

Registration number: 07095154

HYPER ISLAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



HYPER ISLAND LIMITED

CONTENTS

| Section | Page |
|---|-------------|
| Company Information | 1 |
| Director's Report | 2 to 3 |
| Statement of Director's Responsibilities | 4 |
| Independent Auditor's Report | 5 to 8 |
| Statement of Income and Retained Earnings | 9 |
| Statement of Financial Position | 10 |
| Notes to the Financial Statements | 11 to 19 |
| Non-statutory pages | 20 to 21 |

HYPER ISLAND LIMITED

COMPANY INFORMATION

| | |
|----------------------------|---|
| Director | H E Rundt |
| Registered office | 26 Lever Street Manchester M1 1DW |
| Independent Auditor | Harmer Slater Limited Statutory Auditor Salatin House 19 Cedar Road Sutton Surrey SM2 5DA |

HYPER ISLAND LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents her annual report on the affairs of Hyper Island Limited, together with the financial statements and auditor's report for the year ended 31 December 2021.

Principal activity

The principal activity of the company is offering advanced vocational education and training through the school's long term master's degree programmes in Digital Management and User Experience Design.

Director of the company

The director who served throughout the year and up to date of authorisation of this report was as follows:

N M R Wright (resigned 17 January 2022)

The following director was appointed after the year end:

H E Rundt (appointed 17 January 2022)

Going concern

The director has considered the impact of COVID-19 on the company's financial position, liquidity and future performance together with financial projections for the company and the availability of financial support from its parent company over the foreseeable future, being at least twelve months from the date of approving the financial statements. After making enquiries, the director is satisfied that the company has sufficient resources to continue in operation for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the company's financial statements.

Events after the financial period

There have been no significant events between the year end and the date of approval of these accounts which would require a change to, or disclosure in, the financial statements.

Statement of disclosure to the auditors

The director has taken steps that she ought to have taken as a director in order to make herself aware of any relevant audit information (as defined by section 418 of the Companies Act 2006) and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that she knows of and of which she knows the auditors are unaware.

Reappointment of auditors

The auditors Harmer Slater Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

HYPER ISLAND LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Small companies provision statement

The director has taken advantage of the small companies exemptions provided by sections 414B and 415A of the Companies Act 2006 from the requirement to prepare a strategic report and in preparing the director's report on the grounds that the company is entitled to prepare its accounts for the year in accordance with the small companies regime.

The director's report was approved by the Board on 14 March 2022 and signed on its behalf by:



.....
H E Rundt
Director

HYPER ISLAND LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HYPER ISLAND LIMITED

Opinion

We have audited the financial statements of Hyper Island Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HYPER ISLAND LIMITED (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director is not entitled to take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities [set out on page 4], the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HYPER ISLAND LIMITED (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the director and other management, and from our cumulative audit and commercial knowledge and experience of the company and the education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, The Higher Education & Research Act 2017, The Equality Act 2010, General Data Protection Rules (GDPR), taxation legislation, anti-bribery, employment law and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement to disclosures underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, analysing legal costs to ascertain if there have been instances of non-compliance with laws and regulations

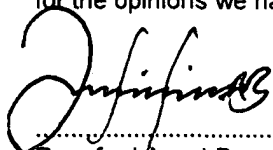
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the director and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HYPER ISLAND LIMITED (CONTINUED)

Use of our report

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Ransford Agyei-Boamah (Senior Statutory Auditor)
For and on behalf of Harmer Slater Limited, Statutory Auditor

Salatin House
19 Cedar Road
Sutton
Surrey
SM2 5DA

14 March 2022

HYPER ISLAND LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 £ | 2020 £ |
|--|----------|-------------------------|-------------------------|
| Revenue | 3 | 797,445 | 821,234 |
| Cost of sales | | <u>(276,762)</u> | <u>(364,775)</u> |
| Gross profit | | 520,683 | 456,459 |
| Sales and marketing expenses | | (348,374) | (275,357) |
| Administrative expenses | | (211,427) | (174,536) |
| Other operating income | 4 | <u>73,128</u> | <u>-</u> |
| Operating profit | 5 | <u>34,010</u> | <u>6,566</u> |
| Profit before tax | | <u>34,010</u> | <u>6,566</u> |
| Profit for the financial year | | 34,010 | 6,566 |
| Retained earnings brought forward | | <u>(279,767)</u> | <u>(286,333)</u> |
| Retained earnings carried forward | | <u>(245,757)</u> | <u>(279,767)</u> |

Continuing operations

All results are derived wholly from continuing operations.

HYPER ISLAND LIMITED

(REGISTRATION NUMBER: 07095154)
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

| | Note | 2021 £ | 2020 £ |
|---|------|------------------|------------------|
| Non-current assets | | | |
| Property, plant and equipment | 10 | 6,277 | 8,899 |
| Current assets | | | |
| Receivables | 11 | 566,896 | 485,204 |
| Cash at bank | 12 | 314,794 | 107,937 |
| | | 881,690 | 593,141 |
| Payables: Amounts falling due within one year | 13 | (587,356) | (881,806) |
| Net current assets/(liabilities) | | 294,334 | (288,665) |
| Total assets less current liabilities | | 300,611 | (279,766) |
| Payables: Amounts falling due after more than one year | 13 | (546,367) | - |
| Net liabilities | | (245,756) | (279,766) |
| Equity | | | |
| Called up share capital | 14 | 1 | 1 |
| Retained earnings | 14 | (245,757) | (279,767) |
| Total equity | | (245,756) | (279,766) |

The financial statements were approved and authorised for issue by the director on 14 March 2022



H E Rundt
Director

HYPER ISLAND LIMITED

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

1 General information

Hyper Island Limited (the 'company') is a private company limited by share capital incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the director's report on page 2.

2 Accounting policies

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

Going concern

The director has considered the impact of COVID-19 on the company's financial position, liquidity and future performance together with financial projections for the company and the availability of financial support from its parent company over the foreseeable future, being at least twelve months from the date of approving the financial statements. After making enquiries, the director is satisfied that the company has sufficient resources to continue in operation for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the company's financial statements.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and in accordance with the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of the company is considered to be pound sterling (£) because that is the currency of the primary economic environment in which the company operates. The financial statements are presented in pound sterling (£).

Summary of disclosure exemptions

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company is consolidated in the financial statements of its parent, Hyper Island Capital AB, which may be obtained from Telefonvägen 30, S-126 26 Hägersten, Sweden. Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement, transactions with group entities and remuneration of key management personnel.

HYPER ISLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 Accounting policies (continued)

Key sources of estimation uncertainty and critical judgements

The preparation of the financial statements requires management to make estimates, assumptions and judgements that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation and judgements means that actual outcomes could differ from those estimates. The following judgement have had the most significant effect on amounts recognised in the financial statements.

No deferred tax asset has been recognised in respect of these tax losses. In the director's judgement, there may not be other future taxable profits against which the tax losses will be relieved and consequently have not recognised any deferred tax asset. At the year end, the company had unrelieved tax losses of approximately £81,887 (2020 -£88,354).

Revenue recognition

Revenue represents amounts chargeable, net of value added tax, in respect of courses provided to students. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met. Where payments are received from students in advance of services provided, the amounts are received as deferred income and released as services are provided. Where services have already been provided, but not invoiced, the amounts receivable are estimated and recorded as accrued income.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Taxation

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

HYPER ISLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 Accounting policies (continued)

Property, plant and equipment

Property plant and equipment are recorded at historical cost less accumulated depreciation and any provision for impairment. Cost comprises the purchase price together with all expenses directly incurred in bringing the asset to its location and condition ready for use.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

| Asset class | Depreciation method and rate |
|------------------------------|------------------------------|
| Office equipment | Straight line over 5 years |
| Computer equipment | Straight line over 3 years |
| Short leasehold improvements | Straight line over 3 years |

Receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise of bank current account balances and are subject to an insignificant risk of change in value.

Payables

Payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. Contributions are recognised in the income statement in the period in which they become payable.

HYPER ISLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 Accounting policies (continued)

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

| | 2021 £ | 2020 £ |
|-----------------------|----------------|----------------|
| Rendering of services | <u>797,445</u> | <u>821,234</u> |

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

| | 2021 £ | 2020 £ |
|------------------------------|---------------|-----------|
| Sub lease rental income | 7,325 | - |
| Recharged rental expenditure | <u>65,803</u> | <u>-</u> |
| | <u>73,128</u> | <u>-</u> |

5 Operating profit

Arrived at after charging

| | 2021 £ | 2020 £ |
|-------------------------------------|---------------|-----------|
| Depreciation expense | 4,422 | 3,186 |
| Foreign exchange gains/(losses) | 369 | (16) |
| Operating lease expense - property | 103,280 | 84,320 |
| Exceptional administrative expenses | <u>31,560</u> | <u>-</u> |

The exceptional administrative expenses represents management fees related to prior periods.

HYPER ISLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

6 Staff costs

The aggregate payroll costs were as follows:

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Wages and salaries | 302,919 | 235,344 |
| Social security costs | 33,021 | 26,368 |
| Pension costs, defined contribution scheme | 11,877 | 9,907 |
| | <u>347,817</u> | <u>271,619</u> |

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

| | 2021 No. | 2020 No. |
|----------------------------|-------------|-------------|
| Administration and support | 5 | 4 |
| Sales | 4 | 2 |
| | <u>9</u> | <u>6</u> |

7 Director's remuneration

The director did not receive any remuneration for services to the company during the year or preceding year. The director is remunerated by other group companies.

8 Auditors' remuneration

| | 2021 £ | 2020 £ |
|-----------------------------------|--------------|--------------|
| Audit of the financial statements | <u>1,500</u> | <u>1,500</u> |
| Other fees to auditors | | |
| All other non-audit services | <u>3,350</u> | <u>3,350</u> |

HYPER ISLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

9 Taxation

Tax charged/(credited) in the income statement

| | 2021 £ | 2020 £ |
|-------------------------|-----------|-----------|
| Current taxation | | |
| UK corporation tax | - | - |

The standard rate of UK corporation tax applied to the reported profit before tax for the year is 19% (2020 - 19%).

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

| | 2021 £ | 2020 £ |
|----------------------------------|-----------|-----------|
| Profit before tax | 34,010 | 6,566 |
| Corporation tax at standard rate | 6,462 | 1,248 |
| Effect of tax losses | (6,462) | (1,248) |
| Total tax charge/(credit) | - | - |

Factors that may affect future tax charges

The company has tax losses which are available to be carried forward and utilised against future trading profits of approximately £81,887 (2020: £88,348). No deferred tax asset has been recognised in respect of these losses.

HYPER ISLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10 Property, plant and equipment

| | Short leasehold improvement £ | Office Equipment £ | Computer Equipment £ | Total £ |
|------------------------|--|--------------------------|----------------------------|---------------------|
| Cost | | | | |
| At 1 January 2021 | 6,592 | 798 | 8,596 | 15,986 |
| Additions | - | - | 1,800 | 1,800 |
| At 31 December 2021 | <u>6,592</u> | <u>798</u> | <u>10,396</u> | <u>17,786</u> |
| Depreciation | | | | |
| At 1 January 2021 | 1,461 | 160 | 5,466 | 7,087 |
| Charge for the year | 2,197 | 160 | 2,065 | 4,422 |
| At 31 December 2021 | <u>3,658</u> | <u>320</u> | <u>7,531</u> | <u>11,509</u> |
| Carrying amount | | | | |
| At 31 December 2021 | <u><u>2,934</u></u> | <u><u>478</u></u> | <u><u>2,865</u></u> | <u><u>6,277</u></u> |
| At 31 December 2020 | <u><u>5,131</u></u> | <u><u>638</u></u> | <u><u>3,130</u></u> | <u><u>8,899</u></u> |

11 Receivables

| | 2021 £ | 2020 £ |
|------------------------------------|-----------------------|-----------------------|
| Trade receivables | 42,918 | 35,100 |
| Amounts owed by group undertakings | 447,356 | 406,544 |
| Other receivables | 1 | 10,001 |
| Prepayments & accrued income | 76,621 | 33,559 |
| | <u><u>566,896</u></u> | <u><u>485,204</u></u> |

Other receivables represents unpaid share capital.

The amount owed by group undertakings disclosed as falling within one year is unsecured, payable on demand and is non-interest bearing.

12 Cash and cash equivalents

| | 2021 £ | 2020 £ |
|--------------|-----------------------|-----------------------|
| Cash at bank | <u><u>314,794</u></u> | <u><u>107,937</u></u> |

HYPER ISLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

13 Payables

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Due within one year | | |
| Trade payables | 46,453 | 26,957 |
| Social security and other taxes | 10,442 | 8,654 |
| Other payables | 2,293 | 1,484 |
| Accrued expenses and deferred income | <u>528,168</u> | <u>844,711</u> |
| | <u>587,356</u> | <u>881,806</u> |
| Due after one year | | |
| Other non-current financial liabilities | <u>546,367</u> | <u>-</u> |

The amount owed to group undertakings disclosed as falling within one year is unsecured, payable on demand and is non-interest bearing.

14 Share capital and reserves

Allotted, called up and fully paid shares

| | No. | 2021 £ | No. | 2020 £ |
|---------------------------|----------|-----------|----------|-----------|
| Ordinary share of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

The company has one class of share capital which carries no right to fixed income.

Reserves

The retained earnings reserve represents cumulative profit or losses net of dividends paid and other adjustments.

15 Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £11,877 (2020 : £9,907). Contributions totalling £2,293 (2020: £1,484) were payable to the scheme at the end of the year and are included in payables.

HYPER ISLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

16 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

| | 2021 £ | 2020 £ |
|---|---------------|----------------|
| Not later than one year | 61,957 | 84,320 |
| Later than one year and not later than five years | - | 210,800 |
| | <u>61,957</u> | <u>295,120</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £103,280 (2020 - £84,320).

17 Related party transactions

The company is a wholly owned subsidiary member of its group and has therefore taken advantage of the provisions of Section 33. 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose transactions with entities that are wholly owned members of the the group.

There were no other related party transactions to disclose.

18 Parent and ultimate parent undertaking

The company's immediate and ultimate parent undertaking is Hyper Island Capital AB; incorporated in Sweden.

The parent of the largest and smallest group in which these financial statements are consolidated is Hyper Island Capital AB, registered in Sweden. These financial statements are available from Telefonvägen 30, S-126 26 Hägersten, Sweden.

19 Events after the financial period

There have been no significant events between the year end and the date of approval of these accounts which would require a change to, or disclosure in, the financial statements.