

LUNO MONEY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

LUNO MONEY LIMITED

COMPANY INFORMATION

Directors	T O Stranex M J Swanepoel
Registered number	10388856
Registered office	3rd Floor 86 - 90 Paul Street London United Kingdom EC2A 4NE
Independent auditors	ZEDRA Corporate Reporting Services (UK) Limited (Formerly F&L Corporate Reporting Services Limited)

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BALANCE SHEET
AS AT 31 DECEMBER 2020

		31 December 2020	31 March 2020
	Note	£	£
Fixed assets			
Tangible assets	4	116,603	139,672
		116,603	139,672
Current assets			
Debtors: amounts falling due after more than one year	5	182,784	182,784
Debtors: amounts falling due within one year	5	1,261,627	293,182
Cash at bank and in hand	6	6,837,772	2,174,955
		8,282,183	2,650,921
Creditors: amounts falling due within one year	7	(7,056,193)	(1,952,527)
Net current assets		1,225,990	698,394
Total assets less current liabilities		1,342,593	838,066
Net assets		1,342,593	838,066

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	31 December 2020 £	31 March 2020 £
Capital and reserves		
Called up share capital	81	81
Profit and loss account	1,342,512	837,985
	<hr/> 1,342,593 <hr/>	<hr/> 838,066 <hr/>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

M J Swanepoel
Director

Date: 10 May 2021

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The current accounting period has been shortened to nine months in order to align the Company's group reporting. As a result, the comparatives may not be entirely comparable.

The following principal accounting policies have been applied:

1.2 Going concern

Luno Money Limited has received written confirmation from its ultimate parent company, Luno Pte. Limited, that it will continue to provide financial support to the Company for a period of at least 12 months from the date of signing these financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

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

Rendering of services

Turnover from the intercompany service agreement is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Alongside the intercompany service agreement, the Company entered into an agency agreement with the parent company, Luno Pte. Limited, under which the Company provides agency services in relation to the opening and operating of third party broker accounts. The assets and liabilities in relation to this agreement are not recognised in these financial statements and any costs suffered in relation to providing these services are reimbursed in line with the intercompany service agreement.

Transaction processing income is recognised at the point a customer withdraws fiat currency from their wallet.

1.4 Other income

Other income represents amounts received in relation to input VAT reclaimed on expenses suffered in the previous year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.5 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

1.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 in the countries where the Company operates and generates income.

1.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

The estimated useful lives range as follows:

Leasehold improvements	- Over the lease term
Office equipment	- 3 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are intercompany loans. No interest is charged on the loans which are repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Cash and cash equivalents include customer fund cash balances held on deposit for the parent company Luno Pte Limited.

1.11 Creditors

Short term creditors are measured at the transaction price. Loans payable are intercompany loans. No interest is charged on the loans which are repayable on demand.

1.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. Auditors' information

The auditors' report on the financial statements for the period ended 31 December 2020 was unqualified.

The audit report was signed on 10 May 2021 by Louise Morriss BFP ACA FCCA (Senior Statutory Auditor) on behalf of ZEDRA Corporate Reporting Services (UK) Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

3. Employees

The average monthly number of employees, including directors, during the period was 38 (2020 - 33).

4. Tangible fixed assets

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2020	193,317	4,350	1,306	198,973
Additions	-	-	9,206	9,206
At 31 December 2020	193,317	4,350	10,512	208,179
Depreciation				
At 1 April 2020	59,059	242	-	59,301
Charge for the period on owned assets	30,208	1,087	980	32,275
At 31 December 2020	89,267	1,329	980	91,576
Net book value				
At 31 December 2020	104,050	3,021	9,532	116,603
At 31 March 2020	134,258	4,108	1,306	139,672

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

5. Debtors

	31 December 2020 £	31 March 2020 £
Due after more than one year		
Other debtors	<u>182,784</u>	<u>182,784</u>
	31 December 2020 £	31 March 2020 £
Due within one year		
Amounts owed by group undertakings	988,952	22,179
Other debtors	140,696	96,270
Prepayments and accrued income	131,979	174,733
	<u>1,261,627</u>	<u>293,182</u>

6. Cash at bank and in hand

	31 December 2020 £	31 March 2020 £
Bank account	1,198,234	867,398
Customer funds	5,639,538	1,307,557
	<u>6,837,772</u>	<u>2,174,955</u>

Customer funds represent cash and cash equivalents held on behalf of customers by the Company. The Company requires permission to control these funds by the customer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

7. Creditors: Amounts falling due within one year

	31 December	<i>As restated</i>
	2020	<i>31 March</i>
	£	<i>2020</i>
		<i>£</i>
Trade creditors	121,318	<i>17,223</i>
Amounts owed to group undertakings	-	<i>25,300</i>
Corporation tax	116,293	<i>131,139</i>
Other taxation and social security	155,739	<i>146,899</i>
Customer funds	5,639,538	<i>1,248,856</i>
Accruals and deferred income	1,023,305	<i>383,110</i>
	<u>7,056,193</u>	<i><u>1,952,527</u></i>

An amount of £96,495 relating to an accrual for paid annual leave has been reclassified from other creditors to accruals and deferred income to reflect the nature of this balance.

The customer funds liability is the corresponding liability for cash and cash equivalents held on behalf of the customers by the Company.

8. Financial commitments

At the end of the reporting period, the total amount of all financial commitments, guarantees and contingencies that are not included in the balance sheet was £786,987 (March 2020: £1,204,872) of which £304,640 (March 2020: £365,568) was falling due within one year.

9. Controlling party

Luno Pte. Ltd., a company incorporated in Singapore, is the parent company of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The registered office of the parent company is 1 Coleman Street, #05-05 The Adelphi, Singapore, 179803.

Digital Currency Group, Inc. is considered to be the ultimate controlling party by virtue of its holding in Luno Pte. Ltd.

10. Post balance sheet events

There were no adjusting or non-adjusting events occurring between the end of the reporting period and the date these financial statements were approved.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.