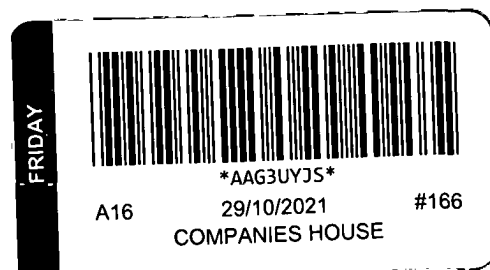


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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY  
HOLDINGS LIMITED)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**



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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**COMPANY INFORMATION**

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**Directors**

D R Dawson  
M J P England  
S Hodgson  
M J Bennett  
C J Geall

**Registered number**

11110482

**Registered office**

Spaces, Building 1  
Chalfont Park  
Chalfont St. Peter  
Gerrads Cross  
Buckinghamshire  
SL9 0BG

**Independent auditors**

Barnes Roffe LLP  
Chartered Accountants and Statutory Auditors  
3 Brook Business Centre  
Cowley Mill Road  
Uxbridge  
Middlesex  
UB8 2FX

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## LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2020

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#### Introduction

Lumon Holdings Ltd is the holding company for a technology-led group of companies which are leading specialist providers of payment services focused on facilitating international bank-to-bank transfers for both corporate clients and private individuals.

The group, which trades under the Lumon Pay (formerly Foreign Currency Direct PLC), Lumon Exchange (formerly Infinity Foreign Exchange Ltd) and Lumon Risk Management (formerly Infinity International Limited) brands, is an established, trusted player in a large and growing market, offering customer service together with competitive rates. The group originates customers both directly and through a diverse partner network, with the quality of the proposition driving significant repeat business. Products are tailored to underlying customer requirements, with corporate products helping businesses manage their current and future currency exposures and overseas payment needs, and the personal offering focussed on helping individuals manage their overseas payment needs relating to property and other purchases.

#### Business review

2020 was another year of significant development for the Group as it accelerated investment in technology, process enhancements, the expansion of the management and sales teams along with the continued investment in growth through mergers and acquisition and the operationalisation of our Irish regulated entity as part of our Brexit risk management strategy.

The impact of this can be seen in the increase in costs incurred in the year as the company took this opportunity to invest for the future and also to provide the necessary infrastructure and tools to enable staff to work from non office based locations due to COVID-19 restrictions. These financial results reflect the investments in Lumon Exchange Ltd and the increase in operational costs to support the group's continued growth.

The Group also felt the impact of COVID-19 from a turnover perspective due to a corresponding reduction in business activity. Whilst year on year turnover growth was delivered, this was below initial expectations and the directors believe that this impact will be short term and the investments made for future growth will enable the Group to take advantage of opportunities that will arise once COVID-19 restrictions are lifted.

The Group's key performance indicators are:

	2020 (£)	As restated 2019 (£)
Revenue:	13,831,116	12,672,003
EBITDA:	(1,420,206)	2,684,805
Cash:	5,405,812	3,845,517
Shareholders funds:	32,774,827	44,092,420

The directors have assessed the challenges, threats and opportunities presented by both Brexit and COVID-19 and consider the Group is well positioned to continue operations beyond 31 October 2020 with continued investment in people and technology to further improve our client relationships and accelerate growth and operational efficiencies.

**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 OCTOBER 2020**

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**Principal risks and uncertainties**

The directors have established an Enterprise Risk Management Framework which considers new and emerging risks and the continuous monitoring and assessment of identified business risks. The risk framework and supporting policies and procedures support the group's strategy and growth objectives and management of risks within risk appetite. The Board Risk, Assurance and Compliance Committee provides oversight of the group's key risks comprising: market risk, credit risk, regulatory risk, operational risk and liquidity risk.

**Market risk**

Market risk is the risk of financial loss through un-hedged or mismatched asset and liability positions that are sensitive to interest rates or currencies. The group runs immaterial market risk in relation to currency risk and interest rate risk against forward foreign exchange positions as trades are executed on a matched principal broker basis.

**Credit risk**

The group runs credit risk in relation to customers or counterparties who fail to honour their obligations to the group in accordance with agreed terms. Credit risk arises when the amount owed by a customer or counterparty exceeds the deposit or collateral placed with the group. This is mitigated through the group's concentration risk framework which considers exposure to customer groups, sectors or jurisdictions, and credit underwriting and assessment processes which set and monitor customer credit limits and margin requirements on a daily basis.

**Regulatory risk**

The group operates in a regulatory environment which is characterised by changing legislation and regulation which may impact on the group's businesses in the UK and overseas. Enhanced regulatory oversight and prudential requirements have followed the introduction of the Payment Services Regulations 2017 and the Senior Manager and Certification Regime. The group's Risk and Compliance function undertakes appropriate horizon scans to manage the introduction of future regulation.

The group's principal subsidiary, Lumon Pay Ltd, received authorisation as an Electronic Money Institution with the Financial Conduct Authority in July 2018 (Firm Reference Number 902022). Lumon Risk Management Ltd is authorised by the FCA as an Authorised Payment Institution (FRN 567835) and authorised and regulated as an investment firm (FRN 671108) under the Financial Services & Markets Act 2000.

To prepare for the UK's exit from the EU at the end of 2020, the group has established an e-money institution based in Ireland, Lumon Europe Ltd (formerly Foreign Currency Direct Ireland Limited), which is authorised by the Central Bank of Ireland (C186257).

The group is exposed to financial crime including fraud and money laundering. To facilitate compliance with anti-money laundering (AML) and counter terrorism financing laws, the Group has developed and implemented a robust AML programme consisting of an AML policy, procedures, internal systems and controls.

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**Operational risk**

The group runs operational risk in its day to day business operations. This may arise from failures in internal processes, people or systems which lead to potential or actual loss. The group's operational risk management procedures are designed to provide a controlled operating environment and minimise operational risk.

**Liquidity risk**

The group manages its liquidity position to ensure that has sufficient resources to enable it to meet its obligations as they fall due and can continue to service customers when market conditions are volatile. Stress testing of the group's cash generation and funding profile alongside future commitments facilitates a robust approach to liquidity risk management.

**COVID-19**

The COVID-19 global pandemic has created both internal and external operating risks. The directors have taken various actions to comply with legislation relating to employee welfare and safety in relation to working practices. These are continually monitored, and changes are only made when the directors are satisfied that employee safety will not be compromised.

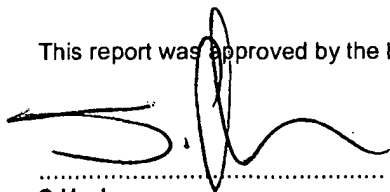
Externally COVID-19 has impacted the wider economic backdrop and directors have taken the necessary steps to maintain an operational set up consistent with the current economic climate. There is an ongoing risk related to demand, but the directors are confident that these risks are managed appropriately.

**Future developments**

The Board will continue to monitor existing and emerging risks and monitor economic uncertainties affecting all businesses operating in a global economy and these will continue to influence strategy and performance in the years ahead. The Board will strive to build upon the progress achieved by the group, through continued focus on our clients and increased investment.

The progression of COVID-19 has demonstrated that the steps taken within the operational set-up have been effective, even in the current crisis. Customer orders and support can be managed remotely, and the directors will continue to monitor the situation and take necessary steps as appropriate.

This report was approved by the board on **29th October 2021** and signed on its behalf.

  
.....  
**S Hodgson**  
Director

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## LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2020

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The directors present their report and the financial statements for the year ended 31 October 2020.

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Going concern assumption**

The financial statements have been prepared on a going concern basis. The directors have considered the factors that impact the group's future development, performance, cash flows and financial position in forming their opinion on the going concern basis. The directors believe that the company and group have adequate resources to continue to operate and meet its obligations as they fall due for the foreseeable future and therefore the use of the going concern assumption remains appropriate.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £13,403,417 (2019 - £5,263,035).

No equity dividends were declared or paid during the year or prior year.

Preference dividends amounting to £5,897,197 (2019 - £4,481,356) were accrued during the year.

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## LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

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#### Directors

The directors who served during the year were:

D R Dawson  
M J P England  
P J Sherman (resigned 9 July 2020)  
T R Higham (resigned 22 April 2020)  
S Hodgson (appointed 23 April 2020)  
M J Bennett (appointed 22 April 2020)  
C J Geall (appointed 22 April 2020)  
T A Bownes (appointed 20 April 2020, resigned 31 August 2021)

On 3 November 2020, G O D Heald was appointed as a director. His directorship was resigned on 23 July 2021.

#### Change of name

The company passed a written resolution on 20 August 2021 to change its name from Currency Holdings Limited to Lumon Holdings Ltd.

#### Matters covered in the Group strategic report

The company has chosen in accordance with section 414C of Companies Act 2006, to set out the following information which would otherwise be required to be contained in the Directors' report within the Group strategic report: financial risk management objectives and policies, and future developments in the business of the company.

#### Disclosure of information to auditors

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

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

#### Post balance sheet events

On 1 December 2020 the share capital in the Company was transferred to Lumon Acquisitions Limited (formerly Brockle Acquisitions Limited).

At the date of approval of these accounts, the COVID-19 pandemic remains prevalent in the UK. It is not possible to accurately predict the duration or magnitude of any potential consequences as a result of the pandemic at this time.

There are no other subsequent events that require disclosure or adjustments to the financial statements.

#### Auditors

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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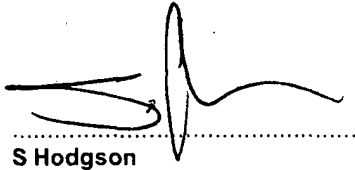
LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 OCTOBER 2020**

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This report was approved by the board on 29th October 2021 and signed on its behalf.



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**S Hodgson**  
Director



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## **LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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#### **Opinion**

We have audited the financial statements of Lumon Holdings Ltd (previously known as Currency Holdings Limited) (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 October 2020, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statements of changes in equity and the related notes, including a summary of significant 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 October 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED) (CONTINUED)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion 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 Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED) (CONTINUED)**

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**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 4, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 Auditors' 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 Group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**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 Auditors' 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.



Elliot S J Arwas (Senior statutory auditor)

for and on behalf of

**Barnes Roffe LLP**

Chartered Accountants and Statutory Auditors

3 Brook Business Centre

Cowley Mill Road

Uxbridge

Middlesex

UB8 2FX

Date:

29th October 2021

**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2020**

		2020 £	2019 £
Turnover	4	13,831,116	12,672,003
Cost of sales		(3,954,009)	(3,617,558)
<b>Gross profit</b>		<b>9,877,107</b>	<b>9,054,445</b>
Administrative expenses		(12,389,779)	(6,501,235)
Other operating income	5	341,133	-
Amortisation of intangible fixed assets	13	(5,171,450)	(3,799,550)
<b>Operating loss</b>	<b>6</b>	<b>(7,342,989)</b>	<b>(1,246,340)</b>
Dividends received		-	939,099
Impairment of goodwill		-	(202,536)
Interest receivable and similar income	10	103,025	61,644
Interest payable and expenses	11	(6,250,313)	(4,499,963)
<b>Loss before tax</b>		<b>(13,490,277)</b>	<b>(4,948,096)</b>
Tax on loss	12	86,860	(314,939)
<b>Loss for the financial year</b>		<b>(13,403,417)</b>	<b>(5,263,035)</b>
<b>Total comprehensive income for the year</b>		<b>(13,403,417)</b>	<b>(5,263,035)</b>

The notes on pages 20 to 43 form part of these financial statements.

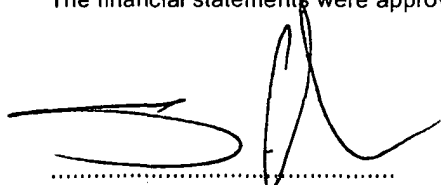
**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**  
**REGISTERED NUMBER: 11110482**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 OCTOBER 2020**

	Note	2020 £	As restated 2019 £
<b>Fixed assets</b>			
Intangible assets	13	47,288,300	44,233,103
Tangible assets	14	4,168,540	875,356
		<u>51,456,840</u>	<u>45,108,459</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	5,660,404	6,957,448
Cash at bank and in hand	17	5,405,812	3,845,517
		<u>11,066,216</u>	<u>10,802,965</u>
Creditors: amounts falling due within one year	18	(29,685,036)	(11,760,430)
<b>Net current liabilities</b>		<u>(18,618,820)</u>	<u>(957,465)</u>
<b>Total assets less current liabilities</b>		<u>32,838,020</u>	<u>44,150,994</u>
<b>Provisions for liabilities</b>			
Deferred tax	20	(63,193)	(58,574)
		<u>(63,193)</u>	<u>(58,574)</u>
<b>Net assets</b>		<u><u>32,774,827</u></u>	<u><u>44,092,420</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	508,572	487,714
Share premium account	22	51,485,947	49,420,981
Profit and loss account	22	(19,219,692)	(5,816,275)
		<u><u>32,774,827</u></u>	<u><u>44,092,420</u></u>

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

29th October 2021

  
.....  
**S Hodgson**  
Director

**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**  
**REGISTERED NUMBER: 11110482**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 OCTOBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	15	65,438,490	53,476,130
		<u>65,438,490</u>	<u>53,476,130</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	2,222,003	-
		<u>2,222,003</u>	<u>-</u>
Creditors: amounts falling due within one year	18	(27,993,989)	(9,743,277)
<b>Net current liabilities</b>		<u>(25,771,986)</u>	<u>(9,743,277)</u>
<b>Net assets</b>		<u><u>39,666,504</u></u>	<u><u>43,732,853</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	508,572	487,714
Share premium account	22	51,485,947	49,420,981
Profit and loss account brought forward		(6,175,842)	(1,387,629)
Loss for the year		<u>(6,152,173)</u>	<u>(4,788,213)</u>
Profit and loss account carried forward	22	<u>(12,328,015)</u>	<u>(6,175,842)</u>
		<u><u>39,666,504</u></u>	<u><u>43,732,853</u></u>

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

29th October 2021

.....  
**S Hodgson**  
 Director

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2019	487,714	49,420,981	(5,816,275)	44,092,420
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(13,403,417)	(13,403,417)
<b>Total comprehensive income for the year</b>	-	-	(13,403,417)	(13,403,417)
Shares issued during the year	20,858	2,064,966	-	2,085,824
<b>Total transactions with owners</b>	20,858	2,064,966	-	2,085,824
<b>At 31 October 2020</b>	<b>508,572</b>	<b>51,485,947</b>	<b>(19,219,692)</b>	<b>32,774,827</b>

The notes on pages 20 to 43 form part of these financial statements.

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2019**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2018	263,798	26,115,945	(553,240)	25,826,503
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(5,263,035)	(5,263,035)
<b>Total comprehensive income for the year</b>	-	-	(5,263,035)	(5,263,035)
Shares issued during the year	223,916	23,305,036	-	23,528,952
<b>Total transactions with owners</b>	223,916	23,305,036	-	23,528,952
<b>At 31 October 2019</b>	<b>487,714</b>	<b>49,420,981</b>	<b>(5,816,275)</b>	<b>44,092,420</b>

The notes on pages 20 to 43 form part of these financial statements.



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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2019	487,714	49,420,981	(6,175,842)	43,732,853
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(6,152,173)	(6,152,173)
	-	-	(6,152,173)	(6,152,173)
<b>Total comprehensive income for the year</b>				
Shares issued during the year	20,858	2,064,966	-	2,085,824
<b>Total transactions with owners</b>	20,858	2,064,966	-	2,085,824
<b>At 31 October 2020</b>	<b>508,572</b>	<b>51,485,947</b>	<b>(12,328,015)</b>	<b>39,666,504</b>

The notes on pages 20 to 43 form part of these financial statements.

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2019**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2018	263,798	26,115,945	(1,387,629)	24,992,114
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(4,788,213)	(4,788,213)
	-	-	(4,788,213)	(4,788,213)
<b>Total comprehensive income for the year</b>				
Shares issued during the year	223,916	23,305,036	-	23,528,952
<b>Total transactions with owners</b>	223,916	23,305,036	-	23,528,952
<b>At 31 October 2019</b>	<b>487,714</b>	<b>49,420,981</b>	<b>(6,175,842)</b>	<b>43,732,853</b>

The notes on pages 20 to 43 form part of these financial statements.

**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

	<b>2020</b>	<i>As restated</i>
	<b>£</b>	<b>2019</b>
		<b>£</b>
<b>Cash flows from operating activities</b>		
Loss for the financial year	<b>(13,403,417)</b>	<b>(5,263,035)</b>
<b>Adjustments for:</b>		
Amortisation of intangible assets	<b>5,171,450</b>	<b>3,799,550</b>
Depreciation of tangible assets	<b>751,333</b>	<b>131,595</b>
Loss on disposal of tangible assets	<b>-</b>	<b>4,983</b>
Interest and dividends received	<b>(103,025)</b>	<b>(1,000,743)</b>
Taxation (credit)/charge	<b>(86,860)</b>	<b>314,939</b>
Decrease/(increase) in debtors	<b>1,199,166</b>	<b>(5,433,201)</b>
Increase in creditors	<b>16,066,084</b>	<b>7,895,020</b>
Corporation tax received	<b>227,063</b>	<b>225,013</b>
Change in working capital on acquisition of subsidiaries	<b>(4,097,889)</b>	<b>(7,475,661)</b>
Impairment of goodwill	<b>-</b>	<b>202,536</b>
Bank and other loan interest payable	<b>353,116</b>	<b>18,607</b>
Increase in monies due to client	<b>1,766,890</b>	<b>504,751</b>
Preference interest payable	<b>5,832,438</b>	<b>4,481,356</b>
<b>Net cash generated from operating activities</b>	<b>13,676,349</b>	<b>(1,594,290)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	<b>(6,282,713)</b>	<b>(2,729,565)</b>
Purchase of tangible fixed assets	<b>(4,042,685)</b>	<b>(825,443)</b>
Interest received	<b>103,025</b>	<b>61,644</b>
Dividends received	<b>-</b>	<b>939,099</b>
Cash acquired on acquisition	<b>2,330,203</b>	<b>5,742,682</b>
Acquisition of Subsidiaries	<b>(6,226,536)</b>	<b>(25,003,313)</b>
<b>Net cash used in investing activities</b>	<b>(14,118,706)</b>	<b>(21,814,896)</b>

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LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2020

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	2020 £	2019 £
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	2,085,824	1,219,995
Issue of preference shares	-	22,308,957
<b>Net cash from financing activities</b>	<b>2,085,824</b>	<b>23,528,952</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,643,467</b>	<b>119,766</b>
Cash and cash equivalents at beginning of year	3,762,345	3,642,579
<b>Cash and cash equivalents at the end of year</b>	<b>5,405,812</b>	<b>3,762,345</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	5,405,812	3,845,517
Bank overdrafts	-	(83,172)
	<b>5,405,812</b>	<b>3,762,345</b>

The notes on pages 20 to 43 form part of these financial statements.

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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	<b>At 1 November 2019 £</b>	<b>Cash flows £</b>	<b>Acquisition and disposal of subsidiaries £</b>	<b>At 31 October 2020 £</b>
Cash at bank and in hand (as restated)	<b>3,845,517</b>	<b>(5,474,087)</b>	<b>2,330,203</b>	<b>701,633</b>
Bank overdrafts	<b>(83,172)</b>	<b>83,172</b>	<b>-</b>	<b>-</b>
	<b><u>3,762,345</u></b>	<b><u>(5,390,915)</u></b>	<b><u>2,330,203</u></b>	<b><u>701,633</u></b>

The notes on pages 20 to 43 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**1. General information**

Lumon Holdings Ltd (previously Currency Holdings Limited) is a company limited by shares, incorporated in England and Wales. The address of the registered office is Spaces, Building 1, Chalfont Park, Chalfont St. Peter, Gerrards Cross, Buckinghamshire, England, SL9 0BG.

Lumon Holdings Ltd is the holding company for a technology led group of companies which are leading specialist providers of payment services focused on facilitating international bank to bank transfers for both corporate clients and private individuals.

The group, which trades under the Lumon Pay, Lumon Exchange and Lumon Risk Management brands, is an established, trusted player in a large and growing market, offering customer service together with competitive rates. The group originates customers both directly and through a diverse partner network, with the quality of the proposition driving significant repeat business. Products are tailored to underlying customer requirements, with corporate products helping businesses manage their current and future currency exposures and overseas payment needs, and the personal offering focussed on helping individuals manage their overseas payment needs relating to property and other purchases.

**2. Accounting policies**

**2.1 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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**2. Accounting policies (continued)**

**2.3 Revenue**

Where the group enters into contracts for forward delivery with its clients, the group also enters into separate matched forward contracts with its bankers.

The group purchases currency from a counterparty once the transaction with the client is agreed.

The group acts as an intermediary given that its exposure to all significant risks is mitigated through the ability to resell currency back to the counterparty where there are unfulfilled client transactions.

Revenue is recognised after receiving the client's authorisation to undertake a foreign currency transaction for immediate or forward delivery, and represents the group's commission derived from the currency transactions undertaken for and on behalf of clients by its commercial foreign currency dealing business.

Wherever contracts for forward delivery are open at the year end, the balance of contracts due from the client at maturity is included in debtors, and the corresponding liability with the customers in foreign currencies is included in creditors.

**2.4 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis over ten years to the Statement of comprehensive income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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**2. Accounting policies (continued)**

**2.5 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.

At each reporting date the group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Long-term leasehold property	- Straight line over the length of the lease
Plant and machinery	- 25-30% reducing balance
Fixtures and fittings	- 25-30% reducing balance
Office equipment	- 25-30% reducing balance
Other fixed assets	- 25-30% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**2. Accounting policies (continued)**

**2.8 Financial instruments**

The group enters into financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at each reporting date for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a 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.

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

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

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**2. Accounting policies (continued)**

**2.10 Foreign currency translation**

**Functional and presentation currency**

The group'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 year 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

Gains and losses on amounts due to and from the counterparty and client are retained on the Statement of financial position to achieve a true and fair view as opposed to taken to the Statement of comprehensive income as per section 30 of FRS 102, as the company's actual foreign currency exposure is only on the margin element of each deal which would be a low proportion of the total amount and as a result immaterial to the financial statements.

**2.11 Finance costs**

Finance costs are charged to the Statement of comprehensive income 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.12 Dividends**

Dividends on preference shares are recognised as expenses and classified within interest payable.

**2.13 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**2. Accounting policies (continued)**

**2.14 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**2.15 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

**2.16 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.17 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**2. Accounting policies (continued)**

**2.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.19 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.20 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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2. Accounting policies (continued)

2.21 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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

In preparing these financial statements, the directors have had to make the following judgements in applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

1. The recognition and valuation of debtors and creditors related to open contracts at the reporting date is on the assumption that all contracts will be completed after the year end.
2. Determining whether there are any indicators of impairment to the group's tangible and intangible assets, including development costs and goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the asset.

4. Turnover

The total turnover of the group for the year has been derived from its principal activity that is wholly undertaken in the United Kingdom.

5. Other operating income

	2020 £	2019 £
Government grants receivable	341,133	-
	<u>341,133</u>	<u>-</u>

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**6. Operating loss**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>751,333</b>	131,595
Amortisation of intangible fixed assets	<b>5,171,450</b>	3,799,550
Exchange differences	<b>204,052</b>	(48,404)
Operating lease rentals - buildings	<b>919,392</b>	331,519
Operating lease rentals - equipment	<b>17,087</b>	19,718
	<b>=====</b>	<b>=====</b>

**7. Auditors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<b>3,295</b>	1,270
Audit of subsidiaries	<b>40,515</b>	27,230
	<b>=====</b>	<b>=====</b>

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**8. Employees**

Staff costs, including directors' remuneration were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>8,056,398</b>	<b>4,733,890</b>
Social security costs	<b>1,137,873</b>	<b>729,435</b>
Cost of defined contribution scheme	<b>190,099</b>	<b>89,459</b>
	<b>9,384,370</b>	<b>5,552,784</b>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
By activity:		
Sales	<b>72</b>	<b>44</b>
Administration	<b>77</b>	<b>51</b>
Management	<b>26</b>	<b>11</b>
	<b>175</b>	<b>106</b>

**9. Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>722,827</b>	<b>290,000</b>
Company contributions to defined contribution pension schemes	<b>12,046</b>	<b>17,007</b>
	<b>734,873</b>	<b>307,007</b>

During the year retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £200,577 (2019 - £190,000), and company pension contributions of £219 (2019 - £14,459) were made to a money purchase scheme on their behalf.

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**10. Interest receivable**

	2020 £	2019 £
Other interest receivable	103,025	61,644
	<u>103,025</u>	<u>61,644</u>

**11. Interest payable and similar expenses**

	2020 £	2019 £
Bank interest payable	1,147	56
Other loan interest payable	351,969	18,551
Preference share dividends	5,897,197	4,481,356
	<u>6,250,313</u>	<u>4,499,963</u>

**12. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the period	84,455	314,939
Adjustments in respect of previous period	(38,836)	-
	<u>45,619</u>	<u>314,939</u>
Origination and reversal of timing differences	<u>(132,479)</u>	<u>-</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(86,860)</u>	<u>314,939</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

12. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(13,490,277)	(4,948,096)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(2,563,153)	(940,139)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	860,949	680,729
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,188,321	911,989
Capital allowances for year in excess of depreciation	(179,466)	(151,120)
Other timing differences leading to an increase in taxation	628,548	4,058
Origination and reversal of timing differences	(132,479)	-
Non-taxable income	-	(178,429)
Difference on acquisition of subsidiaries	(2,879)	(12,149)
Unrelieved tax losses carried forward	113,299	-
<b>Total tax charge for the year</b>	<b>(86,860)</b>	<b>314,939</b>

Factors that may affect future tax charges

In the March 2021 Budget it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023 for profits over £250,000. There are no other significant factors that may affect future tax charges.

**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**13. Intangible assets**

**Group**

	Patents £	Development costs £	Goodwill £	Total £
<b>Cost</b>				
At 1 November 2019	610,365	2,985,134	46,025,054	49,620,553
Additions	497,162	14,060	5,771,491	6,282,713
On acquisition of subsidiaries	-	2,073,854	-	2,073,854
At 31 October 2020	<u>1,107,527</u>	<u>5,073,048</u>	<u>51,796,545</u>	<u>57,977,120</u>
<b>Amortisation</b>				
At 1 November 2019	61,716	686,389	4,639,345	5,387,450
Charge for the year	200,847	830,619	4,139,984	5,171,450
On acquisition of subsidiaries	-	129,920	-	129,920
At 31 October 2020	<u>262,563</u>	<u>1,646,928</u>	<u>8,779,329</u>	<u>10,688,820</u>
<b>Net book value</b>				
At 31 October 2020	<u>844,964</u>	<u>3,426,120</u>	<u>43,017,216</u>	<u>47,288,300</u>
At 31 October 2019	<u>548,649</u>	<u>2,298,745</u>	<u>41,385,709</u>	<u>44,233,103</u>

During the prior year, Lumon Risk Management Ltd acquired the entire share capital of Excap Partners Limited for a consideration of £8,254,856 through the issue of C Ordinary shares in Lumon Risk Management Ltd. Following the acquisition, the trade and assets of Excap Partners Limited were hived up into Lumon Risk Management Ltd and Excap Partners Limited was placed into liquidation and subsequently dissolved. Lumon Risk Management Ltd received a liquidation dividend of £939,099 from Excap Partners Limited before its dissolution.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

14. Tangible fixed assets

Group

	Long-term leasehold property £	Development costs £	Fixtures and fittings £	Office equipment £	Other fixed assets £	Total £
<b>Cost</b>						
At 1 November 2019	537,123	-	214,778	851,463	110,910	1,714,274
Additions	64,753	3,655,131	46,259	276,542	-	4,042,685
Acquisition of subsidiary	-	-	-	3,397	-	3,397
At 31 October 2020	601,876	3,655,131	261,037	1,131,402	110,910	5,760,356
<b>Depreciation</b>						
At 1 November 2019	121,102	-	156,367	481,964	79,485	838,918
Charge for the year	54,133	491,837	26,435	174,491	4,437	751,333
Acquisition of subsidiary	-	-	-	1,565	-	1,565
At 31 October 2020	175,235	491,837	182,802	658,020	83,922	1,591,816
<b>Net book value</b>						
At 31 October 2020	426,641	3,163,294	78,235	473,382	26,988	4,168,540
At 31 October 2019	416,021	-	58,411	369,499	31,425	875,356

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020

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15. Fixed asset investments

Company

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 November 2019	53,476,130
Additions	11,962,360
At 31 October 2020	<u>65,438,490</u>

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Lumon Pay Ltd	Building 1 Chalfont Park Chalfont Park, Chalfont St. Peter, Gerrards Cross, England, SL9 0BG	Foreign currency dealing	Ordinary	100%
Currency Direct Limited	Building 1 Chalfont Park Chalfont Park, Chalfont St. Peter, Gerrards Cross, England, SL9 0BG	Dormant	Ordinary	100%
Lumon Risk Management Ltd	Building 1 Chalfont Park Chalfont Park, Chalfont St. Peter, Gerrards Cross, England, SL9 0BG	Foreign currency dealing	Ordinary	100%
Pure FX Limited	Building 1 Chalfont Park Chalfont Park, Chalfont St. Peter, Gerrards Cross, England, SL9 0BG	Foreign currency dealing	Ordinary	100%
Lumon Exchange Ltd	Building 1 Chalfont Park Chalfont Park, Chalfont St. Peter, Gerrards Cross, England, SL9 0BG	Foreign currency dealing	Ordinary	100%
Lumon FX Europe Limited	98 Baggot Street Lower Dublin 2 D02 AE24	Foreign currency dealing	Ordinary	100%

Since the year end the group has initiated the dissolution of Currency Direct Limited and Pure FX Limited.

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**16. Debtors**

	<b>Group 2020 £</b>	<i>As restated</i> <b>Group 2019 £</b>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Trade debtors	1,152,158	1,006,105	-	-
Amounts owed by group undertakings	-	-	2,222,003	-
Other debtors	4,128,456	5,528,110	-	-
Prepayments and accrued income	379,790	423,233	-	-
	<u>5,660,404</u>	<u>6,957,448</u>	<u>2,222,003</u>	<u>-</u>

The group's other debtors include £1,440,085 (2019 - £2,179,978) deposited with the group's bankers as collateral security.

**17. Cash and cash equivalents**

	<b>Group 2020 £</b>	<i>As restated</i> <b>Group 2019 £</b>
Cash at bank and in hand	5,405,812	3,845,517
Less: bank overdrafts	-	(83,172)
	<u>5,405,812</u>	<u>3,762,345</u>

The cash at bank and in hand balance excludes £43,979,820 (2019 - £38,822,948 as restated) of cash held on behalf of clients.

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**18. Creditors: Amounts falling due within one year**

	<b>Group</b>	<i>As restated</i> <b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdrafts	-	83,172	-	-
Trade creditors and commission retentions	<b>754,480</b>	999,510	-	-
Amounts owed to group undertakings	-	-	<b>8,632,830</b>	2,858,414
Corporation tax	<b>500,148</b>	325,344	<b>21,500</b>	-
Other taxation and social security	<b>3,271,515</b>	664,326	-	-
Monies due to clients	<b>2,271,641</b>	504,751	-	-
Other creditors	<b>6,390,071</b>	1,932,844	<b>4,900,000</b>	739,416
Accruals and deferred income	<b>16,497,181</b>	7,250,483	<b>14,439,659</b>	6,145,447
	<b>29,685,036</b>	11,760,430	<b>27,993,989</b>	9,743,277

**19. Financial instruments**

	<b>Group</b>	<i>As restated</i> <b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>5,280,614</b>	6,534,215	<b>2,222,003</b>	-
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>9,416,192</b>	3,520,277	<b>13,532,830</b>	3,597,830

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors and commission retentions, monies due to clients, amounts owed to group undertakings and other creditors.

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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FOR THE YEAR ENDED 31 OCTOBER 2020**

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**20. Deferred taxation**

**Group**

	<b>2020 £</b>
At beginning of year	<b>58,574</b>
Charged to the Consolidated statement of comprehensive income	<b>(291,629)</b>
Arising on business combinations	<b>296,248</b>
<b>At end of year</b>	<b>63,193</b>

The provision for deferred taxation is made up as follows:

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
Accelerated capital allowances	<b>63,193</b>	<i>58,574</i>
	<b>63,193</b>	<i>58,574</i>

**21. Share capital**

	<b>2020 £</b>	<i>2019 £</i>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
125,622 (2019 - 125,622) Ordinary A shares of £0.01 each	<b>1,256</b>	<i>1,256</i>
32,361 (2019 - 25,633) Ordinary B shares of £0.01 each	<b>324</b>	<i>256</i>
50,682,742 (2019 - 48,603,646) Preference shares of £0.01 each	<b>506,827</b>	<i>486,037</i>
10,500 (2019 - 10,500) Ordinary C shares of £0.01 each	<b>105</b>	<i>105</i>
5,965 (2019 - 5,965) Ordinary B1 shares of £0.01 each	<b>60</b>	<i>60</i>
	<b>508,572</b>	<i>487,714</i>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**21. Share capital (continued)**

On 28 July 2020, 6,728 Ordinary B shares of £0.01 each were issued at a premium of £6,661, and 2,079,096 Preference shares of £0.01 each were issued at a premium of £2,058,305.

Ordinary A shares have full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

Ordinary B shares have dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption or voting rights.

Preference shares have a fixed cumulative preference dividend at a rate of 12% and capital distribution (including on winding up) rights. They do not confer any rights of redemption or voting rights. If a dividend is not paid a shortfall is provided in accruals.

Ordinary C shares have dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption or voting rights.

Ordinary B1 shares have full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

**22. Reserves**

**Share premium account**

Share premium includes excess amount received by a company over the par value of its shares.

**Profit and loss account**

Profit and loss account includes all current and prior year retained profits and losses.

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**LUMON HOLDINGS LTD (PREVIOUSLY KNOWN AS CURRENCY HOLDINGS LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**23. Business combinations**

On 2 June 2020, the company acquired 100% of the Ordinary share capital of Lumon Exchange Ltd for a total consideration of £8,476,535.

**Acquisition of Lumon Exchange Ltd**

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £	Fair value £
<b>Fixed assets</b>		
Tangible	1,831	1,831
Intangible	317,603	317,603
	<u>319,434</u>	<u>319,434</u>
<b>Current assets</b>		
Debtors	52,638,041	52,638,041
Cash at bank and in hand	2,330,203	2,330,203
	<u>55,287,678</u>	<u>55,287,678</u>
<b>Total assets</b>	<u>55,287,678</u>	<u>55,287,678</u>
<b>Creditors</b>		
Due within one year	(47,816,514)	(47,816,514)
Deferred taxation	(296,248)	(296,248)
	<u>7,174,916</u>	<u>7,174,916</u>
<b>Total identifiable net assets</b>	<u>7,174,916</u>	<u>7,174,916</u>
Goodwill		1,301,620
<b>Total purchase consideration</b>		<u>8,476,536</u>
<b>Consideration</b>		
		£
Cash		5,350,000
Deferred consideration		2,250,000
Directly attributable costs		876,536
<b>Total purchase consideration</b>		<u>8,476,536</u>

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**23. Business combinations (continued)**

The results of Lumon Exchange Ltd since acquisition are as follows:

	Current period since acquisition £
Turnover	1,547,527
Loss for the period since acquisition	(1,525,480)

**24. Prior year adjustment**

**Open trades with customers and counterparty liabilities**

In the prior year, open trades with customers and counterparty liabilities were recognised at the gross value of currency transactions undertaken.

However, the directors have reassessed the group's operations and consider that it acts as an intermediary given that its exposure to all significant risks is mitigated through the ability to resell currency back to the counterparty where there are unfulfilled client transactions. Furthermore, the group has a right to offset client trade assets and liabilities, and bank side assets and liabilities. Therefore the group has adopted a net presentation in respect of the above financial instruments.

**Cash and cash equivalents**

Prior year balances have been restated to exclude amounts held on behalf of clients as segregated client accounts cannot produce economic benefits for the reporting entity.

The above restatements have no impact on previously reported net assets or profits or losses. The impact of the above restatements on balances is summarised as below:

- Decrease in debtors by £161,573,475.
- Decrease in creditors by £181,174,773.
- Decrease in cash and cash equivalents by £38,822,948.

**25. Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £190,099 (2019 - £54,817). Outstanding contributions at the reporting date were £289 (2019 - £10,524).

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**26. Commitments under operating leases**

At 31 October 2020 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
<b>Land and building</b>		
Not later than 1 year	<b>646,493</b>	711,350
Later than 1 year and not later than 5 years	<b>521,846</b>	1,015,286
	<b><u>1,168,339</u></b>	<b><u>1,726,636</u></b>
	<b>Group 2020 £</b>	<b>Group 2019 £</b>
<b>Others</b>		
Not later than 1 year	<b>19,871</b>	54,083
Later than 1 year and not later than 5 years	<b>50,098</b>	69,969
	<b><u>69,969</u></b>	<b><u>124,052</u></b>

**27. Other financial commitments**

The fair value of open contracts with counterparties and the related contracts with customers is not separately disclosed as at 31 October 2020. Counterparty forward contracts are offset back to back with corresponding customer contracts and accordingly no fair value variation arises.

In the opinion of the directors the group's liability to its counterparties in respect of outstanding currency transactions at the year end, was fully covered by monies received and amounts receivable from clients.

**28. Transactions with directors**

At the reporting date, a former director of a group subsidiary was owed £Nil (2019 - £739,416) by the group.

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**29. Related party transactions**

The company has taken advantage of the exemption allowed by FRS 102 not to disclose any transactions with its subsidiary companies that are wholly owned.

Currency sales in the year include sales with an aggregate deal value of £125,834 (2019 - £756,640) related to trading with directors and their families.

Currency sales in the year included sales with an aggregate deal value of £39,487,103 (2019 - £521,769,284) related to trading with companies with common ownership.

Management fees amounting to £Nil (2019 - £59,945) were incurred from a company with common ownership and £Nil (2019 - £Nil) was due to that company at the reporting date.

Only the directors are considered to be key management and therefore the remuneration of key management is as disclosed for directors.

**30. Post balance sheet events**

On 1 December 2020 the share capital in the Company was transferred to Lumon Acquisitions Limited (formerly Brockle Acquisitions Limited).

At the date of approval of these accounts, the COVID-19 pandemic remains prevalent in the UK. It is not possible to accurately predict the duration or magnitude of any potential consequences as a result of the pandemic at this time.

There are no other subsequent events that require disclosure or adjustments to the financial statements.

**31. Controlling party**

On 1 December 2020, the company became a wholly owned subsidiary of Lumon Acquisitions Limited, a company incorporated in Jersey.

Lumon Holdings Limited is the smallest and largest group which prepares consolidated accounts.

The ultimate controllers of this company at the Statement of financial position date were PSC III, L.P a fund which is managed by Pollen Street Capital Limited, a company incorporated in England and Wales.