

# luQen

**Financial Report**

# 1. Financial Position & Funding

## 1.1. Financial Summary

Lumen projects a positive cash flow from operations at the end of Y3, following the launch of our Figma Plugin in Y2 and the Lumen Platform in Y3.

	Year 1	Year 2	Year 3
Revenue (£)	0	172,682	701,502
EBITDA (£)	(161,370)	167,791	671,183
Net Profit (£)	(161,370)	(227,708)	124,156
Total Active Users	944	3,710	17,811

Figure 1: Summary of Finances for Years 1 to 3 (July 2025 - June 2028) from our P&L sheet [1].

## 1.2. Funding Summary

Lumen requires around £500k in funding within the first 2 years, primarily to support product development, marketing, and scaling, as described in Figure 2. Across these 2 years, funding will be achieved through personal contributions, grants, competitions, and angel investment. To further reinforce Lumen’s funding requirements, we conducted sensitivity tests in our financial projections and found that the proposed values detailed in this report cover an array of scenarios which could negatively impact our business plan.

	Year 1 Pre-Seed	Year 2 Seed
Funding Amount	<b>£200,000</b>	<b>£300,000</b>
Funding Sources	<b>£12k</b> Personal Contributions <b>£15k</b> Competitions <b>£172k</b> Grants	<b>£20k</b> Grants <b>£25k</b> Competitions <b>£250k</b> Angel Investment
Purpose	<ul style="list-style-type: none"> <li>• Pay salaries of Co-Founders.</li> <li>• Hire a FT Prompt Engineer.</li> <li>• Contracting UI/UX Experts for data acquisition and HITL model training.</li> <li>• Lumen L1 Model training costs.</li> <li>• Marketing for the Developer Program and Figma Plugin.</li> <li>• Cover technical infrastructure costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Pay salaries of Co-Founders.</li> <li>• Acquiring office space.</li> <li>• Hire 2 Developers and a Marketing Director.</li> <li>• Lumen L2 and L2.5 Model training costs.</li> <li>• Marketing for the Figma Plugin and the Lumen Platform.</li> <li>• Cover technical infrastructure costs.</li> </ul>
Milestones	<ul style="list-style-type: none"> <li>• Creation of the Lumen L0 Model.</li> <li>• Launch of the Lumen Developer Program.</li> <li>• Creation of the Lumen L1 Model.</li> <li>• Launch of the Lumen Figma Plugin.</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of the Lumen L2 Model.</li> <li>• Launch of the Lumen Platform.</li> <li>• Upgrading Lumen L2 to L2.5.</li> </ul>

Figure 2: Summary of Funding for Years 1 and 2 (July 2025 - June 2027)

## Y1 Funding

In Y1, Lumen aims to develop its initial models and Figma Plugin, testing these with Developer Program users while building traction ahead of the Y2 launch. A Prompt Engineer will be hired to train the models and UI/UX Experts will be contracted to facilitate early data acquisition and Human-in-the-loop (HITL) model training. Given that development is primarily in-house, employee salaries are the main expense in Y1.

No revenue will be generated in Y1 and so funding will begin with £12k of personal contributions from the co-founders, followed by ~£187k from grants and competitions, minimising equity dilution in Y1. We have prioritised AI, Creative Industries, and Tech focused grants [2], [3], [4], [5], since they are better aligned with our funding requirements and are more structured and time efficient than competitions.



Figure 3: Example grants and competitions [6], [7], that will be targeted for funding in Y1 and Y2.

## Y2 Funding

After launching the Figma Plugin, the objective of Y2 is to refine the Lumen Models and develop, while generating traction for, the Lumen Platform. To deliver on this, 2 Developers are hired along with a Marketing Director, with both marketing and R&D spending scaled accordingly, as shown in Figure 4.

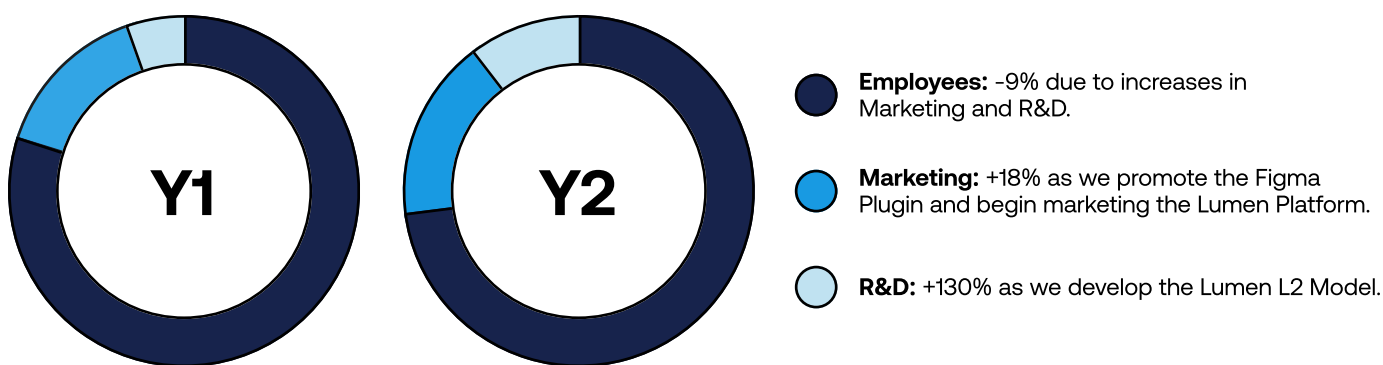


Figure 4: Breakdown of how the acquired funding will be spent in Y1 and Y2. The percentage changes for each category are relative to the corresponding category share in the previous year.

Lumen aims to raise £250k from EIS-backed Angel Investment in a Seed funding round following the launch of our Figma Plugin, leveraging early traction to demonstrate our growth potential and secure funding. Due to the overall amount of funding required and the potential for less equity dilution, angel investment is preferred for Lumen. While the Figma Plugin generates revenue during this period, Lumen will also raise £45k from grants and competitions to supplement funding.

# 2. Reflection

## 2.1. Team Reflection

Throughout the ERO module, the Lumen team has worked very well together with each team member contributing equally. This has been achieved through transparent communication and fair division of work items, both during development and producing the deliverables for the module. Collectively, the team are proud of Lumen and are excited to develop it further in the future.

## 2.2. Individual Reflections

### Ankita's Reflection

Speaking with countless freelancers and clients while working on Lumen helped me understand the multifaceted nature of building a viable business and how all stakeholders need to be carefully considered and involved. This is a very valuable skill which I will carry forward in my future entrepreneurial endeavours.

### Hauwa's Reflection

Through developing Lumen, I have learnt how to balance and implement user feedback effectively while ensuring I am not too reactive to all user insights. This has been particularly useful during product development as it taught me how to provide flexibility for pivoting and introducing new aspects efficiently.

### Aishwarya's Reflection

Owing to this project, I have realised how multidisciplinary creating a startup is and the sheer volume of things that need to be done. These learnings have helped me get better at delegating, prioritising and putting measures in place to maximise team efficiency - all of which will be ever-present team-working skills for me in the future.

### Leon's Reflection

Working on Lumen has given me the opportunity to practice my communication and boundary setting skills, especially when working with a group of friends. Being able to decouple professional and personal interactions was a particular benefit I have taken from this project.

### Saian's Reflection

As the CFO of Lumen, I have challenged and enhanced my understanding of financial strategy. This has given me the ability to better align concept development with business viability, which I am looking forward to applying throughout my career, particularly when justifying the business benefit of my ideas.

### 3. References

[1] The Lumen P&L Sheet (2025). [online] Available at: [https://docs.google.com/spreadsheets/d/1pjhSY-HuLA1hbweySwWoaTr82ay2bAcd\\_9qDBGohbJQ/edit?usp=sharing](https://docs.google.com/spreadsheets/d/1pjhSY-HuLA1hbweySwWoaTr82ay2bAcd_9qDBGohbJQ/edit?usp=sharing)

[2] Innovate UK. (2024). AI In The Creative Industries Grant. [online] Available at: <https://iuk-business-connect.org.uk/opportunities/amplifying-imagination-ai-in-the-creative-industries/>

[3] Innovate UK. (2025). Women In Innovation Grant. [online] Available at: <https://iuk-business-connect.org.uk/programme/women-in-innovation/>

[4] Women Tech EU Grant. (2025). [online] Available at: <https://womentecheuropa.eu/about/>

[5] Innovate UK. (2024). Creative Catalyst Grant. [online] Available at: <https://www.ukri.org/what-we-do/browse-our-areas-of-investment-and-support/creative-catalyst/>

[6] Santander X. (2024). Santander X United Kingdom Award, University Category. [online] Available at: <https://app.santanderx.com/calls/santander-x-united-kingdom-award-uk-2024-university-category>

[7] Mayor's Fund for London. (2024). The Mayor's Entrepreneur Competition. [online] Available at: <https://www.mayorsfundforlondon.org.uk/employability-skills/mayors-entrepreneur-competition/>

# Appendix

## P&L from July 2025 to June 2028

	Year 1 (25-26)	Phase 1: Development of Basic Model (L0) & Figma Plugin						Phase 2: Testing Figma Plugin & Advanced Model Development (L1)						
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Cost of Goods Sold (COGS)	(2,558)	0	0	0	0	0	0	(256)	(315)	(381)	(450)	(527)	(629)	
<b>= Gross Profit</b>	<b>(2,558)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(256)</b>	<b>(315)</b>	<b>(381)</b>	<b>(450)</b>	<b>(527)</b>	<b>(629)</b>	
<i>Gross Margin</i>														
- Sales & Marketing	(25,100)	(1,210)	(1,050)	(1,103)	(1,158)	(1,216)	(1,276)	(1,678)	(1,745)	(1,815)	(1,939)	(2,364)	(8,548)	
- Research & Development	(5,838)	0	0	0	0	0	0	0	0	0	0	0	(5,838)	
- General & Admin	(4,989)	(384)	(384)	(384)	(384)	(384)	(384)	(384)	(384)	(384)	(512)	(512)	(512)	
- Employees	(122,885)	(8,280)	(8,280)	(8,280)	(8,280)	(8,280)	(8,280)	(9,280)	(9,280)	(9,280)	(16,455)	(14,455)	(14,455)	
<b>= EBITDA</b>	<b>(161,370)</b>	<b>(9,874)</b>	<b>(9,714)</b>	<b>(9,766)</b>	<b>(9,821)</b>	<b>(9,879)</b>	<b>(9,940)</b>	<b>(11,597)</b>	<b>(11,723)</b>	<b>(11,860)</b>	<b>(19,356)</b>	<b>(17,858)</b>	<b>(29,982)</b>	
<i>EBITDA margin</i>														
- Corporate Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>= Net Income</b>	<b>(161,370)</b>	<b>(9,874)</b>	<b>(9,714)</b>	<b>(9,766)</b>	<b>(9,821)</b>	<b>(9,879)</b>	<b>(9,940)</b>	<b>(11,597)</b>	<b>(11,723)</b>	<b>(11,860)</b>	<b>(19,356)</b>	<b>(17,858)</b>	<b>(29,982)</b>	

	Year 2 (26-27)	Phase 3: Launch of Figma Plugin						Phase 4: Lumen Platform & L2 Development					
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Revenue	172,682	4,861	6,108	7,533	9,072	10,740	12,539	14,476	16,576	18,834	21,277	23,911	26,753
- Cost of Goods Sold (COGS)	(4,890)	(231)	(255)	(281)	(309)	(340)	(373)	(409)	(447)	(489)	(534)	(583)	(636)
<b>= Gross Profit</b>	<b>167,791</b>	<b>4,629</b>	<b>5,852</b>	<b>7,252</b>	<b>8,763</b>	<b>10,400</b>	<b>12,166</b>	<b>14,067</b>	<b>16,129</b>	<b>18,345</b>	<b>20,743</b>	<b>23,328</b>	<b>26,117</b>
<i>Gross Margin</i>		0.95	0.96	0.96	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.98	0.98
- Sales & Marketing	(68,215)	(2,640)	(2,729)	(2,824)	(2,923)	(3,027)	(3,136)	(5,750)	(5,996)	(6,253)	(6,524)	(6,808)	(19,606)
- Research & Development	(34,353)	0	0	0	0	0	0	0	0	0	0	0	(34,353)
- General & Admin	(20,011)	(1,390)	(1,390)	(1,390)	(1,390)	(1,390)	(1,390)	(1,946)	(1,946)	(1,946)	(1,946)	(1,946)	(1,946)
- Employees	(272,920)	(19,367)	(17,367)	(17,367)	(17,367)	(17,367)	(17,367)	(31,119)	(27,119)	(27,119)	(27,119)	(27,119)	(27,119)
<b>= EBITDA</b>	<b>(227,708)</b>	<b>(18,767)</b>	<b>(15,634)</b>	<b>(14,329)</b>	<b>(12,917)</b>	<b>(11,384)</b>	<b>(9,727)</b>	<b>(24,748)</b>	<b>(18,932)</b>	<b>(16,973)</b>	<b>(14,846)</b>	<b>(12,545)</b>	<b>(56,907)</b>
<i>EBITDA margin</i>													
- Corporate Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>= Net Income</b>	<b>(227,708)</b>	<b>(18,767)</b>	<b>(15,634)</b>	<b>(14,329)</b>	<b>(12,917)</b>	<b>(11,384)</b>	<b>(9,727)</b>	<b>(24,748)</b>	<b>(18,932)</b>	<b>(16,973)</b>	<b>(14,846)</b>	<b>(12,545)</b>	<b>(56,907)</b>

	Year 3 (27-28)	Phase 5: Launch of Lumen Platform											
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Revenue	701,502	41,742	43,746	45,765	48,119	50,869	54,039	57,647	61,719	66,280	71,358	76,996	83,222
- Cost of Goods Sold (COGS)	(30,319)	(1,537)	(1,660)	(1,796)	(1,947)	(2,116)	(2,304)	(2,511)	(2,739)	(2,990)	(3,264)	(3,564)	(3,891)
<b>= Gross Profit</b>	<b>671,183</b>	<b>40,205</b>	<b>42,086</b>	<b>43,969</b>	<b>46,172</b>	<b>48,753</b>	<b>51,735</b>	<b>55,136</b>	<b>58,980</b>	<b>63,290</b>	<b>68,094</b>	<b>73,433</b>	<b>79,331</b>
<i>Gross Margin</i>	11.49	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.95	0.95	0.95	0.95
- Sales & Marketing	(112,277)	(8,263)	(8,430)	(8,606)	(8,791)	(8,985)	(9,188)	(9,402)	(9,627)	(9,862)	(10,110)	(10,370)	(10,643)
- Research & Development	(22,556)	0	0	0	0	0	0	(22,556)	0	0	0	0	0
- General & Admin	(23,346)	(1,946)	(1,946)	(1,946)	(1,946)	(1,946)	(1,946)	(1,946)	(1,946)	(1,946)	(1,946)	(1,946)	(1,946)
- Employees	(344,957)	(28,746)	(28,746)	(28,746)	(28,746)	(28,746)	(28,746)	(28,746)	(28,746)	(28,746)	(28,746)	(28,746)	(28,746)
<b>= EBITDA</b>	<b>168,046</b>	<b>1,250</b>	<b>2,963</b>	<b>4,671</b>	<b>6,689</b>	<b>9,076</b>	<b>11,855</b>	<b>(7,514)</b>	<b>18,662</b>	<b>22,736</b>	<b>27,292</b>	<b>32,371</b>	<b>37,996</b>
<i>EBITDA margin</i>													
- Corporate Tax	43,890	313	741	1,168	1,672	2,269	2,964	0	4,665	5,684	6,823	8,093	9,499
<b>= Net Income</b>	<b>124,156</b>	<b>938</b>	<b>2,223</b>	<b>3,503</b>	<b>5,017</b>	<b>6,807</b>	<b>8,891</b>	<b>(7,514)</b>	<b>13,996</b>	<b>17,052</b>	<b>20,469</b>	<b>24,278</b>	<b>28,497</b>

## P&L Summary

	Year 1 (25-26)	Year 2 (26-27)	Year 3 (27-28)
Revenue	0	172,682	701,502
- Cost of Goods Sold (COGS)	(2,558)	(4,890)	(30,319)
<b>= Gross Profit</b>	<b>(2,558)</b>	<b>167,791</b>	<b>671,183</b>
<i>Gross Margin</i>			11.49
- Sales & Marketing	(25,100)	(68,215)	(112,277)
- Research & Development	(5,838)	(34,353)	(22,556)
- General & Admin	(4,989)	(20,011)	(23,346)
- Employees	(122,885)	(272,920)	(344,957)
<b>= EBITDA</b>	<b>(161,370)</b>	<b>(227,708)</b>	<b>168,046</b>
<i>EBITDA margin</i>			
- Corporate Tax	0	0	43,890
<b>= Net Income</b>	<b>(161,370)</b>	<b>(227,708)</b>	<b>124,156</b>

# Appendix

## Employees Summary

	Year 1 (25-26)	Year 2 (26-27)	Year 3 (27-28)
<b>Founding Team</b>			
CEO/CFO	28,800	30,528	32,360
CTO	28,800	30,528	32,360
CCO/CMO	28,800	30,528	32,360
<b>Employees FT - Technical</b>			
Prompt Engineer	13,500	57,240	60,674
Front-End Developer	0	25,440	53,933
Back-End Developer	0	25,440	53,933
<b>Employees FT - Sales &amp; Marketing</b>			
Marketing Director	0	32,400	34,344
<b>Contractors</b>			
Expert Model Trainers	6,000	0	0
<b>Summary</b>			
Number of FT employees	4	7	7
Number of salespeople	0	1	1
Subtotal FT	99,900	232,104	299,963
NI	14,985	34,816	44,994
Subtotal Contractors	6,000	0	0
New joiner setup	2,000	6,000	0
<b>Total Employees</b>	<b>122,885</b>	<b>272,920</b>	<b>344,957</b>

## Cash Flow Summary

	Year 1 (25-26)	Year 2 (26-27)	Year 3 (27-28)
<b>Operations</b>			
<i>Cash receipts from</i>			
+ Net income	(161,370)	(227,708)	168,046
<b>Financing Activities</b>			
<i>Cash receipts from</i>			
+ Issuance of stock	12,000	250,000	0
+ Grants	187,000	45,000	0
+ Borrowing	0	0	0
<i>Cash paid for</i>			
- Repayment of loans	0	0	0
- Grant Writers	(18,000)	0	0
- Dividends	0	0	0
= Net Cash Flow from Financing Activities	181,000	295,000	0
<b>Total cash end of the previous period</b>			
+ Total cash generated	19,630	67,292	168,046
= <b>Total cash end of the period</b>	<b>19,630</b>	<b>86,922</b>	<b>254,968</b>

# Appendix

## Sales & Marketing Summary

The Sales & Marketing for the Figma Plugin (left) and Lumen Platform (right) are modelled separately.

Figma Plugin	Year 1 (25-26)	Year 2 (26-27)	Year 3 (27-28)	Lumen Platform	Year 1 (25-26)	Year 2 (26-27)	Year 3 (27-28)
<b>Marketing Spend Driven Sales</b>				<b>Marketing Spend Driven Sales</b>			
Marketing Spending	15,917	28,585	38,701	Marketing Spending	0	17,005	53,326
Acquisition Cost	323	253	199	Acquisition Cost	0	120	200
<b>New Lumen Users - Acquired</b>	<b>600</b>	<b>1,377</b>	<b>2,346</b>	<b>New Lumen Users - Acquired</b>	<b>0</b>	<b>855</b>	<b>3,249</b>
<b>Course Provider Partnership Driven Sales</b>				<b>Conferences, Fairs &amp; Events</b>			
UI/UX Design Course Providers Partnered With	2	5	0	Marketing Spending	0	12,500	0
Total Students Given Lumen During Course	540	2,700	0	Projected Attendees & Reach	0	7,700	0
Marketing Spending	2,025	10,125	0	<b>Total New Users - Conferences, Fairs &amp; Events</b>	<b>0</b>	<b>193</b>	<b>0</b>
<b>New Lumen Users - UI/UX Design Courses</b>	<b>135</b>	<b>675</b>	<b>0</b>				
<b>Conferences, Fairs &amp; Events</b>				<b>Course Provider Partnership Driven Sales</b>			
Marketing Spending	7,158	0	0	UI/UX Design Course Providers Partnered With	0	0	10
Projected Attendees & Reach	15,950	0	0	Total Students Given Lumen During Course	0	0	5,400
<b>New Lumen Users - Conferences, Fairs &amp; Events</b>	<b>168</b>	<b>0</b>	<b>0</b>	Marketing Spending	0	0	20,250
				<b>New Lumen Users - UI/UX Design Courses</b>	<b>0</b>	<b>0</b>	<b>1,350</b>
<b>Organic Growth</b>				<b>Organic Growth</b>			
<b>New Lumen Users - Referrals</b>	<b>165</b>	<b>773</b>	<b>1,828</b>	New Lumen Users - Referrals	0	0	4,108
				New Lumen Users - Transfer from Figma Plugin	0	0	4,159
<b>Users Lost - Developer Program</b>				<b>Total New Lumen Users - Organic Growth</b>	<b>0</b>	<b>153</b>	<b>8,267</b>
Lost Developer Program Users - Attrition	41	103	55				
Lost Developer Program Users - Transfer to Platform	0	0	553	<b>Users Lost</b>			
<b>Total Developer Program Users Lost</b>	<b>41</b>	<b>103</b>	<b>608</b>	Lost Users - Attrition	0	0	692
				<b>Total Users Lost</b>	<b>0</b>	<b>0</b>	<b>692</b>
<b>Users Lost</b>							
Lost Users - Attrition	0	128	361	Total New Platform Users	0	960	13,573
Lost Users - Transfer to Platform	0	0	3,606	Total New Users - Paying	0	960	4,244
<b>Total Users Lost (Not Developer Program)</b>	<b>0</b>	<b>128</b>	<b>3,967</b>	Total New Users - Not Paying	0	0	9,328
				Total Users	0	960	13,964
Total New Users - Developer Program	887	43	0	Total Users - Paying	0	0	5,204
Total Users - Developer Program	854	815	224	Total Users - Not Paying	0	0	8,760
Total New Users	0	2,774	4,149	<b>Lumen Platform Revenue</b>	<b>0</b>	<b>0</b>	<b>355,688</b>
Total Users	0	2,669	3,173	<b>Total Marketing Spend</b>	<b>0</b>	<b>17,005</b>	<b>73,576</b>
<b>Figma Plugin Revenue</b>	<b>0</b>	<b>172,682</b>	<b>345,815</b>				
<b>Total Marketing Spend</b>	<b>25,100</b>	<b>38,710</b>	<b>38,701</b>				

## User Breakdown Summary

	Year 1 (25-26)	Year 2 (26-27)	Year 3 (27-28)
<b>Active Users - Paying</b>			
Figma Plugin Developer Program	854	815	224
Figma Plugin Users	0	2,669	3,173
Platform Plus Users	0	0	2,082
Platform Premium Users	0	0	3,122
<b>Total Paying Users</b>	<b>854</b>	<b>3,485</b>	<b>8,601</b>
<b>Active Users - Not Paying</b>			
Platform Free Users		0	8,760
Course Students		225	450
<b>Total Not Paying Users</b>	<b>90</b>	<b>225</b>	<b>9,210</b>
<b>Total Figma Plugin Users</b>	<b>944</b>	<b>3,710</b>	<b>3,397</b>
<b>Total Lumen Platform Users</b>	<b>0</b>	<b>0</b>	<b>14,414</b>
<b>Total Basic (L0) Model Users</b>	<b>944</b>	<b>0</b>	<b>0</b>
<b>Total Advanced (L1) Model Users</b>	<b>0</b>	<b>3,710</b>	<b>10,842</b>
<b>Total Advanced (L2) Model Users</b>	<b>0</b>	<b>0</b>	<b>6,970</b>
<b>Total Active Users</b>	<b>944</b>	<b>3,710</b>	<b>17,811</b>