

HYDRA MANAGEMENT LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022

HYDRA MANAGEMENT LIMITED
REGISTERED NUMBER: 03000419

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	1,117,468	1,198,111
Tangible assets	5	2,217	2,883
		<u>1,119,685</u>	<u>1,200,994</u>
Current assets			
Debtors: amounts falling due within one year	6	372,854	383,814
Cash at bank and in hand	7	84	84
		<u>372,938</u>	<u>383,898</u>
Creditors: amounts falling due within one year	8	(452,169)	(674,876)
Net current liabilities		<u>(79,231)</u>	<u>(290,978)</u>
Total assets less current liabilities		<u>1,040,454</u>	<u>910,016</u>
Creditors: amounts falling due after more than one year	9	(1,152,356)	(1,045,249)
Net liabilities		<u>(111,902)</u>	<u>(135,233)</u>
Capital and reserves			
Called up share capital		783,264	783,264
Profit and loss account		(895,166)	(918,497)
		<u>(111,902)</u>	<u>(135,233)</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of 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:

J Manrique

Director

Date: 27 July 2023

The notes on pages 3 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Hydra Management Limited is a private company limited by shares. It is registered in England and Wales and the registered office address is Wey Court West, Union Road, Farnham, Surrey, GU9 7PT. The company number is 03000419.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company has reported a loss before tax for the year of £24,747 and has net liabilities at the balance sheet date of £111,902 (2021: £135,233). The directors consider that the Company can continue to trade for the foreseeable future with their ongoing financial support.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Income and Retained Earnings over its useful economic life.

Other 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.

The estimated useful lives range as follows:

Development expenditure	-	10	years
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2.5 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods below.

Depreciation is provided on the following basis:

L/Term Leasehold Property	- 10% straight line
Fixtures and fittings	- 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.

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 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.

2.12 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

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

2.14 Borrowing costs

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

2.15 Development costs

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

2.16 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.17 Taxation

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.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2021 - 8).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Intangible assets

	Development expenditure £	IPR £	Goodwill £	Total £
Cost				
At 1 January 2022	2,357,648	60,000	157,658	2,575,306
Additions	172,358	-	-	172,358
At 31 December 2022	2,530,006	60,000	157,658	2,747,664
Amortisation				
At 1 January 2022	1,159,537	60,000	157,658	1,377,195
Charge for the year on owned assets	253,001	-	-	253,001
At 31 December 2022	1,412,538	60,000	157,658	1,630,196
Net book value				
At 31 December 2022	1,117,468	-	-	1,117,468
<i>At 31 December 2021</i>	<i>1,198,111</i>	<i>-</i>	<i>-</i>	<i>1,198,111</i>

HYDRA MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Tangible fixed assets

	L/Term Leasehold Property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2022	953	29,742	30,695
At 31 December 2022	<u>953</u>	<u>29,742</u>	<u>30,695</u>
Depreciation			
At 1 January 2022	584	27,228	27,812
Charge for the year on owned assets	37	629	666
At 31 December 2022	<u>621</u>	<u>27,857</u>	<u>28,478</u>
Net book value			
At 31 December 2022	<u><u>332</u></u>	<u><u>1,885</u></u>	<u><u>2,217</u></u>
<i>At 31 December 2021</i>	<u><u>369</u></u>	<u><u>2,514</u></u>	<u><u>2,883</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Debtors

	2022	2021
	£	£
Trade debtors	57,233	8,500
Amounts owed by group undertakings	172,060	223,373
Other debtors	29,314	4,336
Prepayments and accrued income	66,169	29,771
Tax recoverable	48,078	117,834
	<u>372,854</u>	<u>383,814</u>

7. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	84	84
Less: bank overdrafts	(35,233)	(23,549)
	<u>(35,149)</u>	<u>(23,465)</u>

8. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank overdrafts	35,233	23,549
Bank loans	9,870	9,632
Other loans	-	22,727
Trade creditors	24,263	51,485
Amounts owed to group undertakings	166,775	179,724
Other taxation and social security	55,396	55,336
Other creditors	54,593	76,880
Accruals and deferred income	106,039	255,543
	<u>452,169</u>	<u>674,876</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	30,301	40,188
Other loans	1,122,055	1,005,061
	<u>1,152,356</u>	<u>1,045,249</u>

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £6,741 (2021: £14,910). Employer contributions of £85 (2021: £751) were payable to the fund at the balance sheet date and are included in creditors.

11. Controlling party

During the year the Company's ultimate parent undertaking was Etask Technologies Limited, a company registered in England and Wales, registration number 6488933, registered office Wey Court West, Union Road, Farnham, Surrey, GU9 7PT.

During the year, the Company was under the control of F Manrique, the father of the director and shareholder J Manrique.

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.