

Registered number: 08804411

**REVOLUT LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

TUESDAY



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18/09/2018  
COMPANIES HOUSE

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**REVOLUT LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	N Storonsky D D Waterhouse M B A Mignot (appointed 11 August 2017) V Yatsenko (appointed 11 August 2017)
<b>Registered number</b>	08804411
<b>Registered office</b>	9th Floor 107 Cheapside London EC2V 6DN
<b>Independent auditors</b>	Adler Shine LLP Chartered Accountants & Statutory Auditor Aston House Cornwall Avenue London N3 1LF

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**REVOLUT LTD**

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## REVOLUT LTD

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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#### Business review

Revolut Ltd ('Revolut') provides global multi-currency exchange and electronic payment processing services. Revolut was incorporated in 2013 and introduced the Revolut mobile application and multi-currency prepayment card in 2015.

Revolut has been licensed by the FCA as an Electronic Money Services provider from May 16, 2016. During the financial year ending 31 December 2017 the group has continued its investment in technology infrastructure to continue the expansion and product offering to support the continuing growth and user experience enjoyed by over 1 million users.

2017 has seen considerable growth in operations and turnover of the company has increased from £2.4m in 2016 to £12.8m in 2017. This was largely driven by continued rapid growth in the core product offering, user base and activity, along with further efforts to enhance the business model including the introduction of Revolut Premium, Revolut for Business, Insurance and Crypto:

- Revolut Premium is a subscription-based model allowing users to obtain exclusive product offerings and benefits in addition to the core Revolut offering, including higher limits, global medical insurance (through Revolut Travel Ltd), free delivery and 24/7 support.
- Revolut for Business was introduced in June 2017 as a subscription-based model allowing businesses access to the Revolut platform.
- On September 21, 2017 Revolut Travel Ltd was authorised by the FCA to undertake Insurance Mediation activities. This enables Revolut customers to obtain mobile phone device insurance, global travel insurance to Premium Users and pay-per-day travel insurance (launched January 2018) based on geolocation technology.
- During December 2017 Revolut launched, initially for Premium Users, the ability to exchange fiat currency into three crypto-currencies simplifying the existing complex process.

A number of new features were added to the core Revolut platform including Revolut Current Accounts, EUR personal accounts, access to additional currencies, recurring payments, and other additions improving the functionality and experience of Revolut users.

The principal direct costs continue to be card scheme costs, acquiring costs and user acquisition costs. Cost efficiencies have and continue to be obtained through insourcing objectives such as Revolut acquiring an issuing license in late 2017.

General administrative expenses increased from £2.8m to £8.7m in 2017, driven by staff hires with a global staff number at 31 December 2017 of 312. In addition to this, key drivers included the regional and international expansion efforts.

Revolut has invested significantly in the Support function to further enhance the user experience. During 2017, the Polish based branch began full-scale operations to support the function of core business support, customer queries and troubleshooting. At 31 December 2017, there were 150 support and compliance agents employed in Poland. In addition to this, during February 2017, Revolut's Intelligent Troubleshooting Agent ('RITA') was introduced. RITA can provide users with instant answers for simple queries, allowing support agents to focus on complex issues.

Other foreign based subsidiaries and branches were incorporated during 2017 for regulatory and expansion-based plans, including Revolut Technologies UAB (Lithuania) where the entity has submitted an application to obtain Authorisation from the Bank of Lithuania.

In July 2017, Revolut raised an additional £51m (\$66m) of equity from a mixture of existing and new investors.

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## REVOLUT LTD

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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#### Principal risks and uncertainties

##### Macroeconomic environment risk

Revolut's business is sensitive to global macroeconomic conditions as the company's revenue is linked to number and volume of users' transactions which in turn depend on disposable income available to the users.

##### Regulatory risk

Revolut operates in an industry subject to extensive and comprehensive regulation. Consequently, Revolut is exposed to many forms of risk in connection with compliance with a wide range of laws and regulations. Some examples would include breaching general organizational requirements, such as the requirement to have robust governance arrangements or failure to observe money laundering guidelines.

The management team is focused on responding effectively and timely to any changes in regulation to ensure that compliance with regulatory requirements is maintained.

##### Operational risk

Revolut relies heavily on its operational processes and IT and related communications systems. These processes and systems may not operate as expected, may not fulfil their intended purpose or may be damaged by disruptive events such as cyber crime or human error. The company continues to invest in robust operational systems and controls to be able to respond to unexpected events in an organised and timely manner and undertakes rigorous planning and testing.

##### Financial crime risk

As a company that deals in client funds, Revolut is subject to a heightened risk of criminal activity and potential losses due to breaches of its terms of business by its customers (e.g. use of false identity to open an account or card cloning). In order to address this type of risk Revolut has robust KYC and AML procedures, and performs ongoing monitoring of transactions. Revolut is committed to maintaining a control environment that enables it to respond effectively to emerging financial crime threats as the company continues to grow.

##### Foreign exchange risk

As Revolut is providing its customers with foreign exchange services, the company has exposure to fluctuations in currency exchange rates. The Revolut card can be used in 120 currencies and float in over 20 currencies including GBP, USD and EUR. The company monitors its exposure in real-time and performs hedging transactions when appropriate.

##### Breaches of data security

Revolut handles significant amounts of personal data, such as name, address and bank account details or its customers and therefore must comply with strict data protection and privacy laws and regulations. Revolut continues to invest in its digital platforms and is focused on building resilient and secure technologies in order to prevent breaches of data security. Additionally, Revolut performs regular penetration testing to ensure the robustness of systems.

##### Uncertainties

Given the inherent uncertainties around Britain's referendum to exit the European Union ('Brexit'), Revolut is actively undertaking arrangements to enable the seamless user experience across the EEA if the current passporting rights cease to be available.

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**REVOLUT LTD**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Financial key performance indicators**

Main general business KPIs are listed below. In addition to that management team regularly reviews and approves business specific KPIs that are used to report to monitor performance and report to investors.

- Sales Growth – turnover increase of 443% from 2016.
- Cost of Sales Growth - increase of 190% from 2016.
- Gross Loss increase of 52% from 2016.
- Total users – 1m users reached in November 2017.

This report was approved by the board on 17 September 2018 and signed on its behalf.



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**N Storonsky**  
Director

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## REVOLUT LTD

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Principal activity

The principal activity is that of electronic money and payment services provider.

#### Results and dividends

The loss for the year, after taxation, amounted to £14,813,702 (2016 - loss £6,989,533).

#### Directors

The directors who served during the year were:

N Storonsky  
D D Waterhouse  
M B A Mignot (appointed 11 August 2017)  
V Yatsenko (appointed 11 August 2017)

#### Future developments

Plans for 2018 and future periods include:

- Further investment in the technology infrastructure and core product offering to Revolut customers.
- Submission of UK Banking Authorisation application.
- Establishing operations in international jurisdictions including North America, Asia and Australasia.

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**REVOLUT LTD**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Disclosure of information to auditors**

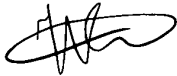
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

**Post balance sheet events**

In April 2018 Revolut Ltd raised £181m (\$250m) in funding to enable growth and expansion within the UK, European and International markets.

This report was approved by the board on 17 September 2018 and signed on its behalf.



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**N Storonsky**  
Director



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## REVOLUT LTD

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REVOLUT LTD

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#### Opinion

We have audited the financial statements of Revolut Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2017, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2017 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

#### 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

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**REVOLUT LTD**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REVOLUT LTD (CONTINUED)**

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inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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REVOLUT LTD

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REVOLUT LTD (CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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

Paul O'Rourke (Senior Statutory Auditor)

for and on behalf of  
**Adler Shine LLP**

Chartered Accountants  
Statutory Auditor

Aston House  
Cornwall Avenue  
London  
N3 1LF



17 September 2018

**REVOLUT LTD**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	12,831,525	2,362,968
Cost of sales		(19,417,973)	(6,695,634)
<b>Gross loss</b>		<b>(6,586,448)</b>	<b>(4,332,666)</b>
Administrative expenses		(8,566,743)	(2,790,773)
<b>Operating loss</b>	5	<b>(15,153,191)</b>	<b>(7,123,439)</b>
Interest receivable and similar income	8	58,643	5,961
Interest payable and expenses	9	(22,168)	-
<b>Loss before taxation</b>		<b>(15,116,716)</b>	<b>(7,117,478)</b>
Tax on loss	10	303,014	127,945
<b>Loss for the financial year</b>		<b>(14,813,702)</b>	<b>(6,989,533)</b>
Equity settled share-based payments		(7,609)	(4,063)
Other comprehensive income		(1,984)	-
<b>Other comprehensive income for the year</b>		<b>(9,593)</b>	<b>(4,063)</b>
<b>Total comprehensive income for the year</b>		<b>(14,823,295)</b>	<b>(6,993,596)</b>
<b>(Loss) for the year attributable to:</b>			
Owners of the parent Company		(14,813,702)	(6,989,533)
		<b>(14,813,702)</b>	<b>(6,989,533)</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		(14,823,295)	(6,993,596)
		<b>(14,823,295)</b>	<b>(6,993,596)</b>

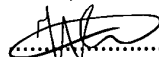
The notes on pages 18 to 40 form part of these financial statements.

**REVOLUT LTD**  
**REGISTERED NUMBER: 08804411**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	11	416,257	122,623
		<u>416,257</u>	<u>122,623</u>
<b>Current assets</b>			
Stocks	13	591,677	420,770
Debtors: amounts falling due within one year	14	30,156,343	1,435,779
Current asset investments		70,717	-
Cash at bank and in hand	16	23,880,298	2,312,201
		<u>54,699,035</u>	<u>4,168,750</u>
Creditors: amounts falling due within one year	17	(11,184,622)	(891,733)
<b>Net current assets</b>		<u>43,514,413</u>	<u>3,277,017</u>
<b>Total assets less current liabilities</b>		<u>43,930,670</u>	<u>3,399,640</u>
<b>Net assets</b>		<u><u>43,930,670</u></u>	<u><u>3,399,640</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	3	2
Share premium account	21	67,534,306	12,195,200
Foreign exchange reserve	21	(1,984)	-
Other reserves	21	11,672	4,063
Profit and loss account	21	(23,613,327)	(8,799,625)
<b>Equity attributable to owners of the parent Company</b>		<u>43,930,670</u>	<u>3,399,640</u>
		<u><u>43,930,670</u></u>	<u><u>3,399,640</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 September 2018.

  
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**N Storonsky**  
Director

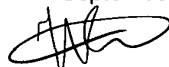
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**REVOLUT LTD**  
**REGISTERED NUMBER: 08804411**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	11	305,613	74,588
Investments	12	1,341,547	134
		<u>1,647,160</u>	<u>74,722</u>
<b>Current assets</b>			
Stocks	13	591,434	420,770
Debtors: amounts falling due within one year	14	30,372,384	1,426,189
Current asset investments		70,717	-
Cash at bank and in hand	16	22,405,808	2,308,744
		<u>53,440,343</u>	<u>4,155,703</u>
Creditors: amounts falling due within one year	17	(11,561,812)	(898,534)
<b>Net current assets</b>		<u>41,878,531</u>	<u>3,257,169</u>
<b>Total assets less current liabilities</b>		<u>43,525,691</u>	<u>3,331,891</u>
<b>Net assets</b>		<u><u>43,525,691</u></u>	<u><u>3,331,891</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	3	2
Share premium account	21	67,534,306	12,195,200
Other reserves	21	11,672	4,063
Profit and loss account	21	(24,020,290)	(8,867,374)
		<u>43,525,691</u>	<u>3,331,891</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 September 2018.



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**N Storonsky**  
Director

The notes on pages 18 to 40 form part of these financial statements.

REVOLUT LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Share premium account	Foreign exchange reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£	£
At 1 January 2017	2	12,195,200	-	4,063	(8,799,625)	3,399,640	3,399,640
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	(14,813,702)	(14,813,702)	(14,813,702)
Equity-settled share based payments	-	-	-	7,609	-	7,609	7,609
Currency translation differences	-	-	(1,984)	-	-	(1,984)	(1,984)
<b>Other comprehensive income for the year</b>	-	-	(1,984)	7,609	-	5,625	5,625
<b>Total comprehensive income for the year</b>	-	-	(1,984)	7,609	(14,813,702)	(14,808,077)	(14,808,077)
Shares issued during the year	-	55,339,106	-	-	-	55,339,106	55,339,106
<b>Total transactions with owners</b>	-	55,339,106	-	-	-	55,339,106	55,339,106
<b>At 31 December 2017</b>	<b>2</b>	<b>67,534,306</b>	<b>(1,984)</b>	<b>11,672</b>	<b>(23,613,327)</b>	<b>43,930,669</b>	<b>43,930,669</b>

The notes on pages 18 to 40 form part of these financial statements.

REVOLUT LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£
At 1 January 2016	2	3,314,432	-	(1,810,092)	1,504,342	1,504,342
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	(6,989,533)	(6,989,533)	(6,989,533)
Equity-settled share based payments	-	-	4,063	-	4,063	4,063
<b>Other comprehensive income for the year</b>						
	-	-	4,063	-	4,063	4,063
<b>Total comprehensive income for the year</b>						
	-	-	4,063	(6,989,533)	(6,985,470)	(6,985,470)
Shares issued during the year	-	8,880,768	-	-	8,880,768	8,880,768
<b>Total transactions with owners</b>						
	-	8,880,768	-	-	8,880,768	8,880,768
<b>At 31 December 2016</b>	<b>2</b>	<b>12,195,200</b>	<b>4,063</b>	<b>(8,799,625)</b>	<b>3,399,640</b>	<b>3,399,640</b>

The notes on pages 18 to 40 form part of these financial statements.



REVOLUT LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	2	12,195,200	4,063	(8,867,374)	3,331,891
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(15,152,916)	(15,152,916)
Equity-settled share based payments	-	-	7,609	-	7,609
<b>Total comprehensive income for the year</b>	-	-	7,609	(15,152,916)	(15,145,307)
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	-	55,339,106	-	-	55,339,106
<b>Total transactions with owners</b>	-	55,339,106	-	-	55,339,106
<b>At 31 December 2017</b>	<b>2</b>	<b>67,534,306</b>	<b>11,672</b>	<b>(24,020,290)</b>	<b>43,525,690</b>

The notes on pages 18 to 40 form part of these financial statements.

REVOLUT LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2016	2	3,314,432	-	(1,810,092)	1,504,342
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(7,057,282)	(7,057,282)
Equity-settled share based payments	-	-	4,063	-	4,063
<b>Total comprehensive income for the year</b>	-	-	4,063	(7,057,282)	(7,053,219)
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	-	8,880,768	-	-	8,880,768
<b>Total transactions with owners</b>	-	8,880,768	-	-	8,880,768
<b>At 31 December 2016</b>	<b>2</b>	<b>12,195,200</b>	<b>4,063</b>	<b>(8,867,374)</b>	<b>3,331,891</b>

The notes on pages 18 to 40 form part of these financial statements.

REVOLUT LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(14,813,702)	(6,989,533)
<b>Adjustments for:</b>		
Depreciation of tangible assets	90,346	32,625
Interest paid	22,168	-
Interest received	(58,643)	(5,961)
Taxation charge	(303,014)	-
(Increase) in stocks	(170,664)	(420,770)
(Increase) in debtors	(28,776,838)	(1,186,159)
Increase in creditors	10,359,496	264,689
Corporation tax received	283,352	-
Share-based payments	7,609	4,063
Loss on disposal of fixed assets	22,275	-
Exchange difference on fixed assets	3,608	-
<b>Net cash generated from operating activities</b>	<b>(33,334,007)</b>	<b>(8,301,046)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(403,007)	(124,088)
Purchase of short term unlisted investments	(70,717)	-
Interest received	58,643	5,961
<b>Net cash from investing activities</b>	<b>(415,081)</b>	<b>(118,127)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	51,317,875	8,880,768
Interest paid	(690)	-
Convertible Loans	4,000,000	-
<b>Net cash used in financing activities</b>	<b>55,317,185</b>	<b>8,880,768</b>
<b>Net increase in cash and cash equivalents</b>	<b>21,568,097</b>	<b>461,595</b>
Cash and cash equivalents at beginning of year	2,312,201	1,850,606
<b>Cash and cash equivalents at the end of year</b>	<b>23,880,298</b>	<b>2,312,201</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		

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REVOLUT LTD

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(CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	2017 £	2016 £
Bank & cash balances	<b>23,880,298</b>	<b>2,312,201</b>
	<u><b>23,880,298</b></u>	<u><b>2,312,201</b></u>

The notes on pages 18 to 40 form part of these financial statements.

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## REVOLUT LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. General information

Revolut Ltd is a private company limited by shares and incorporated in England & Wales. The registered office is 9th Floor, 107 Cheapside, London EC2V 6DN and the principal place of business is / Westferry Circus, The Columbus Building 4th Floor, London E14 4HD.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

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

*The following principal accounting policies have been applied:*

##### 2.2 Basis of consolidation

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

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

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

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## REVOLUT LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 2. Accounting policies (continued)

### 2.3 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 Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 following criteria must also be met before revenue is recognised:

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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**REVOLUT LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

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

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.6 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**2.7 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

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## REVOLUT LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Consolidated Statement of Comprehensive Income is charged with fair value of goods and services received.

##### 2.10 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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.



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## REVOLUT LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Office equipment	- 25% straight line
Computer equipment	- 33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

##### 2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price. The impairment loss is recognised immediately in profit or loss.

Stocks comprise of stock of prepay cards not yet distributed to customers.

##### 2.14 Debtors

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

##### 2.15 Cash and cash equivalents

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

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

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## REVOLUT LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.16 Creditors

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

##### 2.17 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### 2.18 Financial instruments

The Group 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.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

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REVOLUT LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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2. Accounting policies (continued)

2.19 Client funds

The Group controls client funds held in segregated bank accounts. All transactions related to user Revolut accounts are performed via these segregated client accounts. As the cash balances in these accounts are owed to the users, they are not recorded in the balance sheet.

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

In the process of applying the Group's accounting policies, management makes various judgments which can significantly affect the amounts recognised in the financial statements. They are also required to use certain critical accounting estimates and assumptions regarding the future that may have a significant risk of giving rise to a material adjustment to the carrying values of assets and liabilities within the next financial year. The critical judgments are considered to be the following:

*Clawback of VISA and MasterCard incentives*

The Company has received incentives from VISA and MasterCard, which are potentially repayable if certain conditions are not met. These conditions are based on spend volumes and transaction targets as well as card issuance targets. If the targets are not met, a proportion equivalent to the percentage below the targets is repayable by the Company.

Recoverability of debtors

4. Turnover

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

	2017	2016
	£	£
Sales	12,831,525	2,362,968
	<u>12,831,525</u>	<u>2,362,968</u>

All turnover arose within the United Kingdom and across the EEA..

**REVOLUT LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**5. Operating loss**

The operating loss is stated after charging:

	2017 £	2016 £
Research & development charged as an expense	<b>2,870,038</b>	585,134
Depreciation of tangible fixed assets	<b>91,289</b>	32,625
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	<b>85,000</b>	28,000
Exchange differences	<b>461,020</b>	(107,786)
Other operating lease rentals	<b>434,778</b>	258,644
Defined contribution pension cost	<b>17,252</b>	-
	<b><u>                    </u></b>	<b><u>                    </u></b>

**6. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	<b>3,346,751</b>	1,361,276	<b>2,451,575</b>	1,079,889
Social security costs	<b>248,262</b>	147,447	<b>248,262</b>	113,779
Cost of defined contribution scheme	<b>17,252</b>	-	<b>17,252</b>	-
	<b><u>                    </u></b>	<b><u>                    </u></b>	<b><u>                    </u></b>	<b><u>                    </u></b>
	<b><u>3,612,265</u></b>	<b><u>1,508,723</u></b>	<b><u>2,717,089</u></b>	<b><u>1,193,668</u></b>

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

	2017 No.	2016 No.
Staff	<b>133</b>	32
	<b><u>                    </u></b>	<b><u>                    </u></b>

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REVOLUT LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	108,333	35,714
Company contributions to defined contribution pension schemes	1,043	-
	<u>109,376</u>	<u>35,714</u>

During the year retirement benefits were accruing to 2 directors (2016 - NIL) in respect of defined contribution pension schemes.

8. Interest receivable

	2017 £	2016 £
Other interest receivable	58,643	5,961
	<u>58,643</u>	<u>5,961</u>

9. Interest payable and similar expenses

	2017 £	2016 £
Bank interest payable	690	-
Other loan interest payable	244	-
Convertible loan stock interest payable	21,234	-
	<u>22,168</u>	<u>-</u>

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REVOLUT LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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10. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	(283,946)	(127,945)
	<u>(283,946)</u>	<u>(127,945)</u>
<b>Total current tax</b>	<u>(283,946)</u>	<u>(127,945)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(19,068)	-
	<u>(19,068)</u>	<u>-</u>
<b>Total deferred tax</b>	<u>(19,068)</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>(303,014)</u>	<u>(127,945)</u>

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**REVOLUT LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**10. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - *higher than*) the effective (2016: standard) rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(14,813,702)</u>	<u>(6,989,533)</u>
Loss on ordinary activities multiplied by effective (2016: standard) rate of corporation tax in the UK of 19.25% (2016 - 20%)	<u>(2,922,679)</u>	<u>(1,397,907)</u>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,938	21,600
Capital allowances for year in excess of depreciation	(30,524)	(9,592)
Other timing differences leading to an increase (decrease) in taxation	(19,068)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(289,070)	(127,945)
Unrelieved tax losses carried forward	2,958,288	1,426,230
Other tax charge (relief) on exceptional items	-	(1,192)
Other differences leading to an increase (decrease) in the tax charge	(16,899)	(39,139)
<b>Total tax charge for the year</b>	<u><u>(303,014)</u></u>	<u><u>(127,945)</u></u>

**Factors that may affect future tax charges**

In 2016 the UK government announced its intention to reduce the standard corporation tax rate to 17% by 2020. The measure to reduce the rate to 19% for the financial year beginning 1 April 2017 and to 17% for the financial year beginning 1 April 2020 were substantively enacted on 26 October 2015 and 6 September 2016, respectively.

A deferred tax asset has not been recognised in respect of tax losses carried forward totalling £26,963,457 as there is insufficient evidence as to their recoverability.

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REVOLUT LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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11. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2017	29,110	131,449	160,559
Additions	11,225	391,782	403,007
Disposals	(24,300)	-	(24,300)
Exchange adjustments	1,880	3,244	5,124
At 31 December 2017	<u>17,915</u>	<u>526,475</u>	<u>544,390</u>
<b>Depreciation</b>			
At 1 January 2017	2,659	35,277	37,936
Charge for the year on owned assets	1,773	88,573	90,346
Disposals	(2,025)	-	(2,025)
Exchange adjustments	157	1,719	1,876
At 31 December 2017	<u>2,564</u>	<u>125,569</u>	<u>128,133</u>
<b>Net book value</b>			
At 31 December 2017	<u>15,351</u>	<u>400,906</u>	<u>416,257</u>
At 31 December 2016	<u>26,451</u>	<u>96,172</u>	<u>122,623</u>



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REVOLUT LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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11. Tangible fixed assets (continued)

**Company**

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2017	6,691	100,464	107,155
Additions	11,225	281,571	292,796
At 31 December 2017	<u>17,916</u>	<u>382,035</u>	<u>399,951</u>
<b>Depreciation</b>			
At 1 January 2017	791	31,776	32,567
Charge for the year on owned assets	1,773	59,998	61,771
At 31 December 2017	<u>2,564</u>	<u>91,774</u>	<u>94,338</u>
<b>Net book value</b>			
At 31 December 2017	<u>15,352</u>	<u>290,261</u>	<u>305,613</u>
At 31 December 2016	<u>5,901</u>	<u>68,687</u>	<u>74,588</u>

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**REVOLUT LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**12. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2017	134
Additions	1,341,413
At 31 December 2017	<u>1,341,547</u>
 <b>Net book value</b>	
At 31 December 2017	<u>1,341,547</u>
At 31 December 2016	<u>134</u>

**13. Stocks**

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
Stock of cards	<b>591,677</b>	<i>420,770</i>	<b>591,434</b>	<i>420,770</i>
	<u><b>591,677</b></u>	<u><i>420,770</i></u>	<u><b>591,434</b></u>	<u><i>420,770</i></u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £1,836,971 (2016 - £1,581,771).

**REVOLUT LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**14. Debtors**

	<b>Group</b> 2017 £	<i>Group</i> 2016 £	<b>Company</b> 2017 £	<i>Company</i> 2016 £
Trade debtors	1,007,690	168,467	967,208	168,467
Amounts owed by group undertakings	-	-	288,076	-
Other debtors	13,177,534	881,425	13,164,479	874,216
Prepayments and accrued income	112,396	2,381	112,249	-
Collateral provided to payment scheme providers	15,840,372	383,507	15,840,372	383,507
Deferred taxation	18,351	-	-	-
	<u>30,156,343</u>	<u>1,435,780</u>	<u>30,372,384</u>	<u>1,426,190</u>

**15. Current asset investments**

	<b>Group</b> 2017 £	<i>Group</i> 2016 £	<b>Company</b> 2017 £	<i>Company</i> 2016 £
Unlisted investments	70,717	-	70,717	-
	<u>70,717</u>	<u>-</u>	<u>70,717</u>	<u>-</u>

**16. Cash and cash equivalents**

	<b>Group</b> 2017 £	<i>Group</i> 2016 £	<b>Company</b> 2017 £	<i>Company</i> 2016 £
Cash at bank and in hand	23,880,298	2,312,201	22,405,808	2,308,744
	<u>23,880,298</u>	<u>2,312,201</u>	<u>22,405,808</u>	<u>2,308,744</u>

REVOLUT LTD

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	2,896,346	840,466	2,805,091	817,530
Amounts owed to group undertakings	-	-	174,770	29,737
Corporation tax	584	-	-	-
Other taxation and social security	109,981	-	510,952	-
Other creditors	5,496,923	23,267	5,394,839	23,267
Accruals and deferred income	2,680,788	28,000	2,676,160	28,000
	<u>11,184,622</u>	<u>891,733</u>	<u>11,561,812</u>	<u>898,534</u>

**18. Financial instruments**

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	23,880,298	2,312,201	22,405,808	2,308,744
Financial assets that are debt instruments measured at amortised cost	14,255,937	1,049,892	14,490,481	1,042,683
Financial assets that are equity instruments measured at cost less impairment	-	-	-	-
	<u>38,136,235</u>	<u>3,362,093</u>	<u>36,896,289</u>	<u>3,351,427</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(9,662,068)	(870,700)	(9,638,872)	(877,501)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors.

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19. Deferred taxation

Group

	2017 £
Charged to profit or loss	(1,817)
Utilised in year	20,169
<b>At end of year</b>	<b>18,352</b>

**At end of year**

The deferred tax asset is made up as follows:

	Group 2017 £
Accelerated capital allowances	18,351
	<b>18,351</b>

20. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
11,158,401 Ordinary shares of £0.0000001 each (2016: 11,315,780 Ordinary Shares)	1.0	1.0
6,236,220 Preferred A Shares shares of £0.0000001 each	0.5	0.5
5,023,568 Preferred B Shares shares of £0.0000001 each (2016: 5,095,865 Preferred B Shares)	0.5	0.5
6,889,604 Preferred C Shares shares of £0.0000001 each	1.0	-
	<b>3.0</b>	<b>2.0</b>

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**20. Share capital (continued)**

On 7 February 2017, 37,140 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.032 each.

On 17 February 2017, 23,000 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.029 each.

On 27 March 2017, 92 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.029 each.

On 30 March 2017, 4,284 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.032 each.

On 5 May 2017, 555 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.029 each.

On 31 May 2017, 741 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.029 each.

On 20 June 2017, 988 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.029 each.

On 10 July 2017, 5,432,491 C Preferred Shares of £0.0000001 each were allotted and fully paid at £8.74 (USD 11.2526) each.

On 10 July 2017, 579,299 C Preferred Shares of £0.0000001 each were allotted and fully paid at £6.9414 each.

On 12 July 2017, 1,545 and 7,775 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.029 and £0.032 each, respectively.

On 18 August 2017, 444,341 C Preferred Shares of £0.0000001 each were allotted and fully paid at £8.57 each.

On 9 August 2017, 104,525 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.029 each.

On 9 August 2017, 361,176 Ordinary Shares and 72,297 B Preferred Shares were redesignated as 361,176 and 72,297 C Preferred Shares, respectively.

On 23 August 2017, 19,806 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.032 each.

On 6 October 2017, 1,370 and 1,976 Ordinary Shares of £0.0000001 each were allotted and fully paid at £0.0305 and £0.029 each, respectively.

At the balance sheet date there were 11,158,401 Ordinary Shares of £0.0000001 each, giving an ordinary share capital of £1.12 (2016: 11,315,780 Ordinary Shares of £0.0000001 each, giving an ordinary share capital of £1.13).

At the balance sheet date there were 6,236,220 A Preferred Shares of £0.0000001 each, giving an A Preferred Share capital of £0.62 (2016: 6,236,220 A Preferred Shares of £0.0000001 each, giving an A Preferred Share capital of £0.62).

At the balance sheet date there were 5,023,568 B Preferred Shares of £0.0000001 each, giving a B Preferred Share capital of £0.50 (2016: 8,242,212 B Preferred Shares of £0.0000001 each, giving a B Preferred Share capital of £0.51).

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**20. Share capital (continued)**

At the balance sheet date there were 6,889,604 C Preferred Shares of £0.0000001 each, giving a C Preferred Share capital of £0.69 (2016: none).

The shares have attached to them full voting and dividend rights. On a return of assets, capital distribution will be first to each holder of Preferred Shares, in priority to all other Shareholders.

**21. Reserves**

**Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**Foreign exchange reserve**

This reserve records variances arising as a result of the translation of foreign subsidiary accounts into the presentation currency.

**Other reserves**

This records the fair value of equity-settled share options reserve.

**Profit & loss account**

This reserve records the retained earnings of the Group.

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**22. Share based payments**

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value of the options granted has been calculated with reference to the Black-Scholes option pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

	Weighted average exercise price (pence) 2017	Number 2017	Weighted average exercise price (pence) 2016	Number 2016
Outstanding at the beginning of the year	2.17	2,425,740	0.38	2,300,000
Granted during the year	2.92	514,021	3.13	1,568,995
Exercised during the year	2.90	(202,068)	2.74	(1,191,030)
Expired/Sold during the year	1.98	(27,000)	0.75	(252,225)
<b>Outstanding at the end of the year</b>	<b>2.31</b>	<b>2,710,693</b>	<b>2.17</b>	<b>2,425,740</b>

The weighted average contractual life as at the balance sheet date was 10.30 years (2016: 9.33 years).

	March 2016 Black-Scholes	July 2016 Black-Scholes	March 2017 Black-Scholes
Option pricing model used			
Exercise price	£0.03	£0.03	£0.03
Expected volatility	42.7%	42.7%	35.6%
Risk-free interest rate	0.74%	0.63%	0.45%
Vesting terms (see below)	1	1	2
Maximum term	10 years	10 years	10 years

**Vesting terms**

1. 25% at anniversary of vesting commencement date, remainder in 36 monthly instalments commencing one year after vesting commencement date.

2. 24 monthly instalments commencing on vesting commencement date.

	2017 £	2016 £
Equity-settled schemes	<b>7,609</b>	<b>4,063</b>



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**23. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £17,252 (2016: £nil) . Contributions totalling £11,626 (2016: £nil) were payable to the fund at the balance sheet date and are included in creditors.

**24. Commitments under operating leases**

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b> 2017 £	<i>Group</i> 2016 £	<b>Company</b> 2017 £	<i>Company</i> 2016 £
Not later than 1 year	<b>197,755</b>	<i>81,015</i>	<b>98,810</b>	<i>70,200</i>
Later than 1 year and not later than 5 years	<b>372,870</b>	<i>-</i>	<b>9,346</b>	<i>-</i>
	<b>570,625</b>	<i>81,015</i>	<b>108,156</b>	<i>70,200</i>

**25. Transactions with Directors**

At the balance sheet date the company was owed £990 by (2016: the company £21,033 to) its director N Storonsky, which is included in other debtors (2016: other creditors). No interest is charged and the full amount was repaid to the company on 22 June 2018.

**26. Post balance sheet events**

After the balance sheet date, a number of share issues took place as follows:

On 10 April 2018 39,938 Ordinary shares of £0.0000001 were allotted and fully paid at £0.029 per share.

On 10 April 2018, 2,197 Ordinary shares of £0.0000001 were allotted and fully paid at £0.03 per share.

On 27 April 2018, 5,250,478 D Preferred shares of £0.0000001 were allotted and fully paid at £31.66 (\$43.6289) per share.

On 14 May 2018, 479,662 D Preferred shares of £0.0000001 were allotted and fully paid at £31.66 (\$43.6289) per share.

**27. Controlling party**

There was no overall controlling party throughout the year.

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28. Subsidiary undertaking

The following were subsidiary undertakings of the Company. All trading subsidiary undertakings are included in the consolidation.

Name	Class of shares	Holding	Principal activity
Revolut Technologies Russia LLC	Ordinary	100 %	Software Development
Revolut Technologies UAB	Ordinary	100 %	Business development
Revolut Travel Limited	Ordinary	100 %	Insurance licence
Revolut Technologies Pte	Ordinary	100 %	Dormant
Revolut Technologies Inc	Ordinary	100 %	Software development
Revolut Technologies Limited	Ordinary	100 %	Dormant
Revolut Technologies Ltd	Ordinary	100 %	Dormant
Revolut Technologies sp. z.o.o	Ordinary	100 %	Dormant

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28. Subsidiary undertaking (continued)

Name	Registered office
Revolut Technologies Russia LLC	115093 Moscow, 1 st Shchipkovsky per., 20, Floor 7, com.8, 9, Russia
Revolut Technologies UAB	Vilniaus m. sav. Vilniaus m. Jogailos g. 9, Lithuania
Revolut Travel Limited	107 Cheapside, 9th Floor, London EC2V 6DN, United Kingdom
Revolut Technologies Pte	6 Battery Road #10-01, Singapore 049909, Singapore
Revolut Technologies Inc	111 8th Avenue, 13th Floor, New York, NY 10011, United States
Revolut Technologies Limited	13/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong
Revolut Technologies Ltd	Suite 2600, Three Bentall Centre, 595 Burrard Street, P.O. Box 49314, Vancouver, BC V7X 1L3, Canada
Revolut Technologies sp. z.o.o	Kraków, 30-705ul. Stanisława Klimeckiego 1