



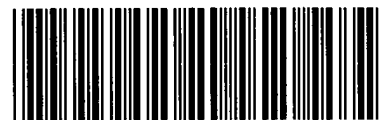
REVOLUT TRADING LTD

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

REVOLUT TRADING LTD | Registered number: 11567840

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COMPANIES HOUSE



COMPANY INFORMATION

Director	J Branco
	Y Kravchenko
	N Storonsky
	V Yatsenko
	D Ellis
Registered number	11567840
Registered office	7 Westferry Circus
	Canary Wharf
	London
	E14 4HD
Independent auditors	BDO LLP
	55 Baker Street
	London
	W1U 7EU



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**REVOLUT TRADING LTD
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021**



The directors present their report and the financial statements for the year ended 31 December 2021. The Company changed its accounting reference date in the prior period from 30 September to 31 December to align its accounting reference date with that of its parent company, Revolut Ltd (together with its subsidiaries, the "Revolut Group"). As a result, the comparative amounts presented in the financial statements are not entirely comparable and represent the period from 1 October 2019 to 31 December 2020.

Directors' responsibility statement

The directors are responsible for preparing the Director's 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 him 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.

Results and dividends

The Total Comprehensive profit for the period, after taxation, amounted to £7.3m (2020: £1.8m). The directors have not proposed a dividend for 2021 (2020: nil).

Directors

The directors who served during the period and to the date of this report were:

Nikolay Storonsky

Vladyslav Yatsenko

Joao Branco (appointed 10 June 2021)

Darren Ellis (appointed 30 September 2021)

Yaroslav Kravchenko (appointed 4 October 2021)

Directors' liabilities

The Group has indemnified all directors of the Group against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This qualifying third party indemnity provision was in force during the period.

Financial instruments

The Company only has basic financial instruments, comprising intercompany and other payables and receivables, all of which are accounted for at amortised cost. The Company is not exposed to any material foreign exchange or interest rate risk and does not undertake any hedge accounting. The Company is exposed to credit risk on its amounts due from its parent company, however the Group's liquidity resources are managed centrally by the parent company and the directors do not regard the risk of default on this balance to be material.

**REVOLUT TRADING LTD
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021**



Future outlook

The Company is expected to continue providing the current services to customers of the Revolut Group and is looking at expanding its product offerings subject to obtaining the relevant regulatory permissions.

In addition, The Company currently has an active application with the FCA to become a licenced MiFiD firm.

Due to legislation introduced after the United Kingdom's departure from the European Union, The Company cannot currently offer marketing of products to its EU based customers. As a result, the business plans to migrate these customers to Revolut's European licenced trading entity towards the end of 2022.

Principle risks and uncertainties

The Company's risk management strategy is to identify potential events that may impact the business and to manage these within the risk appetite set by the Board. The risk appetite of the Company is aligned to the Revolut Group one to the extent that it follows a consistent risk taxonomy and appetite/tolerance levels are set so that the Company does not exceed that of the group. The principle risks facing the Company can be categorised into financial risk, market risk and operational risk, as summarised below:

Financial risk

The Company is exposed to two forms of financial risks namely: credit risk and liquidity risk.

The main sources of credit risk that the Company faces will be wholesale in nature, given that the Company will not engage in retail lending activities. Wholesale credit risk is the risk that a corporate, financial or government obligor fails to meet their obligations. Credit risk will be monitored in accordance with the Revolut Group's risk management framework, which requires annual reviews of all credit counterparties with exposures above an approved materiality threshold. Ongoing monitoring will also be undertaken from publicly available information through news alerts or share price movements.

Liquidity risk is the risk that the Company cannot meet payment or regulatory liquidity obligations due to low profitability or collateral calls from its brokers. The Company performs stress tests and forecasts to ensure liquidity risk is adequately managed.

Market risk

Market risk is the risk that the Company's earnings, capital or ability to meet business objectives will be adversely affected by changes in the level or volatility of market rates or prices, specifically foreign exchange rates. The Company deems that business plan exposures will not materially affect its financial position.

Operational risk

Operational risk is defined as the risk of loss as a result of inadequate or failed internal processes, people and systems or from external events. This requires a strong control environment in order to limit the exposures across the Company. This is achieved using the operational risk management framework, which defines the tools, minimum standards and governance structure for the management of operational risk within the Company.

Going concern

The Company's financial statements have been prepared on a going concern basis as, after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors have considered the impact of several different stresses on the business and its ability to continue operating as a going concern in these situations. The key stresses and factors considered and documented are, brokerage default, underperformance as a result of market downturn and reduced trading activity and FCA licence application being rejected. In all these assessments, the business was comfortably able to consider operating as a going concern with no significant assumptions or judgements being made by the directors.

In making their assessments, the directors have given regard to the fact that the company is reliant upon the Company's parent company, Revolut Ltd, for the provision of funding, the use of the Group's technology platform and app, and the provision of certain centralised support functions.

The directors of the company have been provided with the assessment undertaken by the directors of Revolut Ltd to support their own going concern assessment, which considers a number of key sources of information including the Group's business

**REVOLUT TRADING LTD
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021**



plan and forecasts of its profitability, current trading performance, liquidity and capital resources, along with the Group's operational resilience and its business interruption plans given the ongoing COVID-19 pandemic.

The Group successfully completed a follow-on fundraising in July 2021, raising a further \$800m, growing the business valuation to \$33bn. In addition, despite the additional global restrictions since the autumn the Group's performance to 31 December 2021 has exceeded its business plan and forecasts at the revenue and adjusted operating loss levels, with a corresponding positive impact on the Group's capital and liquid resources.

The Group has also continued to demonstrate its ability to continue to operate successfully despite the requirements for a significant proportion of its workforce to work from home over the past 12 months, following the implementation of the Group's contingency plans. These include prioritising the safety of the Group's employees, the continuity of service to the Group's customers and the compliance with the Group's regulatory requirements. This has been achieved through ensuring that the Group has the appropriate IT infrastructure in place to enable employees to work effectively from home, assessing the risk and monitoring the performance of the Group's third party suppliers to address the risks of customer service interruption arising from failures in the provision of services to the Group, and actively monitoring a number of key KPI's and risk indicators to ensure that issues are appropriately identified and addressed on a timely basis.

The directors of Revolut Ltd have confirmed their intention and financial ability to continue to provide the company with the required financial, technological and operational support in order for it to continue to operate as a going concern.

Events after the reporting date

The Company has disclosed any events after the reporting period within the notes to the financial statements.

Management have considered the impact the war in Ukraine has on the business and deemed that there is no material uncertainty as a result.

Disclosure of information to auditors

The directors at the time when this Directors' Report is approved have confirmed that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have 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.

Auditor

BDO LLP have indicated their willingness to be reappointed as auditors for another term and appropriate arrangements will be put in place for them to be deemed reappointed.

DocuSigned by:

Joao Branco

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J Branco

Director

29 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REVOLUT TRADING LTD

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit 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.

We have audited the financial statements of Revolut Trading Limited ("the Company") for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REVOLUT TRADING LTD

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We gained an understanding of the legal and regulatory framework applicable to Revolut Trading Limited and the industry in which it operates and considered the risk of acts by Revolut Trading Limited which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Financial Conduct Authority ("FCA") regulations, other relevant regulatory bodies, pension legislation and tax legislation. We focused on laws and regulations that could give rise to a material misstatement in the Company's financial statements.

Our tests included, but were not limited to:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of known or suspected fraud from management and the audit committee;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and correspondence with the Financial Conduct Authority and other relevant regulatory bodies;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REVOLUT TRADING LTD


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by

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Matthew Hopkins (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

29 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

REVOLUT TRADING LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021



		Year Ended 31 December 2021	15-months ended 31 December 2020
	Note	£	£
Revenue	5	12,981,530	7,613,890
Direct costs		(2,360,051)	(4,119,619)
Gross Profit		10,621,479	3,494,271
Administrative expenses	6	(1,718,660)	(1,412,346)
Other operating income	7	73,984	106,531
Operating profit	8	8,976,803	2,188,456
Interest payable and similar charges	11	(4,058)	(7,818)
Profit before taxation		8,972,745	2,180,638
Tax on profit	12	(1,709,833)	(389,831)
Profit for the financial period		7,262,912	1,790,807
Other comprehensive income for the period		-	-
Total comprehensive income for the period		7,262,912	1,790,807

The results stated above are derived from continuing activities.

The notes on pages 13 to 20 form part of these financial statements.


REVOLUT TRADING LTD
BALANCE SHEET
AS AT 31 DECEMBER 2021



		As at 31 December 2021		As at 31 December 2020	
	Note	£	£	£	£
Current assets					
Debtors	13	17,535,149		8,517,056	
		17,535,149		8,517,056	
Creditors: amounts falling due within one year					
Creditors	14	(7,999,129)		(6,261,147)	
Net current assets			9,536,020		2,255,909
Total assets less current liabilities			9,536,020		2,255,909
Net assets			9,536,020		2,255,909
Capital and reserves					
Called up share capital	16		600,000		600,000
Retained earnings			8,918,821		1,655,909
Share based payment reserve			17,199		-
Total Equity			9,536,020		2,255,909

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2022.

The notes on pages 13 to 20 form part of these financial statements.

DocuSigned by:

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J Branco
 Director

REVOLUT TRADING LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021



	Share capital account	Retained earnings	Share based payment reserve	Total equity
	£	£	£	£
At 1 October 2019	600,000	(134,898)	-	465,102
Profit for the period	-	1,790,807	-	1,790,807
Total comprehensive income for the period	-	1,790,807	-	1,790,807
At 31 December 2020	600,000	1,655,909	-	2,255,909
At 1 January 2021	600,000	1,655,909	-	2,255,909
Profit for the period	-	7,262,912	17,199	7,280,111
Total comprehensive income for the period	-	7,262,912	17,199	7,280,111
At 31 December 2021	600,000	8,918,821	17,199	9,536,020

The notes on pages 13 to 20 form part of these financial statements.

REVOLUT TRADING LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021



1. General information

Revolut Trading Ltd (the “Company”) provides Revolut customers with execution-only electronic brokerage services through the Revolut app.

The Company is a private company limited by shares and incorporated in England & Wales. The registered office is 7 Westferry Circus, Canary Wharf, London E14 4HD.

2. Statement of compliance

The financial statements of Revolut Trading Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ‘The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland’ (“FRS 102”) and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Basis of preparation of financial statements

The financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3.2 Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further details on the matters considered by the directors are set out in the directors’ report. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

3.3 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 as it is a qualifying entity by virtue of its inclusion in Revolut Ltd’s consolidated financial statements:

- from preparing a statement of cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- from disclosing share-based payment arrangements, required under FRS102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- from disclosing certain key management personnel compensation, as required by FRS 102 paragraph 33.7, and any related party transactions with other wholly owned group companies in accordance with FRS 102 paragraph 33.1A.

3.4 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 the Statement of Comprehensive Income.

REVOLUT TRADING LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021



3.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company's revenue consists of:

- A share of the customer subscription fees paid by Plus, Premium and Metal Revolut customers to Revolut Ltd - this is recognised on a straight-line basis over the period of the subscription term; and
- Commission income that is charged on trading transactions outside of the customer's plan allowance - this is recognised at the time the relevant trades are executed.

3.6 Direct costs

Direct costs represent fees and expenses charged by the Company's third party service provider for execution, clearing and settlement services.

3.7 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.

3.8 Current taxation

The tax credit for the period comprises current 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 credit is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

3.9 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 non-puttable ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

3.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivables 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.

3.11 Creditors

Short term creditors are measured at transaction price, less any impairment. Loans payables 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.

3.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.13 Pensions

The Company operates a defined contribution pension plan for its employees. Costs of contributions are accounted for over the period.

REVOLUT TRADING LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021



4. Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments in applying the Company's accounting policies

There are no critical judgments that have been made in applying the Company's accounting policies.

Key accounting estimates and assumptions

Impairment of debtors

The company makes an estimate of the recoverable amount of its receivables and considers any indicators of impairment which would give rise to a bad debt provision.

5. Revenue

An analysis of revenue by class of business is as follows:

	2021	2020
	£	£
Revenue sharing arrangement	5,348,028	3,897,770
Other fee and commission income	7,633,502	3,716,120
	12,981,530	7,613,890

6. Administrative Expenses

	2021	2020
	£	£
Professional fees	874,809	900,040
Legal costs	11,639	0
Staff costs	597,778	-
Bank charges	6,287	4,075
Cost of risk	-	250
Other costs	228,147	507,981
	1,718,660	1,412,346

REVOLUT TRADING LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021



7. Other operating income

	2021	2020
	£	£
Foreign exchange gains	73,984	106,531

8. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Audit fee	16,517	15,000

9. Employees and directors' emoluments

	2021	2020
	£	£
Staff costs consist of:		
Wages & salaries	502,200	-
Social security costs	65,389	-
Cost of defined benefit contribution schemes	2,455	-
	570,044	-

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

	2021	2020
Operations	2	-
Risk & Compliance	4	-
	6	-

REVOLUT TRADING LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021



10. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	112,440	-
Amounts receivable under long-term incentive schemes	-	-
Company contributions to defined contribution pension schemes	693	-

Emoluments of the highest paid director were £63,458 (2020 - £nil). Company pension contributions of £693 (2020 - £nil) were made to a pension scheme on their behalf.

There are no amounts outstanding from Directors of the Company in the year (2020 - £nil).

Directors' emoluments disclosed relate wholly to that of the directors which were paid directly by Revolut Trading Ltd for their services provided to the Company. The remaining directors are directors of the Revolut Group and their total remuneration is disclosed in the consolidated financial statements of Revolut Ltd.

11. Interest payable and similar charges

	2021	2020
	£	£
Other loan interest payable	4,058	7,818

Other loan interest payable represents the interest cost on the \$500,000 intergroup loan payable to Revolut Ltd as disclosed in note 14.

12. Taxation

	2021	2020
	£	£
UK corporation tax		
Current year tax on profits of the year	855,403	-
Amount payable to parent company in respect of tax losses surrendered by group relief	854,430	389,831
Total current tax	1,709,833	389,831

REVOLUT TRADING LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021



12. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period differs from the standard UK rate of corporation tax of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£	£
Profit/ (Loss) on ordinary activities before tax	8,972,745	2,180,638
Profit/ (Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	1,704,821	414,321
Effects of:		
Expenses not deductible for tax	5,012	-
Unrecognised losses	-	-
Utilisation of brought forward losses	-	(24,491)
Group relief claimed from Revolut Limited	(854,430)	(389,831)
Payment for group relief	854,430	389,831
Total tax charge for the period	1,709,833	389,831

Factors that may affect future tax charges

Finance Act 2021 was substantively enacted on 24 May 2021, this confirms that UK corporation tax rate will increase to 25% from 1 April 2023.

13. Debtors

	2021	2020
	£	£
Amounts owed by group undertakings	15,740,285	7,825,453
Other debtors	1,441,167	429,323
Prepayments and accrued income	353,697	262,280
Total debtors	17,535,149	8,517,056

All amounts receivable are due within one year.

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

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14. Creditors

	2021	2020
	£	£
Trade creditors	56,987	26,367
Amounts owed to group undertakings	7,485,659	5,927,405
VAT payable	228,637	247,194
Accruals	183,716	60,181
Taxation & social security	44,130	-
	7,999,129	6,261,147

Amounts owed to group undertakings include a \$500,000 loan from the Company's parent, Revolut Ltd, which is repayable on demand and bears interest at 1% p.a. above the Bank of England base rate. The remaining amounts are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15. Commitments

The Company has a \$10m committed trading facility with its third party service provider which is provided to ensure that customer transactions can be executed on a timely basis if there is a settlement delay in transferring customer funds to the third party service provider. As at 31 December 2021 this facility was undrawn, and it has not been used during the period.

The Company has no commitments under operating leases or any committed capital expenditure that it is not provided for.

16. Share capital and reserve

	2021	2020
	£	£
Allotted, called up and fully paid		
600,000 £1 Ordinary shares	600,000	600,000
	600,000	600,000

The £1 ordinary shares have full voting, dividend and capital distribution rights.

Profit and loss account records the accumulated results of the company.

17. Ultimate controlling party

The ultimate and immediate parent company of Revolut Trading Ltd is Revolut Ltd, whose registered address is 7 Westferry Circus, Canary Wharf, London E14 4HD. The largest and smallest group that prepares consolidated accounts is that headed by Revolut Ltd, and those consolidated accounts are publicly available from the above address.

The directors are of the opinion that there is no ultimate controlling party.

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18. Events after the reporting period

Due to the expansion of the Group's activities, a restructure of legal entities is currently underway. Revolut Trading Ltd is expected to remain a 100% group-owned company as a result of the restructure.

Russia invaded Ukraine on 24th February 2022, The Company has considered the impact of this event and deemed that there is no material uncertainty as a result.