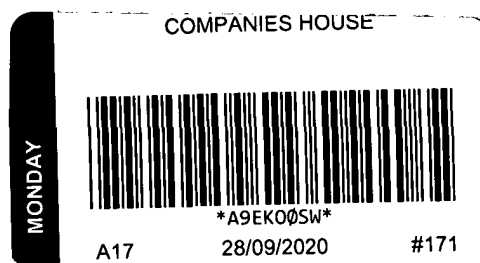


Registered number: 09908051

ROBINHOOD U.K. LTD
(FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

COMPANY INFORMATION

| | |
|----------------------------|---|
| Directors | P R Grossmann-Kavanagh S T Phelps (appointed 5 August 2019) W F Rutgers (appointed 5 August 2019) |
| Registered number | 09908051 |
| Registered office | 100 New Bridge Street London EC4V 6JA |
| Independent auditor | Ernst & Young LLP 25 Churchill Place London E14 5EY |
| Accountants | MHA MacIntyre Hudson Pennant House Napier Court Napier Road Reading Berkshire RG1 8BW |

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

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| Statement of changes in equity | 8 |
| Notes to the financial statements | 9 - 16 |

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for Robinhood U.K. Ltd (the "Company") for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements 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 Company will continue in business.

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

Principal activity

The company is yet to commence trade in the UK, however is looking for this to commence in the near future. The principal activity of the group continued to be preparing to launch a mobile app as an introducing broker.

Directors

The directors who served during the year were:

P R Grossmann-Kavanagh
S T Phelps (appointed 5 August 2019)
W F Rutgers (appointed 5 August 2019)

Disclosure of information to auditor

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

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

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Post balance sheet events

The COVID-19 pandemic is considered to be a non-adjusting post balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities as at 31 December 2019.

Post the balance sheet date, macro-economic uncertainty has arisen due to the COVID-19 pandemic, which has impacted global financial markets. This volatility may have an impact on our operations, but we are a resilient business. We will continue to evaluate and monitor markets for ongoing impacts. In addition, the significant estimates and judgements that will be made in preparing future financial statements may also be impacted if the current macro-economic uncertainty continues.

In June 2020, the parent company contributed £2,192,188 to the Company by converting outstanding payables into contributed capital

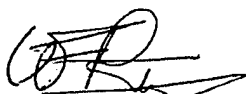
Auditor

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by sections 414B and 415A of the Companies Act 2006.

On behalf of the board



W F Rutgers
Director

Date: 23/06/2020

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

Opinion

We have audited the financial statements of Robinhood U.K. Ltd (formerly known as Robinhood International Ltd) (the 'Company') for the year ended 31 December 2019, which comprise the Income statement, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its 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.

Emphasis of matter

We draw attention to Notes 2.2 and 13 of the financial statements, which describes the economic disruption the company is facing as a result of COVID-19, which is impacting financial markets. Our opinion is not modified in respect of this matter.

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD) (CONTINUED)

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD) (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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.

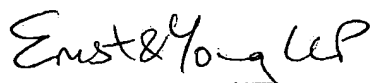
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Other matters

In the previous accounting period the Directors of the company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



Amarjit Singh (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditors

London

Date: 23 JUNE 2020

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 2019 £ | 2018 <i>unaudited</i> £ |
|---|------|--------------------|-------------------------------|
| Administrative expenses | | (2,280,405) | (457,867) |
| Operating loss | | (2,280,405) | (457,867) |
| Interest receivable and similar income | | 5 | - |
| Loss on ordinary activities before tax | | (2,280,400) | (457,867) |
| Tax on loss | | 534,838 | - |
| Loss for the financial year | | (1,745,562) | (457,867) |

There were no recognised gains or losses in 2019 (2018: nil) other than those included in the income statement.

The notes on pages 9 to 16 form part of these financial statements.

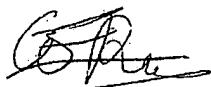
ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)
REGISTERED NUMBER: 09908051

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

| | Note | 2019 £ | 2018 unaudited £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 3,988 | - |
| Current assets | | | |
| Debtors: amounts falling due within one year | 6 | 610,512 | - |
| Cash at bank and in hand | 7 | 3,579,900 | 1 |
| | | <u>4,190,412</u> | <u>1</u> |
| Creditors: amounts falling due within one year | 8 | (2,322,945) | (459,187) |
| Net current assets/(liabilities) | | <u>1,867,467</u> | <u>(459,186)</u> |
| Total assets less current liabilities | | <u>1,871,455</u> | <u>(459,186)</u> |
| Net assets/(liabilities) | | <u><u>1,871,455</u></u> | <u><u>(459,186)</u></u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 2 | 1 |
| Share premium account | | 3,999,999 | - |
| Profit and loss account | | (2,128,546) | (459,187) |
| | | <u>1,871,455</u> | <u>(459,186)</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



W F Rutgers
Director

Date: 23/06/2020

The notes on pages 9 to 16 form part of these financial statements.

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|----------------------------------|----------------------------|-----------------------------|----------------------------|--------------|
| | £ | £ | £ | £ |
| At 1 January 2018 (unaudited) | 1 | - | (1,320) | (1,319) |
| Loss for the year (unaudited) | - | - | (457,867) | (457,867) |
| At 1 January 2019 (unaudited) | 1 | - | (459,187) | (459,186) |
| Loss for the year | - | - | (1,745,562) | (1,745,562) |
| Shares issued during the year | 1 | 3,999,999 | - | 4,000,000 |
| Share based payment charge | - | - | 76,203 | 76,203 |
| At 31 December 2019 | 2 | 3,999,999 | (2,128,546) | 1,871,455 |

The notes on pages 9 to 16 form part of these financial statements.

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Robinhood U.K. Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 100 New Bridge Street, London, United Kingdom, EC4V 6JA.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in pound sterling, which is the functional currency of the company. Monetary amounts are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

The following principal accounting policies have been applied:

2.2 Going concern

Given the liquidity and capital resources arrangements in place, the accounts have been prepared on a going concern basis. The going concern basis is supported by future cash flow forecasts that support the Company on an ongoing basis.

While the short-term outlook due the COVID-19 pandemic is uncertain, we believe our business is resilient. Our working practices have changed to ensure operational continuity and we will continue to evaluate and monitor markets for ongoing impacts. In reaching the conclusion that the going concern basis is appropriate, we have stress tested future cash flow forecasts for the Company to evaluate the impact of plausible downside scenarios.

Under all plausible scenarios, the Directors concluded that the Company retains sufficient liquidity and that the going concern basis remains appropriate for at least a period of twelve months from the date of approval of these financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Income statement 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.

2.5 Interest income

Interest income is recognised in the Income statement using the effective interest method.

2.6 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Equity-settled share-based transactions

The Company has a share option scheme which is open to all employees of the Group at the discretion of the Board under the Parent's 2013 Stock Option Plan. The options may be granted at a price per share not less than the fair market value at the date of grant. The fair value of stock options is generally determined by the Black-Scholes option-pricing model. The Black-Scholes option-pricing model incorporates various assumptions including expected stock price volatility, expected term and risk-free interest rates. The Company recognizes a share-based payment charge on a straight-line basis over the requisite service period.

Options granted generally vest on the shares of the parent company over a four-year term from the date of grant, at a rate of 25% after one year, then monthly on a straight-line basis thereafter. Generally, options granted are exercisable for up to 10 years from the date of grant. The options also lapse following the employee leaving the Group and various other conditions set out in the Scheme rules.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

2.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.10 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.

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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:

| | |
|-----------------------|-----------|
| Fixtures and fittings | - 7 years |
|-----------------------|-----------|

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 Income statement.

2.11 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.

2.12 Cash and cash equivalents

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

2.13 Creditors

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

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.

2.14 Financial instruments

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £50,000.

4. Employees

The average monthly number of persons (including directors) employed by the Company during the year was 8 (2018:2).

5. Tangible fixed assets

| | Fixtures and fittings £ |
|-------------------------------------|------------------------------------|
| Cost or valuation | |
| At 1 January 2019 (unaudited) | - |
| Additions | 4,653 |
| At 31 December 2019 | 4,653 |
| Depreciation | |
| At 1 January 2019 (unaudited) | - |
| Charge for the year on owned assets | 665 |
| At 31 December 2019 | 665 |
| Net book value | |
| At 31 December 2019 | 3,988 |
| At 31 December 2018 (unaudited) | - |

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Debtors

| | 2019 £ | 2018 (unaudited) £ |
|--------------------------------|----------------|--------------------------|
| Prepayments and accrued income | 75,674 | - |
| Deferred taxation | 534,838 | - |
| | <u>610,512</u> | <u>-</u> |

7. Cash and cash equivalents

| | 2019 £ | 2018 (unaudited) £ |
|--------------------------|------------------|--------------------------|
| Cash at bank and in hand | 3,579,900 | 1 |
| | <u>3,579,900</u> | <u>1</u> |

8. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 (unaudited) £ |
|------------------------------------|------------------|--------------------------|
| Amounts owed to group undertakings | 2,030,893 | 459,187 |
| Trade creditors | 36,676 | - |
| Other creditors | 14,014 | - |
| Accruals | 241,362 | - |
| | <u>2,322,945</u> | <u>459,187</u> |

Amounts owed to group undertakings represents an inter-company loan with the immediate parent company. The loan is interest free and repayable on demand. As indicated in note 13, the loan was capitalised following the year end.

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Share capital

| | 2019 £ | 2018 (unaudited) £ |
|---|-----------|--------------------------|
| Allotted, called up and fully paid | | |
| Ordinary Shares of £1 each | 2 | 1 |

On 25 July 2019, 1 ordinary share was issued for a consideration of £4,000,000.

10. Share options

The Company has an Enterprise Management Incentive share option scheme which is open to all employees of the Group at the discretion of the Board, to receive shares in the parent company, Robinhood Markets, Inc. under the Parent's 2013 Stock Option Plan. The options may be granted at a price per share not less than the fair market value at the date of grant. Options granted generally vest over a four-year term from the date of grant, at a rate of 25% after one year, then monthly on a straight-line basis thereafter. Generally, options granted are exercisable for up to 10 years from the date of grant.

The effective option date window of the options is dependent on specific terms set out within the employee share option scheme rules. The fair values were calculated using a Black-Scholes model. The inputs for the model were as follows:

| | |
|-------------------------|-------|
| Expected volatility | 31.2% |
| Risk free rate | 2.51% |
| Expected dividend yield | Nil |

Expected volatility was determined using as a base the share price movements recorded over the period of the options. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

There were 127,078 options granted to 1 employee during the year, all of which were outstanding at the end of the year, and an equity-settled share-based payment charge is recognised in the accounts of £76,203.

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £34,995. There were no amounts payable to the fund as at the balance sheet date.

ROBINHOOD U.K. LTD (FORMERLY KNOWN AS ROBINHOOD INTERNATIONAL LTD)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 (unaudited) £ |
|-----------------------|---------------|--------------------------|
| Not later than 1 year | 85,120 | - |
| | <u>85,120</u> | <u>-</u> |

13. Post balance sheet events

The COVID-19 pandemic is considered to be a non-adjusting post balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities as at 31 December 2019.

Post the balance sheet date, macro-economic uncertainty has arisen due to the COVID-19 pandemic, which has impacted global financial markets. This volatility may have an impact on our operations, but we believe our business is resilient. We will continue to evaluate and monitor markets for ongoing impacts. In addition, the significant estimates and judgements that will be made in preparing future financial statements may also be impacted if the current macro-economic uncertainty continues.

In June 2020, the parent company contributed £2,192,188 to the Company by converting outstanding payables into contributed capital.

14. Controlling party

The immediate and ultimate parent company is Robinhood Markets, Inc. a private company limited by shares registered and domiciled at 85 Willow Rd, Menlo Park, CA 94025, USA. There is no individual controlling party.