

Registered number: 11010819

**TYPHOON CLEANCO LIMITED**  
**AUDITED**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**31 MARCH 2021**



# **TYPHOON CLEANCO LIMITED**

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**TYPHOON CLEANCO LIMITED**  
**COMPANY INFORMATION**

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<b>Directors</b>	J S Farrarons G V Karibian
<b>Registered number</b>	11010819
<b>Registered office</b>	The Brunel Building 2 Canalside Walk London W2 1DG
<b>Independent auditor</b>	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

# **TYPHOON CLEANCO LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their report and the financial statements for the year ended 31 March 2021.

### **Results and dividends**

The loss for the year, after taxation, amounted to £8,901 (2020: £6,830).

The directors do not recommend a dividend (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 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.

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



J S Farrarons  
Director

Date: 11/11/2021

# **TYPHOON CLEANCO LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Introduction**

The directors present their strategic report on the company for the year ended 31 March 2021. The principal activity of the company during the year is that of a holding company.

#### **Business review**

In 2018, as a result of group restructure the company indirectly acquired the entire share capital of Paymentsense Limited and Paymentsense Ireland Limited for consideration of £148,818,593. This was financed by the issue of new share capital, at a premium, and the receipt of loan financing. During the year the company incurred a loss of £8,901 (2020: £6,830) and had a deficit in its profit and loss account of £16,414 (2020: £7,513).

#### **Future developments**

The directors do not anticipate significant future developments for the company.

#### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Typhoon Noteco Limited group (the 'Group') and are not managed separately. The review of the business of Typhoon Noteco Limited and its subsidiaries which provide an analysis of the trends likely to affect the development, performance and position of the business, and a description of the principal risks and uncertainties facing the business can be found in the Group financial statements Typhoon Noteco Limited.

#### **Interest rate risk**

The company has a loan financing arrangement in place. The interest rate on this loan is linked to the gearing of the group of which this company is a member.

#### **Liquidity risk**

To maintain liquidity to ensure that sufficient funds are available for ongoing operations, the company uses intercompany borrowings from other Group companies. The Group has adequate working capital balances to cover any risks related to liquidity.

#### **Credit risk**

The group monitors its credit risk closely and considers that its current policies of credit checks meets 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.

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



**J S Farrarons**  
Director

Date: 11/11/2021

## **TYPHOON CLEANCO LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

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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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

## **TYPHOON CLEANCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF TYPHOON CLEANCO LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Opinion**

We have audited the financial statements of Typhoon Cleanco Limited ("the company") for the year ended 31 March 2021 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 2021 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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## **TYPHOON CLEANCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF TYPHOON CLEANCO LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### **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, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is entirely contractual interest on intercompany loans calculated at the formalised intercompany recharge rate.

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 posted by senior finance management and those posted by users not on the approved list to post.

##### *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.

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, 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.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.



## **TYPHOON CLEANCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF TYPHOON CLEANCO LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### *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 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, 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.

## **TYPHOON CLEANCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF TYPHOON CLEANCO LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### **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](http://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 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 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: 11 March 2021

**TYPHOON CLEANCO LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Administrative expenses		(8,610)	(6,830)
<b>Operating loss</b>		<b>(8,610)</b>	<b>(6,830)</b>
Interest receivable and similar income	6	426,725	851,418
Interest payable and similar expenses	7	(427,016)	(851,418)
<b>Loss before tax</b>		<b>(8,901)</b>	<b>(6,830)</b>
Tax on loss	8	-	-
<b>Loss for the financial year</b>		<b>(8,901)</b>	<b>(6,830)</b>

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

The notes on pages 12 to 23 form part of these financial statements.

**TYPHOON CLEANCO LIMITED****BALANCE SHEET  
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	9	148,818,593	148,818,593
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	-	128,500,772
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(16,412)	(128,508,283)
<b>Net current liabilities</b>		<b>(16,412)</b>	<b>(7,511)</b>
Debtors: amounts falling due after more than one year	10	-	13,014,533
<b>Total assets less current liabilities</b>		<b>148,802,181</b>	<b>161,825,615</b>
Creditors: amounts falling due after more than one year	12	-	(13,014,533)
<b>Net assets</b>		<b>148,802,181</b>	<b>148,811,082</b>
<b>Capital and reserves</b>			
Called up share capital	13	1,149,682	1,149,682
Share premium account	14	147,668,913	147,668,913
Profit and loss account	14	(16,414)	(7,513)
<b>Total equity</b>		<b>148,802,181</b>	<b>148,811,082</b>

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

  
J S Farrarons  
Director

Date: 11/11/2021

The notes on pages 12 to 23 form part of these financial statements.

**TYPHOON CLEANCO LIMITED**  
**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	(683)	148,817,912
Comprehensive loss for the year				
Loss for the year	-	-	(6,830)	(6,830)
At 31 March 2020 and 1 April 2020	1,149,682	147,668,913	(7,513)	148,811,082
Comprehensive loss for the year				
Loss for the year	-	-	(8,901)	(8,901)
At 31 March 2021	1,149,682	147,668,913	(16,414)	148,802,181

# **TYPHOON CLEANCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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### **1. General information**

Typhoon Cleanco Limited 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, United Kingdom, W2 1DG.

The principal activity of the company during the year was that of a holding company.

The financial statements are presented in Sterling (£), which is the functional and presentation currency of the company.

### **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 Typhoon Pikco Limited and of its indirect parent Typhoon Noteco Limited. It is included in the consolidated financial statements of Typhoon Noteco 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).

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:

## **TYPHOON CLEANCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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#### **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 Notecco 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 re-negotiate existing facilities or explore new funding arrangements as appropriate.

# **TYPHOON CLEANCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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### **2. Accounting policies (continued)**

#### **2.2 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.

#### **2.3 Investments**

The carrying amounts of the company's 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 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.

#### **2.4 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 intercompany working capital balances, and intercompany financing 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.



**TYPHOON CLEANCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**Financial instruments (continued)**

**Financial liabilities**

Basic financial liabilities, including 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 those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not 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 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 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 and loss account.

**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.

## **TYPHOON CLEANCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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#### **2. Accounting policies (continued)**

##### **2.5 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;
- 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 determined 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.

##### **2.6 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.

## **TYPHOON CLEANCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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#### **2. Accounting policies (continued)**

##### **2.7 Interest receivable and interest payable**

Interest receivable 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.

##### **2.8 Borrowing costs**

Borrowing costs are charged to the 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.

##### **i. 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.

##### **ii. Impairment of investments (note 9)**

Annually, the Group considers whether investments in subsidiaries 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.

## **TYPHOON CLEANCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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**4. Auditor's remuneration**

The amount payable in respect of the audit of these financial statements is £4,160 (2020: £4,080).

**5. Employees**

There were no employees during either the year or the prior year.

**6. Interest receivable and similar income**

	2021 £	2020 £
Loan note interest	426,725	851,418

**7. Interest payable and similar expenses**

	2021 £	2020 £
Loan note interest	426,725	851,418
Intercompany interest	291	-
	<u>427,016</u>	<u>851,418</u>

# TYPHOON CLEANCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 8. Taxation

	2021 £	2020 £
Total current tax	-	-
Taxation on loss	-	-

#### 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	(8,901)	(6,830)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(1,691)	(1,298)
Effects of:		
Losses surrendered for group relief	1,691	1,298
Total tax charge for the year	-	-

# TYPHOON CLEANCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 9. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 April 2020	148,818,593
At 31 March 2021	<u>148,818,593</u>

### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
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, D02 HH30	Merchant service provider	Ordinary	100%
Typhoon Bidco Limited *	The Brunel Building 2 Canalside Walk London W2 1DG	Holding company	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.

# TYPHOON CLEANCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 10. Debtors

	2021 £	2020 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	-	11,408,292
Prepayments and accrued income	-	1,606,241
	<u>-</u>	<u>13,014,533</u>
	<b>2021 £</b>	<b>2020 £</b>
<b>Due within one year</b>		
Amounts owed by group undertakings	-	128,500,772
	<u>-</u>	<u>128,500,772</u>

Amounts owed by group undertakings were unsecured, had no fixed date for repayment and were repayable on demand. The amount of £11,408,292 which was repaid in the year attracted interest at an annual rate of 7%, the remainder was interest free.

### 11. Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	8,752	128,501,453
Accruals	7,660	6,830
	<u>16,412</u>	<u>128,508,283</u>

Amounts owed to group undertakings have no fixed date for repayment and are repayable on demand. Interest is applied monthly at an annual rate of 8%.

## **TYPHOON CLEANCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **12. Creditors: amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Loan notes	-	11,408,292
Accruals	-	1,606,241
	<u>-</u>	<u>13,014,533</u>

Loan notes of £11,408,292 were repaid in the current year. Interest was payable on these loan notes at 7% per annum.

#### **13. Share capital**

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

#### **14. 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.

##### **Profit and loss account**

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

#### **15. 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.



## **TYPHOON CLEANCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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#### **16. Controlling party**

At 31 March 2021, the directors regard Typhoon Pikco Limited, a company incorporated in England, as the immediate parent company.

At 31 March 2021, the directors regard Typhoon Topco Limited, a company incorporated in Jersey, as the ultimate parent company.

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

The smallest and largest group in which the 31 March 2021 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 Typhoon Noteco Limited are publicly available from the registrar of companies.