Registered number: 06730690

PAYMENTSENSE LIMITED

AUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2022

PAYMENTSENSE LIMITED

CONTENTS

PAYMENTSENSE LIMITED

COMPANY INFORMATION

Directors	G V Karibian J S Farrarons
Registered number	06730690
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 report and the audited financial statements for the year ended 31 March 2022.

Results and dividends

The loss for the year, after taxation, amounted to £6,699,414 (2021: £9,038,246 profit). During the year dividends of £NIL were paid (2021: £NIL).

Directors

The directors who served during the year were:

G V Karibian
J S Farrarons

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 Company 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'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'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 2.2 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 group's energy use and greenhouse gas (GHG) emissions are set out in the consolidated financial statements of Typhoon Noteco Limited.

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

J S Farrarons
Director

Date: 27.07.22

Introduction

The directors present their strategic report on the company for the year ending 31 March 2022.

The principal activity of the group during the year was that of providing merchant services and merchant acquiring 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 year, the company has continued to grow with the aim of scaling its business model and technology platform within the UK and Ireland and, in time, internationally.

In the year ending 31 March 2022, the company's loss before tax amounted to £9m (2021 - £9.4m profit). The business has achieved a turnover of £174m (2021 - £104.4m) and EBITDA of £32m (2021 - £35.4m). EBITDA is defined as the earnings of the business prior to charges in respect of interest of £2.3m (2021 - £2m), taxation of £2.3m (2021 - £0.4m), exceptional items of £7.9m (2021 - £5.4m), and depreciation and amortisation of £30.8m (2021 - £18.7m).

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

The fiscal year performance is summarised as follows:

£20.8bn (2021: £10.8bn) payments processed
991 million (2021: 466 million) card transactions processed
114,732 (2021: 80,704) total customers

During the year ending 31 March 2022 we scaled our cloud native next generation card acquiring platform with strong results, Dojo now delivers the vast majority of new customer locations and we look forward to continuing this growth through a combination of new complimentary product features and taking the Dojo platform to new customer segments and territories in the forthcoming years.

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

On 15 October 2021, we officially rebranded internally from Paymentsense to Dojo. Both Paymentsense and Dojo continue to exist externally, however as already mentioned, it is envisaged that the vast majority of new customer locations will be delivered through the Dojo brand.

On 5 November 2021, we increased the long term loan from £90m to £110m through a further round of investment from existing partners.

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 no been 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.

Russian conflict in Ukraine

On 14 April 2022, the UK, introduced further sanctions against Russia, following the conflict in Ukraine. The company does not have any exposure to risks surrounding the conflict and sanctions, given the ability to block specific banks or countries, in order to decline any transactions that would breach sanctions.

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 ending 31 March 2021, 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.

As we moved through the year ending 31 March 2022 the impact of COVID-19 was reduced significantly as the various lockdown restrictions were lifted throughout the UK and Ireland. One of the side effects of the COVID-19 pandemic was an acceleration in consumer adoption of electronic payment methods as consumers were encouraged to handle less cash due to the increased risk of infection through contact. Our analysis of the UK and Irish markets confirm that this consumer habit has not meaningfully regressed since the COVID-19 restrictions have lifted and we estimate the increased adoption of electronic payment methods has increased our average customer volume by 20-30%.

Whilst the immediate risks of the pandemic have reduced, we remain vigilant to the longer term risk of customer failure as the commercial reality of post-lockdown trading and sectoral patterns emerge and are ready to adjust our business operations to mitigate this impact.

As we move through 2022 we have entered a period of global economic uncertainty which is manifesting itself in a wave of inflation and decreased consumer confidence. Notwithstanding the generally positive impact that inflation has on our business model this economic uncertainty may start to impact consumer spending leading to a reduction in CTO processed by our Paymentsense and Dojo customers.

Key performance indicators

The directors manage the company's operations on both a functional and business unit 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.

The directors regularly review the impact of the emerging global economic uncertainty to the business and will continue to balance the speed and intensity of the development agenda to ensure financial health and an optimised blend of development speed and enterprise risk.

Financial risk management objective and policies

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

The company 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 company's operations.

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

Interest rate risk

Structural interest rate risk arises where assets and liabilities have different repricing maturities. The company manages interest rate risk by monitoring the consistent in interest rate profile of its assets and liabilities, and limiting any re-pricing mismatches.

Credit risk

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

The company 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 company maintains adequate funds and liquidity to satisfy working capital requirements through cash generated from operations, and group 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 company remains 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 company 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.

On 4th April 2022, the company released the second gender pay gap report. The results were calculated using a snapshot date of April 2021.

The directors of the business are continuously looking for opportunities to further support the gender pay gap, through talent acquisition, reward strategies, communities within the workplace and diversity data.

The directors are working on fostering diversity, equity and inclusion across the company to help build community, cohesion, and a sense of belonging around our shared values; while providing an inclusive workplace where everyone feels valued and respected, and knowingly recruited for their differences.

The company 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 company 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 company 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 company 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 company management and updated and amended in light of market conditions at the time.

(b) The interests of the company'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 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, 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 company's business relationships with suppliers, customers and others

The company is very focused on its customers and has 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 review 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 company'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 company 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 Farrarons
Director

Date: 29.07.22

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

The directors are responsible for preparing the Strategic Report, the Directors' Report and the 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 audited 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 either intend to liquidate the company or to cease operations, or have no realistic alternative 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. Theyare 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 Paymentsense Limited ("the Company") for the year ended 31 March 2022 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity 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 company's affairs as at 31 March 2022 and of its 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 Company 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 Company or to cease its operations, and as they have concluded that 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 its 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 Company's business model and analysed how those risks might affect the 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 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 above conclusions are not a guarantee that 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 Company's high-level policies and procedures to prevent and detect fraud, including the Company'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 Company-wide fraud risk management controls.

We did not identify any additional fraud risks.

We also 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 entries posted to seldom and unrelated accounts, and journals posted with high-risk keywords.
- Evaluated the business purpose of significant unusual transactions
- Assessing whether the judgements made in making accounting estimates are indicative of a potential 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.

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

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

Firstly, the Company 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.

Secondly, the Company 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: anti-bribery, money laundering, financial crime and certain aspects of company legislation, recognising the financial and regulated nature of the Company's activities and its legal form. 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 non-compliance 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 the strategic report and the directors' report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 set out on page 8, 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 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 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: 29 July 2022.

PAYMENTSENSE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	4	**174,053,939**	104,358,893
Cost of sales		**(84,440,750)**	(38,239,748)
Gross profit		**89,613,189**	66,119,145
Administrative expenses		**(99,200,549)**	(56,756,622)
Other income	5	**2,881,781**	2,044,572
Operating (loss)/profit	6	**(6,705,579)**	11,407,095
Interest receivable and similar income	9	**2,240,419**	1,173,643
Interest payable and similar expenses	10	**(4,567,299)**	(3,177,407)
(Loss)/Profit before tax		**(9,032,459)**	9,403,331
Tax on profit or loss	11	**2,333,045**	(365,085)
(Loss)/Profit for the financial year		**(6,699,414)**	9,038,246

There are no items of other comprehensive income for either the year or the prior year other than the profit for the year. Accordingly, no statement of other comprehensive income has been presented.

The notes on pages 17 to 37 form part of these financial statements.

REGISTERED NUMBER:06730690

PAYMENTSENSE LIMITED

BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible fixed assets	12		**45,620,449**		26,373,726
Tangible fixed assets	13		**30,076,723**		31,104,726
Investments	14		**780**		780
			75,697,952		57,479,232
Current assets					
Cash at bank and in hand	15	**31,673,176**		68,560,153	
Debtors: amounts falling due within one year	16	**57,137,891**		41,765,791	
Stocks	17	**5,949,930**		4,240,087	
		94,760,997		114,566,031	
Creditors: amounts falling due within one year	18	**(100,653,399)**		(97,795,176)	
Net current (liabilities)/assets			**(5,892,402)**		16,770,855
Total assets less current liabilities			**69,805,550**		74,250,087
Creditors: amounts falling due after more than one year	19		**(177,258)**		(776,995)
Provisions for liabilities					
Deferred tax	20		**(1,107,363)**		(3,987,946)
Net assets			**68,520,929**		69,485,146
Capital and reserves					
Called up share capital	24		**113**		113
Share premium account	25		**4,034,811**		4,034,811
Capital contribution reserve	25		**8,515,674**		2,780,475
Profit and loss account	25		**55,970,331**		62,669,747
Total equity			**68,520,929**		69,485,146

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

The notes on pages 17 to 37 form part of these financial statements.

J S Farrarons
Director

Date: 25.07.22

PAYMENTSENSE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	**113**	**4,034,811**	**-**	**53,631,501**	**57,666,425**
Comprehensive income for the year					
Profit for the financial year	**-**	**-**	**-**	**9,038,246**	**9,038,246**
Capital contribution – shares based payments	**-**	**-**	**2,780,475**	**-**	**2,780,475**
At 31 March 2021 and 1 April 2021	**113**	**4,034,811**	**2,780,475**	**62,669,747**	**69,485,146**
Comprehensive income for the year					
Loss for the financial year	**-**	**-**	**-**	**(6,699,416)**	**(6,699,416)**
Shares based payments	**-**	**-**	**5,735,199**	**-**	**5,735,199**
At 31 March 2022	**113**	**4,034,811**	**8,515,674**	**55,970,331**	**68,520,929**

1. General information

The principal activity of the company 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 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.

Parent company disclosure exemptions

The company is a wholly owned subsidiary of Hurricane Bidco Limited and of its indirect parent Typhoon Noteco Limited. It is included in the consolidated financial statements of Hurricane Bidco Limited which are publicly available. The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

As a qualifying entity, the company has taken advantage of the following disclosure exemptions available under FRS 102

- Section 3 Financial Statement Presentation paragraph 3.17(d) (inclusion of statement of cash flows);
- Section 7 Statement of Cash Flows (inclusion of statement of cash flows);
- Section 11 Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) (disclosures relating to financial instruments);
- Section 33 Related Party Disclosures paragraph 33.7 (disclosure of key management personnel compensation).
- Section 26 Share Based Payment (disclosure of share based payment)

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following accounting principles have been applied:

2. Accounting policies (continued)

2.2 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 £141.3m, 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 £22.5m. Due to the way that the group is funded it has net current liabilities of £13.1m and net liabilities of £284.2m.

Like many businesses, the group was exposed to the long term effects of the Covid-19 pandemic which together with the emerging economic pressures from the unrest in the Ukraine and global economic uncertainty have introduced a degree of future uncertainty. At the point of signing, the impact of the above pressures has not influenced the businesses operations significantly to suggest that the company will not remain to be a going concern for the next 12 months.

The assessment of the going concern basis of preparation for the company has considered both the position at 31 March 2022 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 reduction in consumer spending due to a weakening consumer sentiment and inflationary pressures throughout the financial year ending 31 March 2023.

At the balance sheet date, the group had two main sources of debt funding, a £320m bond and £110m of loan notes. 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 renegotiate existing facilities or explore new funding arrangements as appropriate.

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. Furthermore, this is supported as the company holds a net current asset position.

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. Accounting policies (continued)

2.3 Foreign currency translation

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

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

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

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 profit and loss account.

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

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

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

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company 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 company 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 company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the 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 company in independently administered funds.

2. Accounting policies (continued)

2.6 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 recognised 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.

2.7 Current and deferred taxation

The tax expense for the year 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 year or prior years. 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; and
- 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 company 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. Accounting policies (continued)

2.8 Intangible assets

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 company 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 amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.9 Tangible fixed assets

Tangible fixed assets 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 company 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.

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

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	- 3 years straight-line
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

A change in depreciation method is applied going forward for leasehold property improvements. The depreciation period has been changed from over the term of the lease to three years straight-line as capitalised assets useful life is shorter than the term of the lease.

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 profit and loss account.

2.10 Leased assets

At inception the company 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.

Accounting policies (continued)

2.10 Leased assets (continued)

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.

2.11 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Stocks

Stocks are 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, stocks are 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.

2.13 Impairment of non-financial assets

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 is compared to the carrying amount of the asset.

The recoverable amount of the asset 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 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 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 had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

2.14 Cash

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

2. Accounting policies (continued)

2.15 Financial instruments

The company 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 company 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 company after deducting all of its liabilities.

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

Financial assets

Basic financial assets, including trade and other 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. All financial assets of the company are measured at amortised cost.

Financial liabilities

Basic financial liabilities, including trade and other creditors, and loans from fellow group companies, 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. Financing transactions are thosein which payment is deferred beyond normal business terms or is financed at a rate of interest that isnot a market rate.

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.

Impairment of financial assets

Financial assets measured at 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 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.

2. Accounting policies (continued)

Financial instruments (continued)

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 anet basis or to realise the asset and settle the liability simultaneously.

2.16 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

2.17 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.18 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.

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.

The company 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.

i. Impairment of intangible assets (note 12)

Annually, the company considers whether intangible assets are impaired to ensure they are not carried above their estimated recoverable amounts. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the intangible asset. This requires estimation of the future cash flows from intangible assets and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

ii. Impairment of trade debtors (note 16)

The company 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.

iii. Provision (note 18)

A provision is made in respect of the clawbacks relating to fees payable by customers, amounting to £214k. These provisions require management's best estimate of the likely provision based on historical data and trends.

iv. Share based payments (note 7)

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 company's principal activity.

All turnover arose within the United Kingdom.

5. Other income

	2022	2021
	£	£
Furlough income	-	1,192,558
Research and development tax credits	**2,881,781**	852,014
	2,881,781	2,044,572

6. Operating profit/(loss)

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

	2022 £	2021 £
Depreciation of tangible fixed assets	**15,862,220**	9,551,075
Amortisation of intangible assets	**14,765,548**	9,046,108
Amortisation of capitalised costs	**150,431**	70,433
Fees payable to the Company's auditor for the audit for the Company's annual financial statements	**129,694**	76,280
Exchange differences	**202,557**	(85,030)
Other operating lease rentals	**3,485,887**	2,987,340
Impairment provision against trade debtors	**907,518**	1,602,881
Defined contribution pension cost	**1,227,658**	652,938

7. Employees

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

	2022 £	2021 £
Wages and salaries	**29,152,598**	15,205,633
Social security costs	**4,067,358**	1,965,882
Share based payments	**5,735,199**	2,780,475
Cost of defined contribution scheme	**795,708**	331,745
	39,750,863	20,283,735

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

	2022 No.	2021 No.
Sales	**153**	129
Administration	**650**	338
	803	467

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	**1,200,000**	608,681

The highest paid director received remuneration of £600,000 (2021 - £304,340).

9. Interest receivable

	2022 £	2021 £
Intercompany interest receivable	**2,238,965**	1,164,461
Other interest receivable	**1,454**	9,182
	2,240,419	1,173,643

10. Interest payable and similar expenses

	2022 £	2021 £
Intercompany interest payable	**4,202,650**	3,093,461
Other interest payable	**362,776**	-
Finance lease interest payable	**1,873**	83,946
	4,567,299	3,177,407

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	**465,745**	161,883
Adjustments in respect of previous periods	**81,793**	76,702
Total current tax	**547,538**	238,585
Deferred tax		
Origination and reversal of timing differences	**(2,724,937)**	126,500
Effect of the change of tax rate	**377,546**	-
Adjustments in respect of prior period	**(533,192)**	-
Total deferred tax	**(2,880,583)**	126,500
Taxation on profit on ordinary activities	**(2,333,045)**	365,085

Factors affecting tax charge for the year

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

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	**(9,032,459)**	9,403,331
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax inthe UK of 19% (2020: 19%)	**(1,716,167)**	1,786,633
Effects of:		
Expenses not deductible for tax purposes	**100,979**	212,335
Capital allowances deduction	**(909,405)**	-
Adjustments in respect of prior periods	**(451,399)**	76,702
Other differences leading to a change in the tax charge	**294,544**	162,011
Group relief claim	-	(1,872,596)
Deferred tax movement on share based payments	**348,403**	-
Total tax charge for the year	**(2,333,045)**	365,085

11. Taxation (continued)

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 of £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. Intangible assets

	Assets under construction £	Development costs £	Other intangibles £	Total £
Cost				
At 1 April 2021	567,377	49,275,601	-	49,842,978
Additions	3,827,395	29,966,736	218,140	34,012,271
At 31 March 2022	4,394,772	79,242,337	218,140	83,855,249
Amortisation				
At 1 April 2021	-	23,469,252	-	23,469,252
Charge for the year	-	14,755,362	10,186	14,765,548
At 31 March 2022	-	38,224,614	10,186	38,234,800
Net book value				
At 31 March 2022	4,394,772	41,017,723	207,954	45,620,449
At 31 March 2021	567,377	25,806,349	-	26,373,726

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

The company have applied management judgement and concluded that there are no material indicators of impairment in the current year.

13. Tangible fixed assets

	Leasehold property improvements £	Fixtures and fittings £	Office equipment £	Terminal hardware £	Total £
Cost					
At 1 April 2021	**7,925,757**	**284,522**	**3,350,442**	**32,297,593**	**43,858,314**
Additions	**478,332**	**376,921**	**934,596**	**14,162,256**	**15,952,105**
Disposals	**-**	**-**	**-**	**(1,117,888)**	**(1,117,888)**
At 31 March 2022	**8,404,089**	**661,443**	**4,285,038**	**45,341,961**	**58,692,531**
Depreciation					
At 1 April 2021	**2,126,281**	**217,584**	**2,113,982**	**8,295,741**	**12,753,588**
Charge for the year	**2,505,221**	**70,031**	**930,746**	**12,488,233**	**15,994,131**
Disposals	**-**	**-**	**-**	**(132,011)**	**(132,011)**
At 31 March 2022	**4,631,502**	**287,615**	**3,044,728**	**20,651,963**	**28,615,808**
Net book value					
At 31 March 2022	**3,772,587**	**373,828**	**1,240,310**	**24,690,028**	**30,076,723**
At 31 March 2021	5,799,476	66,938	1,236,460	24,001,852	31,104,726

The net carrying value of assets held under finance leases included in office equipment is £91,031 (2021 - £352,912).

14. Fixed asset investments

	Investments in subsidiary £
Cost	
At 1 April 2021	**780**
At 31 March 2022	**780**

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Paymentsense Ireland Limited	9 Clare Street, Dublin 2, Ireland	Merchant service provider	Ordinary	100%

15. Cash

	2022 £	2021 £
Cash at bank and in hand	**31,673,176**	69,560,153

16. Debtors

	2022 £	2021 £
Trade debtors	**11,900,368**	8,735,976
Amounts owed by group undertakings	**28,622,364**	24,583,362
Other debtors	**5,526,673**	2,450,455
Prepayments and accrued income	**11,088,486**	5,995,998
	57,137,891	41,765,791

Trade debtors are stated after provisions for impairment of £1,235,558 (2021: £1,717,859). 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.

17. Stocks

	2022 £	2021 £
Stock	**5,949,930**	4,240,087

18. Creditors: amounts falling due within one year

	2022 £	2021 £
Provisions	**214,000**	320,000
Trade creditors	**9,372,534**	8,237,265
Amounts owed to group undertakings	**58,319,344**	75,672,057
Other taxation and social security	**1,973,166**	1,191,916
Finance lease	**599,738**	854,045
Other creditors	**15,187,603**	296,605
Accruals and deferred income	**14,987,014**	11,223,288
	100,653,399	97,795,176

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

On 14 August 2020, Paymentsense Limited entered into a senior secured revolving credit facility for £15 million principal. This was fully utilised as at 31st March 2022.

19. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Finance lease	**177,258**	776,995

The finance lease relates to office equipment which is leased from an IT solutions company. The remaining term is 1.25 years.

20. Deferred taxation

	2022
	£
At beginning of year	**(3,987,946)**
Charged to profit or loss	**2,880,583**
At end of year	**(1,107,363)**

The provision for deferred taxation is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	**(8,274,272)**	(4,520,093)
Tax losses carried forward	**5,067,895**	-
Short term timing differences	**2,099,014**	532,147
	(1,107,363)	(3,987,946)

It is anticipated that £251,376 of the provision will be utilised within one year.

21. Pension commitments

The company offers eligible employees of Paymentsense Limited the ability to participate in a defined contribution pension scheme. The total cost of this scheme to the company in the year was £1,227,658 (2021: £652,938). The amount outstanding at the year-end in respect of this was £349,785 (2021: £296,280).

22. Commitments under operating leases

At 31 March 2022 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	**2,865,062**	2,866,849
Later than 1 year and not later than 5 years	**13,468,605**	10,666,820
Later than 5 years	**24,266,212**	20,584,640
	40,599,879	34,118,309

23. 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 2022 £	2021 £	Amount due (to)/from related parties 2022 £	2021 £
Company under common control	Administrative expenses	**-**	29,380	**(338,100)**	(338,100)
Companies under common control	Recharge of costs	**972**	972	**17,211**	20,900

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

24. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
11,328,199 Ordinary shares of £0.00001 each	**113**	113

25. 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.

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 and prior period retained profits and losses.

26. Controlling party

At 31 March 2022, the directors regard Hurricane Bidco Limited, a company incorporated in England, as the immediate parent company.

At 31 March 2022, the directors regard Typhoon Topco Limited, a company incorporated in Jersey, as the ultimate parent company.

At 31 March 2022, the directors are of the opinion that there is no ultimate controlling party.

The smallest group in which the 31 March 2022 results are consolidated is that headed by Hurricane Bidco Limited, whose registered office is The Brunel Building, 2 Canalside Walk, London, W2 1DG. The largest group in which the 31 March 2022 results are consolidated is that headed by Typhoon Noteco Limited, whose registered office is The Brunel Building, 2 Canalside Walk, London, W2 1DG. The consolidated financial statements of Hurricane Bidco Limited and Typhoon Noteco Limited are publicly available from the registrar of companies.