

HUT 42 SERVICES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2021

HUT 42 SERVICES LIMITED
REGISTERED NUMBER: 10307638

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	6,928	-
Tangible assets	5	4,876	6,273
		<u>11,804</u>	<u>6,273</u>
Current assets			
Debtors: amounts falling due after more than one year	6	-	370
Debtors: amounts falling due within one year	6	86,243	51,928
Cash at bank and in hand		54,198	12,513
		<u>140,441</u>	<u>64,811</u>
Creditors: amounts falling due within one year	7	(78,963)	(37,078)
Net current assets		<u>61,478</u>	<u>27,733</u>
Total assets less current liabilities		<u>73,282</u>	<u>34,006</u>
Creditors: amounts falling due after more than one year		(41,667)	-
Provisions for liabilities			
Deferred tax		(839)	(1,120)
Other provisions	10	-	(8,144)
		<u>(839)</u>	<u>(9,264)</u>
Net assets		<u><u>30,776</u></u>	<u><u>24,742</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		30,676	24,642
		<u><u>30,776</u></u>	<u><u>24,742</u></u>

HUT 42 SERVICES LIMITED
REGISTERED NUMBER: 10307638

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

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

The director acknowledges his 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 income and retained earnings 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 by:

C S P Girdlestone
Director

Date: 22 December 2021

The notes on pages 3 to 11 form part of these financial statements.

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

1. General information

Hut 42 Services Limited is a private company limited by shares and incorporated in England and Wales, registration number 10307638. The registered office is Flint Buildings, 1 Bedding Lane, Norwich, Norfolk, England, NR3 1RG.

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 financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The directors have considered the Company's position at the time of signing the financial statements, and in particular the current issues caused by Covid-19 and its potential impact on the Company and the wider economy. The directors have considered the current financial strength of the Company, together with the range of measures that can be taken to mitigate ongoing costs should they need to, and ultimately should it be required.

Based on this, the directors have concluded that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

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

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

2.4 Government grants

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

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.10 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 MARCH 2021

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% reducing balance
Office equipment	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 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.

2.12 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.

2.13 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.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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 ordinary shares.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 10 (2020 - 9).

4. Intangible assets

	Computer software £
Cost	
At 1 April 2020	428
Additions - internal	8,660
	<hr/>
At 31 March 2021	9,088
	<hr/>
Amortisation	
At 1 April 2020	428
Charge for the year on owned assets	1,732
	<hr/>
At 31 March 2021	2,160
	<hr/>
Net book value	
At 31 March 2021	6,928
	<hr/>
At 31 March 2020	-
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HUT 42 SERVICES LIMITED

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

5. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2020	3,190	7,859	11,049
Additions	183	-	183
	<hr/>	<hr/>	<hr/>
At 31 March 2021	3,373	7,859	11,232
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2020	1,529	3,247	4,776
Charge for the year on owned assets	427	1,153	1,580
	<hr/>	<hr/>	<hr/>
At 31 March 2021	1,956	4,400	6,356
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2021	<u>1,417</u>	<u>3,459</u>	<u>4,876</u>
At 31 March 2020	<u>1,661</u>	<u>4,612</u>	<u>6,273</u>

HUT 42 SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	-	370
	<u>-</u>	<u>370</u>
	2021 £	2020 £
Due within one year		
Trade debtors	30,486	3,287
Amounts owed by group undertakings	27,982	-
Amounts owed by joint ventures and associated undertakings	-	18,000
Other debtors	20,072	24,823
Prepayments and accrued income	7,703	5,818
	<u>86,243</u>	<u>51,928</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	8,333	-
Trade creditors	600	-
Corporation tax	6,857	-
Other taxation and social security	23,570	10,298
Other creditors	829	927
Accruals and deferred income	38,774	25,853
	<u>78,963</u>	<u>37,078</u>

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

	2021 £	2020 £
Bank loans	41,667	-
	<u>41,667</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	8,333	-
Amounts falling due 1-2 years		
Bank loans	10,000	-
Amounts falling due 2-5 years		
Bank loans	30,000	-
Amounts falling due after more than 5 years		
Bank loans	1,667	-
	<u>50,000</u>	<u>-</u>

The Company received a 6 year government backed Bounceback loan in June 2020 provided by Lloyds bank, interest is charged at 2.5% per annum at a fixed rate and no repayments were required for the first year.

10. Provisions

	Onerous contracts £
At 1 April 2020	8,144
Charged to profit or loss	(8,144)
At 31 March 2021	<u>-</u>

The provision relates to contracts expected to make a loss.

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £4,856 (2020 - £4,731). Contributions totalling £461 (2020 - £379) were payable to the fund at the reporting date and are included in creditors.

HUT 42 SERVICES LIMITED

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

12. Related party transactions

The Company has taken advantage of the exemption under 33.1A, allowing wholly owned group members to depart from the requirements to disclose transactions with other group companies.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.