

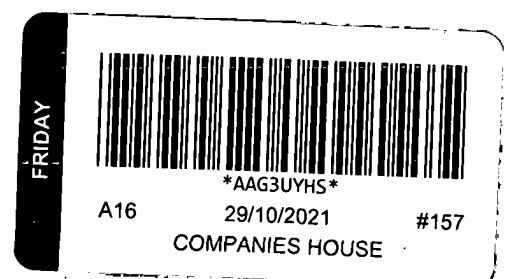
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**LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN  
EXCHANGE LTD)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 OCTOBER 2020**



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**LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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**COMPANY INFORMATION**

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<b>Directors</b>	M J Bennett C J Geall S Hodgson
<b>Registered number</b>	03910588
<b>Registered office</b>	Building 1 Chalfont Park Chalfont St. Peter Gerrards Cross England SL9 0BG
<b>Independent auditors</b>	Barnes Roffe LLP Chartered Accountants & Statutory Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

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## LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)

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### STRATEGIC REPORT FOR THE PERIOD ENDED 31 OCTOBER 2020

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#### Introduction

The directors present their Strategic report for the period ended 31 October 2020. During the period, Lumon Exchange Ltd changed its accounting reference date from 30 September 2020 to 31 October 2020. Therefore the financial Statements are for a 13-month period, and the comparative numbers to 30 September 2019 are for a 15-month period.

#### Business review

2020 was a period of significant change for the company as it was acquired by Lumon Acquisitions Limited in June 2020 following the acquisition of its parent company Earthport plc by Visa Inc.

This acquisition has resulted in the company being integrated into a wider group whose investment and management agenda is focused on technology enhancements, digital customer servicing and growth.

During 2020 the Company also felt the impact of COVID-19 from a turnover perspective due to a corresponding reduction in business activity which was felt particularly across clients who core activities related to the travel sector and this is reflected in the reduction of revenue from period to period. The directors believe that this impact will be short term and that the continued investments made in the digital platform and customer servicing journey will enable the company to take advantage of opportunities that will arise once COVID-19 restrictions are lifted.

The Company's key performance indicators are:

	2020 (£)	2019 (£)
Revenue:	5,145,767	9,085,916
EBITDA:	604,573	1,460,375
Cash:	3,085,316	6,329,680
Shareholders' funds:	5,522,545	5,188,865

The directors have assessed the challenges, threats and opportunities presented by both Brexit and COVID-19 and consider the Company is well positioned to continue operations beyond 31 October 2020.

#### Risks and uncertainties

The Company operates in a competitive environment affected, amongst other things, by the impact of macro-economic factors on the propensity of our customers to buy the services we offer and by the activities of our competitors. The Company also operates in an environment of ever-increasing compliance obligations from both regulators and suppliers which increases the Company's cost base and can impact upon the type of business that can be serviced. Changes in economic conditions will affect the level of demand for our services. The competitive risk from the activities of our competitors manifests itself in price pressure and reduced margins.

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## LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD 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 Company's strategy and growth objectives and management of risks within risk appetite. The Board Risk, Assurance and Compliance Committee provides oversight of the Company'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 Company 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 Company runs credit risk in relation to customers or counterparties who fail to honour their obligations to the Company 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 Company. This is mitigated through the Company's concentration risk framework which considers exposure to customers, sectors or jurisdictions, and credit underwriting and assessment processes which set and monitor customer credit limits and margin requirements daily.

#### **Regulatory risk**

The Company operates in a regulatory environment which is characterised by changing legislation and regulation which may impact on the Company'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 Company's Risk and Compliance function undertakes appropriate horizon scans to manage the introduction of future regulation.

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

The Company is actively engaged in the industry body for FX brokerages and supports proactive engagement with the regulator to develop and promote best practice across the sector.

#### **Operational risk**

The Company 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 Company's operational risk management procedures are designed to provide a controlled operating environment and minimise operational risk.

#### **Liquidity risk**

The Company 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 Company's cash generation and funding profile alongside future commitments facilitates a robust approach to liquidity risk management. The company operates as a matched principal brokerage and its banking counterparties are essential for the services that the firm offers. These relationships are managed through the Chief Financial Officer to ensure that any of the business decisions which may impact on them are considered by the Executive and the Board.

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**LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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

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**Key Performance Indicators**

In addition to the monthly management accounts and information that is produced and monitored against the Company's plan and the previous year's performance, the Board uses Key Performance Indicators ("KPIs") in the management of the key risks of the business and as a measure of the business efficiencies of the Company. The Board considers revenue, EBITDA, cash and shareholders' funds as key performance indicators.

**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 is not 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 this risk is managed appropriately.

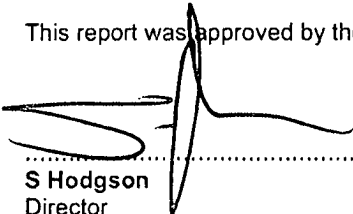
**Future developments**

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 company, through continued focus on our clients and increased investment.

The progression of COVID-19 has demonstrated that the steps taken within operational set up have been effective, even in the current crisis. Customer orders and support can be managed remotely, and whilst COVID-19 continues to impact the firm's operating environment in 2021, the steps taken to adapt the operational set up have been successful.

The company is fully operational whilst working remotely and 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 EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)

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

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

#### Directors' responsibilities statement

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 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 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 for the Company'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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

#### Going concern assumption

The financial statements have been prepared on a going concern basis. The directors have considered the factors that impact the company's future development, performance, cash flows and financial position in forming their opinion on the going concern basis. The directors believe that the company has 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

The profit for the period, after taxation, amounted to £333,680 (2019 - £1,190,598 as restated).

#### Directors

The directors who served during the period were:

M J Bennett (appointed 2 June 2020)

T A Bownes (appointed 2 June 2020, resigned 31 August 2021)

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## **LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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

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C J Geall (appointed 2 June 2020)  
C N Butler (resigned 2 June 2020)  
A Filshie (resigned 3 April 2020)  
M D Gowland (resigned 2 June 2020)  
L L K Kuo (resigned 2 June 2020)  
P J Sherman (appointed 2 June 2020, resigned 9 July 2020)  
S Hodgson (appointed 18 August 2021)

#### **Change of name**

The company passed a written resolution on 24 June 2020 to change its name from Earthportfx Limited to Infinity Foreign Exchange Ltd.

The company passed a further written resolution 20 August 2021 to change its name from Infinity Foreign Exchange Ltd to Lumon Exchange Ltd.

#### **Matters covered in the strategic report**

The company has chosen in accordance with the section 414C of the Companies Act 2006, to set out the following information which would otherwise be required to be continued in the Directors' report within the Strategic report; financial key performance indicators and future developments in the business.

#### **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'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's auditors are aware of that information.

#### **Post balance sheet events**

On 1 December 2020 the share capital in the Company was transferred from Lumon Holdings Ltd (formerly Currency Holdings Limited) 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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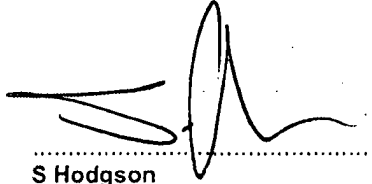
**LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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

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



**S Hodgson**  
Director



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## **LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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#### **Opinion**

We have audited the financial statements of Lumon Exchange Ltd (formerly known as Infinity Foreign Exchange Ltd) (the 'Company') for the period ended 31 October 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement 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 Company's affairs as at 31 October 2020 and of its profit for the period 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 Company 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 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 EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD) (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 Strategic report and the Directors' report for the financial period 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.

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

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 material misstatements in the 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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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**LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD) (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 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.

**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 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.

Barnes Roffe LLP

Elliot S J Arwas (Senior statutory auditor)  
for and on behalf of  
**Barnes Roffe LLP**  
Chartered Accountants & Statutory Auditors  
3 Brook Business Centre  
Cowley Mill Road  
Uxbridge  
Middlesex  
UB8 2FX  
Date:

29th October 2021

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**LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

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		<b>Period ended 31 October 2020 £</b>	<i>As restated Period ended 30 September 2019 £</i>
Turnover	3	<b>5,145,767</b>	9,085,916
Cost of sales		<b>(1,077,731)</b>	(1,659,355)
<b>Gross profit</b>		<b>4,068,036</b>	7,426,561
Administrative expenses		<b>(3,670,714)</b>	(6,232,000)
<b>Operating profit</b>	5	<b>397,322</b>	1,194,561
Interest receivable and similar income	9	<b>3,093</b>	24
Interest payable and expenses	10	<b>(901)</b>	(3,987)
<b>Profit before tax</b>		<b>399,514</b>	1,190,598
Tax on profit	11	<b>(65,834)</b>	-
<b>Profit for the financial period</b>		<b>333,680</b>	1,190,598
 <b>Total comprehensive income for the period</b>		 <b>333,680</b>	 1,190,598

The notes on pages 15 to 28 form part of these financial statements.

**LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**  
**REGISTERED NUMBER: 03910588**

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

			31 October 2020	As restated 30 September 2019
	Note	£	£	£
<b>Fixed assets</b>				
Intangible assets	12		251,574	447,523
Tangible assets	13		853	3,397
			<u>252,427</u>	<u>450,920</u>
<b>Current assets</b>				
Debtors: amounts falling due within one year	14	3,845,176	1,032,399	
Cash at bank and in hand	15	3,085,316	6,329,680	
		<u>6,930,492</u>	<u>7,362,079</u>	
Creditors: amounts falling due within one year	16	(1,660,374)	(2,624,134)	
<b>Net current assets</b>			<u>5,270,118</u>	<u>4,737,945</u>
<b>Total assets less current liabilities</b>			<u>5,522,545</u>	<u>5,188,865</u>
<b>Net assets</b>			<u><u>5,522,545</u></u>	<u><u>5,188,865</u></u>
<b>Capital and reserves</b>				
Called up share capital	18	583,338	583,338	
Share premium account	19	4,696,396	4,696,396	
Profit and loss account	19	242,811	(90,869)	
		<u>5,522,545</u>	<u>5,188,865</u>	

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LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)  
REGISTERED NUMBER: 03910588

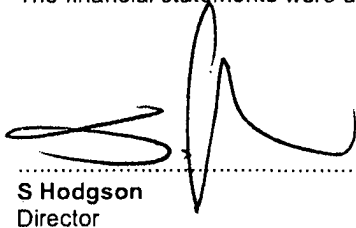
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STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 OCTOBER 2020

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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

The notes on pages 15 to 28 form part of these financial statements.

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**LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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

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	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2019 (as previously stated)	<b>583,338</b>	<b>4,696,396</b>	<b>1,947,724</b>	<b>7,227,458</b>
Prior year adjustment	-	-	<b>(2,038,593)</b>	<b>(2,038,593)</b>
At 1 October 2019 (as restated)	<b>583,338</b>	<b>4,696,396</b>	<b>(90,869)</b>	<b>5,188,865</b>
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	<b>333,680</b>	<b>333,680</b>
<b>Total comprehensive income for the period</b>	-	-	<b>333,680</b>	<b>333,680</b>
<b>At 31 October 2020</b>	<b>583,338</b>	<b>4,696,396</b>	<b>242,811</b>	<b>5,522,545</b>

The notes on pages 15 to 28 form part of these financial statements.

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**LUMON EXCHANGE LTD (FORMERLY KNOWN AS INFINITY FOREIGN EXCHANGE LTD)**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2018 (as previously stated)	583,338	4,696,396	(205,898)	5,073,836
Prior year adjustment	-	-	(1,075,569)	(1,075,569)
At 1 July 2018 (as restated)	<u>583,338</u>	<u>4,696,396</u>	<u>(1,281,467)</u>	<u>3,998,267</u>
<b>Comprehensive income for the period</b>				
Profit for the period (as restated)	-	-	1,190,598	1,190,598
<b>Total comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>1,190,598</u>	<u>1,190,598</u>
<b>Total transactions with owners</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 30 September 2019 (as restated)</b>	<u><u>583,338</u></u>	<u><u>4,696,396</u></u>	<u><u>(90,869)</u></u>	<u><u>5,188,865</u></u>

The notes on pages 15 to 28 form part of these financial statements.



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

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**1. General information**

Lumon Exchange Ltd is a company limited by shares, incorporated in England and Wales. The address of the registered office is Building 1 Chalfont Park, Chalfont St. Peter, Gerrards Cross, England, SL9 0BG.

The company specialises in provision of cross border payment services and the provision of foreign currency exchange related products.

**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, and on the assumption that the company is a going concern.

These financial statements for the period ended 31 October 2020 are the first financial statements that comply with FRS 102. The date of transition is 1 July 2018.

The policies applied under the entity's previous accounting framework, IFRS as adopted by European Union, are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The financial statements present the results for thirteen month period from 1 October 2019 to 31 October 2020. The comparative period is the fifteen month period from 1 July 2018 to 30 September 2019.

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. The directors have considered the factors that impact the company's future development, performance, cash flows and financial position in forming their opinion on the going concern basis. The directors believe that the company has 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.

**2.3 Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flow, on the basis that it is a qualifying entity and the consolidated statement of cash flow, included in these financial statements, includes the company's cash flows;
- from disclosing the company key management personnel compensation as required by FRS 102 paragraph 33.

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

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue consists of the margin generated from the sale of foreign currency to clients. Margin is calculated from the sales price agreed with the client minus the purchase price agreed with the counterparty who are providing the FX dealing facility.

**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.

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

Depreciation is provided on the following basis:

Office equipment	- 3-5 years straight line
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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 Intangible assets**

**Other intangible assets**

Intangible assets are initially measured at cost. After recognition, 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.

Included within other intangibles are computer software and customer lists which are being amortised over their useful lives of five years.

Other intangible fixed assets relate to the acquisition of a client base. The amortisation period is over five years. At each reporting date an impairment review is undertaken, and any impairment loss is recognised immediately in the Statement of comprehensive income.

**2.7 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.

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**2. Accounting policies (continued)**

**2.8 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.

**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.

**2.10 Operating leases: the Company 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.

**2.11 Client monies owed**

Amounts owed to clients comprise amounts received in advance from clients in respect of foreign exchange transactions prior to the maturity date of a trade and currency owed by financial institutions after maturity date awaiting disbursement.

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**2. Accounting policies (continued)**

**2.12 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 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 counterparty and clients 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 amounts and as a result immaterial to the financial statements.

**2.13 Interest income**

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

**2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.15 Pensions**

**Defined contribution pension plan**

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

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

**2.16 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the 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 best estimate of the recoverable amount, which is an approximation of the amount that the Company 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.

**2.17 Taxation**

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.

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

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 experience and other factors that are considered to be relevant. Actual results may differ from their estimates.

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

**Impairment of intangibles**

Management uses judgement in determining whether there are any indicators of impairment to the company's intangible assets. 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 company for the period and prior period have been derived from its principal activity that is wholly undertaken in the United Kingdom.

**5. Operating profit**

The operating profit is stated after charging:

	<b>Period ended 31 October 2020</b>	<b>Period ended 30 September 2019</b>
	<b>£</b>	<b>£</b>
Depreciation of plant and equipment	<b>2,544</b>	<b>6,091</b>
Foreign exchange loss	<b>28,349</b>	<b>68,604</b>
Amortisation of intangible assets	<b>204,707</b>	<b>259,723</b>

**6. Auditors' remuneration**

	<b>Period ended 31 October 2020</b>	<b>Period ended 30 September 2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor for the audit of the Company's financial statements	<b>14,865</b>	<b>18,000</b>

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7. Employees

Staff costs were as follows:

	Period ended 31 October 2020 £	Period ended 30 September 2019 £
Wages and salaries	1,360,633	1,446,560
Social security costs	162,945	292,442
Cost of defined contribution scheme	62,982	75,208
	<u>1,586,560</u>	<u>1,814,210</u>

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

	Period ended 31 October 2020 No.	Period ended 30 September 2019 No.
Selling	12	12
Administration	8	12
	<u>20</u>	<u>24</u>

8. Directors' remuneration

There was no remuneration paid to the directors in the current period (*period ended 30 September 2019 - £Nil*).

9. Interest receivable

	Period ended 31 October 2020 £	Period ended 30 September 2019 £
Other interest receivable	3,093	24
	<u>3,093</u>	<u>24</u>

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10. Interest payable and similar expenses

	Period ended 31 October 2020 £	Period ended 30 September 2019 £
Bank interest payable	901	3,987
	<u>901</u>	<u>3,987</u>

11. Taxation

	Period ended 31 October 2020 £	As restated Period ended 30 September 2019 £
Corporation tax		
Current tax on profits for the period	65,834	-
Total current tax	<u>65,834</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>65,834</u>	<u>-</u>



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11. Taxation (continued)

Factors affecting tax charge for the period

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

	Period ended 31 October 2020 £	As restated Period ended 30 September 2019 £
Profit on ordinary activities before tax	399,514	1,190,598
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	75,908	226,214
Effects of:		
Expenses not deductible for tax purposes	127	51,258
Capital allowances for year in excess of depreciation	483	-
Utilisation of parent company losses	-	(277,471)
Other timing differences leading to a decrease in taxation	(10,684)	(1)
Total tax charge for the period	65,834	-

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.

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12. Intangible assets

	On-line system £
<b>Cost</b>	
At 1 October 2019	2,552,367
Additions	8,758
At 31 October 2020	<u>2,561,125</u>
<b>Amortisation</b>	
At 1 October 2019	2,104,844
Charge for the period	204,707
At 31 October 2020	<u>2,309,551</u>
<b>Net book value</b>	
At 31 October 2020	<u><u>251,574</u></u>
At 30 September 2019	<u><u>447,523</u></u>

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**13. Tangible fixed assets**

	Office equipment £
<b>Cost</b>	
At 1 October 2019	281,793
At 31 October 2020	<u>281,793</u>
<b>Depreciation</b>	
At 1 October 2019	278,396
Charge for the period	2,544
At 31 October 2020	<u>280,940</u>
<b>Net book value</b>	
At 31 October 2020	<u>853</u>
At 30 September 2019	<u>3,397</u>

**14. Debtors**

	31 October 2020 £	As restated 30 September 2019 £
Amounts owed by group undertakings	3,501,995	-
Other debtors	336,649	865,375
Prepayments	6,532	167,024
	<u>3,845,176</u>	<u>1,032,399</u>

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**15. Cash and cash equivalents**

	<b>31 October 2020 £</b>	<i>30 September 2019 £</i>
Cash at bank and in hand	<b>3,085,316</b>	6,329,680
	<b><u>3,085,316</u></b>	<u>6,329,680</u>

The cash at bank and in hand balance excludes £9,861,054 (2019 - £10,527,467) of cash held on behalf of clients.

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

	<b>31 October 2020 £</b>	<i>As restated 30 September 2019 £</i>
Trade creditors	<b>259,225</b>	76,278
Amounts owed to group undertakings	-	4,337
Corporation tax	<b>64,838</b>	-
Other taxation and social security	<b>186,290</b>	32,444
Other creditors	<b>585,325</b>	2,207,830
Accruals	<b>564,696</b>	303,245
	<b><u>1,660,374</u></b>	<u>2,624,134</u>

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17. Financial instruments

	31 October 2020 £	As restated 30 September 2019 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>3,838,644</u>	<u>865,375</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>844,550</u>	<u>2,288,445</u>

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 trade creditors, amounts owed to group undertakings, monies due to clients and other creditors.

18. Share capital

	31 October 2020 £	30 September 2019 £
<b>Allotted, called up and fully paid</b>		
58,333,751 Ordinary shares shares of £0.01 each	<u>583,338</u>	<u>583,338</u>

19. 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 period retained profits and losses.

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company, in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £62,982 (*period ended 30 September 2019 - £75,208*). Contributions totalling £12,236 (*30 September 2019 - £5,650*) were payable at the reporting date and are included in other creditors.

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**21. Related party transactions**

The company has taken advantage of the exemption allowed by Financial Reporting Standard 102 not to disclose any transactions with its immediate parent undertaking and other members of the group that are wholly owned.

At the period end the company owed Visa Payments Limited (formerly Earthport Limited), the former parent company, £1,967 (2019 - £4,337). During the period the company made purchases from Visa Payments Limited of £Nil (period ended 30 September 2019 - 78,245,837) and had recharged management fees of £Nil (period ended 30 September 2019 - £2,636,251).

**22. Prior year restatement**

**Forward contracts with customers and counterparties**

In the prior period, forward contracts with counterparties and clients were recognised at fair value through profit and loss. In the current period, the revaluation gains and losses on forward contracts with counterparties and clients have been 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 amounts and as a result immaterial to the financial statements.

The impact of the restatement on previously reported profit and net assets is a reduction of £963,024 and £2,038,593 respectively as a result of unwinding fair value adjustments from prior periods. The restatement has also resulted in the derecognition of a previously recorded deferred tax liability amounting of £159,149 in the prior period as this was calculated based on the net derivative position.

**23. Post balance sheet events**

On 1 December 2020 the share capital in the Company was transferred from Lumon Holdings Ltd (formerly Currency Holdings Limited) 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.

**24. Ultimate parent undertaking and controlling party**

The company is a wholly owned subsidiary of Lumon Acquisitions Limited, the immediate parent undertaking, a company incorporated in Jersey.

The company's financial statements for the period to 31 October 2020 are consolidated in the accounts of Lumon Holdings Limited, available at Companies House, Crown Way, Cardiff, CF14 3UZ.

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.