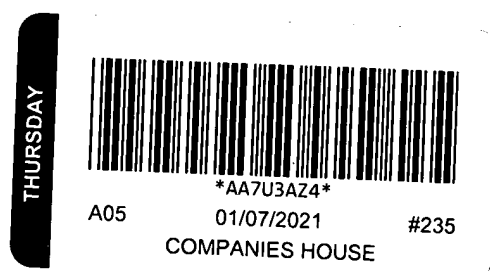




# REVOLUT TRADING LTD

DIRECTORS REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD 1 OCTOBER 2019 TO 31 DECEMBER 2020

REVOLUT TRADING LTD | Registered number: 11567840





## COMPANY INFORMATION

<b>Director</b>	N Storonsky
	V Yatsenko
	J Branco
<b>Registered number</b>	11567840
<b>Registered office</b>	7 Westferry Circus
	Canary Wharf
	London
	E14 4HD
<b>Independent auditors</b>	BDO LLP
	55 Baker Street
	London
	W1U 7EU



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**REVOLUT TRADING LTD  
DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2020**



The directors present their report and the financial statements for the period 1 October 2019 to 31 December 2020. During the period, the company changed its accounting reference date 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 13 September 2018, the date of incorporation of the company, to 30 September 2019.

#### **Principal activity**

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

#### **Future Developments**

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.

#### **Results and dividends**

The Total Comprehensive profit for the period, after taxation, amounted to £1.8m (2019: Loss of £0.1m). The directors have not proposed a dividend for 2020 (2019: nil).

#### **Directors**

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

Nikolay Storonsky

Vladyslav Yatsenko (appointed on 20 April 2020)

After the period end Darren Ellis was appointed as a director on 12 January 2021 and resigned on 29 January 2021. Joao Paulo Belo Branco was appointed as a director on 10 June 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.

#### **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.

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 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 2020, raising a further \$80m at the same valuation of the business prior to the start of the pandemic when it raised \$500m Series D funding in February 2020. In addition, despite the additional global restrictions since the autumn the Group's performance to 31 December 2020 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.

**REVOLUT TRADING LTD  
DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2020**



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.

Since the year end, the Group has successfully refinanced its debt funding with a new revolving credit facility that provides the optimal funding structure to support the Group's continued growth with a lower cost of funding.

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.

**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.

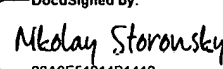
**Disclosure of information to auditors**

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:  
  
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**N Storonsky**

Director

25 June 2021

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF REVOLUT TRADING LIMITED****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 2020 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.

We have audited the financial statements of Revolut Trading Limited ("the Company") for the period ended 31 December 2020 which comprise the Company income statement, Company balance sheet, Company 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 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. 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**

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:

- the information given in the Directors' report for the financial period 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.



## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF REVOLUT TRADING LIMITED

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' responsibilities 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 Payment Services Regulations 2017 (PSRs 2017), the Electronic Money Regulations 2011 (EMRs), 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 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; and
- considering the effectiveness of the control environment in monitoring compliance with laws and regulations.

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.



## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF REVOLUT TRADING LIMITED

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.

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Matthew Hopkins (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
25 June 2021

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 2020**



		15-months ended 31 December 2020	Period ended 30 September 2019
	Note	£	£
<b>Revenue</b>	5	<b>7,613,890</b>	325,337
Direct costs		<b>(4,119,619)</b>	(258,205)
<b>Gross Profit</b>		<b>3,494,271</b>	67,132
Administrative expenses		<b>(1,412,346)</b>	(202,030)
Other operating income	6	<b>106,531</b>	-
<b>Operating profit/(loss)</b>	7	<b>2,188,456</b>	(134,898)
Interest payable and similar charges	9	<b>(7,818)</b>	-
<b>Profit before taxation</b>		<b>2,180,638</b>	(134,898)
Tax on profit	10	<b>(389,831)</b>	-
<b>Profit/(loss) for the financial period</b>		<b>1,790,807</b>	(134,898)
Other comprehensive income for the period		-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>1,790,807</b>	(134,898)

The results stated above are derived from continuing activities.

The notes on pages 12 to 16 form part of these financial statements.

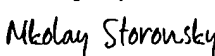
**REVOLUT TRADING LTD**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**



		As at 31 December 2020	As at 30 September 2019 (restated)
	Note	£	£
<b>Current assets</b>			
Debtors	11	8,517,056	1,439,272
		8,517,056	1,439,272
<b>Creditors: amounts falling due within one year</b>			
Creditors	12	(6,261,147)	(974,170)
<b>Net current assets</b>		2,255,909	465,102
<b>Total assets less current liabilities</b>		2,255,909	465,102
<b>Net assets</b>		2,255,909	465,102
<b>Capital and reserves</b>			
Called up share capital	14	600,000	600,000
Profit and loss account	14	1,655,909	(134,898)
<b>Total Equity</b>		2,255,909	465,102

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 June 2021.

The notes on pages 12 to 16 form part of these financial statements.

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**N Storonsky**  
 Director

**REVOLUT TRADING LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**



	Share capital account £	Profit and loss account £	Total equity £
On incorporation	-	-	-
Loss for the period	-	(134,898)	(134,898)
<b>Total comprehensive loss for the period</b>	-	(134,898)	(134,898)
Shares issued during the period	600,000	-	600,000
<b>Total transactions with owners</b>	600,000	-	600,000
At 30 September 2019	600,000	(134,898)	465,102
Profit for the period	-	<b>1,790,807</b>	<b>1,790,807</b>
<b>Total comprehensive income for the period</b>	-	<b>1,790,807</b>	<b>1,790,807</b>
<b>At 31 December 2020</b>	<b>600,000</b>	<b>1,655,909</b>	<b>2,255,909</b>

The notes on pages 12 to 16 form part of these financial statements.

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



**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; and
- from disclosing the 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 Restatement of prior period comparatives**

As at 30 September 2019, the Company recognised a receivable of £538,955 from its third party service provider of execution, clearing and settlement of customer transactions relating to sell transactions undertaken by customers. Following assessment of the risks and rewards of the funds held by the third party service provider it has been concluded that the Company does not have any contractual rights to those funds prior to the receipt of the cash, and is not exposed to the credit risk of default by the third party service provider, and therefore this receivable should not be recognised.

As such the 2019 comparatives for trade debtors and amounts due to other group companies have been restated to derecognise the receivable from the service provider and reduce the amount payable to the Company’s parent by the same amount. This restatement has no impact on the Company’s net assets or loss for the period to 30 September 2019.

**3.5 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 2020**



### **3.6 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.

### **3.7 Direct costs**

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

### **3.8 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.

### **3.9 Current and deferred taxation**

The tax credit for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax 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.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

### **3.10 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.

### **3.11 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.

### **3.12 Creditors**

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.

### **3.13 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.

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



**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:

	2020	2019
	£	£
Revenue sharing arrangement	3,897,770	320,527
Other fee and commission income	3,716,120	4,810
	<b>7,613,890</b>	<b>325,337</b>

**6. Other operating income**

	2020	2019
	£	£
Foreign exchange gains	106,531	-

**7. Operating profit/ (loss)**

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

	2020	2019
	£	£
Audit fee	15,000	15,000

**8. Employees and directors' emoluments**

The Company has no employees.

The directors of the company are directors of the Revolut Group and their total remuneration is disclosed in the consolidated financial statements of Revolut Ltd. No remuneration was paid by Revolut Trading Ltd to the directors in relation to their services provided to the Company.

**9. Interest payable and similar charges**

	2020	2019
	£	£
Other loan interest payable	7,818	-

Other loan interest payable represents the interest cost on the \$500,000 intergroup loan payable to Revolut Ltd as disclosed in note 12.

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

**10. Taxation**

	2020	2019
	£	£
<b>Current tax</b>		
Amount payable to parent company in respect of tax losses surrendered by group relief	389,831	-
<b>Total current tax</b>	389,831	-
<b>Factors affecting tax charge for the period</b>		
The tax assessed for the period differs from the standard UK rate of corporation tax of 19% (2019 - 19%). The differences are explained below:		
	2020	2019
	£	£
Profit/ (Loss) on ordinary activities before tax	2,180,638	(134,898)
<b>Profit/ (Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%</b>	414,322	(25,631)
<b>Effects of:</b>		
Expenses not deductible for tax	-	1,140
Unrecognised losses	-	24,491
Utilisation of brought forward losses	(24,491)	-
Group relief claimed from Revolut Limited	(389,831)	-
Payment for group relief	389,831	-
<b>Total tax charge for the period</b>	389,831	-

The tax payable for the period has been reduced by £389,831 because of group relief received from the Company's parent company for which the Company has been charged.

**Factors that may affect future tax charges**

In March 2020 the UK Government announced that the proposed reduction in the main UK corporation tax rate to 17% from 1 April 2020 would no longer take effect and it would remain at 19%. This was substantively enacted on 17 March 2020. Subsequently, the UK Government stated in its Budget announcement on 3 March 2021 that the main UK corporation tax rate would increase to 25% from 1 April 2023. As at the date the financial statements were approved the Finance Bill 2021 had yet to receive Royal Assent and therefore had not been substantively enacted.

**11. Debtors**

	2020	2019 (restated)
	£	£
Amounts owed by group undertakings	7,825,453	920,470
Other debtors	429,323	450,580
Prepayments and accrued income	262,280	68,222
<b>Total debtors</b>	8,517,056	1,439,272

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.

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

**12. Creditors**

	2020	2019 (restated)
	£	£
Trade creditors	26,367	-
Amounts owed to group undertakings	5,927,405	915,773
VAT payable	247,194	-
Accruals	60,181	58,397
	<b>6,261,147</b>	<b>974,170</b>

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% 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.

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 2020 this facility was undrawn, and it has not been used during the period.

**13. Commitments**

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

**14. Share capital and reserve**

	2020	2019
	£	£
<b>Allotted, called up and fully paid</b>		
600,000 £1 Ordinary shares	600,000	600,000
	<b>600,000</b>	<b>600,000</b>

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

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

**15. 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.