

**LIDLAW HOLDINGS LIMITED**

**AUDITED**

**ANNUAL REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2021**

# **LAIDLAW HOLDINGS LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	Mr H Regan Mr J Tesei
<b>Registered number</b>	06310081
<b>Registered office</b>	Albany House Claremont Lane Esher Surrey KT10 9FQ
<b>Independent auditors</b>	Wellden Turnbull Limited Chartered Accountants & Statutory Auditors Albany House Claremont Lane Esher Surrey KT10 9FQ

**LIDLAW HOLDINGS LIMITED**

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**LIDLAW HOLDINGS LIMITED**

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Introduction**

The Company acts as a holding company for four wholly owned subsidiaries, as follows:

**Subsidiary      Principal Activity**

Laidlaw & Company (UK) Limited      Auxiliary financial intermediary

Laidlaw & Company International Limited      Auxiliary financial intermediary

Laidlaw Wealth Management LLC      Financial planning & portfolio management

Laidlaw Private Equity LLC      Auxiliary financial intermediary

As a holding company, the Company's business involves the business of its subsidiaries. As such, extracts from the Strategic Report of Laidlaw & Company (UK) Limited, the primary active subsidiary as well as comments on its other active subsidiary, Laidlaw Wealth Management, LLC, the Company's Registered Investment Advisor (RIA), are incorporated herein with minor modification:

**Overseas Branches**

During the year, the Group provided its services as a securities broker dealer through its primary operating subsidiary in six locations outside of London:

New York City, New York

Melville, New York

Boston, Massachusetts

San Francisco, California

Stamford, Connecticut

Boca Raton, Florida

## LIDLAW HOLDINGS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

#### Business review

For all of its active subsidiaries, the Directors consider that achieving stability and, if possible, above inflation growth in aggregate revenue volume where applicable while continuing to increase recurring fee revenue, particularly at the RIA, will help to generate a sufficient gross profit margin that will sustain the businesses throughout market cycles. Therefore, the Directors consider the percentage growth of overall revenues including commissions and fees and the gross profit margin to be the key performance indicators of the broker dealer subsidiary. In parallel, the Directors believe that growth in advisory fee revenue from the various departments, affiliates and subsidiaries, concomitant with the growth in overall assets under management (AUM) and stakeholdings from its subsidiary investment initiatives, will prove to be another key performance indicator. The Directors also acknowledge that such metrics can experience declines and liquidity delays in less optimal market cycles.

The Directors note that the Group reported operating income in 2021 primarily related to the received distribution from Laidlaw Private Equity LLC. LPE is a passive Member of various external management companies owned by the investors involved in managing a family of special purpose funds focused on long-term private investments in venture-backed private companies. Periodically, the management companies are eligible for a Carried Interest Allocation based on the performance of the funds. As a matter of practice, the Carried Interest Allocation is paid in kind in the form of shares held by the respective funds that are liquid and eligible for distribution. LPE is eligible for percentage of such share distributions which it, in turn, allocates to the Trusts that own the parent company pursuant to the Articles of Association and any amendment thereto, and, at the discretion of management, to key employees and other members of the Laidlaw family of companies. The distributions received by LPE are not under the control of LPE and are viewed as non-recurring profit-sharing and, as such, are not treated as turnover in the traditional sense. Although the operating income was largely driven by the distributions from LPE the directors are in any event satisfied with the performance of the Company's subsidiaries and new initiatives, particularly in the venture capital and merchant banking efforts. As these new initiatives were implemented during 2022, the year was very difficult from a general market perspective. However the company has seen positive impacts of these initiatives and an well as improved market conditions and remain cautiously optimistic about 2023.

As in the past, it expects to improve its own offerings by utilizing the service platforms and products available to it through its fully disclosed clearing firm, StoneX (NASDAQ Global Select Market Symbol – SNEX) as well as platforms and services available to it through its affiliated firms in wealth management, private equity and venture capital.

StoneX Group Inc. is a global financial services network that connects companies, organizations, traders, and investors to the global market ecosystem through digital platforms. Its segments include Commercial, which offers commercial clients a range of products and services, including risk management and hedging services, execution and clearing of exchange-traded and over-the-counter (OTC) products, voice brokerage, market intelligence and physical trading; Institutional, which provides institutional clients with a complete suite of equity trading services to help them find liquidity with execution, liquidity across a range of fixed income products, as well as prime brokerage in equities and foreign currency pairs and swap transactions; Retail, which includes spot foreign exchange (forex), both financial trading and physical investment in precious metals, and Global Payments provides foreign exchange and treasury services to banks and commercial businesses, as well as charities.

Management believes that the challenges posed by global trends and events require scope, diversity, resilience and flexibility. By working with its affiliates and service providers, it hopes to expand its presence in all of its markets and business segments in a prudent and managed fashion to better serve its global clientele.

## LIDLAW HOLDINGS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

#### Principal risks and uncertainties

The responsibility for processing customer activity rests with the Group's clearing firm, StoneX. The broker dealer's clearing and execution agreement provides that StoneX credit losses relating to unsecured margin accounts receivable for the Group's customers are charged back to the Group.

StoneX records customer activity on a settlement date basis, which is generally three business days after the trade date. There is therefore a risk of loss on these transactions in the event of the customer's inability to meet the terms of its contracts, in which case StoneX may have to purchase or sell the underlying financial instruments at the prevailing market prices in order to satisfy its customer related obligations. Any loss incurred by StoneX is charged back to the Group.

The broker dealer, in conjunction with StoneX, controls off balance sheet risk by monitoring the market value and marking securities to market on a daily basis and by requiring adjustments of collateral levels. StoneX establishes margin requirements and overall credit limits for such activities and monitors compliance with the applicable limits and industry regulations on a daily basis.

The RIA utilises multiple levels of risk management to safeguard customer assets, in particular through its business partnerships with global custodial and execution providers such as Charles Schwab and StoneX. As an RIA, it adheres to a regulatory record keeping and reporting regime under the Securities & Exchange Commission (SEC), state and local regulatory bodies and FINRA, where applicable, to protect customer assets and ensure day to day business continuity and stability.

The Group's broker dealer and RIA subsidiaries maintain policies relating to their own technology and surveillance capabilities, including written supervisory policies and anti-money laundering procedures. In addition, the Group and its financial partners maintain multiple insurance policies covering fraud, theft, loss and other potential liabilities. The Group also relies on other third party providers for additional financial, compliance and regulatory oversight.

The Group manages its exposure to liquidity risk by using finance leases where appropriate. In addition, the Group took out a COVID-19 Small Business Administration (SBA) support loan of \$2,000,000 to help support operational costs during the height of the pandemic. In 2021 \$1,677,945 of the loan was forgiven by the bank after the Company met the requirements for the loan to be forgiven.

The Group has minimised use of formal bank loans where possible by seeking funding from the Directors of Laidlaw & Company (UK) Ltd and by utilising a bank overdraft facility to provide both flexibility and continuity of funding as and when required.

The Group has minimal exposure to interest rate risk because the COVID-19 loan has a fixed rate of interest of 1%.

Trade debtors primarily represent commission receivable from StoneX. The risks associated with this have been discussed above.

Other trade debtors result from the outsourcing of services. These are managed in respect of credit risk and cash flow by strict Group policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**LIDLAW HOLDINGS LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Financial key performance indicators**

The Company is a holding company relying on the activities of its subsidiaries, each of which may be subject to distinct metrics, unique personnel requirements, a certain cyclical and general market conditions.

An analysis of these key performance indicators in 2021 shows that gross turnover increased by 15.4% principally driven by a 73.2% increase in Corporate Finance Fee, a 228.2% increase in Wealth Management fees related to the expansion of the Wealth Management division. The increase in Gross Revenues was partially offset by a decrease of 39% in Sales Commission & Credits. The gross profit margin as a percentage of sales of 25.7% decreased from the prior years' gross profit margin of 31.2% primarily related to the revenue mix and the associated commission payouts. The Directors note that the Group reported operating income in 2021 primarily related to the received distribution from Laidlaw Private Equity, because the operating income was largely driven by the distribution from LPE the Directors are satisfied with the performance of the Company's subsidiaries and new initiatives, particularly in the venture capital and merchant banking efforts, during the year.

**Other key performance indicators**

There are no other key performance indicators.

**Directors' statement of compliance with duty to promote the success of the Group**

The Directors of the Group have acted in accordance with their duties and obligations set out in statute.

The Board makes decisions in good faith for the long-term benefit of its' stakeholders which include members, employees, business partners, and the community as a whole.

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

**Mr H Regan**

Director

Date: 8 November 2023

## LIDLAW HOLDINGS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

#### Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

#### Principal activities

The principal activities of the Group in the year under review are that of an auxiliary financial intermediary as well as a financial planning and portfolio manager. A UK subsidiary is regulated by the Financial Conduct Authority, FCA. The USA based subsidiaries are registered with the Financial Industry Regulatory Authority (FINRA) the largest independent securities regulator in the U.S.A as well as the Securities and Exchange Commissions (SEC).

#### Results and dividends

The profit for the year, after taxation, amounted to \$5,297,876 (2020 - loss \$3,016,154).

The Directors have recommended that no dividends be paid this year (2020 - \$Nil).

#### Directors

The Directors who served during the year were:

Mr H Regan  
Mr J Tesei



**LIDLAW HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Future developments**

Going forward, Management will continue to focus on growing the business of the broker-dealer subsidiary and expanding the scope of the wealth management practice both organically and through strategic initiatives. Its private equity subsidiary will continue to be involved in externally managed, special purpose funds devoted to long-term private investments in venture-backed companies while mainlining its current economic interest in the existing family of active funds. Certain opportunities are also being considered between and among its venture capital activities and its fund management initiatives to sponsor focused special purpose vehicles more directly related to its core health care expertise.

Operationally, it aims to improve efficiencies through prudent expense management, active departmental cooperation and strategic recruitment and team building in a context of planning and corporate diversification. In so doing, the business should benefit from economies of scale and vertical integration of its areas of practice.

**Matters covered in the Group strategic report**

The principal risks and uncertainties are not shown in the Directors report as they are shown in the strategic report in accordance with S414C (11) of the Companies Act 2006.

**Disclosure of information to auditors**

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

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

**Post balance sheet events**

Due to identifying certain non compliant events occurring, FINRA imposed a fine of \$400,000 in March 2023. The subsidiary has taken steps to correct their systems to ensure future compliance

**Auditors**

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

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

**Mr H Regan**  
Director

Date: 8 November 2023

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAIDLAW HOLDINGS LIMITED**

**Opinion**

We have audited the financial statements of Laidlaw Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the Company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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 Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAIDLAW HOLDINGS LIMITED (CONTINUED)**

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAIDLAW HOLDINGS LIMITED (CONTINUED)**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. We have identified the greatest risk of a material impact on the financial statements from irregularities, including fraud, to relate to the timing and recognition of revenue and the override of controls by management. We have obtained an understanding of the legal and regulatory frameworks that the Group operates within including both those that directly have an impact on the financial statements and more widely those for which non-compliance could have a significant impact on the Company's operations and reputation. The Companies Act 2006, employee legislation, health and safety legislation, FCA regulations, FINRA regulations and data protection are those we have identified in this regard. Auditing standards limit the required procedures as to non-compliance with laws and regulations to enquiries of those charged with governance and review of any applicable correspondence.

The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

- Enquiry of management and those charged with governance as to actual and potential litigation and claims;
- Enquiry of staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Agreeing revenue recognised in the period to supporting audit evidence and assessing the accuracy of revenue recognised based on revenue recognition criteria;
- Reviewing financial statement disclosures and verification to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIDLAW HOLDINGS LIMITED (CONTINUED)

**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 Auditors' 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.

Robin John FCA CTA (Senior statutory auditor)

for and on behalf of

**Wellden Turnbull Limited**

Chartered Accountants

Statutory Auditors

Albany House  
Claremont Lane  
Esher  
Surrey  
KT10 9FQ

9 November 2023

LIDLAW HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Turnover	4	35,596,248	30,844,666
Cost of sales		(26,446,184)	(21,225,726)
<b>GROSS PROFIT</b>		<u>9,150,064</u>	<u>9,618,940</u>
Administrative expenses		(13,563,747)	(9,942,319)
Exceptional administrative expenses	14	(3,039,800)	-
Other operating income	5	2,406,773	1,115,303
Exceptional other operating income	14	38,277,907	-
Fair value movements		308,952	(1,669,814)
Exceptional other operating charges	14	(28,277,830)	(1,500,000)
<b>OPERATING PROFIT/(LOSS)</b>	6	<u>5,262,319</u>	<u>(2,377,890)</u>
Income from fixed assets investments		1,009	1,135
Interest receivable and similar income	11	107	68
Interest payable and similar expenses	12	(88,533)	(90,659)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<u>5,174,902</u>	<u>(2,467,346)</u>
Tax on profit/(loss)	13	122,974	(548,808)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u><u>5,297,876</u></u>	<u><u>(3,016,154)</u></u>
Foreign exchange movement		(1,241)	2,743
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(1,241)</u>	<u>2,743</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>5,296,635</u></u>	<u><u>(3,013,411)</u></u>
<b>PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the parent Company		5,297,876	(3,016,154)
		<u><u>5,297,876</u></u>	<u><u>(3,016,154)</u></u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the parent Company		5,296,635	(3,013,411)
		<u><u>5,296,635</u></u>	<u><u>(3,013,411)</u></u>

The notes on pages 19 to 43 form part of these financial statements.

**LIDLAW HOLDINGS LIMITED**  
**REGISTERED NUMBER:06310081**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
<b>FIXED ASSETS</b>			
Intangible assets	15	429,400	192,941
Tangible assets	16	476,422	714,156
Investments	17	79,909	72,662
		<hr/>	<hr/>
		985,731	979,759
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due after more than one year	18	1,803,963	808,847
Debtors: amounts falling due within one year	18	5,259,242	4,520,331
Current asset investments	19	1,220,073	71,049
Cash at bank and in hand	20	2,926,676	2,905,355
		<hr/>	<hr/>
		11,209,954	8,305,582
Creditors: amounts falling due within one year	21	(8,523,469)	(10,603,687)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		2,686,485	(2,298,105)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,672,216	(1,318,346)
Creditors: amounts falling due after more than one year	22	(2,586,283)	(2,723,059)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	25	-	(37,797)
		<hr/>	<hr/>
		-	(37,797)
		<hr/>	<hr/>
<b>NET ASSETS/(LIABILITIES)</b>		1,085,933	(4,079,202)
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	26	1,648,411	1,801,411
Share premium account	27	6,534	6,534
Capital redemption reserve	27	2,765,000	2,612,000
Foreign exchange reserve	27	(21,552)	(20,311)
Profit and loss account	27	(3,312,460)	(8,478,836)
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>			
		<hr/>	<hr/>
		1,085,933	(4,079,202)
		<hr/>	<hr/>

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

**Mr H Regan**  
Director

Date: 8 November 2023

The notes on pages 19 to 43 form part of these financial statements.

**LIDLAW HOLDINGS LIMITED**  
**REGISTERED NUMBER:06310081**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**



**LIDLAW HOLDINGS LIMITED**  
**REGISTERED NUMBER:06310081**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
<b>FIXED ASSETS</b>			
Tangible assets	16	257,968	-
Investments	17	4,410,133	4,410,133
		<u>4,668,101</u>	<u>4,410,133</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due after more than one year	18	629,610	629,610
Debtors: amounts falling due within one year	18	3,482,748	1,245,782
Current asset investments	19	515,611	67,411
Cash at bank and in hand	20	390	448
		<u>4,628,359</u>	<u>1,943,251</u>
Creditors: amounts falling due within one year	21	(6,702,132)	(6,630,819)
		<u>(2,073,773)</u>	<u>(4,687,568)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>2,594,328</u>	<u>(277,435)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Creditors: amounts falling due after more than one year	22	(239,800)	-
		<u>(239,800)</u>	<u>-</u>
<b>NET ASSETS/(LIABILITIES)</b>			
		<u><u>2,354,528</u></u>	<u><u>(277,435)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	26	1,648,411	1,801,411
Share premium account	27	6,534	6,534
Capital redemption reserve	27	2,765,000	2,612,000
Profit and loss account brought forward	27	(4,697,380)	(4,548,174)
Profit/(loss) for the year		2,763,463	(149,206)
		<u>(131,500)</u>	<u>-</u>
Other changes in the profit and loss account			
Profit and loss account carried forward		<u>(2,065,417)</u>	<u>(4,697,380)</u>
<b>SHAREHOLDER FUND'S</b>			
		<u><u>2,354,528</u></u>	<u><u>(277,435)</u></u>

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

**Mr H Regan**

Director

Date: 8 November 2023

The notes on pages 19 to 43 form part of these financial statements.

LIDLAW HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Capital redemption reserve	Foreign exchange reserve	Profit and loss account	Total equity
	\$	\$	\$	\$	\$	\$
<b>At 1 January 2020</b>	1,801,411	6,534	2,612,000	(23,054)	(5,462,682)	(1,065,791)
Loss for the year	-	-	-	-	(3,016,154)	(3,016,154)
Foreign exchange movement	-	-	-	2,743	-	2,743
<hr/>						
<b>At 1 January 2021</b>	1,801,411	6,534	2,612,000	(20,311)	(8,478,836)	(4,079,202)
Profit for the year	-	-	-	-	5,297,876	5,297,876
Foreign exchange movement	-	-	-	(1,241)	-	(1,241)
Increase in capital redemption reserve	-	-	153,000	-	-	153,000
Shares redeemed during the year	(153,000)	-	-	-	-	(153,000)
Transfer to/from profit and loss account	-	-	-	-	(131,500)	(131,500)
<hr/>						
<b>AT 31 DECEMBER 2021</b>	<u>1,648,411</u>	<u>6,534</u>	<u>2,765,000</u>	<u>(21,552)</u>	<u>(3,312,460)</u>	<u>1,085,933</u>

The notes on pages 19 to 43 form part of these financial statements.

**LAIDLAW HOLDINGS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital \$	Share premium account \$	Capital redemption reserve \$	Profit and loss account \$	Total equity \$
<b>At 1 January 2020</b>	1,801,411	6,534	2,612,000	(4,548,174)	(128,229)
Loss for the year	-	-	-	(149,206)	(149,206)
<b>At 1 January 2021</b>	1,801,411	6,534	2,612,000	(4,697,380)	(277,435)
Profit for the year	-	-	-	2,763,463	2,763,463
Increase in capital redemption reserve	-	-	153,000	-	153,000
Shares redeemed during the year	(153,000)	-	-	-	(153,000)
Transfer to/from profit and loss account	-	-	-	(131,500)	(131,500)
<b>AT 31 DECEMBER 2021</b>	<u>1,648,411</u>	<u>6,534</u>	<u>2,765,000</u>	<u>(2,065,417)</u>	<u>2,354,528</u>

The notes on pages 19 to 43 form part of these financial statements.

LIDLAW HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the year	5,297,876	(3,016,154)
<b>ADJUSTMENTS FOR:</b>		
Amortisation of intangible assets	41,377	12,786
Depreciation of tangible assets	334,302	388,676
Loss on disposal of tangible assets	250,537	-
Government grants	(1,677,945)	-
Interest payable	88,533	90,659
Interest receivable	(107)	(68)
Dividend income	(1,009)	(1,135)
Taxation charge	(122,974)	548,808
Decrease/(increase) in debtors	974,606	(1,961,545)
(Decrease)/increase in creditors	(1,670,231)	1,586,233
Net fair value (gains)/losses recognised in P&L	(308,952)	1,669,814
Corporation tax (paid)	(362,760)	(68,208)
C/A investment value part of sales	(442,766)	(79,077)
Foreign conversion adjustment	(1,241)	2,276
Bad debt provision	3,039,800	-
Shares donated	329,576	-
Discretionary payments-non cash	27,877,829	-
Income in shares	(28,122,729)	-
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>5,523,722</b>	<b>(826,935)</b>

LIDLAW HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangible fixed assets	(277,835)	(205,728)
Purchase of tangible fixed assets	(347,107)	(40,192)
Purchase of unlisted and other investments	-	(5,000)
Purchase of short-term listed investments	-	(675,873)
Sale of short-term listed investments	-	3,510,585
Interest received	107	68
HP interest paid	(6,893)	(33,622)
Dividends received	1,009	1,135
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(630,719)</b>	<b>2,551,373</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Purchase of ordinary shares	(131,500)	-
New secured bank loans	-	2,000,000
Other new loans	1,500,000	-
Repayment of other loans	(277,778)	(333,333)
Repayment of/new finance leases	(164,242)	(340,383)
Interest paid	(81,640)	(57,037)
Loans to third party	(5,749,267)	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(4,904,427)</b>	<b>1,269,247</b>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(11,424)</b>	<b>2,993,685</b>
Cash and cash equivalents at beginning of year	2,849,281	(144,405)
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>2,837,857</b>	<b>2,849,280</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	2,926,676	2,905,355
Bank overdrafts	(88,819)	(56,075)
	<b>2,837,857</b>	<b>2,849,280</b>

## **LIDLAW HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. General information**

Laidlaw Holdings Limited is a private company, limited by shares, incorporated in England and Wales, registered number 06310081. The registered office is Albany House, Claremont Road, Esher, Surrey KT10 9FQ.

The principal place of business is 521 5th Avenue, 12th floor, New York, NY 10175.

#### **2. Accounting policies**

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

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

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

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

These financial statements are presented in US dollars which is the functional currency of the Group and rounded to the nearest \$.

The following principal accounting policies have been applied:

##### **2.2 Compliance with accounting standards**

The financial statements have been prepared in accordance with the provisions of FRS102. There have been no material deviations from the standard.

##### **2.3 Basis of consolidation**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.4 Going concern**

The financial statements have been prepared on a going concern basis as the directors believe that the Company will continue to meet its liabilities as they fall due for a period of at least 12 months from the date of the approval of these financial statements. In assessing the appropriateness of the going concern basis of preparation the directors have taken into account the key risks of the business, including the uncertainty surrounding the COVID-19 pandemic. In doing so the directors have considered the Company's business model and availability of cash resources. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

**2.5 Revenue**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable.

Turnover includes commissions and fees, investment banking fees, placement fees, advisory fees

and underwriting net of syndicate expenses arising from security offerings in which the Group acts

as an underwriter or agent.

Commission and clearing charges are recognised on a trade date basis as security transactions

occur.

Advisory fees earned from providing merger-acquisition and financial restructuring advice are

recognised when corporate deal complete.

Investment banking and placement fees are recognised on the closing date of the transaction.

Underwriting fees are recognised at the time the underwriting is complete.

Wealth management fees are charged on a quarterly basis in advance.

**2.6 Government grants**

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

**2.7 Finance costs**

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

**2.8 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.9 Intangible assets**

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Other intangible fixed assets	-	5	years
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**2.10 Tangible fixed assets**

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

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

The estimated useful lives range as follows:

Leasehold improvements	-	5	years
Fixtures and fittings	-	5	years
Office equipment	-	5	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.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in consolidated statement of comprehensive income.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.14 Financial instruments**

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Balance sheet when the Group 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Other financial assets**

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.14 Financial instruments (continued)**

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**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 Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

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

**Derecognition of financial instruments**

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

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

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

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.16 Interest income**

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

**2.17 Provisions for liabilities**

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

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

**2.18 Borrowing costs**

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

**2.19 Foreign currency translation**

**Functional and presentation currency**

The Group's functional and presentational currency is USD.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.20 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

In preparing these financial statements, the Directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

**Legal fee provisions**

At the year end where there are legal cases ongoing, the Group takes specialist advice to assess the expected outcome and settlement. Based upon the information the Group complies with the regulations on contingent assets and liabilities.

**Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated by applying the straight-line method to its estimated useful life, which in the case of the other intangibles is 5 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the other intangibles is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

**Debtors**

The Company's loans were reviewed by the Directors as at year end and a bad debt provision was made based upon the directors assessment of recoverability.

**LIDLAW HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**4. Turnover**

The Group has five classes of business:

	2021 \$	2020 \$
Commissions and sales credits	18,859,530	20,839,532
Corporate finance income	15,077,632	8,704,266
Trading gains and losses	437,832	100,304
Insurance fees	375,173	547,630
Broker loan comission	846,081	652,933
	<u>35,596,248</u>	<u>30,844,665</u>

99% (2020 : 99%) of the turnover is derived from geographical markets outside the UK.

**5. Other operating income**

	2021 \$	2020 \$
Other operating income	402,376	253,819
Net rents receivable	29,854	178,618
Chargeback contributions	236,393	240,710
Government grants forgiven	1,677,945	-
Insurance claims receivable	60,205	295,000
Sundry income	-	147,156
	<u>2,406,773</u>	<u>1,115,303</u>

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

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

	2021 \$	2020 \$
Depreciation of tangible fixed assets	334,302	388,677
Exchange differences	-	(7,178)
Other operating lease rentals	2,512,205	2,226,504
Goodwill amortisation	<u>41,377</u>	<u>12,786</u>

**LIDLAW HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**7. Auditors' remuneration**

During the year, the Group obtained the following services from the Company's auditors and their associates:

	2021 \$	2020 \$
Fees payable to the Group auditors and their associates for the audit of Group's annual financial statements	102,346	78,451
Fees payable to the Group auditors and their associates in respect of:		
Other services supplied pursuant to such legislation	17,737	13,423
Other services supplied relating to taxation	1,279	1,660
USA auditors assurance fees	97,625	59,223
USA accountancy fees	<u>4,500</u>	<u>-</u>

**8. Employees**

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

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Wages and salaries	28,252,687	19,084,244	-	-
Social security costs	891,474	1,050,502	-	-
	<u>29,144,161</u>	<u>20,134,746</u>	<u>-</u>	<u>-</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Directors	2	2	2	2
Staff	63	70	-	-
	<u>65</u>	<u>72</u>	<u>2</u>	<u>2</u>

**9. Directors' remuneration**

	2021 \$	2020 \$
Directors' emoluments	<u>315,865</u>	<u>128,068</u>

The highest paid Director received remuneration of \$315,865 (2020: \$127,468).

LIDLAW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Income from investments

	2021 \$	2020 \$
Dividends received from unlisted investments	<u>1,009</u>	<u>1,135</u>

11. Interest receivable

	2021 \$	2020 \$
Other interest receivable	<u>107</u>	<u>68</u>

12. Interest payable and similar expenses

	2021 \$	2020 \$
Other loan interest payable	81,640	57,037
Finance leases and hire purchase contracts	6,893	33,622
	<u>88,533</u>	<u>90,659</u>

13. Taxation

	2021 \$	2020 \$
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(87,816)	-
<b>Foreign tax</b>		
Foreign tax on income for the year	2,639	367,567
<b>Deferred tax</b>		
Origination and reversal of timing differences	(37,797)	181,241
<b>Taxation on profit / (loss) on ordinary activities</b>	<u>(122,974)</u>	<u>548,808</u>



**LAIDLAW HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 \$	2020 \$
Profit/(loss) on ordinary activities before tax	<u>5,174,902</u>	<u>(2,467,347)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	983,231	(468,796)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	181,032	319,417
Capital allowances for year in excess of depreciation	(63,987)	-
Utilisation of tax losses	37,323	-
Dividend income	-	(216)
Foreign losses carried forward	351,288	225,893
Fair value movement in current asset investments	(147)	302,265
Depreciation not attracting capital allowances	-	53,232
Finance lease adjustments	(192)	-
UK losses carried forward	1,210,956	17,350
Foreign tax relief	(213)	-
Depreciation in excess of capital allowances	-	12,407
Profits not taxable in foreign entity	(2,760,452)	-
Super deductions for capital allowances	(1,510)	-
Other differences leading to an increase (decrease) in the tax charge	(62,942)	13,795
Foreign tax payments in excess of UK charges	-	13,322
Other foreign tax paid	2,639	60,139
<b>Total tax charge for the year</b>	<u>(122,974)</u>	<u>548,808</u>

**Factors that may affect future tax charges**

In March 2021, the Chancellor announced an increase in the corporation tax rate from 19% to 25% with effect from 1 April 2023.

LIDLAW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Exceptional items

	2021 \$	2020 \$
Penalty	400,000	1,500,000
Other operating costs	27,877,830	-
	<hr/>	<hr/>
Exceptional other operating charges	28,277,830	1,500,000
Other operating income	(38,277,907)	-
Bad debt provision	3,039,800	-

Subsequent to the year end, the Financial Industry Regulatory Authority (FINRA) conducted a compliance audit of a subsidiary company's accounting records and supervisory systems. Due to identifying certain non compliant events occurring, FINRA imposed a fine of \$400,000 in March 2023. The subsidiary has taken steps to correct their systems to ensure future compliance.

The Company loaned \$6,492,624 to Laidlaw Holdings Limited, at the year end the directors have assessed the recoverability of the loan and as a result of this assessment, provided against \$3,039,800 of the balance.

In 2021 and as discussed in the strategic report, the Company received distributions from Laidlaw Private Equity LLC. LPE is a passive Member of various external management companies owned by the investors involved in managing a family of special purpose funds focused on long-term private investments in venture-backed private companies. Certain funds held substantial positions in Airbnb Inc. and Palantir Technologies and were eligible for Carried Interest Allocations based on the Operating Agreements of the respective funds. As a matter of practice, the Carried Interest Allocations are paid in kind in the form of shares held by the respective funds which hold the shares that are liquid and eligible for distribution. LPE is eligible for percentage of such share distributions which it, in turn, allocates to the Trusts that own the parent company pursuant to the Articles of Association and any amendment thereto, and, at the discretion of management, to key employees and other members of the Laidlaw family of companies. The distributions received by LPE are not under the control of LPE and are viewed as non-recurring profit-sharing and, as such, are not treated as turnover in the traditional sense. LPE is not involved in the calculation or determination of such distributions, the explanation for which is reflected on the various Schedule K-1s which they receive from the respective funds.

LIDLAW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Intangible assets

Group

	Other intangibles \$
<b>Cost</b>	
At 1 January 2021	205,728
Additions	277,835
	<hr/>
At 31 December 2021	483,563
	<hr/>
<b>Amortisation</b>	
At 1 January 2021	12,786
Charge for the year on owned assets	41,377
	<hr/>
At 31 December 2021	54,163
	<hr/>
<b>Net book value</b>	
At 31 December 2021	<hr/> 429,400 <hr/>
<b>At 31 December 2020</b>	<hr/> 192,941 <hr/>

LIDLAW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Tangible fixed assets

Group

	Short-term leasehold improvement \$	Fixtures and fittings \$	Office equipment \$	Total \$
<b>Cost or valuation</b>				
At 1 January 2021	713,140	1,620,582	684,047	3,017,769
Additions	-	289,417	57,689	347,106
Disposals	(431,654)	(1,245,017)	(470,751)	(2,147,422)
At 31 December 2021	281,486	664,982	270,985	1,217,453
<b>Depreciation</b>				
At 1 January 2021	572,739	1,116,918	613,957	2,303,614
Charge for the year on owned assets	55,824	10,486	68,093	134,403
Charge for the year on financed assets	-	199,899	-	199,899
Disposals	(431,654)	(974,592)	(490,639)	(1,896,885)
At 31 December 2021	196,909	352,711	191,411	741,031
<b>Net book value</b>				
At 31 December 2021	84,577	312,271	79,574	476,422
<b>At 31 December 2020</b>	140,402	503,664	70,090	714,156

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 \$	2020 \$
Furniture, fittings and equipment	15,203	485,527

LIDLAW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Tangible fixed assets (continued)

Company

	Fixtures and fittings \$
<b>Cost or valuation</b>	
At 1 January 2021	-
Additions	257,968
	<hr/>
At 31 December 2021	257,968
	<hr/>
<b>Depreciation</b>	
At 1 January 2021	-
	<hr/>
At 31 December 2021	-
	<hr/>
<b>Net book value</b>	
At 31 December 2021	257,968
	<hr/>
At 31 December 2020	-
	<hr/>

17. Fixed asset investments

Group

	Unlisted investments \$
<b>Cost or valuation</b>	
At 1 January 2021	72,662
Revaluations	7,247
	<hr/>
At 31 December 2021	79,909
	<hr/>

**LIDLAW HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Company**

Investments in  
subsidiary  
companies  
\$

**Cost or valuation**

At 1 January 2021

4,410,133

At 31 December 2021

4,410,133

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Laidlaw & Company (UK) Limited	Auxiliary financial intermediary	Ordinary	100 %
Laidlaw & Company International Limited	Auxiliary financial intermediary	Ordinary	100 %
Laidlaw Wealth Management LLC	Financial Planning & Portfolio Management	Ordinary	100 %
Laidlaw Private Equity LLC	Auxiliary financial intermediary	Ordinary	100 %

The registered office for Laidlaw & Company (UK) Limited and Laidlaw & Company International Limited is Albany House, Claremont Lane, Esher, Surrey, KT10 9FQ.

The registered office for Laidlaw Wealth Management LLC and Laidlaw Private Equity LLC is 521 5th Avenue, 12th floor, New York, NY 10175.

LIDLAW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Debtors

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
<b>Due after more than one year</b>				
Other debtors	<u>1,803,963</u>	<u>808,847</u>	<u>629,610</u>	<u>629,610</u>
	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
<b>Due within one year</b>				
Trade debtors	331,420	2,011,834	-	-
Amounts owed by group undertakings	-	-	29,923	487,925
Other debtors	4,364,704	1,730,328	3,452,825	757,857
Prepayments and accrued income	563,118	778,169	-	-
	<u>5,259,242</u>	<u>4,520,331</u>	<u>3,482,748</u>	<u>1,245,782</u>

19. Current asset investments

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Listed investments	<u>1,220,073</u>	<u>71,049</u>	<u>515,611</u>	<u>67,411</u>

20. Cash and cash equivalents

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Cash at bank and in hand	2,926,676	2,905,355	390	448
Less: bank overdrafts	(88,819)	(56,075)	-	-
	<u>2,837,857</u>	<u>2,849,280</u>	<u>390</u>	<u>448</u>

**LIDLAW HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Bank overdrafts	88,819	56,075	-	-
Bank loans	82,255	2,000,000	82,255	2,000,000
Other loans	4,057,500	2,835,278	4,057,500	2,835,278
Trade creditors	752,454	524,122	257,968	-
Amounts owed to group undertakings	-	-	548,065	886,735
Corporation tax	6,114	454,051	-	-
Obligations under finance lease and hire purchase contracts	20,411	164,242	-	-
Other creditors	1,901,451	1,355,117	1,630,106	861,402
Accruals and deferred income	1,614,465	3,214,802	126,238	47,404
	<u>8,523,469</u>	<u>10,603,687</u>	<u>6,702,132</u>	<u>6,630,819</u>

The finance lease obligations are secured against the furniture and fittings provided to the Group.

The following liabilities were secured:

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Other loan	2,557,500	2,557,500	2,557,500	2,557,500
	<u>2,557,500</u>	<u>2,557,500</u>	<u>2,557,500</u>	<u>2,557,500</u>

Details of security provided:

The \$2,557,500 is secured against the public securities held by the Company.

**22. Creditors: Amounts falling due after more than one year**

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Bank loans	239,800	-	239,800	-
Net obligations under finance leases and hire purchase contracts	-	20,411	-	-
Other creditors	748,746	1,031,250	-	-
Accruals and deferred income	1,597,737	1,671,398	-	-
	<u>2,586,283</u>	<u>2,723,059</u>	<u>239,800</u>	<u>-</u>



LIDLAW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 \$	Group 2020 \$
Within one year	20,411	164,242
Between 1-5 years	-	20,411
	<u>20,411</u>	<u>184,653</u>

**24. Financial instruments**

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<u>4,146,749</u>	<u>2,976,404</u>	<u>516,059</u>	<u>67,859</u>
<b>Financial liabilities</b>				
Other financial liabilities measured at fair value through profit or loss	<u>88,819</u>	<u>56,075</u>	<u>-</u>	<u>-</u>

Financial assets measured at fair value through profit or loss comprise bank balances and current asset investments.

Other financial liabilities measured at fair value through profit and loss comprise the bank overdraft.

**25. Deferred taxation**

**Group**

	2021 \$	2020 \$
At beginning of year	(37,797)	143,444
Charged to profit or loss	37,797	(181,241)
<b>AT END OF YEAR</b>	<u>-</u>	<u>(37,797)</u>

LIDLAW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

25. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	Group 2021 \$	Group 2020 \$
Accelerated capital allowances	-	37,797

**LIDLAW HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**26. Share capital**

	2021 \$	2020 \$
<b>Allotted, called up and fully paid</b>		
2,550,020 (2020 - 2,550,020) Ordinary A shares of \$0.203740 each	519,541	519,541
2 (2020 - 2) Ordinary B shares of \$50,935.000000 each	101,870	101,870
1,027 (2020 - 1,180) Preferred shares of \$1,000.000000 each	1,027,000	1,180,000
	<u>1,648,411</u>	<u>1,801,411</u>

The Ordinary A and B shares carry voting rights, the preferred shares carry no voting rights.

The Ordinary A & B shares rank equally for dividend distribution apart from the Ordinary B shares shall from time to time be entitled to a dividend equivalent to 32% of backend interests in priority to Ordinary A shares.

The Preferred shares carry the right to convert into Ordinary A shares at a conversion price of \$750 per share. When there are profits available for distribution and resolved to be distributed, the preferred shares will receive a 6% dividend prior to dividends paid on ordinary shares.

During 2021 153 of the Preferred shares were redeemed and the capital redemption reserve increased by \$153,000.

**27. Reserves**

**Share premium account**

The share premium account comprises the amounts paid above and beyond the par value of the shares in issue.

**Capital redemption reserve**

This is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a Company's own shares.

**Foreign exchange reserve**

This reserve represents the cumulative exchange difference arising from converting the subsidiaries reported in pounds into dollars.

**Profit and loss account**

The profit and loss account comprises retained earnings to date.

**28. Analysis of net debt**

	At 1 January 2021 \$	Cash flows \$	At 31 December 2021 \$
Cash at bank and in hand	2,905,355	21,321	2,926,676
Bank overdrafts	(56,075)	(32,744)	(88,819)

**LAIDLAW HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**28. Analysis of net debt (continued)**

Debt due after 1 year	-	(239,800)	(239,800)
Debt due within 1 year	(4,835,278)	695,523	(4,139,755)
Finance leases	(184,654)	164,243	(20,411)
Liquid investments	71,049	1,149,024	1,220,073
	<u>(2,099,603)</u>	<u>1,757,567</u>	<u>(342,036)</u>

**29. Contingent liabilities**

The Group has been named as a defendant in a number of actions relating to its activities as a broker-dealer including civil actions and arbitration. From time to time, the Group is also involved in proceedings and investigations by self-regulatory organisations. Although the ultimate outcome of these matters involving the Group cannot be predicted with certainty, in the opinion of the Directors, the Group has meritorious defences to all such actions and intends to defend each of these actions vigorously. It is therefore the opinion of the Directors that the ultimate resolution of such actions will have no material adverse effect on the Group's financial condition.

**30. Commitments under operating leases**

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 \$	Group 2020 \$
Not later than 1 year	1,952,049	1,577,531
Later than 1 year and not later than 5 years	6,950,232	6,299,712
Later than 5 years	5,122,492	6,644,966
	<u>14,024,773</u>	<u>14,522,209</u>

**31. Transactions with directors**

At the year end a director of the Company had loaned the Company \$1,500,000 (2020 - \$Nil). The loan is interest free and repayable on demand.

**LIDLAW HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**32. Related party transactions**

The Company has taken advantage of FRS102 section 33 paragraph 1A not to disclose transactions

with wholly owned Group members.

During the year, loans of \$225,000 (2020 - \$85,000) were made to a director of a subsidiary. The loans were repayable on demand and interest free. \$52,500 was repaid during the year with the balance written off by the year end.

During the year, loans of \$785,575 (2020 - \$50,000) were made to a director of a subsidiary. The loans were repayable on demand and interest free. \$52,500 was repaid during the year with the balance written off by the year end.

At the year end a director of a subsidiary company had loaned the Company \$699,802 (2020 - \$211,402). The loan is interest free and repayable on demand.

A director of a subsidiary company has a loan balance owed by the Company of \$2,557,500 (2020 - \$2,557,500). The loan was repayable on the 18 December 2021, however the Company took the option to extend the loan for further 12 months. Interest is accruing at 6% and is repayable when the loan expires. The Director waived the interest accruing from the inception of the loan to 31 December 2021. The director also has an informal loan of \$650,000 loaned to the Company (2020 - \$650,000). This loan is repayable on demand and interest free.

During the year, the Company received \$1,311,017 from and made payments of \$7,060,284 to Laidlaw Holdings LLC, which is owned by two directors of a subsidiary company. At the year end the LLC owed the Company \$6,492,625 (2020 - \$743,357). A provision of \$3,039,800 has been made against the balance as at the year end. The loan is interest free and repayable on demand.

Compensation due to key management personnel totalled \$4,004,512 (2020 - \$2,022,640)

**LIDLAW HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**33. Post balance sheet events**

Due to identifying certain non compliant events occurring, FINRA imposed a fine of \$400,000 in March 2023. The subsidiary has taken steps to correct their systems to ensure future compliance

**34. Controlling party**

There is no ultimate controlling party.

The consolidated financial statements are available from Companies House at Crown Way, Cardiff, CF14

3UZ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.