

REGISTERED NUMBER: 00462364 (England and Wales)

**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31 December 2021
for
Typhoon International Limited**



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for the Year Ended 31 December 2021**

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Typhoon International Limited
Company Information
for the Year Ended 31 December 2021

DIRECTORS: Y F Bouctot
Y J Cornec
J R Saunders

REGISTERED OFFICE: C/o Ocean Safety
Saxon Wharf
Southampton
Hampshire
SO14 5QF

REGISTERED NUMBER: 00462364 (England and Wales)

INDEPENDENT AUDITORS: Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Typhoon International Limited (Registered number: 00462364)

**Strategic Report
for the Year Ended 31 December 2021**

The directors present the strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The Company was acquired in October 2018 by Alliance Marine UK Holdings Limited, a wholly owned subsidiary of Alliance Marine SAS, 55 Boulevard Pereire, Paris 75017, France.

The Company's principal activity is the manufacture, distribution and servicing of safety, survival and water sports equipment to military, commercial and leisure markets. The company achieved a turnover of £14.0m (2020: £12.0m). Revenue increased from 2020 to 2021 following a sales catch-up after a 2020 year that was severely impacted by the Covid-19 pandemic.

Stock increased by £2.1m from 2020 to 2021 due to extended lead-times observed in the logistics area in relation to the disturbance caused by the Covid-19 global outbreak and the necessity to support sales growth. Lead times for certain suppliers can be abnormally long at up to 9 months, making compulsory to anticipate the needs of the company.

The board conducts a monthly review of management information, financial reports and cash requirements of the business, to meet the requirements of the shareholders.

We consider our key financial indicators are those that communicate the financial performance and strength of the company as a whole. KPIs are reviewed monthly and relevant actions taken when necessary. Business KPIs include turnover £14.0m (2020: £12.0m), and margin 28.3%. By the year end the company decreased the net asset position by £1.6m and current assets covered current liabilities 22 times.

The directors are satisfied with the results for the period and expect the company to be profitable (before depreciation, amortisation and exceptional costs) for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The market for marine safety equipment remains competitive. The company seeks to manage the risk by a balanced portfolio of products, added value services to customers, improving response times in the supply and servicing of products and handling of customer queries.

The company buys a proportion of its material and sells some finished product in currencies other than sterling, mainly US Dollars and Euros. In addition to some natural Group's hedging, and to limit risk, forward contracts are taken out for US Dollars based on rolling forecasts to manage risks.

SITE CONSOLIDATION

In 2021, Typhoon International decided to consolidate its two production sites in one for the following reasons:

- Monitoring and organising all the production activities under the same site, gathering the raw material stock to increase availability;
- All Typhoon's workforce and support functions are now gathered at the same place, optimizing the teamwork and efficiency;
- Reduction of overhead costs by avoiding having to run two different sites and the various overlapped costs; and
- Simplifying the overall Typhoon's structure.

The above resulted in the closure of the Liverpool-based factory and in an increased production capacity in the Redcar-based factory. Due to the above, Typhoon's productivity and efficiency were impacted in 2021 during the move and the progressive closure of the Liverpool site. The move is now fully completed and the company does not expect any issue to arise in the future in relation to the sites consultation.

**Strategic Report
for the Year Ended 31 December 2021**

BREXIT

The UK formally departed the European Union on the 31st of January 2020. The outcome of the negotiations with the European Union, regarding the terms and conditions of the UK's exit from the EU and subsequent trading relationship, was finalised in December 2020.

Subsequently to the new terms and conditions agreed, the following risks and potential impacts could affect the group:

- 1) Potential delays in shipping goods to and from the EU member states, for any Group sales to EU customers, or EU based group entities;
- 2) Additional tariffs on goods shipped to and from the EU, and on group sales to EU customers, or EU based group entities if the country of origin is not the UK or a member state of the EU;
- 3) Additional requirements and compliance related issues to comply with the UK's rules and the EU's ones; and
- 4) Potential changes and turbulence in exchange rates, on both sales and supplier purchases.

The directors have considered these risks, and have put in place appropriate contingency plans, additional resources, as well as identifying natural hedging opportunities that the group structure allows. The evolution of the situation will be monitored closely in 2021.

COVID-19

The Covid-19 outbreak has affected the business. Since the beginning, Typhoon International have been following all recommendations and guidelines from governments and have been really proactive to assure our employee's health and safety, while doing their best to keep serving our customers in the most efficient way. However, sales have been impacted, particularly on the leisure market and some customers' payments delayed.

Due to these exceptional circumstances, a particular attention will be paid to the outbreak's evolution. This implies notably the below:

- 1) Rise of the quantities ordered to suppliers to offset the increase in lead-times related to the pandemic;
- 2) Adaptation of the production tools;
- 3) Optimization of the stock level;
- 4) Putting emphasis on our military sales; and
- 5) Use of the schemes proposed by the UK government to face this crisis, notably linked to employment, deferred tax and VAT payment.

UKRAINE WAR

The invasion of Ukraine by the Russian army has not directly affected the business. However, the war contributed to general inflation, especially on oil prices, that we need to take into consideration and to monitor properly. We will pay attention to ongoing developments and to the European geopolitics situation.

FINANCIAL INSTRUMENTS

The company monitors cash flow as part of its day to day control procedures. The board considers cash flow projections on a monthly basis as necessary and ensures that appropriate facilities are available to the company.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new and existing customers and by monitoring payments against contractual agreements. To mitigate currency risk exposure the company enters into forward-rate foreign exchange contracts in US Dollars.

Typhoon International Limited (Registered number: 00462364)

**Strategic Report
for the Year Ended 31 December 2021**

EMPLOYEES AND FUTURE DEVELOPMENTS

The directors believe that the current staff resources, coupled with the planned additions, are appropriate to manage the business requirements given the level of turnover anticipated in the coming year.

ON BEHALF OF THE BOARD:



.....
Y F Bouctot - Director

Date: 05/11/2022

Typhoon International Limited (Registered number: 00462364)

**Directors' Report
for the Year Ended 31 December 2021**

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

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of the manufacture and distribution of safety, survival and water sports equipment.

DIVIDENDS

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of final dividend (2020: £nil).

RESEARCH AND DEVELOPMENT

During the period, the company continued to be involved in the development and design of drysuits and related products.

DIRECTORS

Y F Bouctot has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

A J Richards - resigned 14 October 2021
Y J Cornec - appointed 14 October 2021
J R Saunders - appointed 14 October 2021

FINANCIAL INSTRUMENTS

The company monitors cash flow as part of its day to day control procedures, and has no bank debt. The Board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to the company as necessary.

CREDIT RISK

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements.

DIRECTOR'S INDEMNITIES

The Company does not have qualifying indemnity provisions to the benefit of its directors which were made during the year and remain in force at the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

In accordance with the Companies Act 2006 S414c(11), information in respect of business risk and future developments are shown in the strategic report.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Typhoon International Limited (Registered number: 00462364)

**Directors' Report
for the Year Ended 31 December 2021**

AUDITORS

The auditors, *Constantin*, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
Y F Bouctot - Director

Date: *09/11/2022*
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**Directors' Responsibilities Statement
for the Year Ended 31 December 2021**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Auditors' Report to the Members of
Typhoon International Limited**

Independent auditor's report to the members of Typhoon International Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Typhoon International Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 20, which includes a statement of accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Members of Typhoon International Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Independent Auditors' Report to the Members of
Typhoon International Limited**

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

Use of our report

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.



Thierry de Gennes ACA (Senior Statutory Auditor)
for and on behalf of Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Date: 9 November 2022

Typhoon International Limited (Registered number: 00462364)

**Statement of Comprehensive
Income
for the Year Ended 31 December 2021**

	Notes	2021 £	2020 £
TURNOVER	4	13,956,784	12,025,407
Cost of sales		(10,005,284)	(8,148,306)
GROSS PROFIT		3,951,500	3,877,101
Distribution costs		(627,386)	(418,620)
Administrative expenses		(5,068,593)	(4,195,866)
		(1,744,479)	(737,385)
Other operating income		10,189	243,847
OPERATING LOSS	6	(1,734,290)	(493,538)
Interest receivable and similar income		129,756	1
		(1,604,534)	(493,537)
Interest payable and similar expenses	8	(9,312)	(109,768)
LOSS BEFORE TAXATION		(1,613,846)	(603,305)
Tax on loss	9	(62,186)	(31,275)
LOSS FOR THE FINANCIAL YEAR		(1,676,032)	(634,580)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(1,676,032)</u>	<u>(634,580)</u>

The notes form part of these financial statements

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Typhoon International Limited (Registered number: 00462364)

Statement of Financial Position
31 December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	10	333,633	398,875
Tangible assets	11	1,151,187	971,418
		<u>1,484,820</u>	<u>1,370,293</u>
CURRENT ASSETS			
Stocks	12	7,114,978	4,970,732
Debtors	13	2,786,071	1,964,099
Cash at bank		660,069	1,017,105
		<u>10,561,118</u>	<u>7,951,936</u>
CREDITORS			
Amounts falling due within one year	14	(1,439,617)	(1,441,282)
NET CURRENT ASSETS		<u>9,121,501</u>	<u>6,510,654</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,606,321</u>	<u>7,880,947</u>
CREDITORS			
Amounts falling due after more than one year	15	(8,747,163)	(4,345,757)
NET ASSETS		<u><u>1,859,158</u></u>	<u><u>3,535,190</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	3,700	3,700
Revaluation reserve	18	192,082	192,082
Capital redemption reserve	18	1,300	1,300
Other reserves	18	2,667,237	2,667,237
Retained earnings	18	(1,005,161)	670,871
SHAREHOLDERS' FUNDS		<u><u>1,859,158</u></u>	<u><u>3,535,190</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 09/11/2022 and were signed on its behalf by:

Y F Bouctot - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 January 2020	3,700	1,305,451	192,082
Changes in equity			
Deficit for the year	-	(634,580)	-
Total comprehensive income	-	(634,580)	-
Balance at 31 December 2020	3,700	670,871	192,082
Changes in equity			
Deficit for the year	-	(1,676,032)	-
Total comprehensive income	-	(1,676,032)	-
Balance at 31 December 2021	3,700	(1,005,161)	192,082
	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 January 2020	1,300	2,667,237	4,169,770
Changes in equity			
Deficit for the year	-	-	(634,580)
Total comprehensive income	-	-	(634,580)
Balance at 31 December 2020	1,300	2,667,237	3,535,190
Changes in equity			
Deficit for the year	-	-	(1,676,032)
Total comprehensive income	-	-	(1,676,032)
Balance at 31 December 2021	1,300	2,667,237	1,859,158

The notes form part of these financial statements

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Typhoon International Limited (Registered number: 00462364)

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

Typhoon International Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41 (b), 11.41 (c), 11.41 (e), 11.41 (f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Typhoon International Limited is a wholly owned subsidiary of Alliance Marine SAS and the results of Typhoon International Limited are included in the consolidated financial statements of Alliance Marine SAS which are available from 55 Boulevard Pereire, Paris 75017, France.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The company will continue to be supported by the group, and a written confirmation has been obtained from Group to the directors.

Turnover

Turnover is wholly attributable to the principal activity of the company, and is recognised net of value added tax.

Product Sales turnover is recognised at the point which goods are dispatched to customers.

Servicing income is recognised at the point at which the work is carried out.

Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their values over their useful lives on the following bases:

Software	3 years
Patents	3 years

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	1.3% straight line (excluding land)
Land and buildings leasehold	2% straight line
Plant and machinery	10% to 20% straight line
Fixtures, fittings and equipment	10% to 20% straight line
Motor vehicles	20% to 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and its credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit and loss. Reversals of impairment losses are also recognised in profit and loss.

Work in progress is valued on basis of direct cost and attributable direct labour. Transport and duty costs are included in the valuation of imported goods.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Financial instruments

Other financial assets

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is a contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Deferred taxation

Deferred tax is calculated at the rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are difference between taxable profits and total comprehensive income that arise from the inclusion on income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Leases

Lease are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Onerous lease

Provisions are made against operating leases where the unavoidable cost of meeting the lease obligations exceed the economic benefits received.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINT

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making the revenue recognition judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 Revenue and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of more events that occurred after the initial recognition of the financial asset, the estimated future flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

Impairment of intangible assets

Intangible assets are revalued on a periodic basis and tested annually for indicators of impairment. Judgements are required to make an assessment as to whether there is an indication of impairment. The impairment tests include examination of capital expenditure incurred in the financial year to ascertain whether it has resulted in an increase in value or an impairment of an asset. If the actual results differ from the assumptions, the value of intangible assets will be over or understated. This would be adjusted when the assets were next revalued.

Impairment of debtors

The company makes an estimate of the recoverable of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Inventory provisioning

The company designs, manufactures and sells marine safety equipment and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 12 for the net carrying amount of the inventory and associated provision. The amount of stock provision in 2021 is £674,350 (2020: £322,541).

Overheads absorbed into inventory

The directors have revisited the application of its accounting policy related to stock valuation during 2021 to ensure it most fairly reflected the value of stock held on the balance sheet. Stock at year end as a result includes £414,357k (2020: £510k) of manufacturing overheads.

Providing for doubtful debts

The Financial Statements contains estimated figures that are based on assumptions made by the Company about the future or that are otherwise uncertain. These include useful lives, valuations and bad debt provisions. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty actual results could be different from the assumptions and estimates.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the expected rate of price inflation, the rate at which salaries and pensions are expected to increase, mortality rates and rate of commutation of pensions.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Manufacturing and distribution	13,956,784	12,025,407
	<u>13,956,784</u>	<u>12,025,407</u>

Typhoon International Limited (Registered number: 00462364)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

4. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	6,740,343	7,168,238
Rest of the world	7,216,441	4,857,169
	<u>13,956,784</u>	<u>12,025,407</u>

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	3,568,691	3,536,607
Social security costs	289,841	292,187
Other pension costs	64,110	69,047
	<u>3,922,642</u>	<u>3,897,841</u>

The average number of employees during the year was as follows:

	2021	2020
Production	109	120
Administration	37	39
	<u>146</u>	<u>159</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the balance sheet date there was outstanding contribution of £10,572 (2020: £13,673) included in other creditors.

Remuneration of the highest paid directors is not disclosed for the current year as the total remuneration was less than £200,000 (2020: same).

6. OPERATING LOSS

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

	2021	2020
	£	£
Other operating leases	12,865	15,496
Depreciation - owned assets	173,508	168,214
(Profit)/loss on disposal of fixed assets	(15,999)	(3,473)
Amortisation - intangible assets	120,471	111,266
Exchange losses	(140,821)	115,225
Research and development	<u>(11,784)</u>	<u>25,795</u>

Typhoon International Limited (Registered number: 00462364)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

7. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	21,000	20,000
Total audit fees	<u>21,000</u>	<u>20,000</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Interest on finance leases and hire purchase contracts	9,312	9,787
Fair value gains and losses on foreign exchange contracts	-	99,981
	<u>9,312</u>	<u>109,768</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	303	-
Foreign taxation	61,883	31,275
Tax on loss	<u>62,186</u>	<u>31,275</u>

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Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

9. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Loss before tax	(1,613,846)	(603,305)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(306,631)	(114,628)
Effects of:		
Expenses not deductible for tax purposes	5,700	2,392
Income not taxable for tax purposes	-	(32,475)
Adjustments to tax charge in respect of previous periods	303	-
Group relief surrender/(claimed)	141,859	118,759
Deferred tax not recognised	-	62,696
Foreign tax suffered	61,883	31,275
Remeasurement of deferred tax for changes in tax rates	(210,495)	(36,744)
R & D expenditure credits	(8,813)	-
Fixed assets difference	1,913	-
Other permanent differences	(11,758)	-
Movement in deferred tax not recognised	388,225	-
Total tax charge	62,186	31,275

Finance Act 2020, which was substantively enacted on 11 March 2020, maintained the corporation tax rate at 19% until 31 March 2023.

Finance Act 2021, which was substantively enacted on 24 May 2021, has enacted an increase in the UK corporation tax main rate to 25% from 1 April 2023.

As this rate change had been substantively enacted before the balance sheet date, the closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

There is a deferred tax asset in relation to tax losses of £905,000 at the balance sheet date which has not been recognised due to lack of evidence of recoverability.

Typhoon International Limited (Registered number: 00462364)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

10. INTANGIBLE FIXED ASSETS

	Approvals £	Brands and patents £	Software £	Totals £
COST				
At 1 January 2021	799,631	200,075	306,182	1,305,888
Additions	62,211	-	32,387	94,598
At 31 December 2021	861,842	200,075	338,569	1,400,486
AMORTISATION				
At 1 January 2021	474,537	200,075	232,401	907,013
Amortisation for year	120,470	-	39,370	159,840
At 31 December 2021	595,007	200,075	271,771	1,066,853
NET BOOK VALUE				
At 31 December 2021	266,835	-	66,798	333,633
At 31 December 2020	325,094	-	73,781	398,875

11. TANGIBLE FIXED ASSETS

	Land and buildings freehold £	Land and buildings leasehold £	Plant and machinery £
COST			
At 1 January 2021	400,000	348,184	908,059
Additions	-	-	23,035
Disposals	-	-	(304,372)
At 31 December 2021	400,000	348,184	626,722
DEPRECIATION			
At 1 January 2021	15,600	117,613	731,920
Charge for year	3,120	6,956	36,745
Eliminated on disposal	-	-	(283,738)
At 31 December 2021	18,720	124,569	484,927
NET BOOK VALUE			
At 31 December 2021	381,280	223,615	141,795
At 31 December 2020	384,400	230,571	176,139

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**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

11. TANGIBLE FIXED ASSETS - continued

	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2021	304,374	-	480,306	2,440,923
Additions	279,820	13,078	22,724	338,657
Disposals	(63,120)	-	(75,891)	(443,383)
At 31 December 2021	<u>521,074</u>	<u>13,078</u>	<u>427,139</u>	<u>2,336,197</u>
DEPRECIATION				
At 1 January 2021	256,456	-	347,916	1,469,505
Charge for year	19,612	2,180	65,525	134,138
Eliminated on disposal	(59,004)	-	(75,891)	(418,633)
At 31 December 2021	<u>217,064</u>	<u>2,180</u>	<u>337,550</u>	<u>1,185,010</u>
NET BOOK VALUE				
At 31 December 2021	<u>304,010</u>	<u>10,898</u>	<u>89,589</u>	<u>1,151,187</u>
At 31 December 2020	<u>47,918</u>	<u>-</u>	<u>132,390</u>	<u>971,418</u>

12. STOCKS

	2021 £	2020 £
Raw materials	4,811,461	3,123,384
Work-in-progress	316,925	354,979
Finished goods	1,986,592	1,492,369
	<u>7,114,978</u>	<u>4,970,732</u>

13. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	2,452,812	1,322,880
Amounts owed by group undertakings	39,683	269,133
Other debtors	10,442	17,813
Tax	-	303
Prepayments and accrued income	131,108	177,697
	<u>2,634,045</u>	<u>1,787,826</u>
Amounts falling due after more than one year:		
Other debtors	<u>152,026</u>	<u>176,273</u>
Aggregate amounts	<u>2,786,071</u>	<u>1,964,099</u>

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Typhoon International Limited (Registered number: 00462364)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

13. DEBTORS - continued

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

The other debtor balance falling due after more than one year, owed from a jointly controlled operation, totalling £152,026 (2020: £176,273) will become payable 2 years following the termination of the operating agreement. At the date the financial statements were approved the operating agreement had not been terminated. The balance is held at cost as the ultimate settlement date is not known.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Hire purchase contracts (see note 16)	32,578	46,750
Trade creditors	816,836	1,001,630
Social security and other taxes	68,201	77,018
Other creditors	110,464	105,125
Derivative financial instruments	1,070	66,940
Accruals and deferred income	410,468	143,819
	<u>1,439,617</u>	<u>1,441,282</u>

Amounts due to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Hire purchase contracts (see note 16)	-	32,578
Amounts owed to group undertakings	8,347,163	4,063,179
Other creditors	400,000	250,000
	<u>8,747,163</u>	<u>4,345,757</u>

16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2021	2020
	£	£
Net obligations repayable:		
Within one year	32,578	46,750
Between one and five years	-	32,578
	<u>32,578</u>	<u>79,328</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery and fixtures, fittings and equipment. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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Typhoon International Limited (Registered number: 00462364)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
3,700	Ordinary	1	<u>3,700</u>	<u>3,700</u>

18. RESERVES

Revaluation reserves

The cumulative revaluation gains and losses in respect to land and buildings, except revaluation gains and losses recognised in profit and loss.

Capital redemption reserves

The nominal value of shares repurchased and still held at the end of the reporting period.

Other reserves

The other reserves represent amounts written off in relation to net group creditors during 2018, undertaken as part of the Share Purchase Agreement steps to change control to Alliance Marine UK Holdings Limited.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

19. CONTROLLING PARTY

Alliance Marine UK Holdings Limited, incorporated in the United Kingdom, is the company's immediate parent undertaking.

The ultimate parent company of Typhoon International Limited is AMG International SAS, a company incorporated in France.

The smallest group accounts in which the company's accounts are consolidated is Alliance Marine SAS. Alliance Marine SAS prepares group financial statements and copies can be obtained from 55 Boulevard Pereire, Paris 75017, France.

The largest group accounts in which the company's accounts are consolidated is AMG International SAS. AMG International SAS prepares group financial statements and copies can be obtained from 1522 Avenue de Draguignan, La Garde 83130, France. No other group accounts included the results of the company.

20. OPERATING LEASE COMMITMENTS

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	68,496	95,291
Between one and five years	35,916	128,854
More than five years	-	-
	<u>104,412</u>	<u>224,145</u>