019 | 2018 |
| | £ | £ |
| Included in provisions for liabilities (note 13) | <u>19,030</u> | <u>19,030</u> |
| | | 2019 |
| | | £ |
| Opening balance | | <u>19,030</u> |
| Closing balance | | <u>19,030</u> |

15. Called Up Share Capital

Issued, called up and fully paid

| | 2019 | | Unaudited 2018 | |
|----------------------------|----------------|----------------|-------------------|----------------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>124,017</u> | <u>124,017</u> | <u>124,017</u> | <u>124,017</u> |

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

16. Reserves

Retained earnings records retained earnings and accumulated losses.

17. Events after the End of the Reporting Period

Coronavirus was declared a pandemic in March 2020 and since then there has been widespread disruption in the UK. As the pandemic accelerated after the year end this event has been classified as a non-adjusting post balance sheet event. As disclosed in the Directors' Report, the directors have considered the future financial impact to the Company of the Coronavirus pandemic. Although the likely full impact is unknown, it is expected to be minimal.

18. Related Party Transactions

The Company is wholly owned by Simple Power Finco Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

Simple Power Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

19. Controlling Party

The Company is 100% owned by Simple Power Finco Limited, who in turn are wholly owned by the Royal Bank of Scotland Group Pension Fund ("the Fund"). No beneficiaries of the Fund own, either individually or collectively, more than 10% of the Fund assets. The Fund is incorporated in the United Kingdom.