Registered number: 11010398

TYPHOON NOTECO LIMITED

AUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2021

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TYPHOON NOTECO LIMITED
CONTENTS

TYPHOON NOTECO LIMITED

COMPANY INFORMATION

Directors	J S Farrarons G V Karibian
Registered number	11010398
Registered office	The Brunel Building 2 Canalside Walk London W2 1DG
Independent auditor	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

The directors present their directors' report and the financial statements for Typhoon Noteco Limited (the 'company') and its subsidiaries (together the 'group') for the year ended 31 March 2021.

Results and dividends

The loss for the year, after taxation, amounted to £118,795,327 (2020: £93,137,031).

During the year dividends of £NIL have been paid (2020: £NIL).

Directors

The directors who served during the year were:

J S Farrarons
G V Karibian

Matters covered in the strategic report

As permitted by Section 414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Group's (Accounts and Reports) Regulations 2008', in the Strategic report. Details of the principal risks and uncertainties faced by the group are discussed in the Strategic report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Going concern

The financial statements have been prepared using the going concern basis of accounting. Further details regarding the adoption of the going concern convention can be found in the accounting policy 2.3 in the notes to the financial statements.

Auditor

Under Section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar whichever is earlier.

Streamlined Energy and Carbon Reporting (SECR)

In line with the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 the company's energy use and greenhouse gas (GHG) emissions are set out below:

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the group is responsible involving the consumption of gas or the consumption of fuel for the purposes of transport was 101 tonnes (2020: 141 tonnes).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity by the group for its own use was 110 tonnes (2020: 116 tonnes).

The aggregate of:

- the annual quantity of energy consumed from activities for which the company is responsible involving the combustion of gas or the consumption of fuel for the purposes of transport; and

- the annual quantity of energy consumed resulting from the purchase of electricity by the company for its own use was 963,975 kWH (2020: 1,198,559 kWh).

The methodology used by the Group to calculate this information is Greenhouse Gas Protocol.

The carbon emission per staff member was 0.5 tonnes (2020: 1 tonnes).

The Group are committed to reduce the environmental impact of the operations. In the period covered by the report the group has installed HVAC system and lighting controlled by motion sensors, adjusted air temperature to neutral and purchased more energy efficient equipment.

This report was approved by the board and signed on its behalf.

J S Farfarons
Director

Date: 30/11/2021

Introduction

The directors present their strategic report on the group and company for the year ended 31 March 2021.

The principal activity of the group during the year was that of providing merchant services to businesses in the UK and Ireland.

Business review

Operating through a recurring revenue model, year-on-year growth has been achieved through a continued commitment to hiring talented staff, technological innovation and consistent investment. This bold approach has made Paymentsense a leading Merchant Service Provider.

During the last fiscal period, the group has continued to grow with the aim of scaling its business model and technology platform across both adjacent product areas within the UK and Ireland and, in time, internationally. This approach has driven significant growth this fiscal year with the company continuing to capture market share and deepen the relationship with existing customers.

In the year ended 31 March 2021, the group's loss before tax amounted to £118.5m (2020: £93.1m). The business has achieved a turnover of £108.1m (2020: £100.6m) and Adjusted EBITDA of £35.5m (2020: £32.3m). Adjusted EBITDA is defined as the earnings of the business prior to charges in respect of interest of £48.5m (2020: £33.8m), taxation of £325k (2020: £81k), exceptional items of £6.4m (2020: £nil) and depreciation and amortisation of £99.1m (2020: £88.2m).

The investors in the business continue to prioritise long term growth over short term profit with the investment in underlying technology continuing to be a key strategic focus. Leveraging this investment will drive significant growth in the forthcoming years.

The in year impact has been:

£11.4bn payments processed
489 million card transactions
86,135 total customers

Our overall growth has been driven by strong sales teams supported by Mothership, the custom-built in-house technology platform at the heart of the business. In addition to strong sales, the business has also achieved record high retention levels of merchants through our continued commitment to creating a best in class customer experience.

On 21 August 2019, Paymentsense Limited was approved by the Financial Conduct Authority as an Authorised Electronic Money Institution (EMI). We continue to examine ways to offer new products and services through advanced technology to our customers. Having the flexibility to become a regulated business in our own right forms a key enabler of future new products and services.

On 14 August 2020, we refinanced the group through 8% senior secured notes of £290 million with principle due 2025. A second round of financing took place on 9 October 2020 for 8% senior secured notes of £30 million with principle due 2025.

On the 30th September 2020, the Paymentsense group purchased the First Data leasebook comprising over 44,000 terminal leases and related terminal equipment with various lease terms for £24 million.

On 28 May 2021, Hurricane Bidco Limited acquired WalkUp Limited.

Brexit impact

On 31 January 2020 the United Kingdom ('UK') exited the European Union ('EU'). Due to our predominantly UK based operations we have not experienced any material adverse effect on the company's business, financial condition or operations. While there has been no direct impact, there could be a potential impact if Brexit causes a downturn in the UK economy, causing a downturn in total payments processed and therefore a potential decrease in revenues.

Principal risks and uncertainties

The principal risk to the business continues to be the competitive environment in which we operate with many of our competitors being of substantially greater scale than Paymentsense. Notwithstanding that risk we continue to win business from competitors of all sizes as new customers are attracted by our compelling customer proposition.

During the fiscal year, , our key sales markets were affected by COVID-19 with the UK ordering of all 'non-essential' businesses to close temporarily on 23 March 2020. In Ireland the same restriction came into force on 28 March. This had a substantial impact on the card turnover (CTO) processed by our customers as the majority were forced to either close or substantially alter their operations.

Although the full effects of the pandemic cannot be fully determined, the business has still operated throughout the year working closely with customers to ensure the risks associated with COVID – 19 are minimised. The impacts to us were as follows:

- a slowdown in trading activity during the periods of lockdown where customers are forced to close
- a prolonged period of reduced trading activity as government recommendations and restrictions impact customers' ability to trade at previously established levels
- customers being unable to sustain operations either during the initial affected period or once lockdown is removed, leading to business failure

As these risks happened throughout the year, the directors initiated a review to ensure that the development agenda and discretionary spending within the business was sized appropriately to ensure the business had the resources available to safely navigate these risks. With the immediate impact of social distancing and lockdown to UK businesses removed through Summer 2021 the immediate risks of the pandemic have reduced. We remain vigilant and ready to respond to either further waves of social distancing or lockdown and also the longer term risk of customer failure as the commercial reality of post-lockdown trading and sectoral patterns emerge. At the time of approving these financial statements we remain confident that these risks are minimised.

Key performance indicators

The directors manage the group's operations on a divisional basis and monitor the ongoing performance of the business through a number of measures including:

- financial indicators such as gross margin, overhead efficiency measured as a percentage of sales, and EBITDA. These are monitored through regular reviews of management accounts and variance analysis
- customer trend KPIs are monitored through regular reviews of customer cohort financial and non-financial metrics including growth in the number of customers, growth in card turnover, and revenue earned per customer
- reviews of customer feedback through online ratings and proprietary customer research

Future developments

The company remains committed to its strategy of development through the combination of breakthrough technology development, award winning customer service and a deep understanding of unmet customer needs.

This combination will allow us to continue to grow our core business whilst also adding new revenue streams by layering complimentary products and services alongside our core offer.

In addition, the directors continue to evaluate the opportunity to expand geographically, recognising that customers in other territories are similarly underserved by competitors in the Merchant Services industry.

At the time of approving the financial statements, the impact to the company of the effects of the COVID-19 pandemic has substantially reduced. Any remaining negative effects have been offset by a switch from cash to card spending which has had a positive effect on trading activities throughout the year. It is possible that some of the cash to card switching will revert back to the pre-pandemic levels although we currently see no meaningful sign of this.

The directors regularly review the impact of the pandemic to the business and will continue to balance the speed and intensity of the development agenda to ensure financial health and minimised risk.

Financial risk management objective and policies

The group manages its exposure to what it considers to be its main financial risks as follows:

The group holds or issues financial instruments in order to achieve three main objectives, being:

a) to finance its operations;

b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks described below.

Interest rate risk

The interest rate on the group loan is linked to the gearing of the group. Management of the group monitor this closely to ensure any rate movement is managed and hedge any exposure with interest rate derivatives.

Credit risk

The group monitors credit risk closely and considers its current policies of credit checks meet its objectives of managing exposure to credit risk.

The group has no significant concentrations of credit risk. Amounts shown in the balance sheet represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The group maintains adequate funds and liquidity to satisfy working capital requirements through cash generated from operations, and long-term debt finance. There has been no change in working capital management strategies in the year, which includes the use of forecasts and budgets to monitor and control its cash flows and working capital requirements.

Equal Opportunities

The group is committed to an active equal opportunities policy of recruitment and selection, through training and development, appraisal and promotion to retirement.

It is the policy of the group to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnicity, national origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit.

The group is responsive to the needs of its employees, customers and community at large.

Statement by the directors on performance of their statutory duties in accordance with s.172 (1) Companies Act 2006

The directors are required to act in the way he or she considers would be most likely to promote the success of the group for the benefits of its members as a whole, with regards to the matters below, and work in collaboration with the company's senior leadership team and the group management team in order to achieve this.

(a) The likely consequences of any decision in the long term

The directors are required annually to prepare 3 plans by group management. These plans require us to consider the long-term impact of all our strategic decisions at board level. The plans are reviewed quarterly by group management and updated and amended in light of market conditions at the time.

(b) The interests of the group's employees

The board considers our people to be our greatest asset and the interests of our employees are always considered when decisions are made. Each month the directors host a monthly town hall and Q&A session where news about the business is shared and questions on a variety of topics from staff are addressed by the directors. In addition, on a bi-weekly basis, we conduct pulse surveys to all staff to obtain the views of our employees. The results of the staff surveys are presented to the board and shared with employees together with action plans to address issues raised.

(c) The need to foster the group's business relationships with suppliers, customers and others

The group is very focused on its customers and have adopted a 'customer first' business philosophy. The directors and senior leadership team work closely with customers to build long term relationships, and often contact customers to reflect on their feedback. The board reviews customer performance on a regular basis to monitor progress and address any significant customer issues. We review consumer service performance indicators across a variety of measures, including net promoter scores, as well as focus on improving customer satisfaction in all areas.

We aim to work in partnership with our suppliers, to treat them fairly and to use them to help drive innovation, change and efficiency across the business. We expect our suppliers to reflect similar values and behaviours to our own.

(d) The impact of the group's operations on the community and environment

We have an impact on the communities and society we operate within. The board regularly receives updates on our environmental impact, and the business reviews and seeks to reduce wherever possible our environmental footprint.

(e) *The desirability of the group maintaining a reputation for high standards of business conduct*

We believe that it is crucial that we are trusted by all stakeholders to maintain the highest standards in everything we do as a business. We aim to always do the right thing with our customers, consumers and suppliers.

We have an employee code of conduct which all employees are expected to read and understand. In addition, e-learning is provided where appropriate. All employees are informed annually of our whistleblowing policy and the role of the independent confidential Ombudsman. The board has a low risk appetite for reputational risk and such considerations are always part of the decision making process.

This report was approved by the board and signed on its behalf.

J S Parraron s
Director

Date: 30/11/2021

TYPHOON NOTECO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the company or to cease operations, or have no realistic alternatives but to do so.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Opinion

We have audited the financial statements of Typhoon Noteco Limited ("the company") for the year ended 31 March 2021 which comprise the Consolidated profit and loss account, the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated statement of changes in equity, the Consolidated statement of cash flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment and the nature of the revenue recognition processes, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted by users not on the approved list to post.
- Evaluated the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: FCA regulations for electronic money and payment institutions, recognising the financial and regulated nature of the Group activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, 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 members those matters we are required to state to them 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Rowell (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Date: 30/11/2021

TYPHOON NOTECO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	**108,076,131**	100,575,056
Cost of sales		**(39,827,874)**	(34,081,668)
Gross profit		**68,248,257**	66,493,388
Administrative expenses		**(140,281,695)**	(125,767,249)
Other income	5	**2,044,572**	-
Operating loss	6	**(69,988,866)**	(59,273,861)
Interest receivable and similar income		**60,798**	14,745
Interest payable and similar expenses	10	**(48,542,293)**	(33,796,911)
Loss before tax		**(118,470,361)**	(93,056,027)
Tax on loss	11	**(324,966)**	(81,004)
Loss for the financial year		**(118,795,327)**	(93,137,031)

The notes on pages 23 to 50 form part of these financial statements.

TYPHOON NOTECO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Loss for the financial year	**(118,795,327)**	(93,137,031)
Translation of subsidiary	**(90,946)**	9,631
Share based payments	**2,780,475**	-
Other comprehensive income for the year	**2,689,529**	9,631
Total comprehensive loss for the year	**(116,105,798)**	(93,127,400)

The notes on pages 23 to 50 form part of these financial statements.

TYPHOON NOTECO LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible fixed assets	13		**190,628,029**		264,676,215
Tangible fixed assets	14		**32,861,600**		9,495,879
			223,489,629		274,172,094
Current assets					
Stock	16	**4,240,087**		2,893,485	
Debtors: amounts due after more than one year	17	**4,520,093**		3,861,446	
Debtors: amounts falling due within one year	17	**18,954,777**		12,478,743	
Cash at bank and in hand	18	**68,614,862**		13,359,030	
		96,329,819		32,592,704	
Creditors: amounts falling due within one year	19	**(48,743,588)**		(61,224,840)	
Net current assets/(liabilities)			**47,586,231**		(28,632,136)
Total assets less current liabilities			**271,075,860**		245,539,958
Creditors: amounts falling due after more than one year	20		**(415,129,546)**		(274,146,493)
Provisions for liabilities					
Deferred tax	22		**(4,520,093)**		(3,861,446)
Net liabilities			**(148,573,779)**		(32,467,981)

TYPHOON NOTECO LIMITED

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	25	**1,149,682**	1,149,682
Share premium account	26	**147,668,913**	147,668,913
Foreign exchange reserve	26	**(33,606)**	57,340
Capital redemption reserve	26	**2,780,475**	-
Profit and loss account	26	**(300,139,243)**	(181,343,916)
Total equity		**(148,573,779)**	(32,467,981)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J S Farrarons
Director

Date: 30/11/2021

The notes on pages 23 to 50 form part of these financial statements.

TYPHOON NOTECO LIMITED

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		2020 £
Fixed assets					
Investments	15		**148,818,593**		148,818,593
Current assets					
Debtors: amounts falling due after more than one year	17	**12,898,333**		13,014,533	
Debtors: amounts falling due within one year	17	**630,700**		40,211,659	
		13,529,033		53,226,192	
Creditors: amounts falling due within one year	19	**(689,204)**		(40,228,276)	
Net current assets			**12,839,829**		12,997,916
Total assets less current liabilities			**161,658,422**		161,816,509
Creditors: amounts falling due after more than one year	20		**(12,898,333)**		(13,014,534)
Net assets			**148,760,089**		148,801,975
Capital and reserves					
Called up share capital	25		**1,149,682**		1,149,682
Share premium account	26		**147,668,913**		147,668,913
Profit and loss account	26		**(58,506)**		(16,620)
Total equity			**148,760,089**		148,801,975

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J S Farrarons
Director

Date: 30/11/2021

The notes on pages 23 to 50 form part of these financial statements.

TYPHOON NOTECO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2019	**1,149,682**	**147,668,913**	**47,709**	**-**	**(88,206,885)**	**60,659,419**
Comprehensive loss for the year						
Loss for the year	**-**	**-**	**-**	**-**	**(93,137,031)**	**(93,137,031)**
Foreign exchange reserve	**-**	**-**	**9,631**	**-**	**-**	**9,631**
Total comprehensive loss for the period	**-**	**-**	**9,631**	**-**	**(93,137,031)**	**(93,127,400)**
At 31 March 2020 and 1 April 2020	**1,149,682**	**147,668,913**	**57,340**	**-**	**(181,343,916)**	**(32,467,981)**
Comprehensive loss for the year						
Loss for the year	**-**	**-**	**-**	**-**	**(118,795,327)**	**(118,795,327)**
Foreign exchange reserve	**-**	**-**	**(90,946)**	**-**	**-**	**(90,946)**
Capital redemption - share based payments	**-**	**-**	**-**	**2,780,475**	**-**	**2,780,475**
Total comprehensive loss for the year	**-**	**-**	**(90,946)**	**2,780,475**	**(118,795,327)**	**(116,105,798)**
At 31 March 2021	**1,149,682**	**147,668,913**	**(33,606)**	**2,780,475**	**(300,139,243)**	**(148,573,779)**

The notes on pages 23 to 50 form part of these financial statements.

TYPHOON NOTECO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	1,149,682	147,668,913	2,099,480	150,918,075
Comprehensive loss for the year				
Loss for the year	-	-	(2,116,100)	(2,116,100)
Total comprehensive loss for the year	-	-	(2,116,100)	(2,116,100)
At 31 March 2020 and 1 April 2020	1,149,682	147,668,913	(16,620)	148,801,975
Comprehensive loss for the year				
Loss for the year	-	-	(41,886)	(41,886)
Total comprehensive loss for the year	-	-	(41,886)	(41,886)
At 31 March 2021	1,149,682	147,668,913	(58,506)	148,760,089

The notes on pages 23 to 50 form part of these financial statements.

TYPHOON NOTECO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	**(118,795,327)**	(93,137,031)
Adjustments for:		
Amortisation of intangible assets	**88,983,203**	85,431,603
Amortisation of capitalised costs	**70,433**	-
Depreciation of tangible assets	**10,033,894**	2,851,753
Impairments of fixed assets	**-**	270,805
Interest charge	**48,542,294**	33,782,167
Interest received	**(60,799)**	-
Taxation charge	**324,966**	81,004
Research and development tax credits	**(852,014)**	-
Loss on fair value of financial instruments	**-**	380,357
Increase in stock	**(1,346,602)**	(2,614,038)
Increase in debtors	**(4,692,751)**	(2,207,676)
Increase in creditors	**681,809**	1,375,355
(Decrease)/Increase in amounts owed to group undertakings	**(61,073)**	1,118,539
(Decrease)/increase in provisions	**(152,373)**	243,354
Share based payments	**2,780,475**	-
Corporation tax paid	**(186,618)**	(125,230)
Net cash generated from operating activities	**25,269,517**	27,450,962
Cash flows used in investing activities		
Purchase of intangible fixed assets	**(14,935,019)**	(13,184,239)
Purchase of tangible fixed assets	**(33,399,615)**	(6,121,822)
Net cash used in investing activities	**(48,334,634)**	(19,306,061)

TYPHOON NOTECO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from financing activities		
Movement in the foreign exchange reserve	**(90,946)**	9,631
Finance lease less finance cost	**1,374,378**	1,176,175
Finance lease - repayments	**(717,360)**	(324,870)
Bond notes issued	**321,585,000**	-
Decrease/(increase) in long term loans	**(214,201,059)**	10,000,000
Long term loan finance fees	**(12,316,294)**	(415,000)
Loan note payment	**(1,786,683)**	(196,385)
Interest paid	**(15,526,087)**	(9,460,137)
Net cash generated from financing activities	**78,320,949**	789,414
Net increase in cash	**55,255,832**	8,934,315
Cash at beginning of year	**13,359,030**	4,424,715
Cash at the end of the year	**68,614,862**	13,359,030

1. General information

The principal activity of the group is that of a merchant service provider.

The company is a private company limited by shares and is incorporated in England. The address of its registered office and principal place of business is The Brunel Building, 2 Canalside Walk, London, W2 1DG.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, as modified by the recognition of certain financial assets measured at fair value, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgements. Areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following accounting principles have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. Accounting policies (continued)

2.3 Going concern

The directors have prepared the financial statements on a going concern basis for the following reasons.

Whilst the Typhoon Noteco group has reported a loss for the year of £118.8m, largely due to the amortisation of the goodwill arising on the acquisition of Paymentsense in 2018, it generated a cash inflow from operating activities of £25.3m. Due to the way that the group is funded it has net current assets of £47.6m and net liabilities of £148.6m.

Like many businesses, the group is exposed to the effects of the Covid-19 pandemic. Whilst the group continued to trade through the pandemic and associated lockdowns, there has been a notable reduction in the trading activity and customer demand compared to similar periods in prior financial years. The outlook for the future is uncertain, including the effect of scaling back on the various government support schemes such as the furlough scheme in addition to the implementation of new temporary measures such as a reduction in VAT rates for various businesses.

The assessment of the going concern basis of preparation for the company has considered both the position at 31 March 2021 and the outlook for the company, and also the going concern position of the group as a whole. This is due to the integrated nature of the companies across the group and the reliance of the company on the group's going concern position.

With regard to the group's position, the group's directors have prepared forecasts for the group, including its capital and liquidity position, for a period in excess of 12 months from the date of approval of these financial statements. The directors have also considered the effect upon the group's business, financial position, liquidity and capital. These scenarios have included modelling the impact of a significant reduction in the number of merchants and transactions (based on the various industries that the merchants are operating in) considering a range of business wide scenarios. The scenarios include a phased recovery but retain some impact to customer operations through the remainder of 2021.

At the balance sheet date, the group had two main sources of debt funding at 31 March 2021, £320m bond and £90m of loan notes. There are no covenants on this new funding. The earliest debt maturity horizon is 15 October 2025 and the latest is 31 March 2026. The group continues to monitor its funding requirements and will take action to extend or re-negotiate existing facilities or explore new funding arrangements as appropriate.

2. Accounting policies (continued)

2.3 Going concern (continued)

For the company, due to the financing structure put in place by the group, its continued going concern status is partly dependent on other group entities not calling in intercompany balances owed. As with any group or company placing reliance on other entities, there is no guarantee that the support will continue. However, the directors have no reason to believe that it will not do so and the directors of the Company's parent have confirmed that they will continue to provide such support as is required for a period of at least 12 months from the date of signing these financial statements. This confirmation also supports the position of the Company despite its net current liabilities position. This has arisen because the intercompany loans are recorded as current liabilities because there are no agreed repayment terms and so, from a financial reporting perspective in accordance with FRS 102, they are treated as repayable on demand. The support of the Company's parent (being the entity to which these funds are owed) indicates that these will not, though, be called within at least 12 months of signing the financial statements.

The directors have considered the information described herein and are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 group 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. Accounting policies (continued)

2.5 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 the group's share 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 consolidated profit and loss account over its useful economic life of five years.

Development costs

Development costs relate to the development of software where the directors are satisfied as to the technical, commercial and financial viability of such projects.

Development costs that are directly attributable to the development of software products controlled by the group are recognised as an intangible asset when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria, as well as expenditures on research, are recognised as an expense as incurred.

Subsequent to recognition, under the cost model, development costs are measured at cost less accumulated amortisation and accumulated impairment losses.

Development costs are amortised from the point at which the asset becomes available for use. The assets are amortised on a straight-line basis over the estimated useful life of 3 years, to the profit and loss account.

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.

2. Accounting policies (continued)

2.6 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.

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	- over the term of the lease
Fixtures and fittings	- 3 years straight-line
Office equipment	- 3 years straight-line
Terminal hardware	- 4 years straight-line
Terminal hardware through acquisition	- On a systematic basis of 40% year 1, 35% year 2, 25% year 3

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 the consolidated profit and loss account.

2. Accounting policies (continued)

2.7 Impairment of fixed assets and goodwill

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication, the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset.

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit's) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.9 Leased assets

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Finance leases

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease under tangible assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the group's incremental borrowing rate is used.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leases

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

Incentives received to enter into an operating lease are credited to the profit and loss account on a straight-line basis over the term of the lease.

2.10 Stock

Stock is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. At each balance sheet date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In these cases, tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of taxable profit for the period. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met;
- Where deferred tax balances relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures, the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and that are expected to apply to the reversal of the timing difference.

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Any consideration received in excess of the nominal value is credited to the share premium account.

2.13 Cash

Cash includes cash in hand and deposits held at call with financial institutions.

2. Accounting policies (continued)

2.14 Financial instruments

The group has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the group becomes party to the contractual provisions of the instrument.

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 group after deducting all of its liabilities.

The group's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade debtors, cash and bank balances, and intercompany working capital balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, intercompany working capital balances, finance lease, and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. All financial liabilities of the company are measured at amortised cost.

Derivative contracts

Derivatives contracts, which include interest rate swaps, are not basic financial instruments.

Derivatives contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in interest payable and similar expenses or interest receivable and similar income as appropriate. The group does not currently apply hedge accounting for interest rate derivatives.

2. Accounting policies (continued)

Financial Instruments (continued)

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the group would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.15 Foreign currency translation

Functional and presentational currency

The group and company's functional and presentational currency is Sterling (£).

Foreign currency translations 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.16 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2. Accounting policies (continued)

2.17 Interest receivable and interest payable

Interest income and interest payable are recognised in the profit and loss account as they accrue using the effective interest method.

Interest payable and similar charges includes finance leases, fair value movement on derivative financial instruments, and loan interest, and are recognised in profit or loss using the effective interest method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. Direct external costs incurred in relation to originating loans such as origination fees and the cost of other incentives are included in the calculation of the effective interest rate. This has the effect of spreading these fees and costs over the expected life of the loan. Expected lives are estimated using historic data and management judgement and the calculation is adjusted when actual experience differs from estimates, with the impact of these changes in estimates on the net carrying amount of the asset or liability being recognised immediately in the consolidated profit and loss account.

2.18 Share based payments

The Group operates a number of equity settled share based payment schemes in respect of services received from certain of its employees. The expense is recorded within the entity that these services are provided. The value of the employee services received in exchange for awards granted under these schemes is recognized as an employee expense with a corresponding increase in equity over the period that the employees become unconditionally entitled to the award (the vesting period). The employee expense is determined by reference to the fair value of the number of shares that are expected to vest.

2.19 Borrowing costs

Borrowing costs are charged to profit and loss account 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. Transaction costs directly attributable to the issue of the financial liability are initially recognised as a reduction in the proceeds of the associated debt instrument.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

i. Impairment of intangible assets (note 13)

Annually, the group considers whether intangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

ii. Impairment of investments (note 15)

The carrying amounts of the group's investment in subsidiaries, are reviewed at each balance sheet date to determine whether there is any indication of impairment as required by FRS 102 Section 27 Impairment of Assets. If any such indication exists, the recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the investment exceeds its recoverable amount. The recoverable amount is the greater of net realisable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate pre-tax discount rate. Impairment losses are recognised in the profit and loss account.

iii. Impairment of trade debtors (note 17)

The group makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing of debtors and historical experience.

iv. Provisions (note 19)

A provision is made in respect of the clawbacks relating to fees payable by customers. These provisions require management's best estimate of the likely provision based on historical data and trends.

v. Fair value of share based payments

The fair value of the share based payment award granted is determined using a valuation model. The model uses a number of inputs, including expected dividends, expected share price, volatility and the expected period to exercise.

4. Turnover

The whole of the turnover is attributable to the group's principal activity.

Analysis of turnover by country of destination:

	2021 **£**	2020 £
United Kingdom	**100,730,186**	92,589,654
Rest of Europe	**7,345,944**	7,985,402
	108,076,130	100,575,056

5. Other income

	2021 £	2020 £
Furlough income	**1,192,558**	-
Research and development tax credits	**852,014**	-
	2,044,572	-

6. Operating loss

The operating loss is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	**10,033,893**	2,851,753
Amortisation of intangible fixed assets	**88,983,203**	85,431,603
Amortisation of capitalised costs and premium bond	**70,433**	-
Impairment provision against trade debtors	**2,442,850**	2,602,918
Fees payable to the group's auditor for the audit of the group's annual financial statements	**137,954**	96,740
Fees payable to the group's auditor for the audit of the subsidiary financial statements	**7,800**	-
Fees payable to the group's auditor in respect of professional services	**193,000**	15,300
Difference on foreign exchange	**166,736**	(511,964)
Operating lease rentals: land and buildings	**3,000,222**	3,094,044
Defined contribution pension cost	**652,938**	366,875

7. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	**608,681**	482,667

The highest paid director received remuneration of £304,340 (2020: £241,333).

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £
Wages and salaries	**15,205,633**	14,821,941
Social security costs	**1,965,882**	2,170,473
Cost of defined contribution scheme	**331,745**	366,875
Share based payments	**2,780,474**	-
	20,283,734	17,359,289

During the year £1,192,558 of wages were claimed as part of the Coronavirus Job Retention Scheme and are shown in other income.

The average monthly number of employees, including the directors, during the period was as follows:

	2021 £	2020 £
Sales	**130**	143
Administration	**338**	251
	468	394

9. Interest receivable and similar income

	2021 £	2020 £
Bank interest receivable	**10,857**	14,745
Intercompany interest	**49,942**	-
	60,799	14,745

10. Interest payable and similar expenses

	2021 £	2020 £
Intercompany interest	**628,725**	(52,686)
Long term loan interest	**29,453,657**	32,927,478
Loan note interest	**887,468**	883,245
Bond notes interest	**17,470,650**	-
Finance lease interest payable	**83,945**	-
FV movement on interest rate hedge	**2,174**	38,874
Other interest	**15,674**	-
	48,542,293	33,796,911

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on losses for the year	**161,883**	-
Adjustments in respect of previous periods	**76,702**	-
Foreign tax		
Foreign tax	**86,381**	84,520
	86,381	84,520
Total current tax	**324,966**	84,520
Deferred tax		
Origination and reversal of timing differences	**-**	(3,516)
Total deferred tax	**-**	(3,516)
Taxation on loss on ordinary activities	**324,966**	81,004

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Loss on ordinary activities before tax	**(118,470,361)**	93,056,027
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	**(22,509,369)**	(17,680,645)
Effects of:		
Expenses not deductible for tax purposes	**285,900**	105,045
Adjustment in research and development tax credit leading to a decrease in the tax charge	**-**	(1,944,453)
Deferred tax assets not recognised	**6,960,101**	4,425,964
Amortisation of goodwill arising on consolidation	**15,231,129**	15,188,048
Impact of foreign operations	**-**	(12,955)
Losses surrendered by group relief	**97,761**	-
Deferred tax prior year adjustment	**182,742**	-
Adjustment in respect of prior years	**76,702**	-
Total tax credit for the year	**324,966**	81,004

Factors that may affect future tax charges

In the Spring Budget 2021 on 3 March 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits over £250,000. A small profits rate will also be introduced for companies with profits between £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

12. Parent company loss for the year

The company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company profit and loss account. The loss after tax of the parent company for the year was £41,886 (2020: £2,116,100).

13. Intangible assets

Group

	Assets under construction £	Development £	Goodwill £	Total £
Cost				
At 1 April 2020	8,388,626	26,519,335	399,685,471	434,593,432
Additions	567,377	14,367,640	-	14,935,017
Transfers	(8,388,626)	8,388,626	-	-
At 31 March 2021	567,377	49,275,601	399,685,471	449,528,449
Amortisation				
At 1 April 2020	-	14,423,144	155,494,073	169,917,217
Charge for the year	-	9,046,109	79,937,094	88,983,203
At 31 March 2021	-	23,469,253	235,431,167	258,900,420
Net book value				
At 31 March 2021	567,377	25,806,348	164,254,304	190,628,029
At 31 March 2020	8,388,626	12,096,191	244,191,398	264,676,215

Development costs relate to a variety of projects including the development of new internal systems and a website. Amortisation of development costs will commence when the systems being developed become available for use.

14. *Tangible fixed assets*

Group

	Leasehold property improvements £	Fixtures and fittings £	Office equipment £	Terminal hardware £	Total £
Cost					
At 1 April 2020	3,048,394	1,089,252	3,715,698	7,325,167	15,178,511
Additions	5,230,988	54,945	819,552	27,398,210	33,503,695
Disposals	(353,625)	(859,675)	(1,184,808)	(92,483)	(2,490,591)
At 31 March 2021	7,925,757	284,522	3,350,442	34,630,894	46,191,615
Depreciation					
At 1 April 2020	827,026	629,326	2,276,333	1,949,947	5,682,632
Charge for the year	1,743,248	340,219	1,017,265	6,933,162	10,033,894
Disposals	(443,993)	(751,961)	(1,179,616)	(10,941)	(2,386,511)
At 31 March 2021	2,126,281	217,584	2,113,982	8,872,168	13,330,015
Net book value					
At 31 March 2021	5,799,476	66,938	1,236,460	25,758,726	32,861,600
At 31 March 2020	2,221,368	459,926	1,439,365	5,375,220	9,495,879

The net carrying value of assets held under finance leases included in office equipment is £352,912 (2020 - £301,474).

On the 30th September 2020, the Paymentsense group purchased the First Data leasebook consisting of terminal leases and related terminal equipment with various lease terms for £24m.

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2020	**148,818,593**
At 31 March 2021	**148,818,593**
Net book value	
At 31 March 2021	**148,818,593**
At 31 March 2020	148,818,593

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Typhoon Midco Limited *	The Brunel Building, 2 Canalside Walk, London, W2 1DG	Holding company	Ordinary	100%
Typhoon Pikco Limited	The Brunel Building, 2 Canalside Walk, London, W2 1DG	Holding company	Ordinary	100%
Typhoon Cleanco Limited	The Brunel Building, 2 Canalside Walk, London, W2 1DG	Holding company	Ordinary	100%
Typhoon Bidco Limited	The Brunel Building, 2 Canalside Walk, London, W2 1DG	Holding company	Ordinary	100%
Hurricane Topco (Jersey) Limited	44 Esplanade, St Helier, Jersey, JE4 9WG	Holding company	Ordinary	100%
Hurricane Noteco Limited	The Brunel Building, 2 Canalside Walk, London, W2 1DG	Holding company	Ordinary	100%
Hurricane Cleanco Limited	The Brunel Building, 2 Canalside Walk, London, W2 1DG	Holding company	Ordinary	100%
Hurricane Bidco Limited	The Brunel Building, 2 Canalside Walk, London, W2 1DG	Holding company	Ordinary	100%
Paymentsense Limited	The Brunel Building, 2 Canalside Walk, London, W2 1DG	Merchant service provider	Ordinary	100%
Paymentsense Ireland Limited	9 Clare Street, Dublin 2, Ireland	Merchant service provider	Ordinary	100%
Hurricane Finance Plc	The Brunel Building, 2 Canalside Walk, London, W2 1DG	Finance company	Ordinary	100%

* - This subsidiary was directly held in the year. All other subsidiaries were held indirectly.

16. Stock

	Group 2021 £	Group 2020 £
Stock	**4,240,087**	2,893,485

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after more than one year				
Amounts owed by group undertakings	-	-	12,898,333	13,014,533
Deferred tax asset	4,520,093	3,861,446	-	-
	4,520,093	3,861,446	12,898,333	13,014,533

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	9,148,956	7,473,355	-	-
Amounts owed by group undertakings	856,150	-	628,691	40,211,659
Other debtors	2,753,090	1,906,950	2,009	-
Prepayments and accrued income	6,196,581	3,096,264	-	-
Financial instruments	-	2,174	-	-
	18,954,777	12,478,743	630,700	40,211,659

Trade debtors are stated after provisions for impairment of £3,051,950 (2020: £7,678,578). Amounts owed by group undertakings are unsecured, are charged interest at an 8% annual rate compounded every month, have no fixed date of repayment, and are repayable on demand.

18. Cash

	Group 2021 £	Group 2020 £
Cash at bank and in hand	68,614,862	13,359,030

19. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Provisions	**320,000**	472,372	-	-
Trade creditors	**8,293,664**	5,819,280	-	-
Amounts owed to group companies	**628,715**	39,466,512	**668,885**	40,216,376
Other taxation and social security	**1,198,050**	877,626	-	-
Finance lease	**854,047**	381,460	-	-
Other creditors	**296,613**	20,432	-	-
Accruals and deferred income	**37,152,499**	14,187,158	**20,319**	11,900
	48,743,588	61,224,840	**689,204**	40,228,276

Amounts owed to group undertakings are unsecured, interest is applied monthly at an annual rate of 8% and repayable on demand.

Provisions reconciliation

	2021 £	2020 £
At beginning of the year	**472,373**	253,149
Utilised in year	**(472,373)**	(225,963)
Charged to profit or loss	**320,000**	445,187
At end of year	**320,000**	472,373

Provisions are for clawbacks relating to fees payable by customers.

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Long term loans	**86,142,335**	225,403,630	**-**	-
Finance lease	**776,995**	508,615	**-**	-
Loan note	**9,758,292**	11,408,292	**9,758,292**	11,408,292
Bond notes	**315,311,883**	-	**-**	-
Accruals and deferred income	**3,140,041**	36,825,956	**3,140,041**	1,606,242
	415,129,546	274,146,493	**12,898,333**	13,014,534

Bond notes are due for repayment in October 2025 and attract an annual interest charge of 8%, payment semi-annually (15 April and 15 October).

The long term loan is due for repayment on 31 March 2026. It is secured by way of a debenture against the assets of the company, its subsidiaries and Typhoon Noteco Limited. Interest is payable at 16.25% + LIBOR (6 month). Interest may be paid or capitalised on a 6 month basis.

21. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	**-**	2,174	**-**	-
Financial assets measured at amortised cost	**78,619,968**	20,832,385	**13,527,024**	53,226,192
	78,619,968	20,834,559	**13,527,024**	53,226,192
Financial liabilities				
Financial liabilities measured at amortised cost	**422,062,544**	283,008,221	**10,427,177**	51,624,668

22. Deferred taxation

	2021 £	2020 £
Group		
At the beginning of year	**-**	(3,516)
Charged to profit or loss	**-**	3,516
At the end of period	**-**	-

22. Deferred taxation (continued)

Company

	2021 £	2020 £
At beginning of year	-	2,100,000
Utilised in year	-	(2,100,000)
At end of period	-	-

The deferred tax provision is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(4,520,093)	(3,878,356)	-	-
Tax losses carried forward	3,987,946	3,861,446	-	-
Short term timing differences	532,147	16,910	-	-
Comprising:				
Asset - due after one year	4,520,093	3,861,446	-	-
Liability	(4,520,093)	(3,861,446)	-	-
	-	-	-	-

Accelerated capital allowances of £4,520,093 (2020: £3,878,356) relate to the differences between the book value of qualifying fixed assets against their respective written down values.

Short term timing differences of £532,147 (2020: £16,910) relate to the differences between the accounting and tax treatment of bad debt provisions and share options.

23. Pension commitments

The group offers eligible employees of Paymentsense Limited the ability to participate in a defined contribution pension scheme. The total cost of this scheme to the group in the year was £652,938 (2020: £366,875). The amount outstanding at the year end in respect of this was £296,280 (2020: £159,627).

24. Commitments under operating leases

At 31 March 2021 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	**2,878,352**	2,026,141
Later than 1 year and not later than 5 years	**10,669,629**	9,773,667
Later than 5 years	**20,584,640**	22,397,795
	34,132,621	34,197,603

25. Share capital

	2021 £	2020 £
Shares classified as equity		
Allotted, called up and fully paid		
114,968,184 Ordinary shares of £0.01 each	**1,149,682**	1,149,682

26. Reserves

Share premium account

The share premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Foreign exchange reserve

The foreign exchange reserve comprises translation differences arising from the translation of financial statements of the group's foreign entities into Sterling.

Other reserves

The capital contribution reserve comprises the cumulative effect of revaluations of share based payments which are revalued to fair value at each reporting date.

Profit and loss account

The profit and loss reserve includes all current period retained profits and losses.

27. Share based payments

The equity-settled share-based payment charge for the year is £2,780,475.

From 9 January 2019 to 25 August 2020, the group granted options over B ordinary shares to certain key members of management under the group's share option scheme.

Details of the share options outstanding during the relevant financial years are as follows:

	2021	2021	2020	2020
	Number of share options	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)
Outstanding at beginning of year	453,360	£0.12	471,120	£0.12
Granted during the year	92,452	£0.12	31,600	£0.12
Forfeited during the year	(23,331)	£0.12	(49,360)	£0.12
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	522,481	£0.12	453,360	£0.12
Exercisable at the end of the year	-	-	-	-

The fair value of the share options at the grant date was calculated using the Black-Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value.

28. Controlling party

At 31 March 2021, the directors regard Typhoon Topco Limited, a company incorporated in Jersey, as the immediate and ultimate parent company. The registered office of Typhoon Topco Limited is 44 Esplanade, St Helier, Jersey, JE4 9WG. Consolidated financial statements are not prepared.

At 31 March 2021, the directors are of the opinion that there is no ultimate controlling party.

29. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

Transactions with other related parties are as follows:

Relationship	Transaction	Amount		Amount due (to)/from related parties	
		2021	2020	**2021**	2020
		£	£	**£**	£
Company under common control	Administrative expenses	**29,380**	159,787	**(338,100)**	(367,480)
Companies under common control	Recharge of costs	**972**	4,875	**20,900**	25,501

Amounts owed to related parties are unsecured, interest free and due for repayment within one year.

The key management personnel are considered to be the directors, who are responsible for planning, directing and controlling the activities of the entity. Remuneration paid to the directors is disclosed in note 7 to these financial statements.

30. Post balance sheet events

On 28 May 2021, Hurricane Bidco Limited acquired WalkUp Limited.

31. Analysis of net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	13,359,030	55,255,832	68,614,862
Long term loans	-	86,142,335	86,142,335
Bond notes	(400,982,507)	85,670,624	(315,311,883)
Loan note	(11,408,292)	1,650,000	(9,758,292)
Finance leases	(890,075)	(740,967)	(1,631,042)
	(399,921,844)	227,977,824	(171,944,020)