

Company Registration No. 01745463 (England and Wales)

**ROBERT W. BAIRD LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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COMPANIES HOUSE

# ROBERT W. BAIRD LIMITED

## COMPANY INFORMATION

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|--------------------------|--|
| <b>Directors</b>         | J Langenfeld<br>S Holt<br>B Doyal<br>N Sealy                                 |
| <b>Secretary</b>         | TMF Corporate Administration Services Limited                                |
| <b>Company number</b>    | 01745463   |
| <b>Registered office</b> | Finsbury Circus House<br>15 Finsbury Circus<br>London<br>England<br>EC2M 7EB |
| <b>Auditor</b>           | KPMG LLP<br>15 Canada Square<br>London<br>E14 5GL                            |

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# ROBERT W. BAIRD LIMITED

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# **ROBERT W. BAIRD LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present the strategic report for the year ended 31 December 2022.

#### **Review of the business**

The twin business lines of Institutional Equity Sales and Corporate Finance generated revenues of £45,295,228 (2021: £58,941,903), a year on year decrease of 23%, producing an operating profit of £3,999,373 (2021: £9,296,632). The decrease in revenues is reflective of lower Corporate Finance deal activity. Robert W. Baird Limited ("the Company") made a profit before tax of £6,600,513 (2021: £9,321,290). This also reflects a foreign exchange gain of £2,393,797 (2021: £23,470) as part of the group currency hedging strategy. Details of the results for the year are set out in the statement of comprehensive income. The directors consider that the Company is in a satisfactory position for the forthcoming year but do recognise that the Company is in a cyclical business that closely follows financial market conditions.

#### **Key performance indicators (KPIs)**

The directors monitor a number of KPIs including the number of local deals completed by the Corporate Finance division which decreased from 17 in 2021 to 16 in 2022. The number of institutional sales clients of the Institutional Equity Sales division increased from 249 in 2021 to 251 in 2022.

#### **Principal risks and uncertainties**

The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and currency risk. These risks are monitored by the ultimate parent at a global Group level ("the Group"). The Group seeks to limit any adverse effects on the financial performance of the Company. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. Material risks are reviewed by the board, primarily through the Company's board and policies which are implemented by the Company's finance and compliance departments.

#### **Credit risk**

The amount of exposure to any individual counterparty is monitored and continually assessed on a case by case basis.

#### **Liquidity risk**

The Company maintains cash reserves ensuring it has sufficient available long-term funds for its operations, these are monitored at a Company and Group level.

#### **Currency risk**

The Company is exposed to currency risk from its relationships with both its German business, and with its US parent. The main exposure arises from the Group holding a proportion of its cash in USD as part of the wider Group's hedging strategy. This is monitored by the Finance department, and also by the wider Group.

# **ROBERT W. BAIRD LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Principal risks and uncertainties (continued)**

There is potential for continued market volatility driven by rising interest rates, inflation, the failure of systemically important banking institutions and the conflict in Ukraine.

On February 24, 2022, Russia launched an invasion of Ukraine. In response, the West has imposed sweeping sanctions on Russia, including but not limited to certain Russian banks, the Central Bank of Russia, corporations and politicians. It cannot be ruled out that further sanctions and other measures will be imposed in the future. The future development of the military conflict is currently not foreseeable.

The ultimate outcome of these matters cannot presently be determined, the Company has however undertaken a preliminary assessment of the potential impact on its principal business operations. The potential impact to the business units are as follows:

#### Corporate Finance

This business unit relies on deal fees. 2022 was the second best year on record after 2021 for the global corporate finance platform. We expect 2023 activity to be at similar levels seen in 2022.

#### Institutional Equity Sales

Continued volatility in the US equities market means that trading volumes are higher in the current environment. This business unit does not expect a significant impact on its operating profit.

As part of their assessment the Directors have modelled a severe, but plausible, stress test scenario on the Company, predominantly focused on suppressed levels of corporate finance revenues across the Group. The most severe of these consists of 3 months of zero cash receipts, 3 months at 50%, 3 months at 75% and 3 months at 100% of prior year revenue. The business was able to continue its operations and meet its obligations over the next 12 months when applying this scenario.

As explained in the directors report the board believes that the Company continues to have sufficient resources in place to finance its operations for the foreseeable future.

# **ROBERT W. BAIRD LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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### **Section 172 (1) Statement**

The Directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its member, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term,
- Interests of the Company's employees,
- Need to foster the Company's business relationships with suppliers, customers, and others,
- Impact of the Company's operations on the community and the environment,
- Desirability of the Company maintaining a reputation for high standards of business conduct,
- Need to act fairly between members of the company.

The Directors' regard to these matters is embedded in their decision-making process, through the Company's business strategy, culture, governance framework, management information flows and stakeholder engagement processes.

The Company's business strategy is focused on achieving success for the Company in the long-term. In setting this strategy, the Board considers the impact of relevant factors and stakeholder interests on the Company's performance. The Board also identifies principal risks facing the business and sets risk management objectives.

The Board promotes a culture of upholding the highest standards of business conduct and regulatory conduct. The Board ensures these core values are communicated to the Company's employees and embedded in the Company's policies and procedures, employee induction and training programmes and its risk control and oversight framework.

The Board recognises that building strong and lasting relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate a sustainable business.

The Directors are supported in the discharge of their duties by:

- Processes which ensure the provision of timely management information and escalation through reporting lines to the Board from the Company's business areas, its risk and control functions, support teams and committees of the Board, and
- Agenda planning for Board and Committee meetings to provide sufficient time for the consideration and discussion of key matters.

### **Stakeholders**

The Board understands the importance of engagement with all of its stakeholders. The below summarises the key stakeholders and how we engage with each:

# **ROBERT W. BAIRD LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### ***Employees***

There are many things that make Baird different from other financial services companies. You can see those differences at work in the quality of our people and all they do, our employee-owned structure, our consistent recognition as a great place to work, our internationally recognised expertise and much more.

Our employees contribute to a positive working culture and healthy working environment. Employees are key to the success of our business. In addition to aiming to be a responsible employer in our approach to pay and benefits, we continue to engage with our team to ascertain which training and development opportunities should be made available to improve our team's productivity and our individual employees' potential within the business.

We continually invest in employee development and wellbeing to create and encourage an inclusive culture within the organisation. Our employee appraisal programme encourages employee feedback and facilitates the opportunity for both employees and managers to set performance goals on an annual basis.

Our culture invites different perspectives, new ideas and opportunities for growth. We work hard to ensure employees feel welcome and are valued and recognised for their hard work.

### ***Clients***

Clients are at the centre of our business.

Since inception, we have followed the principles of integrity, transparency, teamwork and keeping clients first. Together these ideals form the foundation of our unique culture and approach to doing business.

We're honoured to have earned national recognition and a reputation for excellence for the financial advice and services we provide. We know these accolades stem from our cultural commitment to clients and to being a workplace of choice for the most talented professionals in our industry.

### ***Suppliers***

As a global business, we work with a wide range of suppliers both in the UK and globally. We remain committed to being fair and transparent in our dealings with all of our suppliers.

The Company has procedures requiring due diligence of suppliers, including for example, their data protection policies and modern slavery policies.

The Company has systems and processes in place to ensure suppliers are paid in a timely manner.

### ***Community and Environment***

The Board's approach to social responsibility, diversity & the community is of high importance.

Corporate social responsibility principles are part of our culture and decision-making process. We take a consultative approach focused on building long-term relationships and solving business problems.

Diversity and Inclusion is a key pillar for Baird globally. Baird have supported various events in 2022 including 'International Women's Day' and 'Black History Month.'

### ***Regulators***

We work with our regulators and the government in an open and proactive manner to help develop regulations that meet the needs of all our stakeholders.

The Board's intention is to behave responsibly and to ensure that the management team operates the business in a responsible manner, acting with the high standards and good governance expected of a regulated business like ours. In doing so, we believe we will achieve our long-term business strategy and further develop our reputation in our sector.

We have a risk and control framework to ensure that the Company complies with all legal and regulatory requirements relating to the provision of products and services to our clients.

# ROBERT W. BAIRD LIMITED

## STRATEGIC REPORT (CONTINUED)

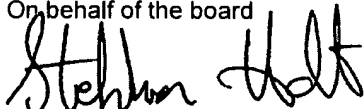
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Shareholders**

The Board also seeks to behave in a responsible manner towards our shareholders and ultimate parent. The Board communicates information relevant, such as its financial reporting.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Stephen Holt', written over the printed name 'S Holt'.

S Holt

**Director**

5 April 2023

# **ROBERT W. BAIRD LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their annual report and financial statements for the year ended 31 December 2022.

The review of the business and principal risks and uncertainties are disclosed in the strategic report.

#### **Principal activities**

The principal activities of the Company continued to be that of Institutional Equity Sales and Corporate Finance services.

#### **Results and dividends**

The results for the year are set out on page 13.

The directors did not propose a dividend in 2022 (2021: £nil).

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Langenfeld  
S Holt  
B Doyal  
N Sealy

#### **Directors' indemnities**

Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

#### **Business relationships**

Business relationships with suppliers and customers are of key strategic importance and as such it is covered in the Section 172(1) statement.

#### **Future developments**

The Board intends to continue to develop the provision of Institutional Equity Sales and Corporate Finance services provided by the Company.

In December 2022 the Board approved the addition of a new Fixed Income trading desk revenue generating unit to commence operations in February 2023

#### **Auditor**

KPMG LLP were appointed as auditor to the Company in accordance with section 485 of the Companies Act 2006, and having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

#### **Energy and carbon report**

This statement has been prepared in accordance with our regulatory obligation to report energy usage and greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon Reporting.

# ROBERT W. BAIRD LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

|  |                      |                      |
|--|----------------------|----------------------|
| <i>Energy consumption</i>                              | <b>kWh</b>           | <b>kWh</b>           |
| Aggregate of energy consumption in the year            |                      |                      |
| - Electricity purchased                                | 78,241               |                      |
|  | <hr/>                | <hr/> <hr/> 78,241   |
| <i>Emissions of CO2 equivalent</i>                     | <b>Metric tonnes</b> | <b>Metric tonnes</b> |
| Scope 1 - direct emissions                             |                      |                      |
| - Gas combustion                                       | -                    |                      |
| - Fuel consumed for owned transport                    | -                    |                      |
|  | <hr/>                | <hr/> <hr/> -        |
| Scope 2 - indirect emissions                           |                      |                      |
| - Electricity purchased                                |                      | 15.32                |
| Scope 3 - other indirect emissions                     |                      |                      |
| - Fuel consumed for transport not owned by the company |                      | -                    |
|  |                      | <hr/>                |
| Total gross emissions                                  |                      | <hr/> <hr/> 15.32    |
| Intensity ratio  |                      |                      |
| Tonnes CO2e per square foot                            |                      | 0.001241             |
|  |                      | <hr/> <hr/>          |

#### *Quantification and reporting methodology*

The preparation of the Streamlined Energy and Carbon Reporting (SECR) was developed using the methodology provided in The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) & use of relevant UK Government GHG Conversion Factors for Company Reporting for the financial year 2022.

#### *Previous year's figures for energy use and GHG emissions*

As this is the first annual reporting under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, comparison figures with the previous year (2021) are not required.

#### *Assumptions*

The electricity consumption for the obligated company: Robert W. Baird Limited were calculated based on apportionment using floor area (in square feet), which affects the subsequent determination of the Annual Greenhouse Gas Emissions & Intensity Ratio (in tonnes CO2e / square feet).

#### *Measures taken to improve energy efficiency*

Robert W. Baird Limited has an effective management control system covering its electricity consumption through its metering & internal management and financial controls.

A refurbishment project of our office is being carried out which includes consideration of the energy efficiency of our operations. Improvements include a highly efficient LED lighting, which with its intelligent control system should reduce the carbon footprint by around 50% compared to our previous lighting solution.

We have a number of initiatives to encourage our associates to reduce their carbon footprint during their commute. We have well established season ticket loan and cycle-to-work schemes, and have introduced an electric car lease scheme this year.

Our Energy and Carbon Reporting will continue into the next year to gain further insight into our baseline energy consumption with an opportunity to reduce our electricity usage and carbon footprint in-line with contributing to the UK Government's target to bring all greenhouse gas emissions to net zero by 2050.

# ROBERT W. BAIRD LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### Statement of disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the 12 months from the date of approval of the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

After reviewing various projections, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the 12 months from the date of approval of the financial statements. The Directors have considered the impact of the current global economic environment and potential implications on future Company operations.

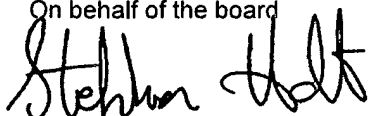
As part of their assessment the Directors have used various severe, but plausible, stress-test scenarios on the Company, predominantly focused on suppressed levels of Corporate Finance revenues across the Group. The most severe of these consists of 3 months of zero cash receipts, 3 months at 50%, 3 months at 75% and 3 months at 100% of prior year revenue. The Company would be able to continue its operations and meet its obligations over the next 12 months from the date of signing when applying this scenario.

As at 28 February 2023 the Company has net current assets totaling £20m which contains liquid cash assets of £21m. Further, the Company has the ability to reduce its cost base where required in order to maintain liquidity and as a final measure the Company can request support from both its UK and US parent.

As the Company's corporate finance revenue represents the UK share of the wider Group's corporate finance revenues, the Directors have undertaken inquiries and assessment of Baird Financial Group, Inc, the ultimate parent company, in order to satisfy itself that there is sufficient liquidity at the wider group level, no issues were identified.

For the reasons above, the Directors continue to believe that there is sufficient resources to meet the liabilities of the Company for the next 12 months from the date of approval of the financial statements and has adopted the going concern basis in preparing these financial statements.

On behalf of the board



S Holt  
Director

5 April 2023

# ROBERT W. BAIRD LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements.**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBERT W. BAIRD LIMITED

## Opinion

We have audited the financial statements of Robert W. Baird Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and senior management as to the Company's policies and procedures to prevent and detect from, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading the Company's board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition.

because revenue is generated from few sources and transactions are easily verifiable to external sources or agreements with little or no requirement for estimation or judgement from management.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included revenue and cash journals posted to unrelated accounts.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's regulatory permissions. We identified the following areas as most likely to have such an effect: GDPR compliance, health and safety, anti-bribery, anti-money laundering, client asset sourcebook, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Richard De La Rue (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
 15 Canada Square  
 London  
 E14 5GL  
 5 April 2023

# ROBERT W. BAIRD LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

|  | Notes    | 2022<br>£        | 2021<br>£        |
|--|----------|------------------|------------------|
| Turnover                                       | 3        | 45,295,228       | 58,941,903       |
| Administrative expenses                        |          | (41,295,855)     | (49,645,271)     |
| <b>Operating profit</b>                        |          | <b>3,999,373</b> | <b>9,296,632</b> |
| Interest receivable and similar income         | 8        | 207,343          | 1,188            |
| Other finance income                           | 9        | 2,393,797        | 23,470           |
| <b>Profit before taxation</b>                  | <b>4</b> | <b>6,600,513</b> | <b>9,321,290</b> |
| Taxation                                       | 10       | (1,351,117)      | (1,789,263)      |
| <b>Profit for the financial year</b>           |          | <b>5,249,396</b> | <b>7,532,027</b> |
| <b>Total comprehensive income for the year</b> |          | <b>5,249,396</b> | <b>7,532,027</b> |

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 16 - 24 form an integral part of these Financial Statements.

# ROBERT W. BAIRD LIMITED

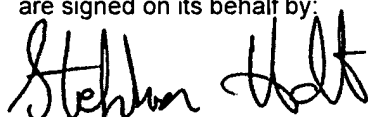
## BALANCE SHEET

AS AT 31 DECEMBER 2022

|   | Notes | 2022<br>£         | £ | 2021<br>£         | £ |
|---|-------|-------------------|---|-------------------|---|
| <b>Current assets</b>                                 |       |                   |   |                   |   |
| Debtors   | 11    | 3,791,279         |   | 12,464,800        |   |
| Cash at bank and in hand                              |       | 26,819,103        |   | 28,339,298        |   |
|   |       | <u>30,610,382</u> |   | <u>40,804,098</u> |   |
| <b>Creditors: amounts falling due within one year</b> | 12    | (10,880,355)      |   | (26,323,467)      |   |
| <b>Net current assets</b>                             |       | <u>19,730,027</u> |   | <u>14,480,631</u> |   |
| <b>Capital and reserves</b>                           |       |                   |   |                   |   |
| Called up share capital                               | 14    | 2,900,000         |   | 2,900,000         |   |
| Capital redemption reserve                            |       | 1,159,000         |   | 1,159,000         |   |
| Profit and loss reserve                               |       | <u>15,671,027</u> |   | <u>10,421,631</u> |   |
| <b>Shareholder's Funds</b>                            |       | <u>19,730,027</u> |   | <u>14,480,631</u> |   |

The notes on pages 16 - 24 form an integral part of these Financial Statements.

The financial statements were approved by the board of directors and authorised for issue on 5 April 2023 and are signed on its behalf by:



S Holt  
Director

Company Registration No. 01745463

# ROBERT W. BAIRD LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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|  | Share<br>capital<br>£ | Capital<br>redemption<br>reserve<br>£ | Profit and<br>loss<br>reserve<br>£ | Total<br>£ |
|--|-----------------------|---------------------------------------|------------------------------------|------------|
| <b>Balance at 1 January 2021</b>                   | 2,900,000             | 1,159,000                             | 2,889,604                          | 6,948,604  |
| <b>Year ended 31 December 2021:</b>                |                       |                                       |                                    |            |
| Profit and total comprehensive income for the year | -                     | -                                     | 7,532,027                          | 7,532,027  |
| <b>Balance at 31 December 2021</b>                 | 2,900,000             | 1,159,000                             | 10,421,631                         | 14,480,631 |
| <b>Year ended 31 December 2022:</b>                |                       |                                       |                                    |            |
| Profit and total comprehensive income for the year | -                     | -                                     | 5,249,396                          | 5,249,396  |
| <b>Balance at 31 December 2022</b>                 | 2,900,000             | 1,159,000                             | 15,671,027                         | 19,730,027 |

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The notes on pages 16 - 24 form an integral part of these Financial Statements.

# ROBERT W. BAIRD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Robert W. Baird Limited is a private company limited by shares incorporated in England and Wales. The registered office is Finsbury Circus House, 15 Finsbury Circus, London, England, EC2M 7EB.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the 12 months from the date of approval of the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

After reviewing various projections, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the 12 months from the date of approval of the financial statements. The Directors have considered the impact of the current global economic environment and potential implications on future Company operations.

As part of their assessment the Directors have used various severe, but plausible, stress-test scenarios on the Company, predominantly focused on suppressed levels of Corporate Finance revenues across the Group. The most severe of these consists of 3 months of zero cash receipts, 3 months at 50%, 3 months at 75% and 3 months at 100% of prior year revenue. The Company would be able to continue its operations and meet its obligations over the next 12 months from the date of signing when applying this scenario.

As at 28 February 2023 the Company has net current assets totaling £20m which contains liquid cash assets of £21m. Further, the Company has the ability to reduce its cost base where required in order to maintain liquidity and as a final measure the Company can request support from both its UK and US parent.

As the Company's corporate finance revenue represents the UK share of the wider Group's corporate finance revenues, the Directors have undertaken inquiries and assessment of Baird Financial Group, Inc, the ultimate parent company, in order to satisfy itself that there is sufficient liquidity at the wider group level, no issues were identified.

For the reasons above, the Directors continue to believe that there is sufficient resources to meet the liabilities of the Company for the next 12 months from the date of approval of the financial statements and has adopted the going concern basis in preparing these financial statements.

# ROBERT W. BAIRD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover comprises revenue generated from Institutional Equity Sales services and Corporate Finance fees. Institutional Equity Sales services represents fees earned for client introduction and relationship management. These are recognised on a straight-line basis over the specified period. Corporate Finance fees relate to fees earned through financial intermediary work on behalf of clients. Corporate Finance fees are recognised on completion of a contract or where the substance of a contract is that a right to consideration will arise at the occurrence of a critical event, at the point that the event occurs.

#### 1.4 Financial instruments

The Company has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# ROBERT W. BAIRD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

#### 1.5 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.6 Taxation

Tax expense represents the sum of the tax currently payable and deferred tax.

# ROBERT W. BAIRD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax is provided for at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

#### **1.7 Related party transactions**

The Company has taken advantage of the exemptions available under paragraph 33.1A of FRS 102 "Related Party Disclosures", not to disclose transactions that have taken place between members of the group where the party to the transaction is a wholly owned member.

#### **1.8 Cash flow statement**

The Company has elected to take advantage of the reduced disclosures for subsidiaries offered under FRS 102 paragraph 1.11 and 1.12 to opt out of preparing a cash flow statement. The Company is a wholly owned subsidiary undertaking of Robert W. Baird Group Limited, whose consolidated financial statements include those of the Company and are publicly available.

#### **1.9 Cash at bank and in hand**

"Cash at bank and in hand", which totals £26.8m at 31 December 2022 (2021; £28.3m), includes cash held in "liquidity funds" of £6.3m at 31 December 2022 (2021; £21.8m). A liquidity fund is a collective investment scheme whose aim is to replicate the characteristics of cash at bank and whose features include access on demand and low capital risk, as the liquidity fund invests exclusively in short-dated US government backed treasury bills and other short-dated investment grade bonds. The Company has deposited cash in liquidity funds to reduce its counterparty exposure to individual commercial banks.

### 2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no significant estimates or judgements.

# ROBERT W. BAIRD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Turnover

An analysis of the Company's turnover is as follows:

|                            | 2022<br>£         | 2021<br>£         |
|----------------------------|-------------------|-------------------|
| <b>Turnover</b>            |                   |                   |
| Institutional Equity Sales | 6,241,150         | 6,176,692         |
| Corporate Finance UK       | 39,054,078        | 52,765,211        |
|                            | <u>45,295,228</u> | <u>58,941,903</u> |

#### Turnover analysed by geographical market

|                   | 2022<br>£         | 2021<br>£         |
|-------------------|-------------------|-------------------|
| Europe            | 26,754,587        | 51,887,490        |
| Rest of the World | 18,540,641        | 7,054,413         |
|                   | <u>45,295,228</u> | <u>58,941,903</u> |

### 4 Profit before taxation

|  | 2022<br>£   | 2021<br>£ |
|--|-------------|-----------|
| Profit before taxation is stated after charging:               |             |           |
| Charge from parent company for depreciation of tangible assets | 476,984     | 436,882   |
| Gain foreign currency translation                              | (2,393,797) | (23,470)  |
|  | <u></u>     | <u></u>   |

### 5 Auditor's remuneration

|   | 2022<br>£     | 2021<br>£     |
|---|---------------|---------------|
| Fees payable to the Company's auditor and its associates: |               |               |
| <b>For audit services</b>                                 |               |               |
| Audit of the Company's financial statements               | 68,000        | 50,000        |
| Audit-related assurance services                          | 14,200        | 12,000        |
|   | <u>82,200</u> | <u>62,000</u> |

### 6 Directors' remuneration

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| Remuneration for qualifying services                          | 2,412,510        | 4,388,749        |
| Company pension contributions to defined contribution schemes | 39,000           | 31,654           |
|   | <u>2,451,510</u> | <u>4,420,403</u> |

# ROBERT W. BAIRD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| Remuneration for qualifying services                          | 1,210,633 | 2,965,602 |
| Company pension contributions to defined contribution schemes | 20,929    | 17,717    |

### 7 Employees

Staff are employed by Robert W. Baird Group Limited with a service charge paid by Robert W. Baird Limited. Staff numbers and staff costs, together with details of the Group money purchase scheme are disclosed in the financial statements of Robert W. Baird Group Limited.

### 8 Interest receivable and similar income

|                           | 2022<br>£ | 2021<br>£ |
|---------------------------|-----------|-----------|
| <b>Interest income</b>    |           |           |
| Interest on bank deposits | 207,343   | 1,188     |

### 9 Other finance income

Other finance income relates to net foreign exchange gains incurred as part of the company's sales income and operating expenses incurred in foreign currency as well as the group commercial currency hedging strategy. The group commercial currency hedging strategy relates to funds held in US Dollars and Euros.

### 10 Taxation

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| <b>Current tax</b>  |                  |                  |
| UK corporation tax on profits/(losses) for the current period | 1,353,635        | 1,800,230        |
| Adjustments in respect of prior periods                       | (1,979)          | (4,135)          |
| <b>Total current tax</b>                                      | <b>1,351,656</b> | <b>1,796,095</b> |

# ROBERT W. BAIRD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

| 10 | Taxation                               | (Continued) |           |
|----|--|-------------|-----------|
|    | <b>Deferred tax</b>                    |             |           |
|    | Changes in tax rates                   | (1,769)     | -         |
|    | Adjustment in respect of prior periods | 1,230       | (6,832)   |
|    | Total deferred tax                     | (539)       | (6,832)   |
|    | Total tax charge                       | 1,351,117   | 1,789,263 |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Profit before taxation   | 6,600,513 | 9,321,290 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 1,254,097 | 1,771,045 |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 99,538    | 29,185    |
| Adjustments in respect of prior years  | (1,979)   | (4,135)   |
| Effect of change in corporation tax rate   | (1,769)   | -         |
| Deferred tax adjustments in respect of prior years   | 1,230     | (6,832)   |
| Taxation charge for the year   | 1,351,117 | 1,789,263 |

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was announced as part of the Chancellor of the Exchequers Budget 2021. The legislation received Royal Assent on 10 June 2021 as part of the Finance Act 2021.

| 11 | Debtors                                     | 2022<br>£ | 2021<br>£  |
|----|---|-----------|------------|
|    | <b>Amounts falling due within one year:</b> |           |            |
|    | Trade debtors                               | 390,125   | 78,965     |
|    | Corporation tax recoverable                 | 453,420   | -          |
|    | Amounts owed by group undertakings          | 355,094   | 199,942    |
|    | Prepayments and accrued income              | 2,585,269 | 12,179,061 |
|    | Deferred tax asset (note 13)                | 7,371     | 6,832      |
|    |   | 3,791,279 | 12,464,800 |

Trade debtors disclosed above are measured at amortised cost.

# ROBERT W. BAIRD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Creditors: amounts falling due within one year

|                                    | 2022<br>£         | 2021<br>£         |
|------------------------------------|-------------------|-------------------|
| Amounts owed to group undertakings | 10,880,355        | 26,045,118        |
| Corporation tax                    | -                 | 278,349           |
|                                    | <u>10,880,355</u> | <u>26,323,467</u> |

### 13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

|                               | Assets<br>2022<br>£ | Assets<br>2021<br>£ |
|-------------------------------|---------------------|---------------------|
| <b>Balances:</b>              |                     |                     |
| ACAs                          | <u>7,371</u>        | <u>6,832</u>        |
| <b>Movements in the year:</b> |                     | 2022<br>£           |
| Asset at 1 January 2022       |                     | (6,832)             |
| Credit to profit or loss      |                     | (539)               |
| Asset at 31 December 2022     |                     | <u>(7,371)</u>      |

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The amount of the net reversal of deferred tax expected to occur next year is £1,686 which is the unwind of the temporary difference of the accelerated capital allowances (ACA) for the year.

### 14 Share capital

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| Ordinary share capital<br>Issued and fully paid |                  |                  |
| 2,900,000 Ordinary shares of £1 each            | <u>2,900,000</u> | <u>2,900,000</u> |

# **ROBERT W. BAIRD LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **14 Share capital**

**(Continued)**

The shares have attached to them full voting, dividend and capital distribution rights. They do not confer any rights of redemption.

The Company's other reserves are as follows:

The called-up share capital represents the nominal value of shares that have been issued.

The profit and loss reserve represents all current and prior period retained profits and losses.

The capital redemption reserve represents a share buyback out of profits.

### **15 Control**

The Company's ultimate parent company is Baird Financial Group, Inc, incorporated in the United States of America. The smallest group in which the results of the Company are consolidated is that headed by Robert W. Baird Group Limited, the consolidated financial statements of which may be obtained from Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB.

The largest group in which the results of the Company are consolidated is that headed by Baird Financial Group, Inc.

### **16 The Financial Conduct Authority**

Robert W. Baird Limited is authorised and regulated by the Financial Conduct Authority.

### **17 Related party transactions**

The Company has taken advantage of the exemptions available under paragraph 33.1A of FRS 102 "Related Party Disclosures", not to disclose transactions that have taken place between members of the group where the party to the transaction is a wholly owned member. There are no other related party transactions to disclose.

### **18 Events after the reporting period**

In December 2022 the Board approved the addition of a new Fixed Income trading desk revenue generating unit to commence operations in February 2023.