

Registered number: 09908051

ROBINHOOD U.K. LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



ROBINHOOD U.K. LTD

COMPANY INFORMATION

Directors	A J Van Delft J A H Loat RO Jackson (appointed 27 October 2020, resigned 24 December 2020) S T Phelps (resigned 19 June 2020) W F Rutgers (resigned 27 October 2020) P R Grossmann-Kavanagh (resigned 27 October 2020)
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

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ROBINHOOD U.K. LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

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 started to trade in the year. The principal activity of the Company continues to be preparing to launch a mobile app as an introducing broker.

Directors

The directors who served during the year were:

A J Van Delft (appointed 17 June 2020)
J A H Loat (appointed 14 November 2020)
RO Jackson (appointed 27 October 2020, resigned 24 December 2020)
S T Phelps (resigned 19 June 2020)
W F Rutgers (resigned 27 October 2020)
P R Grossmann-Kavanagh (resigned 27 October 2020)

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Coronavirus pandemic

Macro-economic uncertainty arose during the year 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.

Share capital issue

In June 2020, the parent company contributed £2,192,188 to the Company by converting the amounts due to group undertakings into share capital and share premium.

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

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



J A H Loat
Director

Date: 21 April 2021

ROBINHOOD U.K. LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBINHOOD U.K. LTD

Opinion

We have audited the financial statements of Robinhood U.K. Ltd (the 'Company') for the year ended 31 December 2020 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 FRS 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 Company's affairs as at 31 December 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period assessed by the directors to 31 December 2024 which is at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

ROBINHOOD U.K. LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBINHOOD U.K. LTD

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 this report, we do not express any form of assurance conclusion thereon.

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBINHOOD U.K. LTD

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the accounting standards adopted in conformity with the requirements of the Companies Act 2006, relevant tax compliance regulations, and the rules and regulations of the Financial Conduct Authority (FCA).
- We understood how the Company is complying with those frameworks by making enquiries of senior management and the directors for their awareness of any non-compliance with laws and regulations and to understand how the Company maintain and communicate their policies. We corroborated our understanding through our review of board meeting minutes and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and the manipulation by management of administrative expenses. We performed journal entry testing by specific risk criteria, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, recalculating revenue in accordance with relevant agreements, reviewing the appropriateness of the transfer pricing arrangement, review of legal and professional expenses, review of breaches register and review of board meeting minutes.
- As the Company is regulated, we obtained an understanding of the Company's regulatory permissions, its business activities and understood the regulatory control environment in which it operates. In assessing the control environment, we considered the compliance to these regulations as part of our audit procedures, which included a review of correspondence with the regulators and inquiries of the directors and senior management.

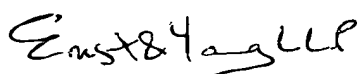
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ROBINHOOD U.K. LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBINHOOD U.K. LTD

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.



Amarjit Singh (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP
Statutory Auditors
25 Churchill Place
London
E14 5EY

Date: 21 APRIL 2021

ROBINHOOD U.K. LTD

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		3,386,061	-
Cost of sales		(48,000)	-
Gross profit		3,338,061	-
Administrative expenses		(4,090,809)	(2,280,405)
Operating loss		(752,748)	(2,280,405)
Interest receivable and similar income		-	5
Loss before tax		(752,748)	(2,280,400)
Tax on loss		170,895	534,838
Loss for the financial year		(581,853)	(1,745,562)

There were no recognised gains and losses for 2020 or 2019 other than those included in the income statement.

The notes on pages 10 to 19 form part of these financial statements.

ROBINHOOD U.K. LTD
REGISTERED NUMBER: 09908051

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	9,282	3,988
Current assets			
Debtors: amounts falling due within one year	6	1,032,568	610,512
Cash at bank and in hand	7	2,593,654	3,579,900
		<u>3,626,222</u>	<u>4,190,412</u>
Creditors: amounts falling due within one year	8	(59,534)	(2,322,945)
Net current assets		<u>3,566,688</u>	<u>1,867,467</u>
Total assets less current liabilities		<u>3,575,970</u>	<u>1,871,455</u>
Net assets		<u><u>3,575,970</u></u>	<u><u>1,871,455</u></u>
Capital and reserves			
Called up share capital	9	3	2
Share premium account		6,192,187	3,999,999
Profit and loss account		(2,616,220)	(2,128,546)
		<u>3,575,970</u>	<u>1,871,455</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:



J A H Loat
Director

Date: 21 April 2021

ROBINHOOD U.K. LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
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 1 January 2020	2	3,999,999	(2,128,546)	1,871,455
Loss for the year	-	-	(581,853)	(581,853)
Shares issued during the year	1	2,192,188	-	2,192,189
Share based payment charge	-	-	94,179	94,179
At 31 December 2020	3	6,192,187	(2,616,220)	3,575,970

The notes on pages 10 to 19 form part of these financial statements.

ROBINHOOD U.K. LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020**

2. Accounting policies (continued)

2.4 Revenue

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

Revenue of the Company arises principally from charges to its parent company for the provision of marketing and sales services in the UK to promote the products and services of the worldwide group.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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 profit or loss using the effective interest method.

2.7 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 profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.8 Group equity incentive plan

Employees of the Company may be eligible to participate in the Robinhood Markets, Inc. (the "Parent") Amended and Restated 2013 Stock Plan, as amended, and the 2020 Equity Incentive Plan, as amended (together, the "Plan"), and thereby be awarded share based awards. The Parent grants both stock options and restricted stock units ("RSUs"). Any grants under the Plan are subject to the discretion of the board of the Parent, and relate to shares in the Parent.

Share Options

Options granted by the Parent under the Plan may be granted with an exercise 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 ten years from the date of grant. We estimate the fair value of stock options granted to employees and directors using 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 in respect of share options granted to its current or former employees.

Restricted Stock Units (RSUs)

RSUs granted by the Parent under the Plan generally vest over a four-year term from the date of grant, at a rate of 25% after one year, then quarterly on a straight-line basis thereafter and the occurrence of a qualifying event for the Parent, defined as the earlier of (1) the closing of certain, specific change in control transactions, or (2) an IPO. Generally, RSUs expire seven years from the date of grant. The fair value of RSUs is estimated based on the fair value of the Parent's common stock on the date of grant. We record share-based compensation expense for these awards on an accelerated attribution method over the requisite service period, and only if performance-based conditions are considered probable to be satisfied.

As of 31 December 2020, we had not recognized share-based compensation for awards with performance-based conditions because the qualifying event described above had not occurred and, therefore, could not be considered probable. In the period in which the qualifying event becomes probable, we will record a cumulative one-time share-based compensation expense determined using the grant-date fair values. Share-based compensation related to remaining time-based service after the qualifying event will be recorded over the remaining requisite service period.

ROBINHOOD U.K. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.10 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.

ROBINHOOD U.K. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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:

Fixtures and fittings	- 7 years
Computer equipment	- 3 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 profit or loss.

2.12 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.

2.13 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.

2.14 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.

ROBINHOOD U.K. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.15 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.

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 employees, including directors, during the year was 7 (2019 - 8).

5. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2020	4,653	-	4,653
Additions	-	7,660	7,660
At 31 December 2020	4,653	7,660	12,313
Depreciation			
At 1 January 2020	665	-	665
Charge for the year on owned assets	664	1,702	2,366
At 31 December 2020	1,329	1,702	3,031
Net book value			
At 31 December 2020	3,324	5,958	9,282
At 31 December 2019	3,988	-	3,988

ROBINHOOD U.K. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Debtors: amounts falling due within one year

	2020 £	2019 £
Amounts owed by group undertakings	189,011	-
Other debtors	68,763	-
Prepayments and accrued income	69,062	75,674
Deferred taxation	705,732	534,838
	<u>1,032,568</u>	<u>610,512</u>

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>2,593,654</u>	<u>3,579,900</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	-	2,030,893
Trade creditors	4,534	36,676
Other creditors	-	14,014
Accruals	55,000	241,362
	<u>59,534</u>	<u>2,322,945</u>

Amounts owed to group undertakings represented an inter-company loan with the immediate parent company. The loan was interest free and repayable on demand. The loan was capitalised in June 2020 by converting the loan into share capital and share premium.

ROBINHOOD U.K. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
Ordinary shares of £ 1	<u>3</u>	<u>2</u>

In June 2020, 1 ordinary share was issued for consideration of £2,192,188 by converting the intercompany loan with the parent company into share capital and share premium.

10. Share options

As set out in Note 2.8, the Company recognizes a share-based payment charge on a straight-line basis over the requisite service period in respect of share options over shares in the Parent granted to its current or former employees under the Plan. The effective option date window of the share options is dependent on specific terms set out within the relevant Plan rules and/or the option documentation or other agreements in place with the relevant employee. 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 term:	5.94 years
Expected dividend yield:	Nil

A summary of stock option activity for the year ended 31 December 2020 is as follows:

Balance at 31 December 20 19	127,078
Cancelled and forfeited during the period	(66,187)
Balance at 31 December 2020	<u><u>60,891</u></u>

All options have a weighted average exercise price of \$5.93 and were both vested and exercisable as of 31 December 2020. In the year ended 31 December 2020, certain stock options were modified to accelerate the vesting terms and extend the post-term exercise period. An equity-settled share-based payment charge related to stock options, reflective of the modifications noted, is recognised in the accounts of £94,179 (20 19: £76,203).

ROBINHOOD U.K. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Restricted stock units

	Weighted average exercise price (pence)	Number
Unvested restricted stock at 31 December 2019	4.85	65,849
Granted during the year	9.14	45,013
Forfeited during the year	5.72	(45,440)
Unvested restricted stock at 31 December 2020	6.59	65,422

RSUs vest only upon the satisfaction of both time-based service and performance-based conditions. As of 31 December 2020, no share-based compensation charge had been recognized for such awards with a performance condition based on the occurrence of a qualifying event, such as an IPO, as such qualifying event was not probable. The total unrecognized share-based compensation expense related to these awards was £440,624 as of 31 December 2020. Of this amount, £210,169 relates to awards for which the time-based vesting condition has been satisfied or partially satisfied while £230,455 relates to awards for which the time-based vesting condition had not yet been satisfied.

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 £39,320 (2019: £34,995). There were no amounts payable to the fund as at the balance sheet date.

12. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	25,996	85,120
	25,996	85,120

ROBINHOOD U.K. LTD

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13. Post balance sheet events

We have evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through 21 April 2021, the date the financial statements were available to be issued and no subsequent events requiring disclosure were noted.

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.