

Hedgehog Lab Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2017

Blu Sky Chartered Accountants
17 Northumberland Square
North Shields
NE30 1PX

Hedgehog Lab Limited

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Hedgehog Lab Limited

Company Information

Directors

Mr Mark Forster
Mr Raymond Henry Clarke
Mr Sarat Pediredla

Registered office

Generator Studios
Trafalgar Street
Newcastle Upon Tyne
NE1 2LA

Accountants

Blu Sky Chartered Accountants
17 Northumberland Square
North Shields
NE30 1PX

Hedgehog Lab Limited

(Registration number: 05993194) Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	3	68,673	37,831
Investments	4	734,729	734,729
		<u>803,402</u>	<u>772,560</u>
Current assets			
Debtors	5	662,539	471,761
Cash at bank and in hand		64,608	59,385
		<u>727,147</u>	<u>531,146</u>
Creditors: Amounts falling due within one year	6	(1,507,255)	(1,266,554)
Net current liabilities		<u>(780,108)</u>	<u>(735,408)</u>
Total assets less current liabilities		23,294	37,152
Creditors: Amounts falling due after more than one year	6	(756,693)	(7,002)
Provisions for liabilities		-	(7,566)
Net (liabilities)/assets		<u>(733,399)</u>	<u>22,584</u>
Capital and reserves			
Called up share capital		115	100
Share premium reserve		199,985	-
Profit and loss account		(933,499)	22,484
Total equity		<u>(733,399)</u>	<u>22,584</u>

For the financial year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These 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.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 12 February 2018 and signed on its behalf by:

The notes on pages [4](#) to [9](#) form an integral part of these financial statements.

Hedgehog Lab Limited
(Registration number: 05993194)
Balance Sheet as at 31 December 2017

.....
Mr Sarat Pediredla

Director

The notes on pages [4](#) to [9](#) form an integral part of these financial statements.
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Hedgehog Lab Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

Generator Studios
Trafalgar Street
Newcastle Upon Tyne
NE1 2LA

The company registered number is: 05993194

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with the provisions of FRS 102 Section 1A - small entities applicable in the UK and Republic of Ireland. There were no material departures from that standard.

Summary of significant accounting policies and key accounting estimates

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, unless otherwise stated.

Basis of preparation

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

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Government grants

Government grants in relation to tangible fixed assets are credited to the profit and loss account over the useful lives of the related assets, whereas those in relation to expenditure are credited when the expenditure is charged to profit and loss.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Hedgehog Lab Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	33% straight line
Office equipment	20% straight line

Research and development costs

Expenditure on research is written off against profits in the year in which it is incurred. Development expenditure is capitalised and amortised over its useful life.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes.

Tax deferred or accelerated is accounted for in respect of all material timing differences.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at cost.

Hedgehog Lab Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

3 Tangible assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2017	14,368	53,190	67,558
Additions	51,064	6,003	57,067
At 31 December 2017	65,432	59,193	124,625
Depreciation			
At 1 January 2017	5,242	24,485	29,727
Charge for the year	12,469	13,756	26,225
At 31 December 2017	17,711	38,241	55,952
Carrying amount			
At 31 December 2017	47,721	20,952	68,673
At 31 December 2016	9,126	28,705	37,831

4 Investments

	2017 £	2016 £
Investments in associates	734,729	734,729
Associates		£
Cost		
At 1 January 2017		734,729
Provision		
Carrying amount		
At 31 December 2017		734,729
At 31 December 2016		734,729

Hedgehog Lab Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

5 Debtors

	2017 £	2016 £
Trade debtors	303,287	106,042
Prepayments	24,112	13,506
Other debtors	335,140	352,213
	<u>662,539</u>	<u>471,761</u>

6 Creditors

Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	7	38,777	155,638
Trade creditors		187,273	81,979
Amounts owed to group undertakings and undertakings in which the company has a participating interest	9	703,641	684,680
Taxation and social security		407,154	99,546
Accruals and deferred income		145,849	10,155
Other creditors		24,561	234,556
		<u>1,507,255</u>	<u>1,266,554</u>

Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
Due after one year			
Loans and borrowings	7	<u>756,693</u>	<u>7,002</u>

Hedgehog Lab Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

7 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	756,693	7,002

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	38,777	5,638
Other borrowings	-	150,000
	38,777	155,638

8 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
A Ordinary of £0.001 (2016 - £1) each	92,308	92.31	100	100
B Ordinary of £0.001 (2016 - £0) each	23,077	23.08	-	-
	115,385	115	100	100

Hedgehog Lab Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

9 Related party transactions

Advances to directors

During the year the company made an interest free advance of £1,972.00 to Mr M Foster who is a director and is repayable on demand by the company. The advance was outstanding in full at the balance sheet date.

Summary of transactions with subsidiaries

Hedgehog Lab Limited own 97% of the equity in Hedgehog Lab LLC, Hedgehog Lab Limited sold services to the subsidiary amounting to £73,505 (purchased services 2016 - £171,346) and there was an amount outstanding at the year end of £658,395 owed to the subsidiary (2016 - £684,175).

Summary of transactions with other related parties

Sarat Pediredla owns 50% of Hedgehog Lab Limited, the company purchased services from Hedgehog Lab Software Private Limited, a company located in India and owned by Krishna Pediredla and Rani Pediredla both close family of Sarat Pediredla. Purchases totalled £534,475 (2016 - £186,420) and there was an amount outstanding at the year end of £58,070 (2016 - £5,160).

10 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 68 (2016 - 39).